



Montenegro

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Ministry of Economic Development

# Health Tourism Development Program of Montenegro 2021 - 2023 with an Action plan

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## List of abbreviations

AmCham – American Chamber of Commerce  
CCM – Clinical Center of Montenegro  
CEMNE – Chamber of Economy Montenegro  
CM – Community of municipalities  
DUP – Detailed urban plan  
EAM – Employment agency of Montenegro  
EBRD – European Bank for Reconstruction and Development  
EIO – European Integration Office  
EU – European Union  
FM UM – Faculty of Medicine, University of Montenegro  
FTHM UM – Faculty of Tourism and Hospitality Management, University of Montenegro  
GDP – Gross domestic product  
GSG – General Secretariat of the Government  
GUP – General urban plan  
HIFMNE – Health Insurance Fund of Montenegro  
HTDP – Health Tourism Development Program  
IDF – Investment and Development Fund  
IMF – International Monetary Fund  
IPH – Institute of Public Health  
ISM – Institute dr Simo Milosevic  
ISME – Institute for Standardization of Montenegro  
ISO - The International Organization for Standardization  
JCAHO - Joint Commission for Accreditation of Health Organizations  
JCI - Joint Commission International  
KP – Key priority  
LFC – Labor Force Survey  
LTO – Local Tourism organizations  
MAFWM - Ministry of Agriculture, Forestry and Water Management  
MAH – Medicinal and aromatic herbs  
MBA – Montenegro Business Alliance  
MCI – Ministry of Capital Investments  
MED – Ministry of Economic Development

MESCS - Ministry of Education, Science, Culture and Sports  
MESPU – Ministry of Ecology, Spatial Planning and Urbanism  
MFA – Ministry of Foreign Affairs  
MFIC – Montenegrin Foreign Investors' Council  
MFSW – Ministry of Finance and Social Welfare  
MH – Ministry of Health  
MONSTAT – Statistical office of Montenegro  
MTA – Montenegrin Tourist Association  
NCP - System of national contact persons  
NGA – Non-governmental association  
NIC – National Investment Commission  
NPM – National parks of Montenegro  
NSDS – National Sustainable Development Strategy  
NTO – National Tourism Organization  
OECD – Organization for Economic Cooperation and Development  
OO – Operational objective  
PC – Privatization Council  
PHI – Public health institution  
PI – Public institution  
SDG – Strategic development goals  
SEE – Southeast Europe  
SH – Special hospital  
SSL – State study location  
TDS – Tourism development strategy  
UE – Union of Employers  
UCG – University of Montenegro  
UN – United Nations  
UNDP – United Nations Development Program  
UNWTO – United Nations World Tourism Organization  
WB6 CIF - Western Balkans Chamber Investment Forum  
WBIF - Western Balkans Investment Framework  
WEF – World Economic Forum  
WHO – World Health Organization  
WTTC – World Tourism and Travel Council

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## 1. Introduction

According to the World Tourism and Travel Council (WTTC), the total contribution (direct and indirect) of tourism and travel to the Montenegrin economy, at the end of 2019 amounted to 1.58 billion euros, which is 32.10% of Montenegrin GDP. In addition, tourism and travel contribute to the Montenegrin economy with 66,900 jobs, which is a third of the total jobs in Montenegro and almost half in the private sector. These data clearly indicate the importance of tourism to the Montenegrin economy.

The Ministry of Economic Development has taken over the competencies over the tourism industry as one of the most important economic branches of Montenegro, from the former Ministry of Sustainable Development and Tourism (MSDT). As defined by the Montenegro Tourism Development Strategy To 2020 (TDS), health tourism is recognized as one of the types of tourism that can contribute to the diversification of the overall tourist offer of Montenegro, and make it a year-round tourist destination. However, health tourism still has not received a formal development strategy/program.

### 1.1. History and definition of health

The roots of Western medical science lie in the Hippocratic tradition, a system of medical thought and practice that was present as early as about 400 BC. Under this system, well-being or good health was defined as the result of a balance between environmental factors, such as winds, temperature, water, soil and food, and an individual's lifestyle. In this context, clinical practice "should have helped natural healing forces, and public health anticipated and controlled community health problems by understanding human needs."<sup>1 2</sup>.

In contrast to this approach, modern medicine is based on a mechanistic or Cartesian paradigm that emerged in the sixteenth century, which is based on the division of mind and body, as two separate entities. The body of all living beings is viewed as a huge mechanical machine that functions like a clock with great precision according to mathematical laws, and health science has adhered to this principle. Understanding these laws has enabled man to master and to some extent control nature. Modern medicine, with its indisputable achievements, but also great limitations - as well as the fundamental biomedical paradigm - is mainly based on the Cartesian view of the world.

The World Health Organization (WHO) has defined health as "***a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity***".<sup>3</sup> This definition of health was adopted in 1946 and has its legal force since April 7, 1948, and has not changed so far.

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<sup>1</sup> Ahmed, P.I. et al. Toward a new definition of health: an overview. In: Ahmed, P.I. & Coelho, G.V., ed. Toward a new definition of health. New York, Plenum Press, 1979.

<sup>2</sup> 11. Catalano, R. Health, behavior and the community. Oxford, Pergamon Press, 1979.

<sup>3</sup> <https://www.who.int/about/who-we-are/frequently-asked-questions>



There are several aspects of health such as<sup>4</sup>:

- Physical health - reflects the mechanical functioning of the body;
- Mental health - reflects the ability to think clearly and coherently;
- Emotional health - allows to recognize and adequately express emotions (joy, anger, enjoyment), which includes adequate response to stress;
- Social health - means the ability to establish and maintain social contacts with people;
- Community health - which emphasizes the unbreakable link between individual health and everything around us.

In a broader sense, health is seen as "a condition or quality of the human body that is expressed by the adequate functioning of the organism in a given genetic and environmental conditions", and in a narrower sense, health means<sup>4</sup>:

- absence of disease;
- that the person functions normally within generally accepted health standards in relation to gender, age and geographical area; and
- that human organs function adequately, both separately and within interpersonal relationships.

## 1.2. History and definition of tourism

Historically, tourism as a phenomenon can be recognized through several situations related to people's travels: the narrative of Marco Polo in the 13th century, then the "great tour" of the British aristocracy in Europe in the 18th century, and D. Livingston's travels through Africa 19th century. These are all examples of early tourism. The word tourism comes from the French word "tour" (Latin - "tornus"), which means travel, sightseeing, cruise, excursion, pleasure from traveling with a short stay in different places. The terms tourism and tourists were first officially used in 1937 by the League of Nations.

*Tourism is a social, cultural and economic phenomenon that involves the movement of people to countries or places outside their usual environment, for personal or business/professional purposes. These people are called tourists (they can be residents or non-residents), and tourism is related to their activities.*<sup>5</sup>

The definition of tourism must be accompanied by the definition of the tourist, as the main actor. The following is a definition of tourists from the Law on Tourism and Hospitality of Montenegro: "A tourist is a natural person who spends at least 24 hours outside his place of permanent residence or realizes at least one night, but not longer than one year without interruption, for rest, entertainment, leisure, sports and recreation, culture, religion,

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<sup>4</sup> Institute of Public Health of Vojvodina - <http://www.izjzv.org.rs/app/soc.katedra/Zdravljeifakorikojinanjegauticu.pdf>

<sup>5</sup> World Health Organization (WHO) - <https://www.unwto.org/glossary-tourism-terms>

ecology, conducting business communications, participating in sports competitions, cultural and artistic events, as well as for traveling by boat or other vessel."

In order to improve the definition of a tourist, in 1963 the United Nations (UN) also introduced the terms excursionist and temporary visitor. An excursionist is a person who does not stay in a place for more than 24 hours, while a temporary visitor is a person who stays in a place for more than 24 hours and less than a year.

### 1.3. History and definition of health tourism

The first forms of health tourism in which people traveled to receive medical care date back several thousand years before the new era when Greek pilgrims from all over the Mediterranean traveled to a small area in the Saronic Gulf, better known as Epidaurus. In ancient Rome, there were several spas and even more than 900 bathrooms, and the largest of them, Caracalino, could accommodate 3,200 people at once. Spas and sanatoriums can be considered as early forms of health tourism, and it is for this reason that many of today's spas are popular because of their long tradition.

At the beginning of the seventies of the last century, the term "*health tourism*" was defined for the first time. The then World Tourism Organization published a study called Health Tourism, in which it emphasized the connection between health and tourism and the importance of tourist travel for the preservation of all aspects of health.

Health tourism is a phenomenon in which citizens of one country, in addition to the services offered in their countries, travel to other destinations to obtain health care, mostly at lower costs than in their home countries. From the point of view of a health tourist, the main motive is travel for the purpose of improving health.

Today, health tourism is one of the fastest growing segments of the world's tourism offer. Not only demographic changes contribute to this, above all the aging of the so-called '*baby-boom*' generation which represents the largest consumer segment of today, but also general changes in social values within which increasing importance is attached to healthy lifestyles.

According to the definition of the World Health Organization (2015), health tourism is "*a complex economic activity in which an important place is occupied by professional and controlled use of natural healing potentials, physical medicine procedures and programmed physical activities to maintain and improve physical, mental and spiritual health of tourists, and also the quality of their lives*".

Over time, two groups of users have crystallized in relation to the way they meet their health and tourism needs. The first group are users of health tourism in a narrower sense, whose priority is the use of natural-healing resources, while the second group represents users of health tourism in a broader sense, where in addition to the basic health priority there is a motive for other activities – cultural-historical contents, traditional or some

specific programs, interesting extracurricular offers and other. Accordingly, in order to be able to form a complete offer in health tourism, it is necessary to meet the basic criteria:

- Attractive:
  - natural (climate, natural resources);
  - social (cultural and historical monuments, events, etc.);
- Communicative: Traffic infrastructure and means of transport;
- Receptive: Accommodation and catering facilities, entertainment and recreation, shops, various services, utilities and more (Freyer, 1988: 107).

Although the development of the health sector in any country is a major precondition for the provision of appropriate medical services, all countries must consider the development of other supporting segments in order to be competitive in the international market - primarily the development of tourism and travel services, as well as the development of others related parts of this complex system. The basis of health tourism is precisely its value chain, which consists of<sup>6</sup>: image, messages and information about the destination, making travel decisions, arrangement, reservation or independent organization, travel to the destination, reception and welcome, interpretation of the destination, receptive capacities, tourist attractions and content, infrastructure, space and experience, departure from the destination to the place of residence, experiences and impressions.

At the twenty-second session of the UNWTO<sup>7</sup> General Assembly held in Chengdu, China (September 2017), the following definitions of health tourism, medical tourism and wellness tourism were adopted as recommendations:

„Health tourism includes those types of tourism that have primary motivation, contribution to physical, mental and / or spiritual health, as well as medical and wellness activities that increase the capacity of individuals to meet their own needs and function better as individuals in their environments and society“.

Therefore, it can be concluded that health tourism is the main title for the subtypes of wellness tourism and medical tourism, which is presented in the following table.

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<sup>6</sup> Bakan, R. Tourism Value Chain, College of Tourism and Informatics Management in Virovitica

<sup>7</sup> The World Tourism Organization (UNWTO) is a specialized agency of the United Nations

**Table 1:**

*Division of health tourism*

Health tourism				
Wellness tourism			Medical tourism	
Holistic	Relaxation and recreation	Medical wellness	Therapeutic	Surgical
<ul style="list-style-type: none"> <li>spiritual</li> <li>yoga and meditation</li> <li>new age wellness</li> </ul>	<ul style="list-style-type: none"> <li>beauty treatments</li> <li>care treatments</li> <li>sports and fitness</li> </ul>	<ul style="list-style-type: none"> <li>therapeutic recreation</li> <li>rehabilitation (related to lifestyle)</li> <li>professional wellness</li> </ul>	<ul style="list-style-type: none"> <li>rehabilitation (related to illness)</li> <li>treatment and recovery</li> </ul>	<ul style="list-style-type: none"> <li>dental</li> <li>plastic and reconstructive surgery, operations</li> </ul>

According to the definition, and all of the above, we can distinguish three categories of users who meet their health needs through the segment of health tourism, and they are<sup>8</sup>: 1) *Users of traditional health tourism*; 2) *Users of wellness tourism*; and 3) *Users of medical tourism*.

The first group consists of users of traditional health tourism, which is closely related to environmental factors (healing properties of mineral waters, mud, waves, climate, etc.). Mentioned tourists come to destinations that are rich in these natural amenities, mainly for rehabilitation - if they have been diagnosed with a chronic disease, or often for prevention - to maintain and improve their health. This type of use of health services is an older form of health tourism.

Below is a table with forms of health tourism and providers of health tourism services, in order to better perceive the connection of all forms of health tourism.

**Table 2:**

*Connection of forms of health tourism with catering facilities and health institutions*

FACILITIES PROVIDING CATERING SERVICES		HEALTH INSTITUTIONS	
Wellness offer (hotels, spas, centers)	Natural spas		Clinics / Hospitals
	Spas	Special hospitals	
Holistic wellness Medical wellness	Holistic wellness Medical wellness Spa tourism	Medical wellness Spa tourism	Medical wellness
<b>Wellness tourism</b>			
<b>Spa tourism</b>			
			<b>Medical tourism</b>

<sup>8</sup> Zivanovic, S. (2015): Forms and trends of health tourism, University of Kragujevac, Faculty of Hospitality and Tourism

### 1.3.1. *The difference between wellness and medical tourism*

It is very important to emphasize that there is a clear difference between wellness and medical tourism. Namely, wellness tourism is often mistaken for medical tourism - not only by consumers, but also by those who manage the destination and marketing. Misidentification is caused by an incomplete understanding of the wellness market and inconsistent use of terminology by various stakeholders in tourism.

In fact, these two types of health tourism meet different consumer needs. Medical tourism primarily deals with the “poor health image” of patients traveling elsewhere for specific medical treatments or health improvements. Following the world trends, it is possible to single out several of the most common medical tourist procedures: cosmetic surgery, orthopedic surgery, cardiac surgery and dental procedures. Patients and their families are attracted by the availability, better quality and / or cost of care at destinations. Therefore, successful medical tourism depends on the status of the broader context of the country's medical sector, along with appropriate legislation, protection measures enjoyed by patients, training standards, insurance frameworks, travel and visa restrictions, and other issues.

On the other hand, wellness tourism attracts consumers who have different motives for coming compared to medical tourism. Wellness tourism attracts those consumers who are looking for activities and destinations that expand their wellness lifestyle and help them proactively maintain and improve their health and well-being. The attractiveness and success of wellness tourism depends on a completely different set of factors in relation to medical tourism, as well as different business models, primarily on the culture and way of thinking of clients and human resources, and is closely aligned with leisure, recreation and hospitality.

**Table 3:**

*The difference between wellness and medical tourism<sup>9</sup>*

Reactive	Proactive
<b>Medical tourism</b>	<b>Wellness tourism</b>
The path to treatment for a diagnosed disease, condition, or improvement.	Traveling to maintain, or improve health and well-being
The motive is better quality health service and care, better access to care and / or care that is not available at home, with lower costs and shorter waiting lists.	The motive is the desire for a healthy life, disease prevention, stress reduction, management and improvement of life habits and authentic experiences.
The activities are caused by diseases, they are medically necessary, invasive and supervised by a doctor.	The activities are proactive, voluntary, non-invasive and non-medical in nature.

<sup>9</sup> Global wellness institute, “Global wellness tourism economy”, November 2018

### 1.3.2. Wellness tourism

Wellness tourism, which takes place mostly in hotels and spas, is a type of organized tourism activity that aims to improve and balance all major spheres of human life, including physical, mental, emotional, professional, intellectual and spiritual. The primary motivation of wellness tourists is to practice preventive, proactive activities that improve lifestyle such as fitness, healthy eating, relaxation, massages and healing treatments. Therefore, the main purpose of wellness is the implementation of preventive programs, which in combination with the health approach, aim to preserve and raise the quality of health through multidisciplinary activities, under the supervision of professional staff.

Wellness is the relationship between all domains of life that must be viewed in a holistic, integrated and balanced way in order to achieve optimal results. Of course, this is extremely challenging and cannot easily happen in a short period of time. However, educational forms of wellness tourism are those in which doctors, spa therapists, counselors and other professionals, aim to teach tourists how to improve their lifestyle and live a better daily life.<sup>10</sup>

It is possible to define 7 dimensions<sup>11</sup>, through which a person can improve health through wellness tourism: physical, social, emotional, intellectual, professional, spiritual and ecological dimension.

According to the Global Wellness Summit, the definition of wellness is: *"Wellness is the active tendency of activities, choices and lifestyles that lead to a state of holistic health."*<sup>12</sup>

According to the same report, the global wellness economy consists of the following industries:

- Beauty and anti-aging;
- Complementary and alternative medicine;
- Healthy, nutritious diet and weight loss;
- Wellness real estate;
- Fitness, mind and body;
- Spa industry;
- Wellness tourism;
- Thermal / mineral springs;
- Preventive and personalized medicine and public health.

Two types of wellness can be distinguished: *medical wellness* and *holistic wellness*. Medical wellness implies organized implementation of health-preventive and curative programs for the purpose of disease prevention, and preservation and improvement of health with a multidisciplinary team that must include a doctor, but also other professional staff, ie. methods and procedures of medical wellness include methods of conventional, complementary and traditional medicine. Holistic wellness, on the other hand, encompasses other, diverse non-medical wellness offerings.<sup>13</sup>

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<sup>10</sup> World Tourism Organization and European Travel Commission (2018), Exploring Health Tourism, UNWTO, Madrid

<sup>11</sup> Gračanin, M.(2010): Wellness in health tourism of Croatia, EFZG

<sup>12</sup> Global Wellness Institute (2017), Global Wellness Economy Monitor, GWI, Miami

<sup>13</sup> Institute of Tourism of the Republic of Croatia

Another definition of wellness comes from the Finnish Tourist Board: *“Wellness, above all, includes the high quality of the place, the atmosphere, the services, the products and the professional staff. It stimulates all the senses in an aesthetic environment. The wellness product is well planned, segmented, marketed and implemented as a special product, which also includes a touch of luxury.”*<sup>14</sup>

Guests who use the products of wellness tourism spend 53% more than "ordinary" tourists and they are divided into two categories: primary and secondary. The primary guests are those who come to the destination exclusively for the wellness offer; secondary are those who use the products of wellness tourism during any trip. Secondary guests have the largest share in wellness tourism: 89% of travel and 86% of costs (data for 2017). Observed globally, domestic travel accounts for 82% of total wellness travel and 65% of consumption. International wellness trips represent a proportionally higher share of consumption, as the average level of spending for international travel is much higher. International wellness tourist trips are also growing at a faster pace (12% per year) than domestic wellness tourist trips (9% per year) compared to 2015-2017.<sup>15</sup>

### *1.3.3. Medical tourism*

„Medical tourism is a type of tourism activity that involves the use of evidence-based medical resources and services (invasive and non-invasive). It includes surgical, dental, cosmetic, psychiatric and other medical interventions that accompany the services of constant care, nursing and recovery.<sup>16</sup>“ The strongest motivating factor for tourists who consume this type of tourism is the best overall health service (reception, treatment, care and recovery), which in many cases is accompanied by lower costs, shorter waiting lists, with faster intervention and the lack of quality complete service in the home country.

Although two subcategories of health tourism (wellness and medical tourism) were defined at the beginning, **spa tourism** can also be found in the literature, as a separate category of health tourism. Spa tourism implies professional and controlled use of natural healing resources and physical therapy procedures in order to preserve and improve health. The emphasis is on the revitalization of human psycho-physical abilities in climatic, marine and thermal destinations / spas, through special recovery programs, balanced diet and the like.<sup>17</sup>

In addition to the basic differences between the definitions of wellness and medical tourism, the basic difference can be made on the basis of the following individual characteristics:

- A wellness tourist is a person who is generally healthy, while a medical tourist is a person who has certain health problems;

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<sup>14</sup> Konu, H. (2014)

<sup>15</sup> Global Wellness Tourism Economy, November 2018, Global wellness industry

<sup>16</sup> World Tourism Organization and European Travel Commission (2018), Exploring Health Tourism – Executive Summary, UNWTO, Madrid

<sup>17</sup> Institute of Tourism of the Republic of Croatia

- The medical tourist seeks more favorable medical services, services of higher quality or different type than in the place where he lives, while on the other hand the wellness tourist has an interest in maintaining and improving health and well-being and disease prevention, as well as an interest in a different way of life, where hedonism is one of the basic characteristics;
- A medical tourist opts for a hospital, clinic or other medical institution with qualified and professional medical staff. Surgical or other medical interventions, plastic surgery services, cosmetic treatments, dental services and many other services are usually required. Wellness tourists opt for wellness and spa center and resort, thermal / mineral baths, with massages, fitness, meditations, yoga, and other relaxation treatments.

In addition to all this, all tourists certainly expect, in addition to the required specific services, additional activities such as organized sightseeing, as well as getting acquainted with the tradition and culture of the area in which they arrived. Wellness tourists often expect different types of adventures, such as safaris, horseback riding, snow and water skiing and the like.

#### 1.4. List of health tourism products

Health tourism is based on a wide range of complementary products, which have their own specifics. The number of health tourism products is quite large, for the simple reason that for each activity in a short period of time a new niche product is defined, which is usually included in the package with other health products and other types of tourism.

Following the basic division of health tourism into medical and wellness tourism, the products are grouped into these two categories, and are shown in the following table.

**Table 4:**

*List of health tourism products*

Product category	Individual products	
Medical tourism	<ul style="list-style-type: none"> <li>• Dentistry</li> <li>• Surgery</li> <li>• Reproductive medicine: in vitro fertilization, couple health, support services</li> <li>• Oncology</li> </ul>	<ul style="list-style-type: none"> <li>• Sports medicine</li> <li>• Psychology and psychiatry</li> <li>• Diagnosis</li> <li>• Therapies and other products</li> </ul>
Wellness tourism	<ul style="list-style-type: none"> <li>• Special treatments: Healthy diet, detox, yoga, massages, walks, exercise and fitness, meditation</li> <li>• Natural cosmetics, medicinal herbs, medicinal mud</li> </ul>	<ul style="list-style-type: none"> <li>• Counseling and workshops</li> <li>• Company “retreat”</li> <li>• Other products</li> </ul>
Spa tourism	<ul style="list-style-type: none"> <li>• Prevention programs</li> <li>• Rehabilitation and therapies</li> </ul>	<ul style="list-style-type: none"> <li>• Programs specifically designed for recovery from COVID19</li> <li>• Other products</li> </ul>



## 1.5. The value of the health tourism market

It is extremely difficult to assess the value of the health tourism market, primarily due to methodological problems caused by different definitions of health tourism, which ultimately results in incomparable and therefore unreliable data. According to some estimates, health tourism generates from 45.50 billion to 72 billion US dollars on medical tourism (Patients outside borders) or 100 billion USD (Medical tourism association). Depending on the source, estimates of the value of the medical tourism market vary widely.<sup>18</sup>

### 1.5.1 The value of the health tourism market in the EU

According to the data from the study "Research for TRAN Committee - Health tourism in the EU: a general investigation"<sup>19</sup> in 28 EU member states, in 2014 56 million domestic and 5.10 million international trips were recorded. The share of health tourism on these trips is small and amounts to 4.30% of all arrivals. Only 5.80% of all domestic arrivals and only 1.10% of all international arrivals are trips in the health tourism segment. Revenues from health tourism amount to around 47 billion euros, representing 4.6% of total tourism revenues and 0.33% of EU28 GDP.

In addition, it is important to emphasize that health tourism differs from tourism in the traditional sense, in the domain of less seasonality, which is very important for a destination such as Montenegro, which is a destination with extremely pronounced seasonality.

### 1.5.2 Health tourism market in Montenegro

In Montenegro, apart from the data on the number of tourist arrivals and overnight stays published by Monstat, there are no other statistical data that can serve the purposes of the Health Tourism Development Program, and we can only talk about estimates. In addition, there are certain challenges for the collection of Monstat data regarding the data of arrivals and overnight stays of tourists in individual accommodation, which are submitted in the first quarter of next year and relate to the current year.

If the data from the EU survey from the previous point were applied (4.60% of the revenue from total tourism), Montenegro annually records EUR 50.60 million in revenues from health tourism. However, a more realistic estimate would be that revenues from health tourism amount to 0.33% of GDP. As the GDP of Montenegro amounted to 4.90 billion euros at the end of 2019, revenues from health tourism are estimated at 16.17 million euros.

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<sup>18</sup> Patients beyond Borders (2016), Medical Tourism Statistics and Facts

<sup>19</sup> Mainil, T, Eijgelaar, E, Klijs, J, Nawijn, J, Peeters, P, 2017, Research for TRAN Committee – Health tourism in the EU: a general investigation, European Parliament, Policy Department for Structural and Cohesion Policies, Brussels

## 2. Business analysis

### 2.1. Global economic trends until 2019 (before the COVID-19 pandemic)

In the period until 2019, on the global scene, there is an evident slowdown in world economic activity caused by various factors, primarily trade relations between the two largest world economies, the United States and China, which account for about 40% of world GDP. The outlook for global economic growth and global trade growth is less favorable and uncertain than projected in the European Commission's 2019 spring report, although extremely strong flows in labor markets around the world, with still high consumer confidence, make private consumption the main accelerator of economic growth. Historically low financing costs open the space for strengthening economic growth, through strengthening state investments, where there is fiscal space.

The European Commission estimated the growth rate of the world economy in 2019 at 2.9%, while in 2020 the growth of 3% was originally projected.

The International Monetary Fund (IMF) also estimated that increased tariff tariffs between the United States and China would cumulatively reduce the level of world GDP by about 0.80 percentage points by the end of 2020. In 2020, according to the IMF, world economic growth was expected to accelerate to 3.40%, which is 0.2 percentage points lower than the April projection, mainly due to the recovery of large economies in expansion and development such as Latin America and the Middle East, as well as stronger growth dynamics of European countries in expansion and development.

Year 2018 was the year of the strongest economic growth in the last decade in the Western Balkans region, with an average growth rate of 3.90%. According to the World Bank report from 2018, the economic activity of the region in the next three-year period should have recorded an average growth rate of 3.50%, with a slightly more moderate rate of 3.2% in 2019 due to a slowdown in investment activity and lower contribution of net exports, while growth in 2020 and accelerate to 3.60% and 3.80% in 2021, respectively, with the composition of growth varying by country.

Rising global trade tensions and crude oil price volatility could further intensify external risks.

### 2.2. Economic trends in Montenegro until 2019 (before the COVID-19 pandemic)

After a high real growth of 5.10% in 2018, the Montenegrin economy achieved a real growth of 4.10% in 2019, which was above the expectations and projections of the Government of Montenegro and relevant international organizations. Significant growth in activity was recorded in the construction sector, as well as in the tourism, trade and most modes of transport. Industrial production recorded a decline in the manufacturing and electricity, gas and steam supply sectors, while the ore and stone extraction sector grew. The components

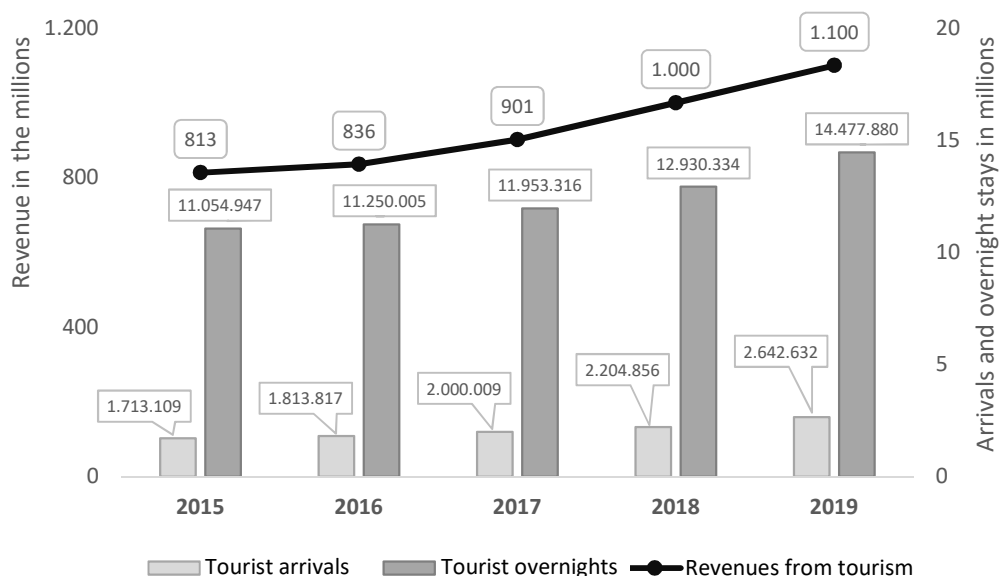
of GDP on the consumption side show that the largest positive contribution to growth was made by household consumption (3.40 pp) and exports of goods and services (3.00 pp), while imports of goods and services "took away" growth by 3.30 percentage points. The growth of private consumption is the result of high employment growth, growth of lending to the domestic population as well as an increase in income from tourism. Exports of goods and services are driven by strong growth rates in exports of services, primarily in the tourism and transport sectors, as well as moderate growth in exports of goods<sup>20</sup>.

According to the available data, in 2019 Montenegro (in all types of accommodation: collective and individual) was visited by 19,85% more tourists and realized 11,97% more overnight stays, compared to 2018. The growth of tourist traffic is the result of continuous investment in accommodation capacities and improvement of supporting infrastructure, as well as an increasing number of direct air connections with existing and new emitting markets.

Below is a graphic presentation of tourist arrivals and overnight stays in Montenegro, in the period 2015-2019.

**Graph 1:**

*Five-year graphic presentation of tourist arrivals and overnight stays in Montenegro, as well as a presentation of realized revenues from travel-tourism*



During 2019, most modes of transport recorded growth. Transport of goods in road and rail transport increased by 9.40% and 17.10%, respectively, the transport of goods in ports increased by 4.50%, while the passengers transport at airports increased by 8.1% compared to 2018. Revenues from tourism in 2019 are higher by 9.70% compared to the previous year.

<sup>20</sup> Economic Reform Program for Montenegro 2020 – 2022

Despite rising employment, a slight increase in wages and rising food prices, inflation in 2019 is lower than planned. The fall in oil prices on the world market contributed to that, along with the redefining of the excise policy on tobacco products.

According to administrative data from Monstat, the number of employees in 2019 is higher by 7.10% compared to 2018. The growth of the number of employees in 2019 was recorded in sixteen of the nineteen sectors, with the highest growth recorded in the sector of professional, scientific and technical activities (19.90%), and the lowest in the sector of mining and quarrying (1.30%). On the other hand, the average number of unemployed persons in 2019 was 36,693 and is lower by 15.90% compared to 2018.

The Labor Force Survey (LFS) for 2019 showed that strong positive trends continue, so the average unemployment rate was 15.1%, while the average labor market activity rate is higher by 1.40 percentage points compared to the previous year, and amounted to a record high 57.40%. The average number of employees according to the LFS for 2019 was 243,800 and it was higher by 2.70% compared to 2018. On the other hand, according to data from four quarterly surveys conducted in 2019, the number of unemployed persons in 2019 compared to the previous year increased by 2.10%, and amounted to 43,400.

The average gross salary for the 2019 amounted to 773.00 euros and was higher by 0.92%, while the average salary without taxes and contributions (net) was 515.00 euros with an increase of 0.80%, compared to the same period 2018.

In 2019, the current account deficit amounted to € 744.20 million and was 6.20% lower compared to the last year. The deficit on the goods account amounted to € 2.065 billion or 0.80% more due to the increase in imports of goods, compared to 2018. Total exports of goods amounted to € 465.60 million, which is an increase of 6.80% compared to 2018. The largest impact on export growth was the increase in exports of other finished products, road vehicles, cork and wood, medical and pharmaceutical products, as well as meat and meat processing. Total imports of goods amounted to € 2.531 billion and were 1.84% higher than in 2018, mainly due to increased imports of electricity, medical and pharmaceutical products, furniture and parts as well as special machinery and non-metallic mineral products.

When it comes to the services account in 2019, a surplus of € 1.020 billion was realized, which is 8.93% more than in the previous year. Total revenues from services amounted to € 1.70 billion or 8.60% more than in 2018, while expenditures amounted to € 677.60 million (growth of 8.10%). Estimated revenues from travel-tourism in 2019 amounted to 1.10 billion euros and were higher by 9,70% than in 2018.

### 2.3. Analysis of macroeconomic trends and structural reforms - 2020<sup>21</sup>

The global economic scene has begun to show signs of slowing since the beginning of 2020, with the outlook being relatively optimistic about faster growth over the next medium term, with risks of reaching trade agreements and reducing social and political tensions around the world.

The European Commission, the International Monetary Fund and the World Bank had a rough consensus on the real growth of the world economy of about 3% in 2020. However, the emergence of the new pandemic COVID-19 in PR China, and then around the world, originally in Europe, heightened uncertainty based on the movement of global economic activity. Certain preventive measures followed in order to suppress the epidemic in the beginning and not to have strong adverse effects on public health and national economies. However, the declaration of a global pandemic that followed in early March 2020 seriously shook the global economic order. Part of the real economy has experienced a major stalemate, global aggregate demand has been drastically reduced, transport routes and supply chains have been temporarily disrupted, while financial markets have followed developments and reacted with huge investor distrust and enormous declines in stock indices around the world. This was followed by a fall in the prices of many primary products and raw materials, of which a significant high fall in crude oil prices on world market, which followed not only as a direct consequence of lower demand due to the new situation, but also a complex regional geopolitical scene. Russia tried to measure its strength in oil production, opening a price war with a significant increase in crude oil reserves.

The decline of the Montenegrin economy in 2020, which was caused by the COVID-19 pandemic, according to preliminary data from the Ministry of Finance and Social Welfare, is 15.30%.

### 2.4. The Impact of the Covid-19 Pandemic on development of the Program

Although Annex I of this Program shows the detailed impact of the pandemic on both the global and Montenegrin economy, as well as the measures taken by the Government of Montenegro to facilitate the functioning of the economy, this section provides a brief overview of the impact of the pandemic on the development of the Health tourism development program.

The pandemic impact was primarily present when the deadline for completion of the Program was delayed, precisely because of the unpredictability of the impact and the duration of the pandemic. On the other hand, postponing the deadline for completion of the Program shortened the period covered by the Program (2021-2023). In addition, all objectives, priorities and activities defined by this Program have been adapted to the pandemic circumstances, and therefore they are more cautiously set than were the preliminary plans of the authors of this document. Despite this approach, the end of the

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<sup>21</sup> Ministry of Finance, July 2020

pandemic is still not in sight, which logically leaves room for additional impact of the pandemic on all economic activities, as well as the activities of institutions covered by the Action Plan under this Program.

### 3. Analysis of the current situation and the achieved level of development of health tourism in Montenegro

As tourism increasingly justifies the role of a strategic industry in Montenegro from year to year, it is logical to conclude that health tourism can also play a very important role in the development of the overall tourism product of Montenegro. Successful development of tourism has a multiplier effect on other industries - agriculture, construction, trade, transport and other activities. In addition, the improvement of the level of competitiveness in the international tourism market is achieved through the originality and quality of certain segments of the offer, which in general health tourism really has.

The specifics of Montenegro are, among other things, characteristics that are reflected in a favorable geographical position, and numerous natural and cultural diversity located in a relatively small area, so that most attractive locations can be visited in one day, make the tourist product of Montenegro extremely competitive.

According to the data from the document "Sustainable and Health Tourism: Results of the Entrepreneurial Discovery Process"<sup>22</sup> published by the former Ministry of Science of Montenegro in 2018, the attractiveness of Montenegro is reflected in the fact that only 190 kilometers of airlines between the two most remote points of our country are the Mediterranean and continental climate, 40 lakes - including the largest in the Balkans, 2,883 plant species (25% of European flora in 0.14% of Europe territory), 5 national parks, a rainforest, a river with the deepest canyon in Europe, the only fjord in the Mediterranean.

This means that tourists can be provided with a unique experience through a combination of various factors such as climate, relief, flora and fauna, which due to their attractiveness and healing properties are a strong incentive for tourist travel. The beneficial effect of the sea climate in all seasons, staying at an altitude of 500-1,000 m and above, with a favorable, calming effect on people with neuroses, anemia, respiratory diseases, allergies, convalescents, indicates the need for optimal use of the natural environment in Montenegro (UNESCO).

In addition, as stated in the Smart Specialization Strategy of Montenegro 2019-2024<sup>23</sup>, health tourism can in one relatively short time become one of the leading tourism products of Montenegro, especially taking into account the above comparative and competitive advantages. In addition to all the above, the prices of health services in Montenegro are

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<sup>22</sup> <https://www.gov.me/ResourceManager/FileDownload.aspx?rId=330139&rType=2>

<sup>23</sup> <https://mna.gov.me/ResourceManager/FileDownload.aspx?rId=395934&rType=2>

relatively lower compared to Western European countries and a number of Balkan countries, which makes them extremely competitive. It is important to point out that the Health Insurance Fund of Montenegro has concluded agreements on the provision of health services with 23 European countries. Of special importance is the fact that the Montenegrin health system advanced by 9 places in 2017, based on the report of the European Health Consumer Index, and that it is on the 25th place in Europe.

Montenegro with its geographical position, numerous natural tourist attractions, rich cultural heritage and developed offer in the segment of rehabilitation, as well as partly in the field of dentistry, has all the conditions to become an internationally recognized destination of health tourism in certain segments. Tourism and health are the basic pillars on which sustainable development rests, and the cooperation of the tourism and health sector in Montenegro enables the achievement of a synergy effect for the improvement of health tourism, but also the year-round tourist offer.

Within the mentioned Strategy, two goals have been defined:

- Introduction of innovative business models and services in the field of sustainable and health tourism, and
- Application and strengthening of international quality standards for medical services.

In addition to the goals, focus areas and technologies have been singled out, which should ensure sustainable growth and development of the health tourism sector in the coming period.

Also, within the Recommendations for further development of health tourism in Montenegro<sup>24</sup>, it is stated that in relation to the international market, the product of health tourism in Montenegro is "outdated" and that a new vision of development based on market bases should be set. This means that existing products are restructured and adapted to the modern market with a new concept. Thus, the success of health tourism in the international market depends on its capacity to meet the requirements of the modern guest and offer internationally competitive products.

There are several limiting factors to creating a competitive health tourism offer:

- When it comes to markets outside Southeast Europe (SEE), the road / time connection of Montenegro is a limiting factor for the development of a single offer. For the markets within SEE, we can say that there is a certain potential when it comes to demand, generated by guests who come independently by their own transport;
- According to the currently achieved level of competitiveness in the development of products in the field of health tourism, Montenegro can hardly compete with already

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<sup>24</sup> Author prof. Vasilije Vlatko Stijepovic, January 2017

developed and profiled tourist destinations in the wider region (Hungary, Austria, Slovenia, Slovakia, Croatia, etc.);

- Therefore, for the international commercialization of products in the field of health tourism, significant investments and product development with the correct market concept, and repositioning on the market and building a new image in health tourism are necessary;

In this sense, and taking into account the currently achieved level of services in health tourism in relation to international standards, the emphasis should be placed on raising the level of its competitiveness.

### 3.1. Analysis of the existing strategic, institutional and legislative framework

The following is an overview of the institutional framework.

**Table 5:**

*Review of the institutional framework<sup>25</sup>*

Business associations	Chamber of Commerce of Montenegro, Union of Employers of Montenegro, Montenegro Business Alliance (MBA), Medical Chamber of Montenegro, Pharmaceutical Chamber of Montenegro, Dental Chamber of Montenegro, Chamber of Physiotherapists of Montenegro
Public institutions	Ministry of Health, Ministry of Ecology, Spatial Planning and Urbanism, Ministry of Education, Science, Culture and Sports, Ministry of Agriculture, Forestry and Water Management, Ministry of Finance and Social Welfare, Ministry of Economic Development, National Tourist Organization of Montenegro, Local Tourist Organizations of Montenegro, PE Marine Property, PE National Parks, PE Ski Resorts of Montenegro, Institute of Public Health of Montenegro; Institute for Standardization of Montenegro, Clinical Center of Montenegro; Montenegrin Agency for Medicines and Medical Devices; GH "Danilo I" Cetinje; Public institution for accommodation, rehabilitation and resocialization of users of psychoactive substances Podgorica; Center for Autism, Developmental Disabilities and Child Psychiatry "Ognjen Rakocevic"; Montepharma Public Pharmacy Institution, Investment and Development Fund, Secretariat for Development Projects
Scientific and educational institutions	Montenegrin Academy of Sciences and Arts, University of Montenegro, Adriatic University, University of Donja Gorica, University of the Mediterranean
Civilian sector	Montenegrin Tourist Association (MTA), Montenegrin Foreign Investors Council, American Chamber of Commerce, Union of Employers of Montenegro

<sup>25</sup> Source (with changes in the names of ministries, in accordance with the changes): Sustainable and health tourism, Results of the process of entrepreneurial discovery - Ministry of Science (2018) - <https://mna.gov.me/ResourceManager/FileDownload.aspx?rid=330139&rType=2&file=EDP%20-%20Odrz%CB%87ivi%20i%20zdravstveni%20turizam%20-%2018.septembarKonferencija.pdf>



### 3.1.1. Work program of the Government of Montenegro for 2021

Health Tourism Development Program (HTDP) relies on the following key priorities and goals of the Government in 2021:

**Table 6:**

*Key priorities and objectives of the Program of the Government for 2021 on which Health Tourism Development Program of Montenegro 2021-2023 relies*

KEY PRIORITY	OBJECTIVE
KP 2: Healthy finances and economic development	OBJECTIVE 2.4: Increase support for maintaining liquidity of economic entities OBJECTIVE 2.7: Improving the regulatory framework in the field of state property management OBJECTIVE 2.9: Improving the regulatory framework in the field of real estate records OBJECTIVE 2.15: Reducing the negative effects of the Covid-19 pandemic on the tourism and hospitality sector OBJECTIVE 2.16: Reduction of negative consequences caused by business disruption and support to vulnerable activities, employees in self-isolation and paid leave for child care OBJECTIVE 2.20: Improving the functioning of the labor market OBJECTIVE 2.24: Improving business conditions and promoting economic activity at the state and local level OBJECTIVE 2.28: Encouraging economic growth through the effective use of intellectual property and improving the patent development system in Montenegro OBJECTIVE 2.29: Increasing the visibility and recognizability of Montenegro on the international market while strengthening the national brand OBJECTIVE 2.32: Improving the standardization system in Montenegro
KP 3: Health and healthy environment	OBJECTIVE 3.1: Improving the epidemiological protection of citizens from COVID-19 OBJECTIVE 3.21: Creating preconditions for efficient space management OBJECTIVE 3.22: Strengthening the capacity of Montenegrin institutions for cooperation with the Green Climate Fund
OPM 4: Education and knowledge-based society	OBJECTIVE 4.4: Improving lifelong career guidance and counseling OBJECTIVE 4.9: Improving the national innovation system and investing in innovation OBJECTIVE 4.10: Improving the implementation of the Smart Specialization Strategy 2019-2024
KP 5: Digital transformation	OBJECTIVE 5.6: Establishing digital health solutions

### 3.1.2. Law on Tourism and Hospitality

Law on Tourism and Hospitality<sup>26</sup> regulates the conditions for performing tourist and catering activities and other issues of importance for tourism and catering. Within Chapter VII "Tourist services in health tourism", Article 56 of this Law defines the term health tourism, so it has the following meaning: "**Health tourism is the provision of health services**

<sup>26</sup> <https://www.paragraf.me/propisi-crnegore/zakon-o-turizmu-i-ugostiteljstvu.html> (Official Gazette of Montenegro, 2/18, 4/18, 13/18, 25/19, 67/19 – other law and 76/20)

***in natural spas where the stay of users of these services is organized, for disease prevention, treatment and rehabilitation<sup>27</sup>“.***

This Law also prescribes the minimum technical requirements that must be met in order to perform the activity of health tourism, and they include:

- the existence of appropriate staff;
- existence of facilities and devices for the use of natural healing factor;
- the existence of facilities for accommodation and stay of service users, especially patients with physical disabilities, while more detailed conditions for the provision of health tourism services are prescribed by the Ministry of Health, and they are contained in the Rulebook on detailed conditions for health care in hospitals and spas<sup>28</sup>.

### ***3.1.3. Law on Health Care***

In accordance with the Law on Health Care<sup>29</sup>, health care activities are performed by health care institutions, health care workers and health care associates, as well as other entities that provide health care, in accordance with this law. Article 22 of the Law defines that a health institution can also perform aesthetic minimally invasive non-surgical methods of "antiage" of head and neck medicine. More detailed conditions regarding the space, staff and medical-technical equipment for performing the mentioned activities are prescribed by the Ministry of Health, however, the Rulebook has not been enacted yet.

Furthermore, also within Article 22 of the same Law, it is stated that aesthetic minimally invasive non-surgical methods of "antiage" of head and neck medicine may be performed by a health institution that is licensed to use new health technology in accordance with Article 128 of this Law. Article 128 prescribes that at the request of a health institution, and based on the opinion of the Commission for the Assessment of Health Technologies, the Ministry of Health shall issue a permit for the use of new health technology by a decision. New health technologies mean health technologies that are introduced for the first time in a health institution, at a certain level of health care, as well as health technologies that are used for the first time by a certain health institution.

The Sectoral Law in the field of health care, ie Article 52 of the Law on Health Care recognizes that health care activities, in addition to other entities, in accordance with this law, can also be performed by catering facilities for persons employed, ie located in them. Additionally, Article 55 of this Law stipulates that catering facilities may organize the

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<sup>27</sup> Here it is useful to point out the definition of health tourism offered by the World Health Organization, according to which health tourism is a complex economic activity in which an important place is occupied by professional and controlled use of natural healing potentials, physical medicine procedures and programmed physical activities to maintain and improve physical, mental and spiritual health of tourists, and improving the quality of their lives.

<sup>28</sup> <https://komorafizioterapeuta.me/wp-content/uploads/2017/07/Pravilnik-o-bli%C5%BEim-uslovima-za-obavljanje-zdravstvene-djelatnosti-u-bolnicama.pdf>

<sup>29</sup> <https://www.paragraf.me/propisi-crnegore/zakon-o-zdravstvenoj-zastiti.html> "Official Gazette of Montenegro", 3/16, 39/16, 2/17, 44/18, 24/19 – other law, 24/19 – other law, 82/20 and 8/21

provision of health care through dispensaries, polyclinics, for persons accommodated in them.

However, Article 98 of this Law stipulates that a health worker and a health associate, employed full-time in a health institution founded by the state or municipality, may not perform additional work in catering facility that performs health activities.

The Rulebook on detailed conditions regarding standards, norms and the manner of achieving primary health care through a selected team of doctors or a selected doctor<sup>30</sup>, prescribes general provisions and conditions, as well as special conditions that these health units must meet. The chosen team of doctors or the chosen doctor provides health care in the outpatient clinic, independently or within the health center. The Rulebook stipulates special conditions that must be met for:

- Ambulances (selected doctor for children and adults, selected doctor for women - gynecologist, dentist, doctor specialist in orthodontics and dental laboratory);
- Support Centers (for lung diseases and tb, for diagnosis, for mental health, for children with special needs, for prevention, day center);
- Units for patronage, primary level physical therapy and medical transport;

Also, the rulebook defines the time norm, ie the time duration in minutes for individual services, as well as their content. The way of achieving health care is also described.

#### *3.1.4. Law on Compulsory Health Insurance*

From the aspect of health insurance, the Law on Compulsory Health Insurance<sup>31</sup> regulates the rights from compulsory health insurance and realization of those rights, financing of compulsory health insurance, supplementary health insurance, contracting health care with health care providers, as well as other issues important for exercising health insurance rights.

From the aspect of health insurance of foreigners<sup>32</sup>, Article 6 of this Law stipulates that foreigners receive health insurance on the basis of: special agreements and agreements on international technical cooperation; employment with international organizations and institutions and other foreign legal and natural persons, unless otherwise is provided by an international agreement, or if they are not insured under the regulations of another state; on the basis of employment with foreign diplomatic and consular missions, if such insurance is provided by an international agreement; if they have a permanent residence in Montenegro and receive a pension or other benefit exclusively from a foreign insurance

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<sup>30</sup> Official Gazette of Montenegro ", No. 10 of 15 February 2008, 1/12, 64/17 -

<https://mzd.gov.me/ResourceManager/FileDownload.aspx?rid=222998&rType=2&file=Pravilnik%20o%20bli%C5%BEim%20uslovima%20u%20pogledu%20standarda.%20normativa%20i%20na%C4%8Dina%20ostvarivanja%20primarne%20zdr%20za%C5%A1tite%20preko%20ITD%20ili%20ID.pdf&alphabet=cyr>

<sup>31</sup> <https://www.paragraf.me/propisi-crnegore/zakon-o-zdravstvenom-osiguranju.html> , Official Gazette of Montenegro, 006/16 from 22.01.2016, 002/17 from 10.01.2017

<sup>32</sup> "Foreigner is a citizen of another state or a stateless person", Article 5 of the Law on Compulsory Health Insurance.

carrier, unless otherwise is stipulated by an international agreement; if they have an approved permanent residence in Montenegro and perform activities on the basis of a work contract, ie activities on the basis of an author's contract, as well as activities on the basis of other contracts on the basis of which they receive compensation for the work performed.

A foreigner acquires the status of an insured person by registering in the register of insured persons of the Health Insurance Fund of Montenegro and if he has an approved permanent residence in Montenegro, and is not insured on any of the above grounds or pursuant to Article 9 of listed Law.

### *3.1.5. Montenegro Tourism Development Strategy to 2020*

Montenegro Tourism Development Strategy to 2020 clearly defines the goals that must be achieved in order that the Montenegrin tourist offer can follow international development and be competitive on the international market. Achieving the goals requires time and significant investments in order to focus on the development of tourism in Montenegro.

Some of the basic principles on which the Strategy of development of Montenegrin tourism is based are emphasizing the comparative advantages of Montenegro, differentiation of regions, standardization of services according to international standards, individualization of the offer and differentiation of the offer of each tourist complex. The strategy envisages an increase in hotel accommodation capacity to 100,000 beds in 2020, while striving for international standards of hotel units that will meet the complex requirements of guests from Western and Central Europe. It is also predicted that the number of overnight stays will increase to 20.9 million by 2020. It is planned that a significant number of new jobs will be created directly or indirectly on the basis of tourism.

The Health Tourism Development Program of Montenegro follows the strategic guidelines set out in the above documents, and is complementary to the objectives, as well as the measures that accompany the operational objectives:

- Creation of special tourist and accompanying infrastructure in the direction of achieving the strategic goal,
- Montenegro to form a single sales offer,
- Montenegro is known and accepted as a "w h o l e y e a r" tourist destination,
- The institutional and legal framework meets the requirements of successful and sustainable tourism development, and
- The local population is increasingly involved in the tourism industry ("internal marketing").

From the aspect of health tourism, the operational goal 3 of this document is indicative - "Montenegro is known and accepted as a "year-round" tourist destination", which, among others, can be achieved through the implementation of the following measures:

*Measure 3.1.* – Diversification of hotel offers (family, wellness, congress, etc.) and improvement of recreational and active leisure facilities;

*Measure 3.2.* – Development and improvement of specific tourist products.

Great potential in future development is seen in connecting the tourism sector with other economic activities. The World Travel and Tourism Council predicts that tourism will become the leading export sector in Montenegro in the coming years, generating the highest revenues and having the potential to diversify the economy, stimulate entrepreneurship and create a large number of jobs<sup>33</sup>.

Given the existing potentials, especially natural, and the current level of development of the tourism industry, as well as the strategic direction of development of Montenegro as an ecological state, tourism is one of the most promising activities in the future economic development of Montenegro. Although a small economy with a small internal market, Montenegro has a favorable geographical position and natural resources, which makes it a popular tourist destination.

Looking at the medium and long term, the tourism sector will certainly play the role of a driver of numerous economic activities and the development of less developed areas. Since the performance in tourism is measured by tourism consumption, especially the consumption of foreign tourists, the emphasis is on diversification of supply and extension of the season, high quality tourism throughout the year, which ultimately aims to increase revenue and total value added in tourism.

The vision promoted in the Montenegro Tourism Development Strategy to 2020, treated health tourism as part of the overall tourist offer that should reduce the seasonality of the tourism industry - "Sophisticated facilities for nautical, health and wellness tourism, winter sports and golf attract highly paid guests and strengthen the international reputation. Diversification of supply, high standards, quality of training and services, at still competitive prices, have significantly increased employment, individual incomes and living standards."

### *3.1.6. National Strategy for Sustainable Development until 2030 (NSSD)<sup>34</sup>*

The National Strategy for Sustainable Development of Montenegro until 2030 sets out the principles, strategic goals and measures for achieving long-term sustainable development of Montenegrin society, taking into account the current situation and international obligations, primarily the United Nations Agenda for Sustainable Development until 2030. NSSD is the main, horizontal and long-term development strategy of Montenegro, which refers not only to the economy and the environment, but also to irreplaceable human resources and valuable social capital. The NSSD integrates the requirements of the United Nations Agenda

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<sup>33</sup> CBM, Analysis of the effects of tourism on GDP, employment and balance of payments of Montenegro, Podgorica 2011

<sup>34</sup> MSDT, NSSD until 2030, July 2016

for Sustainable Development into the national context through the measures defined in the Action Plan for the period until 2030.

The key elements of the UN Agenda for Sustainable Development until 2030 are defined in 17 goals, 169 tasks and 241 indicators that follow the financial framework.

„Therefore, in the next medium term, it is necessary to work on strengthening resource efficiency, which especially refers to the sectors of industry and agriculture. The goal is to try to restore the participation of these two sectors in the overall branch structure on a sustainable basis. This means - to maintain agriculture at 10% and restore industry, ie. secondary sector of the economy at the level of 20% of the total branch structure of gross value added (service sector 70%).“

According to the NSSD, tourism has so far been relatively well regulated by Montenegrin strategic documents: the Master Plan, adopted in 2001, the Tourism Development Strategy until 2020 and the 2013 Tourism Reform Agenda. It can be assessed that tourism is one of the areas in which the vision of development has been defined from the beginning, with a clear orientation towards attracting foreign investments and forming a base for high quality tourism. Projects that have been implemented in recent years, or are currently being implemented, such as Porto Montenegro, Lustica Bay and Kumbor, represent concrete results that have been achieved thanks to the creation of a favorable climate for attracting investment. In order to increase the positive impact of investments on the local communities in which they are implemented, it is necessary to make additional efforts and affirm socially responsible behavior and actions.

The NSSD also recognized the insufficient diversification of the tourist product, the pronounced seasonal character of the business and also dominant attachment of the supply to the coastal area. Also, NSSD points to the need for sustainable tourism development while respecting the following principles:

- Optimal use of natural resources through the implementation of policies and measures that mitigate the effects of climate change on economic development, enables the reduction of greenhouse gas emissions and the transition to a low-carbon economy, as well as reducing the vulnerability of systems, natural and created, to real and expected effects of climate change;
- Respect for the socio-cultural authenticities of the community, preservation of cultural heritage and traditional values;
- Ensuring sustainable, long-term economic business, in order to achieve socio-economic benefits for citizens.

Within the thematic area 2 Social resources - Support to values, norms and patterns of behavior important for the sustainability of society, ie strategic goal 2.6 Improve the importance of culture as a fundamental value of spiritual, social and economic development

that significantly improves the quality of life, NSSD for 2030 as one of the target outcomes: *"Sustainable tourism is the main type of tourism that Montenegro develops with an emphasis on cultural and eco-tourism."*

Also, within the thematic area 4 Economic resources - introduction of green economy, ie strategic goal 4.7. Increasing the level of competitiveness of the Montenegrin economy for sustainable development and green jobs, NSSD for 2030 defines as one of the target outcomes: *"High category hotels and new forms of offer have improved the quality of the overall tourist offer, achieved a net effect on public finances and created significant growth employment"*.

As already mentioned, insufficient diversification of the tourist product, pronounced seasonal character and dominant attachment to the coastal area increase pressures on the environment and contribute to uneven regional development. In addition to being largely based on the use of natural resources (space, water, fuel, electricity and food), tourism also contributes to the generation of significant amounts of waste and pollution. The attractiveness of the coastal area for the development of tourism is one of the reasons why there has been accelerated urbanization and often linear construction along the coastline, ie. to growing pressures on existing infrastructure. The inadequately regulated spatial planning sector, the lack of quantitative indicators of spatial use and often exclusively declarative reference to the principles of environmental protection also contributed to this. Also, although the data show that the number of tourists is gradually increasing from year to year, there is a lack of facilities that would motivate visitors to stay longer in a certain area. Therefore, the Tourism Reform Agenda (2013) insists on the diversification of supply and the importance that SME initiatives can have in generating revenue and improving the tourism sector.

The program for the development of health tourism is fully compatible with the set operational objectives of the NSSD, and contributes to their implementation by defining specific measures to be implemented in the coming period.

### **Measures and sub-measures from the NSSD related to health**

The following measures and sub-measures related to health have been singled out in the NSSD.

**Table 7:**

*NSSD measures related to health*

<b>Measures</b>	<b>Submeasures</b>
1.1.1. Prevent and mitigate the effects of population aging	1.1.1.6 Provide an adequate level of health care for the elderly population

<p>1.2.1. Improve health care for sensitive and vulnerable groups of the population SDG 3 (3.2 and 3.7)</p>	<p>1.2.1.1 Improve the health of women of reproductive age</p> <p>1.2.1.2 Reduce the neonatal mortality rate and the mortality rate of children under 5 years of age SDG 3 (3.2)</p> <p>1.2.1.3 Maintain the coverage of vaccination of children according to the vaccination calendar with at least 95% in each municipality, with an increase in the coverage of high-risk population groups</p> <p>1.2.1.4 Improve the health of infants, preschool, school children and youth</p> <p>1.2.1.5 Ensure universal access to sexual and reproductive health services, including family planning, information and education, as well as the integration of reproductive health into national strategies and programs SDG 3 (3.7)</p> <p>1.2.1.6 Improve and preserve the health of the elderly</p> <p>1.2.1.7 Improve and preserve the health of persons with disabilities</p> <p>1.2.1.8 Improve and preserve the health of socially vulnerable and marginalized groups</p> <p>1.2.1.9 Improve and preserve the health of employees</p>
<p>1.3.1 Improve the efficiency of the health system SDG 3 (3.8 and 3.c)</p>	<p>1.3.1.1 Increase health financing and employment, development, training and retention of health workers SDG 3 (3.c)</p> <p>1.3.1.2 Increase the number of doctors in the health care system, which will reduce the overload of doctors and further contribute to increasing the quality of health care</p> <p>1.3.1.3 Reorganize the health care system and further reduce the number of administrative and technical staff</p> <p>1.3.1.4 Achieve universal health insurance coverage, including protection against financial risks, access to quality basic health care services and access to safe, effective, high-quality and affordable essential medicines and vaccines for all SDG 3 (3.8)</p>
<p>2.1.3 Eliminate national and religious discrimination SDG 10, 16 (16.7, 16.9 and 16.b)</p>	<p>Providing conditions for health and social protection of members of the Roma population</p>
<p>2.1.4 Eliminate discrimination against the LGBT population</p>	<p>2.1.4.6 Improve the access of LGBT people to the national health system and protection. SDG 3 and 16</p>
<p>2.1.5 Eliminate discrimination against persons with disabilities</p>	<p>2.1.5.3 Provide social, health and other services to persons with disabilities in accordance with their real needs and in accordance with international</p>



	standards. SDG 10 (10.3)
2.5.2 Ensure social stability and reduce the poverty rate SDG 1 (1.1, 1.2, 1.3 and 1.4), 4, 8 (8.5, 8.6 and 8.8)	2.5.2.13 Ensure universal availability and quality of health care SDG 1
2.5.3 The fight against social exclusion	2.5.3.4 Health care for the most vulnerable groups by improving the availability and quality of health care
2.8.2 Establish a favorable social and socio-economic environment in order to prevent further negative demographic trends in the north of Montenegro	2.8.2.2 Build social infrastructure, ie provide conditions for social development, which implies adequate access to: the public sector and administration, culture, education, health and social protection, sports and recreation. SDG 8 (8.3)
3.3.2 Establish cross-sectoral cooperation mechanisms to improve the health of the population	3.3.2.2 Contribute to the improvement of population health by implementing measures to improve air quality, access to safe drinking water and food, as well as environmentally and health-safe management of municipal and industrial waste, and measures to monitor and reduce all other types of environmental pollution. SDG 2 (2.4), 3 (3.9), 6 (6.1, 6.2, 6.3, 6.4), 11 (11.6)
6.2.2 Establish a favorable framework for investment in the green economy	

### A set of health-related indicators

In addition, the NSSD defines a set of indicators related to health.

**Table 8:**

*A set of indicators from the NSSD related to health*

	<b>Indicator</b>	<b>Target value 2020</b>
1	Life expectancy	78
2	Infant mortality rate	4
3	Mortality rate of children up to 5 years	5

4	Immunization rate of children up to 1 year	97%
5	Maternal mortality rate per 100,000 newborns	-0
6	Rate of newly registered HIV / AIDS cases (per 100,000 inhabitants)	<1
7	Rate of newly registered tuberculosis cases (per 100,000 inhabitants)	<15
8	Cardiovascular disease mortality rate (per 100,000 population)	<350
9	Malignant tumor mortality rate (per 100,000 population)	<80
10	Number of exceedances of measured concentrations of PM10 in relation to the limit values and tolerance limit for the protection of human health (during one year)	<35
11	Percentage of the population with universal and appropriate access to healthy and safe drinking water	100*
12	Number of doctors per 100,000 inhabitants	260
13	Budget allocations for health (per capita)	600 USD per capita

In the coming period, a report on these parameters is expected, which would monitor the achievement of the set goals.

### *3.1.7. Smart Specialization Strategy of Montenegro 2019-2024 (S<sup>3</sup>.me)*

The connection of HTDP with the Smart Specialization Strategy of Montenegro 2019-2024, in which health tourism is defined as one of the priorities, has been recognized. According to the Smart Specialization Strategy, the goals of sustainable and health tourism are:

- Introduction of innovative business models and services in the field of sustainable and health tourism, and
- Application and strengthening of international quality standards for medical services.

In this regard, special emphasis should be placed on the focus areas and technologies from the Smart Specialization Strategy of Montenegro 2019-2024.

**Table 9:***Focus areas from the Smart Specialization Strategy of Montenegro 2019-2024*

Existing areas	Areas with potential
<ul style="list-style-type: none"> <li>• Application of green and smart technologies in sustainable nautical tourism in Montenegro;</li> <li>• Standard and innovative therapeutic programs for patients: patients with chronic non-communicable diseases, addicts to psychoactive substances;</li> <li>• Advanced medical services: multidisciplinary diagnostics and dentistry;</li> <li>• Standard and innovative rehabilitation programs for: convalescents after orthopedic interventions, neurological patients and athletes (balneotherapy, thalassotherapy, heliotherapy, salt therapy, psychotherapy, aerotherapy and mineral water therapy).</li> </ul>	<ul style="list-style-type: none"> <li>• Application of research results in the field of sports to the offer in sports-recreational and "wellness" tourism;</li> <li>• Use of advanced technologies in oncology within the regional project of establishing the Institute for Sustainable Technologies in Southeast Europe (SEEIST) - 'Hadron cancer therapy and research in biomedicine using protons and heavier ions';</li> <li>• Production of pharmacological preparations and development of pharmacotherapy, using the comparative advantages of Montenegro (medicinal and aromatic herbs, medicinal mud, living world from the sea);</li> <li>• Application of nanomaterials in medicine;</li> <li>• Nutrition: programs and dietary supplements (use of food products that contribute to improving health).</li> </ul>

Projects related to the S3.me priority area Sustainable and Health Tourism, which are implemented at the national level, are shown in the following table.

**Table 10:***S3 projects related to the priority area Sustainable and health tourism*

Project Name	Center of Excellence for Biomedical Research in Montenegro (CEBIMER)   Ongoing project
<b>Support Assistant</b>	Ministry of Science
<b>Beneficiary</b>	Dr Simo Milosevic Institute, Igalo
<b>Duration</b>	01.01.2020 - 31.12.2022
<b>Amount of funding</b>	986,110 €
<b>Total project value</b>	1,320,750 €
Project Name	Balneological effects of peloid, mineral water, medicinal and aromatic herbs on the inflammatory response in rheumatoid and cardiovascular diseases - BEPMARK   Project completed
<b>Support Assistant</b>	Ministry of Science
<b>Beneficiary</b>	Dr Simo Milosevic Institute, Igalo
<b>Duration</b>	01.03.2018 - 30.04.2020
<b>Amount of funding</b>	12,000 €
<b>Total project value</b>	127,000 €

### *3.1.8. Strategy for improving the quality of health care and patient safety for the period 2019-2023*

The Strategy for Improving the Quality of Health Care and Patient Safety for the Period 2019-2023<sup>35</sup> envisages *"the introduction of systematic and continuous improvement of the quality and safety in health care. Improving outcomes for individuals and the population includes health promotion, disease prevention, treatment and rehabilitation, increasing the performance of the health system, improving the value of health treatment - reducing diversity and improving the experience of patients and service providers, taking into account six quality principles in health"*.

HTDP relies on the following strategic goals of improving the quality of health care and patient safety:

- Establishment of a national body for quality in health care,
- Establishment of a formal structure for quality management in health care institutions,
- Introduction and evaluation of health technologies,
- Establishment of an internationally recognized accreditation procedure in health care,
- Strengthening capacity for quality management,
- Systematic measurement of quality and safety improvements through safety monitoring.

### *3.1.9. Development directions of Montenegro 2018-2021*

From the aspect of main strategic documents, it should be pointed out that in the Development Directions of Montenegro 2018-2021 tourism is identified as one of the four priority development sectors<sup>36</sup>, which contributes to achieving the strategic goal of development of Montenegro - "Increasing quality of life in the long run".

Development directions define three directions of development: smart, sustainable and inclusive growth. The HTDP relies on the directions of development and objectives shown in the following table.

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<sup>35</sup> <https://www.gov.me/ResourceManager/FileDownload.aspx?rId=370687&rType=2>

<sup>36</sup> According to the document Development Directions of Montenegro 2015–2018, the development priorities of Montenegro are tourism, energy, industry and agriculture.

**Table 11:***Development directions of Montenegro 2018-2021*

<b>Development directions</b>	<b>Main goals</b>
Smart growth	Science High education Tourism
Sustainable growth	Environment
Inclusive growth	Education Health care

The subject document starts from the premise that the commitment to sustainable tourism development, which puts the efficient use of resources in the forefront, implies the creation of preconditions for tourism development to produce numerous positive economic effects, related to GDP growth, employment growth and living standard of population, as well as the contribution to the balanced regional development of the state.<sup>37</sup>

In this regard, the Development Directions of Montenegro 2018-2021 identify challenges<sup>38</sup> in the tourism sector that need to be overcome in order to achieve the strategic goal, and also provide, among other measures to overcome these challenges, and the adoption of strategic documents and adoption of program incentives in the field of tourism.

### *3.1.10. Directive 2011/24/EU of the European Parliament and of the Council of 9 March 2011 on the application of patients' rights in cross-border healthcare*

The right to health, ie access to health care, is guaranteed to the citizens of the European Union in numerous legal acts and documents of the Union. The provisions of the founding treaties of the EU define that a high level of human health protection is guaranteed when adopting and implementing EU policies.

The general objective of Directive 2011/24/EU is to facilitate access to safe and high-quality cross-border healthcare in another EU Member State while receiving cost reimbursement, as well as to improve cooperation in the field of healthcare between EU Member States.

Directive 2011/24/EU stipulates that the state reimburses or directly pays the costs of provided health care, but in practice it is more common for the patient to cover these costs himself and then apply for reimbursement. In principle, the patient is not entitled to reimbursement of additional costs (travel, accommodation, additional costs that may be incurred by persons with disabilities), but the provisions of the Directive leave the possibility for the EU Member State to reimburse those costs to the patient. Coverage of cross-border

<sup>37</sup> Development directions of Montenegro 2018-2021, page 45

<sup>38</sup> It should be noted here that the challenges have been identified at the general level, ie at the level of the tourism sector in general, while there are no specific challenges that could be more directly related to specific forms of tourism, such as health tourism. - Development directions of Montenegro 2018-2021, pages 46-47

healthcare costs is limited to the actual costs of the patient. In other words, patients can in no case derive financial benefit from healthcare provided in another EU Member State.

The decision on whether waiting time is medically justified must be based on an objective medical assessment of the patient's medical condition, history and probable course of the patient's illness, his degree of pain and / or the nature of the patient's disability at the time the application for approval was submitted or renewed. The patient may be asked to pay for protection first and then seek compensation. The costs of cross-border healthcare shall be up to the costs like in the Member State to whose system the insured person belongs, if the healthcare provided in its territory does not exceed the actual cost of the healthcare provided.

The application of the Directive does not depend on whether the healthcare provider belongs to the public health system: it covers all service providers.

### **Implementation of the directive in Montenegrin legislation**

The Directive 2011/24/EU on the application of patients' rights in cross-border health insurance was introduced into the Montenegrin legislation through the Law on Compulsory Health Insurance through Articles 29-36 which refer to cross-border health care.

### **Practical problems in achieving cross-border health care**

Previous experiences of patients in the use of cross-border healthcare, especially after the entry into force of a new legal instrument - Directive 2011/24 / EU, show that there are still many problems in this field.

The first Commission Report on the implementation of Directive 2011/24/EU<sup>39</sup> from September 2015 shows that „not all the goals proclaimed by it have been achieved yet, nor have all the dilemmas related to the different mechanisms for reimbursement of cross-border healthcare costs in the European Union been removed. As a number of EU Member States were late in implementing this Directive, the number of patients who in 2014 could base their right to cross-border healthcare on its provisions has been reduced“.

It is shown that patient mobility for planned health care is still very low, while mobility for unplanned health care is significantly higher. This information refers to mobility under Directive 2011/24/EU and Regulation 883/2004/EC.

Using cross-border healthcare for patients is still the ultimate solution. According to the results of certain analyzes, EU patients prefer to choose treatment in their own country, ie as close as possible to their place of residence. As a barrier to using health services outside

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[https://ec.europa.eu/health/sites/health/files/cross\\_border\\_care/docs/2015\\_operation\\_report\\_dir201124eu\\_en.pdf](https://ec.europa.eu/health/sites/health/files/cross_border_care/docs/2015_operation_report_dir201124eu_en.pdf)

the home country, language barriers often appear, followed by a lack of reliable information on mobility as well as a long and complex procedure for claiming reimbursement.

However, according to certain indicators, the number of people using health services outside their home country has been gradually growing in recent years. At the same time, many patients lack valid and reliable information on cross-border healthcare rights, which prevent them from mobility under EU legislation.

Full implementation of the directive in Montenegro is expected by the time of EU membership. This means that it will not be fully implemented during the duration of the Health Tourism Development Program.

### *3.1.11. Obligations in EU integration*

The relevant chapter in the negotiations with the EU, in the field of health tourism, is Chapter 28 - *Consumer and Health Protection*.

According to the document "EU ACCESSION NEGOTIATIONS: Analysis of Benchmarks for Montenegro through comparison with Croatia and Serbia"<sup>40</sup>, the EU acquis in the field of consumer rights includes the safety of consumer goods, as well as the protection of economic interests of consumers in a number of specific sectors. EU Member States should transpose the acquis into national law and establish independent administrative structures and enforcement powers that allow for effective market surveillance and application of the acquis. Appropriate judicial and out-of-court dispute resolution mechanisms need to be provided, as well as consumer information and education, and the role of consumer organizations. In addition, this chapter includes specific rules related to public health.

Health care policy aims to harmonize domestic health policies within the Union. The common policy is implemented through the development of health care and monitoring the impact of health policy, the joint fight against infectious diseases, rare diseases, cancer, prevention of addiction and accidents, as well as diseases related to environmental protection. This area also talks about the rights of patients in cross-border protection of health, mental health, blood, tissues, cells and organs, as well as the prevention of alcohol and drug abuse and tobacco control.

The EU's health goals are: harmonization of laws related to health care within the EU, protection of citizens from health threats, promotion of healthy lifestyles, contribution to combating infectious diseases, contribution to more efficient health systems, provision of health information, citizens' right to express views on health issues. Common policy measures include common regulation between consumer and business organizations and good practice guidelines, as well as consumer protection legislation. There are no Baseline benchmarks in the case of Montenegro.

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<sup>40</sup> <https://kei.gov.me/ResourceManager/FileDownload.aspx?rid=326030&rType=2&file=K.A.%20Mne.pdf>

Chapter 28 - Consumer and health protection was opened on 16 December 2014.

The final benchmarks for Montenegro are:

- Montenegro amends the Law on General Product Safety and the Law on Consumer Protection in order to further align its legislation in the field of consumer protection, particularly with Directive 2011/83/EU on consumer rights, and demonstrates that adequate administrative structures and enforcement capacity will be in place to implement the legislation correctly by the time of accession;
- Montenegro demonstrates alignment with the EU communicable diseases acquis, and ensures that adequate institutional, technical and administrative capacity will be in place by the time of accession to implement it and to fulfil EU reporting and coordination obligations to deal with serious cross-border threats to health;
- Montenegro adopts legislation aligning with the acquis on substances of human origin, especially with regard to organs, reproductive cells and reporting of serious adverse events and reactions. Montenegro demonstrates that it will have the adequate administrative capacity to properly implement and enforce the legislation in the area of blood, tissues, cells and organs by the time of accession.

#### *3.1.12. Health 2020*

The European Policy Framework that supports the actions of all levels of government and society for health and well-being, Policy – "Health 2020", was adopted in 2012 at the 62nd meeting of the WHO Regional Committee, as a response and attempt to find solutions to rising health inequalities, reducing public-health costs and increasing the burden of mass non-communicable diseases.

Policy – "Health 2020" is based on the UN Millennium Declaration and the Millennium Development Goals, which promote a vision of a world in which countries work in partnership for the benefit of their citizens, especially vulnerable and marginalized groups.

The "Health 2020" policy is committed to achieving the highest health standards that can be achieved, and its basic strategic goals are:

- Improving health for all and reducing health inequalities, and
- Improving leadership and separation of powers and responsibilities in the field of health.

The priority areas are the following:

- Investing in health throughout life and empowering people;
- Addressing the most important health challenges - non-communicable and communicable diseases;



- Strengthening human-centered health systems, public health capacity and emergency preparedness and response;
- Creating resilient, adaptable communities and supportive environments.

*3.1.13. The link between the HTDP and the United Nations Sustainable Development Goals (SDGs)*

Tourism, as one of the leading industries that generates a large number of jobs, contributes to economic growth and creates values that can reduce the poverty zone, has a great chance to accelerate development through all sustainable development goals. It can be stated that tourism as an economic branch connects all goals of sustainable development, while directly affecting some of the target values and indicators.

Health tourism, as a branch of tourism, directly and indirectly relies on the goals of sustainable development in the manner shown in the following table.

**Table 12:**

*SDG and health tourism*

<b>SDG</b>	<b>The goal</b>
SDG 3: Good health and well-being	3.8. Achieve universal health insurance, including financial risk protection, access to quality essential health services and access to safe, effective, high-quality and affordable essential medicines and vaccines for all
SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.3. By 2030, ensure equal access for all women and men to accessible and quality technical, vocational and tertiary education, including university education  4.7. By 2030, ensure that all students acquire the knowledge and skills needed to promote sustainable development, including, inter alia, through education for sustainable development and sustainable living, human rights, gender equality, the promotion of a culture of peace and non-violence, global citizenship and respect for cultural diversity and the contribution of culture to sustainable development

<p>SDG 8. Promoting sustainable and inclusive economic growth, full and productive employment and decent work for all</p>	<p>8.3. Promote development-oriented policies that support productive activities, job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises, including full access to financial services</p> <p>8.4. Improve progressively (by 2030) the global efficiency of resources in consumption and production and strive to ensure that economic growth is not linked to environmental degradation, in accordance with the 10-year Framework of the Program on Sustainable Consumption and Production, with developed countries leading the process</p> <p>8.9. By 2030, design and implement a policy to promote sustainable tourism that creates jobs and promotes local culture and products</p>
<p>SDG 11. Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>11.4. Strengthening efforts to protect and safeguard the world's cultural and natural heritage</p> <p>11. Supporting positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning</p>
<p>SDG 12. Ensuring sustainable consumption and production patterns</p>	<p>12.8. By 2030, ensure that people everywhere have relevant information and awareness about sustainable development and lifestyles in harmony with nature</p> <p>12.b. Development and implementation of tools to monitor the impact of sustainable development on sustainable tourism that creates jobs and promotes local culture and products</p>
<p>SDG 15: Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and stop and reverse land degradation and halt biodiversity loss</p>	<p>15.4. By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to improve their capacity to provide benefits that are essential for sustainable development</p> <p>15. Mobilization and significant increase of financial resources from all sources for conservation and sustainable use of biodiversity and ecosystems</p>

## 4. Analysis of key problems and barriers and causes of their occurrence

### 4.1. Problems of tourism in Montenegro

High seasonality, limited tourist offer and low average prices are some of the main characteristics of Montenegrin tourism, which is a classical representative of the "sun and sea" tourism model: it is concentrated on the coast, guests stay relatively long and come mainly in summer. In that sense, Montenegrin tourism is no exception - although Mediterranean countries have a lot to offer in terms of historical and cultural heritage, most guests come to enjoy the warm climate and coastal natural attractions, while tourists stay an average of 5.55 days (data for 2019, source: Monstat). However, nowhere in the EU is there such a pronounced seasonality as in Montenegro, because over 75% of tourist nights are realized in July, August and September.

The pronounced seasonality of arrivals is a challenge for companies operating in the tourism sector and limits the spill-over effect to other sectors. Such developments are particularly unfavorable for infrastructure with high fixed costs such as large hotels (in December and February the occupancy rate is below 20%, while in August hotels are 100% full), as well as for traders and producers of goods and services who have to respond to the large but short-lived demand of tourists. This is one of the reasons for the high import dependence of tourism - the short summer season is not a sufficient incentive to expand production capacity, and this ultimately limits the positive impact of tourism on other domestic sectors.

Moreover, the structure of accommodation is focused on the one that requires less labor - private accommodation. This fact may explain the relatively small share of employment in the tourism sector, compared to the total consumption of tourists in GDP. High seasonality also does not allow stable employment throughout the year, so season workers make up about half of the total number of employees in tourism.

### 4.2. Problems of health tourism in Montenegro

There are many problems for the development of health tourism in Montenegro:

- insufficiently precise definition in the Law on Tourism and Hospitality<sup>41</sup>. Namely, Article 56 of this Law defines the term health tourism: *"Health tourism is the provision of health services in natural spas where the stay of users of these services is organized, for the prevention of disease, treatment and rehabilitation."* The law therefore does not recognize the overall concept of health tourism that encompasses wider areas;
- a big problem is that there is only one main carrier of health tourism in the whole country, the Institute dr Simo Milosevic, which needs investments in a significant amount (60 million euros);

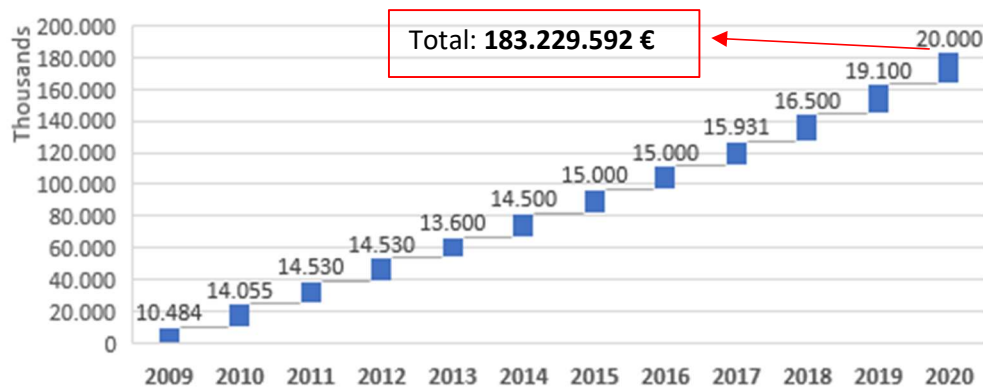
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<sup>41</sup> Law on Tourism and Hospitality ("Official Gazette of Montenegro", 2/2018, 4/2018, 13/2018, 25/2019, 67/2019 - and 76/2020)

- wellness tourism, whose focus is not treatment, but the state of mind and body, beautification, relaxation, are not recognized as forms of health tourism;
- strengthening private-public partnership, with greater involvement of local governments;
- inconsistency between the law related to tourism and the Law on Health Care and the Law on Insurance, when it comes to health tourism;
- the number of hotels that offer a wellness is increasing, but that number is still far from the desired number. Of course, a precondition for more intensive investment in additional wellness facilities is the year-round availability of Montenegro as a tourist destination;
- State Montenegro allocates huge amounts for treatment outside Montenegro, according to data from the Budget, from 2009 to the end of 2020, 183 million euros were allocated for treatment outside Montenegro;

**Graph 2:**

*Review of budget allocations for treatment outside Montenegro<sup>42</sup>*



- a special problem is that renowned companies operating in health tourism in Montenegro have open offices that are used for sending Montenegrin citizens abroad for treatment;
- personnel issues are very pronounced. Due to better conditions, a large number of doctors and medical staff are leaving Montenegro. In addition, wages in the tourism sector are low and jobs are highly seasonal, which is a particular problem;
- insufficient integration and cooperation of key actors in health tourism;
- poor air connections outside the main tourist season.

<sup>42</sup> Budget Laws (2006-2020), Government of Montenegro

## 5. Analysis of the situation in the field of health tourism in Montenegro, from the perspective of existing supply and demand (resource analysis)

Montenegro abounds in resources and potentials for the development of various forms of tourism with special emphasis on: health, rural, eco-tourism, nautical, mountain, sports and recreational, cultural, religious and event tourism. When it comes to potentials and resources for the development of health tourism and related forms such as mountain tourism and others, the distribution between the regions is different. The then Ministry of Economy MEK (now the Ministry of Economic Development MED), in 2011 developed a Resource Map<sup>43</sup> which, among other things, provided an overview of resources of importance for tourism, classified by region. The offer in the field of health tourism in Montenegro should be viewed with aspects of several elements, such as accommodation facilities, infrastructure, products, and many other elements.

The development of health tourism is traditionally based on the use of medicinal and thermo-mineral springs, primarily for the treatment of certain diseases and medical rehabilitation. There are a large number of natural healing factors, and the existence of potential for the development of health tourism in Montenegro is not in question, but it is important to emphasize that the state must recognize health locations and other natural resources it possesses, and also map, isolate and protect it.

Proper development of health tourism is based on the proper use of resources that Montenegro has. The resource overview is based on mapping key actors and dividing them according to the level of support, knowledge and power related to health tourism. Additionally, this section analyzes the following:

- Institute dr Simo Milosevic;
- hotel industry in the context of health tourism;
- health system of Montenegro;
- companies operating in areas related to health tourism;
- natural resources of Montenegro;
- Ulcinj and the potentials of health tourism;
- business analysis of companies engaged in the production of aromatic herbs, essential oils and preparations;
- review of information on the spatial plan of Montenegro.

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[https://mek.gov.me/ResourceManager/FileDownload.aspx?rid=90967&rType=2&file=Mapa%20resursa\\_Crne%20Gore.pdf](https://mek.gov.me/ResourceManager/FileDownload.aspx?rid=90967&rType=2&file=Mapa%20resursa_Crne%20Gore.pdf)

## 5.1. Analysis of stakeholders in health tourism

In the context of the implementation of the Health Tourism Development Program of Montenegro 2021-2023, it is necessary to consider the place and role of stakeholders, who will play a key role in this process, and on whom the success in achieving defined goals in the coming period will largely depend.

**Table 13:**

*List of stakeholders and descriptions of their activities*

Stakeholder	Description of activities
Ministry of Economic Development	The Ministry of Economic Development strategically develops Montenegrin tourism, in a sustainable way, in accordance with economic goals, cultural values, preservation of natural resources, respecting the needs of the local population and tourists. In addition, the ministry improves the economic environment through various grants, benefits, subsidies and special programs to support the economy, invests in innovation and development, achieves international trade and economic cooperation, creates and improves the strategic and legislative framework in the field of labor and employment.
Ministry of Health	The Ministry of Health is a key institution in the system of executive authority that monitors the development of health services, the improvement of the health condition and health needs of the population, the improvement of patient health care, as well as monitoring the development of health standards. The Ministry also implements activities to promote health standards and encourages the development of health education to increase knowledge and competencies in the field of health, and in cooperation with other relevant ministries, state administration bodies and local governments, identifies areas to be protected for the benefit of the population, and conducts activities in the health sector to promote coherent economic development. In addition, it participates in the production of normative, strategic and development documents, monitoring and analysis of health care systems in the countries of the region and the European Union, and prescribes the conditions that health care institutions must meet in terms of space, staff and medical equipment and supervises their work.
Ministry of Ecology, Spatial Planning and Urbanism	The Ministry of Ecology, Spatial Planning and Urbanism, through its activities, strives to preserve the natural resources and biodiversity of Montenegro. The priority in the work of the ministry is the protection of the environment, care for clean air, water, land and climate change, as well as the preservation of the exceptional spatial heritage.
Statistical Office of Montenegro - MONSTAT	The Statistical Office of Montenegro - MONSTAT is the competent body for the production of official statistics, and as such it is recognized by the domestic and international public.
Community of Municipalities of Montenegro	The Union of Municipalities of Montenegro is a national association of local communities for the territory of Montenegro, in which local self-government units voluntarily join for an indefinite period of time.
Institute dr Simo Milosevic, Igalo	Institute of Physical Medicine, Rehabilitation and Rheumatology "dr Simo Milosevic" AD Igalo is one of the largest and most famous institutions for multidisciplinary spa treatment in the Balkans. It is the founder of modern physical and preventive medicine, rehabilitation, thalassotherapy and wellness and has become one of the main international centers for the rehabilitation of children, adults and the elderly. In addition to health prevention and rehabilitation programs, the Igalo Institute offers wellness and recreational facilities that, in essence, rely on modern principles of medicine. Such contents are dedicated to the promotion of a healthy lifestyle, correction of bad life habits, or simply enjoying the benefits of aroma therapy, massage and rejuvenation treatments for the face, body and soul.
Public health institution Dr "Jovan Bulajić", Brezovik	Brezovik Hospital is a specialized, modernly equipped health institution, which meets all standards of diagnosis and treatment of patients with problems of pulmonary etiology. As such, it meets the requirements for the teaching - scientific base of the Medical Faculty in Podgorica. The institution is the National Center for Tuberculosis Control and Monitoring and maintains a tuberculosis registry.
PHI Special Hospital for Orthopedics, Neurosurgery and Neurology "Vaso Ćuković", Risan	PHI Special Hospital for Orthopedics, Neurosurgery and Neurology "Vaso Ćuković" is located in Risan, in the central part of the Bay of Kotor. It provides the following health services: orthopedics, neurosurgery, neurology, physical medicine and rehabilitation, plastic surgery, radiology.
National Tourism Organization	NTO plans, organizes and implements the general tourist-propaganda activity of Montenegro in the country and abroad, adopts annual programs of tourist-propaganda activity, monitors, analyzes, organizes research on the domestic and foreign tourist market, creates conditions and provides funds for affirmation of tourist values and opportunities of Montenegro through publishing, appearances at fairs, events, etc., participates in the formation and development of a single information system in tourism in Montenegro and provides its connection with other information systems, coordinates and integrates information and promotional activities of all entities in the field of tourism and cooperates with tourism organizations in the country and abroad.

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Faculty of Medicine	The Faculty of Medicine in Podgorica is a scientific-teaching unit within the University of Montenegro. At the Faculty of Medicine, several study programs are realized according to the Bologna principle. The Faculty of Medicine and the University of Montenegro have an important role in recruiting staff in medicine, dentistry and pharmacy, physiotherapy and nursing and health care specialists. The Faculty of Medicine can significantly contribute to the standardization of quality and service packages, through continuous education of all in tourism and health, while preserving tradition, culture and professional human potential, and thus contribute to faster and better development of health tourism.
Faculty of Tourism and Hospitality Management	The Faculty of Tourism and Hospitality Management in Kotor exists within the University of Montenegro and is a scientific and educational institution in the field of tourism and hospitality. The mission of the Faculty of Tourism and Hospitality Management in Kotor as a scientific-educational unit is to educate young and quality staff in the field of social sciences, able to help the development of their country and region through creative work, in accordance with modern European trends.
Institute of Public Health of Montenegro	The Institute of Public Health of Montenegro is a highly specialized health institution at the tertiary level of health care, whose activities are aimed at preserving and improving the health of all citizens.
Institute for Emergency Medical Aid	The Institute for Emergency Medical Aid of Montenegro is an institution which, starting from the absolute priority of life and health is available in all municipalities, the City and citizens, as a special area of health care performed at the primary level, to take the necessary and urgent medical intervention due to the nature of the disease, condition or injury, emergency medical care is required.
Clinical Center of Montenegro	The Clinical Center of Montenegro, as a reference institution of Montenegrin health care, conducts highly specialized diagnostics, treatment, consultative, specialist and subspecialist examinations. The goal of the Clinical Center is to provide users of health services with quality and optimal health care in accordance with modern medical trends by applying new technologies in diagnosis and treatment. The clinical center achieves this goal by continuous development of professional and technological capacities, which enables the creation of an operational and functional system.
Airports of Montenegro	Montenegrin airports provide sustainable, safe, secure and environmentally friendly airport operations at Montenegrin airports. They provide modern and efficient airport infrastructure and high quality service, ensure expansion and improvement with integrated development with other modes of transport.
Health Insurance Fund of Montenegro	The Health Insurance Fund of Montenegro is an institution that provides rights from health care and health insurance. The Fund is an institution that has the status of a legal entity. The synchronized operation of the Fund in the health care and health insurance system enables better control, more rational and purposeful spending of funds, as well as more creative policy management. For the purpose of better realization of the rights of its insured persons, the Fund has organizational units in all municipalities in Montenegro. The Health Insurance Fund of Montenegro is one of the most important institutions, not only in the health care system, but also in the State. The very fact that its basic role is to finance the health care of the entire population in the country speaks volumes about the importance and almost crucial impact on reforms in the health care system, as well as on the overall reforms being implemented in Montenegro.
National parks of Montenegro	Each national park is characterized by a specific natural and cultural heritage. National parks are responsible for protection and management, preparation and implementation of protection programs, control of the use of natural resources, determination of internal rules and promotion, in accordance with relevant laws and acts.
Environmental Protection Agency	The Environmental Protection Agency performs professional and related administrative tasks in the field of environmental protection, as follows: Environmental monitoring, Prepares analyzes and reports, Issuing permits, Communicates with relevant domestic and international bodies and organizations, as well as with the public, and Performs other tasks determined by the Law on Environment and special regulations. The Agency cooperates with international bodies and organizations of other countries dealing with environmental protection, especially with the European Environment Agency, the International Atomic Energy Agency, participates in the work of professional networks within the European Union, as well as with similar agencies in other countries.
Montenegro Health Tourism Cluster	The Health Tourism Cluster in Montenegro is an association whose goals are to promote Montenegro as a health destination and connect leading experts in the field of health, tourism and related support activities to improve the overall offer of health tourism in Montenegro and jointly appear on the regional and international market. Tradition, infrastructure and professional human potential are the foundations on the basis of which the founders of the Cluster recognized the health industry as a key comparative advantage of Montenegro and emphasized the need for health tourism to become a recognizable regional brand.
Ministry of Education, Science, Culture and Sports	The mission of the Ministry of Education, Science, Culture and Sports is to implement systemic changes, with the aim of achieving interdepartmental synergy and improving work through: creating a quality education system, accessible to all; investing in science, encouraging scientific research; protection and preservation of cultural goods, as important factors of national identity and long-term resources for sustainable development; encouraging the development of sports and the affirmation of sports important for the promotion of Montenegro at the international level; creation and improvement of youth policy; development of school, scientific, cultural and sports infrastructure.
Ministry of Finance and Social Welfare	The Ministry of Finance and Social Welfare is responsible, among other things, for preparing proposals for the current economic policy of Montenegro and monitoring its implementation, preparation, planning, drafting and execution of the budget of Montenegro, but also for preparation of regulations in the field of social and child protection and pension and disability insurance.

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<p>Tourist associations in Montenegro</p>	<p>Tourist associations represent the interests of the tourism profession, develop dialogue and negotiations on issues of importance for the interests of the tourism industry, actively participate in drafting regulations related to the tourism industry, are engaged in improving the promotion and quality of Montenegro as a tourist destination, provide services to its members in order to improve their business, achieve cooperation at the domestic and international level, in accordance with international standards and recommendations, all in order to develop the tourism industry of Montenegro (Public-private partnerships). We single out the following tourist associations: Montenegrin Tourist Association, Association of Tourism and Hospitality, Association of Travel Agencies, Association of Hoteliers and Restaurateurs of Montenegro, Hotel Association.</p>
<p>Association of Health Centers of Montenegro (the holder is Health Center Podgorica)</p>	<p>The Association of Health Centers gathers all health centers in one place, led by the Health Center Podgorica, primarily in order to improve the quality of health services, monitor the needs of users, achieve partnerships with local governments, social welfare institutions and the NGO sector.</p>
<p>Chamber of Economy</p>	<p>The efforts of CE are aimed at successfully representing the interests of Montenegrin companies and creating favorable conditions for improving their competitiveness in the global economic environment. The activities of the Chamber are primarily aimed at creating the most favorable business environment.</p>
<p>American Chamber of Commerce in Montenegro (AmCham Montenegro)</p>	<p>The American Chamber of Commerce in Montenegro (AmCham Montenegro) is an independent non-profit business association. Founded in 2008, it has created a strong network of members who together strive for a more competitive and prosperous Montenegro.</p>
<p>The Montenegrin Foreign Investors' Council (MFIC)</p>	<p>The MFIC was established as a non-governmental and non-profit organisation aimed at the following:</p> <ul style="list-style-type: none"> <li>• Improving the investment climate and supporting business development in Montenegro;</li> <li>• Representing and expressing the opinion of its members for the purpose of promoting common interests and stimulating direct foreign investment;</li> <li>• Promoting communication, cooperation and current dialogue between the Council and the official authorities in Montenegro;</li> <li>• Cooperating with the official authorities in Montenegro for the purpose of overcoming possible problems and obstacles that foreign investors may face, as well as in economic relations with other countries;</li> <li>• Promoting the interests of the international business community in Montenegro, and informing its members and other stakeholders on possibilities regarding the investment climate in Montenegro;</li> <li>• Connecting with the other foreign organisations of investors within the SEE region for the purpose of sharing the benefits and experiences of worldwide best practice, and analysing concrete tools in order to facilitate regional business activities.</li> </ul>
<p>Montenegrin Employers Federation</p>	<p>MEF is the head organization of employers in Montenegro. MEF is a representative employers' organization in Montenegro since 2005. It cooperates with the International Labor Organization (ILO) according to whose principles and standards it operates.</p>
<p>Medical Chamber of Montenegro</p>	<p>The Medical Chamber is an independent professional organization founded by health workers educated at the Faculty of Medicine, in order to protect and further develop expertise, medical ethics, improve the quality of health care and protect professional interests, with rights and obligations prescribed by law and this statute. The Chamber protects the rights and represents the interests of doctors of medicine, promotes health care, takes care of the ethical behavior of doctors of medicine, as well as the reputation and honor of the medical profession and the proper performance of health care.</p>
<p>Dental Chamber of Montenegro</p>	<p>The Dental Chamber of Montenegro was established on December 16, 2016 in order to affirm dentistry in all segments, in compliance with the code of ethics, continuous education and improving the quality of oral health of the Montenegrin population.</p>
<p>Pharmaceutical Chamber of Montenegro</p>	<p>The main task of the Chamber is to represent and protect pharmaceutical interests, preserve the reputation and rights of the profession and maintain relations within the profession and activity, to protect the rights of patients, as the basic starting point of our profession, by establishing the rule of the profession.</p>
<p>Chamber of Physiotherapists of Montenegro</p>	<p>The Chamber of Physiotherapists of Montenegro is committed to establishing a professional, independent, impartial, efficient and responsible attitude towards the profession, affirming physiotherapy as a profession, improving the level of education, increasing the competencies of physiotherapists, strengthening the reputation, professional ethics and dignity of physiotherapists, in order to build a healthy relationship and inform the professional and general public.</p>
<p>Institute for Standardization</p>	<p>The primary activity of the Institute for Standardization of Montenegro is the development and adoption of Montenegrin standards, in accordance with the recommendations and requirements of international and European standardization organizations (ISO, IEC, CEN, CENELEC).</p>

### 5.2. Analysis of the level of knowledge and awareness of the need for qualitative improvement of supply and services

As the analysis of actors in health tourism has shown, there is a certain level of knowledge related to health tourism in Montenegro. However, this knowledge is at the level of individuals and it should be disseminated (shared) among other stakeholders, who are actively related to health tourism.



In order to adequately develop health tourism in Montenegro, Montenegro must further improve environmental policies, certification and accreditation in various forms of organizations, as well as through better implementation of the law, in order to strengthen Montenegro's reputation as a desirable destination for health tourism. Through the implementation of international standards in the business environment, it is inevitable that work must be done on raising the level of awareness of employees, which would contribute to the attraction and safety of all interested tourists for the field of medicine.

It is certainly necessary to provide education, so that all actors realize the importance of international standardization programs. In addition, emphasis should be placed on the development of human resources within health tourism, education of management staff as well as numerous other education and "tailor made" training programs.

Emphasis should be placed on building competitiveness, through which the joint offer will be prepared for market performance according to international standards. Improving competitiveness implies an active attitude of the state in order to remove all identified systemic obstacles through the construction of a framework for planned development and investment.

Having in mind the fact that the implementation of such a complex, but also sensitive tourist product, requires longer period of time, the Action Plan will specifically address a set of measures needed to raise the level of knowledge and awareness, in order to qualitatively improve the offer of health tourism as a specific tourist product.

### 5.3. Dr Simo Milosevic Institute<sup>44</sup>

Institute is the founder of modern physical and preventive medicine, rehabilitation, rheumatology, thalassotherapy and wellness, and it is one of the main international centers for the rehabilitation of children, adults and the elderly. Following the guidelines set in the 1950s and 1960s, the Institute has achieved an international reputation for successfully treating clients with a wide range of health problems in the field of rheumatic, cardiac, neurological, pulmonary and orthopedic diseases.

Thanks to the natural healing mud, Igalo has developed into one of the largest peloid spas in Europe. As a unique combination of hotel and health-rehabilitation center, with the help of non-invasive methods and through the experienced application of natural factors Igala (healing sea mud, mineral water, mild Mediterranean climate), each guest is accessed through an individual medical program. Treatments include hydrotherapy, balneotherapy, electrotherapy, thalassotherapy and other personalized exercise programs and various types of massage. In addition to health prevention and rehabilitation programs, the Igalo Institute offers wellness and recreational facilities that, in essence, rely on modern

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<sup>44</sup> The data presented in this section are taken from the Management Report for 2019

principles of medicine. Such contents are dedicated to the promotion of a healthy lifestyle, correction of bad life habits or simply enjoying the comfort of aroma therapy, massage and facial and body rejuvenation treatments.

### **Spatial resources of the Igalo Institute**

The Igalo Institute is one of the leading institutions in the Mediterranean dealing with multidisciplinary treatment and rehabilitation. It has 4 buildings, 3 of which are in operation, and these are the main building of Phase 1 of the Institute, built in 1973, later connected by a footbridge with the so-called Solitaire, Phase 2 of the Institute (Mediterranean Health Center), whose construction was completed in 1986 and Villa "Galeb" (Tito's Villa), which since 1986 belongs to the Institute.

The main building of Phase 1 of the Institute has a total of 390 beds (180 double, 26 single rooms and 3 suites), while Soliter has about 280 beds (120 double and 20 single rooms, plus extra beds). Phase 1 has two restaurants with 180 seats, an aperitif bar in front of the restaurant, a coffee bar, a restaurant in the park in front of the main building, a meeting room, offices, a library with a reading room, business premises in which the Playroom, the agency "Inlg" and one free business space are located.

In the premises of the Phase 1 of the Institute, the Faculty of Applied Physiotherapy - a teaching and scientific unit belonging to the University of Montenegro Podgorica - performs its scientific and teaching activities.

The Phase 2 Institute facility (Mediterranean Health Center) had 830 beds at its opening, mostly in double rooms, then in 12 single rooms, 6 triple rooms and 37 suites. Now the total accommodation capacity of the Mediterranean Health Center is approximately 795 beds, partly due to the transformation of a number of rooms into clinics or due to dilapidation during the thirty years of operation, and 23 rooms are used by the "Mediterranean Surgical Center for Plastic Surgery". The current accommodation capacities are distributed in 411 rooms (362 double, 12 single, 6 triple rooms and 31 suites). As for the capacity intended for meals, Institute has a main restaurant with a capacity of 850 seats, a National restaurant with a capacity of 140 seats, an aperitif bar in front of the main restaurant with 150 seats, a bar - lobby - next to the reception, a bar in front of the congress hall, and a bar on the sports block. It should be noted that the building also has seating for congresses, seminars, etc .: congress hall with a capacity of 300 (amphitheater), hall - Braseria (up to 450 seats), Norwegian Club (100 seats), Orange Hall (70 seats), Boka Hall 45 seats) and the Bellavista meeting room (30 seats), which means that the total capacity is approximately 1,000 seats. In the sports part of the building there is an indoor Olympic swimming pool, a hall for small sports, a bowling alley, a gym and 2 saunas, for a total of 24 people.

Villa "Galeb" has a total of 23 beds in luxury rooms and apartments. Also available: restaurant, aperitif bar, living room, fireplace hall, meeting room, congress hall, sports hall.

## Employees and education

On 31.12.2019. The Institute had 695 employees, of which 601 were permanent employees and 94 were temporary employees. On 31.12.2018. 677 employees worked at the Igalo Institute.

In order to comply with international trends, employees are constantly educated, especially among medical staff. Every year, internal education of employees in learning the Russian language is conducted for the needs of Russian service users. Currently, three doctors are on specialist studies in psychiatry, and a competition has been announced for a specialization in psychiatry for the fourth doctor. A sensory room was opened for the rehabilitation of children with autism and training was held to work in the sensory room. Training courses and additional education for new physiotherapy procedures were performed: AI CHI, TAI CHI, water exercises, exercises: for relax massage, Igalo brand massage with medicinal herbs and lymphatic drainage, Bobath course. Intensive training of doctors in the field of ultrasound diagnostics of musculoskeletal tissue by spec. internist rheumatologist dr Rifat Medjedovic, in the field of electromyoneurographic diagnostics by spec. neurologist dr Dautovic Zorica, consultative-control examinations in rheumatology by dr Dusan Mustur, in the field of neurosurgery by spec. neurosurgeon dr Branislav Radojicic, consultative and control, in the field of psychiatry, consultative and control examinations by spec. psychiatrists dr Maric Miroslava, dr Radulovic Slobodan, dr Knezevic Milana and dr Brajovic Ljiljana. Intensive work was also done on the education of physiotherapists (Madero therapy and Igalo brand therapy).

## PHYSICAL INDICATORS OF BUSINESS

**Table 14:**

*Performance indicators*

#	ELEMENTS	ACHIEVED UNTIL 31.12.2018.	PLANNED UNTIL 31.12.2019.	ACHIEVED UNTIL 31.12.2019.	INDEX	
					5:3	5:4
1	2	3	4	5	6	7
1.	<u>NUMBER OF USERS</u>	19.098	18.910	19.222	101	102
	- I phase	8.106	8.250	8.877	110	109
	- II phase	10.992	10.660	10.345	94	97
2.	NUMBER OF OVERNIGHTS	223.162	228.030	235.895	106	103
	- I phase	109.102	113.720	119.700	110	105
	- II phase	114.060	114.310	116.195	102	102
2.1.	DOMESTIC MARKET	123.412	133.566	140.639	114	105

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	- I phase	89.862	99.966	102.626	114	103
	- II phase	33.550	33.600	38.013	113	113
2.2	FOREIGN MARKET	99.750	94.464	95.256	95	101
	- I phase	19.240	13.754	17.074	89	124
	- II phase	80.510	80.710	78.182	97	97
3.	CAPACITY UTILIZATION FOR ONE YEAR	43%	44%	46%	107	105
	- I phase (650 beds)	46%	48%	50%	109	104
	- II phase (770 beds)	41%	41%	41%	100	100
3.1	CAPACITY UTILIZATION DURING THE WORK PERIOD					
	2019/328 days	48%	49%	51%	106	104
	2018/328 days					
	I PHASE (08.04.2019.-21.12.2019.) (10.04.2018.-22.12.2018.)	65%	68%	71%	109	104
	II PHASE (28.01.2019.-31.10.2019.) (29.01.2018.-31.10.2018.)	53%	54%	54%	102	100
4.	FOREIGN MARKET SHARE IN NUMBER OF TOTAL OVERNIGHTS	45%	41%	40%	89	98

**Table 15:**

*Participation of users and overnight stays in phases in the total number of users for 2019*

<b>NUMBER OF USERS</b>	<b>19.222</b>	<b>100,00%</b>
- I phase	8.877	46,18%
- II phase	10.345	53,82%

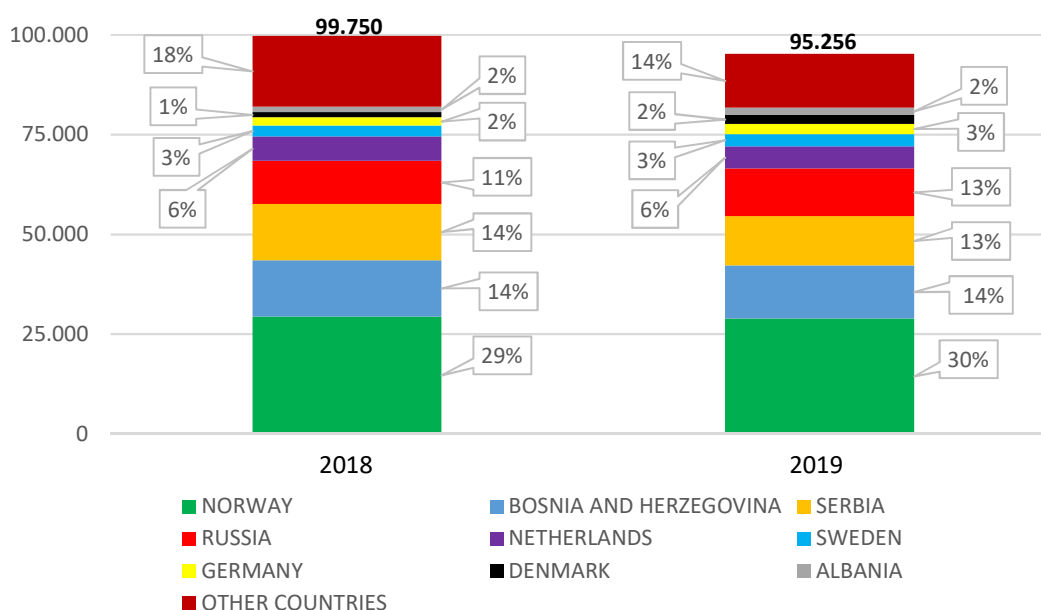
<b>NUMBER OF OVERNIGHTS</b>	<b>235.895</b>	<b>100,00%</b>
- I phase	119.700	50,74%
- II phase	116.195	49,26%

The share of overnight stays from guests from foreign markets in the total number of overnight stays is 40% (in 2018 it was 45%), of which 82.08% (in 2018 80.71%) overnight stays were realized in the second phase, and in the first phase 17.92% (2018: 19.29%).

Below is a graphical overview of the percentage of foreign overnight stays from all markets, for the Institute as a whole:

**Graph 3:**

*Percentage of overnight stays of guests from foreign markets at the Institute in 2019, compared to 2018*



From foreign markets it was realized by service users:

- from Norway 28,897 overnight stays (29,364 overnight stays in 2018) or 30% of the total number of overnight stays from foreign markets and a decrease of 2% compared to 2018;
- from BIH 13,296 overnight stays (2018: 14,161 overnight stays) or 14% of the total number of overnight stays from foreign markets and a decrease of 6% compared to 2018;
- from Serbia 12,327 overnight stays (14,077 overnight stays in 2018) or 13% of the total number of overnight stays from foreign markets and a decrease of 12% compared to 2018;
- from Russia 11,963 overnight stays (10,791 overnight stays in 2018) or 13% of the total number of overnight stays from foreign markets and an increase of 2% compared to 2018;
- from the Netherlands 5,593 overnight stays (6,121 overnight stays in 2018) or 6% of the total number of overnight stays from foreign markets and a decrease of 9% compared to 2018;

- from Sweden 3,053 overnight stays (2,755 overnight stays in 2018) or 3% of the total number of overnight stays from foreign markets and an increase of 11% compared to 2018;
- from Germany 2,533 overnight stays (2,033 overnight stays in 2018) or 3% of the total number of overnight stays from foreign markets and an increase of 25% compared to 2018;
- from Albania 1,817 overnight stays (1,368 overnight stays in 2018), or 2% of the total number of overnight stays from foreign markets and an increase of 33% compared to 2018;
- from Denmark 2,238 overnight stays (1,325 overnight stays in 2018) or 2% of the total number of overnight stays from foreign markets and an increase of 69% compared to 2018;
- from other countries 13,539 overnight stays (17,755 overnight stays in 2018) or 14% of the total number of overnight stays from foreign markets and a decrease of 24% compared to 2018.

**Table 16:***Overview by types and place of origin of operating income for 2018 and 2019*

	<b>TYPE OF INCOME</b>	<b>2018.</b>	<b>2019.</b>
<b>I.</b>	<b>INCOME FROM DOMESTIC MARKET</b>	<b>5.114.511€</b>	<b>5.773.494€</b>
	a) Hospital treatment	75,91%	78,15%
	b) Guest house - companions	9,71%	9,88%
	c) Outpatient - polyclinic services	1,73%	1,30%
	d) Other income (rent, guest insurance, agency ..)	12,65%	10,67%
<b>II.</b>	<b>INCOME FROM FOREIGN MARKETS</b>	<b>5.650.311€</b>	<b>6.038.685€</b>
	a) Hospital treatment	76,01%	76,64%
	b) Guest house	19,91%	17,72%
	c) Outpatient - polyclinic services	4,08%	5,64%
<b>I</b>	<b>REVENUES FROM DOMESTIC MARKET</b>	<b>44,56%</b>	<b>48,40%</b>
<b>II</b>	<b>REVENUES FROM FOREIGN MARKET</b>	<b>53,02%</b>	<b>50,62%</b>
<b>III</b>	<b>OTHER REVENUES</b>	<b>2,42%</b>	<b>0,98%</b>

In the case of revenues from the domestic market in the amount of € 5,773,494 (2018: € 5,114,511), the dominant revenue-turnover was realized through:

- RFZZO CG Podgorica in the amount of € 3,327,384 (2018: € 2,918,366), which is 57.63% of the revenue generated from the domestic market or 27.89% of the total revenue generated in 2019.
- "Rekra" d.o.o. Podgorica in the amount of € 424,366 (2018 € 308,150), which is 7.38% of the revenue generated from the domestic market or 3.56% of the total revenue generated in 2019.
- Association of Pensioners of Montenegro in the amount of € 309,103 (2018: € 276,479), which is 5.35% of the realized income from the domestic market or 2.59% of the total realized income in 2019.

Together, they participate with 70.36% in the total revenue from the domestic market and 34.04% in the total revenue in 2019.

- PVK "Jadran" Herceg Novi in the amount of € 175,722;
- Other unions € 105,544 (2018: € 98,355) (University, Education, Pljevlja Coal Mine, Plantaze; Union of Trade Unions, Police Administration, Telekom, etc.).
- Other companies and individual users.

In revenues from foreign markets in the amount of € 6,038,685 (2018: € 5,650,311), the largest share is still generated by revenues from four partners with whom the Institute has decades of cooperation:

- Oslo University - State Hospitals (Norway) with € 2,881,079 (€ 2,877,470 in 2018) which is 47.71% of the revenue generated from foreign markets or 24.15% of the total revenue generated in 2019,
- Fontana Agency from the Netherlands with € 271,288 (€ 308,353 in 2018), which is 4.47% of the revenue generated from foreign markets or 2.27% of the total revenue generated in 2019,
- Agency Rehab Igalo from Sweden with 156,558 € (in 2018 151,032 €) which is 2.59% of the revenue generated from foreign markets or 1.31% of the total revenue generated in 2019,
- Agency Otraks from the Republic of Srpska with 122,054 € (in 2018 102,160 €) which is 2.02% of the realized income from foreign markets or 1.02% of the total realized income in 2019.

### **Planned investments**

According to the data from the Smart Specialization Strategy 2019-2024<sup>45</sup>, the goal of the "Sustainable and Health Tourism" Program is to modernize and improve the "dr Simo Milosevic Institute", according to the model of public-private partnership, for its revitalization into a leading center for medical treatment and rehabilitation of musculoskeletal system in the region and Europe. The Institute, with 70 years of tradition,

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<sup>45</sup> Smart Specialization Strategy 2019

has been recognized as a leading institution for export-oriented year-round health tourism towards high-paying emitting markets, whose position needs to be restored and strengthened.

Respecting the most modern standards of medical and tourist services, the Institute should:

- Provide all types of highly specialized medical treatments for diseases of the musculoskeletal system (orthopedics, rheumatology, neurosurgery, sports medicine, etc.);
- Performs rehabilitation of patients with musculoskeletal diseases and their prevention, using all known and recognized medical treatments (physiotherapy, kinesitherapy, balneology, acupuncture, chiropractic, etc.);
- Performs research and improvement of medical and rehabilitation treatments in diseases of the musculoskeletal system, including the development of biomechanics (prosthetics, bio-robotics and exoskeletons) and the application of nanotechnology.

The planned investment is 60 milion euros, while possible revenue is 120 milion euros.

### **Professional staff**

The medical staff employed at the Igalo Institute includes:

- 36 doctors, most specialist physiatrists, rheumatologists, spec. balneology, then specialists in internal medicine, urology, neurology, pediatrics, pulmonology, psychiatry, orthopedics, cardiology, immunology,
- 203 physiotherapists (different levels: spec. of applied physiotherapy, high, senior, medium);
- 2 defectologists,
- 1 speech therapist,
- 1 psychologist,
- 3 dietitians,
- 54 nurses (different levels: high, senior, medium).

### **Summary**

As can be concluded from the above data, the dr Simo Milosevic Institute is indeed the main pillar of the development of health tourism in Montenegro, given that it is staffed and infrastructurally equipped to provide health tourism services. Also, by introducing and respecting ISO standards, the company is able to achieve, maintain and improve the higher level of quality of services. The need for the introduction of quality standards in health care is emphasized by the increasingly pronounced demands of the public to manifest and fulfill the responsibilities of the health service.



#### 5.4. Analysis of the hotel business in Montenegro in the context of health tourism

An important segment of the tourist offer, and thus the offer of health tourism, are accommodation capacities with an emphasis on high-category hotels. Namely, the guests who use the products of health tourism, mostly choose hotel accommodation because of the benefits that this type of accommodation offers.

According to the available external<sup>46</sup> and data of the Tax Administration, on 31.12.2019. year, in Montenegro under code 5510 (hotels and similar accommodation), with revenues of more than 1 euro, operates 383 active companies.

**Table 17:**

*Total data at the country level*

Year	2019
Number of companies	383
Number of employees	6.922
Revenue	363.555.742
Profit	11.531.631
EBIT (earnings before taxes and interest)	27.007.559

Although it seems lucrative, business of hotels and similar accommodation is poorly profitable. The average profit of the tourism industry in 2019 was only 3.16%. Additionally, in 2020 revenue was decimated, while this sector is recording enormous losses.

**Table 18:**

*Data by cities*

City	Number of employees	Revenue	Profit	EBIT
ANDRIJEVICA	6	80.962	2.835	3.115
BAR	371	23.741.960	6.326.951	10.018.085
BERANE	7	180.989	-17.994	-11.593
BIJELO POLJE	30	1.500.378	189.329	256.739
BUDVA	2.753	142.873.705	2.240.988	7.952.172
CETINJE	55	816.827	37.189	35.493
DANILOVGRAD	9	285.268	57.798	-18.894
GUSINJE	10	72.439	6.127	8.790
HERCEG NOVI	707	28.125.797	-1.164.763	-337.469
KOLASIN	27	1.210.950	-60.544	-50.691
KOTOR	372	16.727.328	988.888	2.574.376
MOJKOVAC	10	311.006	30.315	27.087
NIKSIC	226	12.730.949	322.543	1.163.676
PLJEVLJA	79	2.058.832	-89.810	-249.288
PLUZINE	3	50.491	2.548	5.164
PODGORICA	1.364	69.989.319	4.253.548	6.197.111

<sup>46</sup> Biinfo portal, July 2020

ROZAJE	3	165.873	-25.263	31.024
SAVNIK	11	229.053	26.197	25.756
TIVAT	433	48.389.308	-1.904.122	-1.755.655
ULCINJ	357	11.535.624	260.038	923.307
ZABLJAK	89	2.478.684	48.833	209.254

Observed by cities, most employees work in Budva, Podgorica and Herceg Novi. However, when looking at income, the highest income is recorded in Budva, Podgorica and Tivat. The largest profit of this branch of economy is realized in Bar, Budva and Podgorica.

### Data on hotels in Montenegro <sup>47</sup>

According to the data of the Ministry of Economic Development, in January 2021, a total of 470 hotels operate in Montenegro.

**Table 19:**

*Data on hotels by cities*

City	Number of hotels	% of total
Podgorica	47	10,00%
Budva	134	28,50%
Kotor	41	8,70%
Tivat	21	4,50%
Herceg Novi	43	9,10%
Bar	56	11,90%
Ulcinj	55	11,70%
Niksic	10	2,20%
Danilovgrad	3	0,60%
Cetinje	5	1,00%
Rozaje	2	0,40%
Kolasin	7	1,50%
Zabljak	12	2,60%
Berane	5	1,00%
Pljevlja	7	1,60%
Pluzine	3	0,60%
Bijelo Polje	6	1,30%
Mojkovac	6	1,30%
Andrijevisa	2	0,40%
Plav	4	0,80%
Savnik	1	0,20%
<b>Total</b>	<b>470</b>	<b>100%</b>

The largest number of hotels is located in the coastal region: Budva, Kotor, Bar, Herceg Novi, Ulcinj and Tivat, while every tenth hotel is located in the capital city.

<sup>47</sup> Ministry of Economic Development, January 2021

### The structure of hotels that have wellness and spa facilities

For the purposes of drafting the Health Tourism Development Program, an analysis of 4 and 5\* hotels which offer wellness and spa facilities, has been prepared.

**Table 20:**

*Hotels with 4 and 5\* that offer wellness and spa facilities*

City	Number of hotels with 4 and 5 *	Number of 4 and 5* hotels with Wellness and spa facilities	% of 4 and 5* hotels
Podgorica	23	9	39%
Budva	72	27	38%
Kotor	28	6	21%
Tivat	12	7	58%
Herceg Novi	20	9	45%
Bar	15	2	13%
Ulcinj	25	3	12%
Niksic	3	0	0%
Cetinje	3	0	0%
Kolasin	3	2	67%
Zabljak	3	2	67%
Berane	2	0	0%
Pljevlja	2	0	0%
Bijelo Polje	1	0	0%
Mojkovac	2	1	50%
<b>Total</b>	<b>214</b>	<b>68</b>	<b>32%</b>

Note: The complete list of 4 and 5\* hotels is attached to the Program

Only every third hotel in Montenegro has wellness and spa in its offer, which means that huge investments are needed to increase the number of hotels that offer wellness and spa services, and related products. Due to the uncertainty of the recovery of tourism from the crisis caused by the COVID19 pandemic, it is not expected to invest in these facilities in the period until 2023.

The largest number of hotels that offer wellness and spa is, as expected, in the coastal region: Budva 27, Herceg Novi 9, Tivat 7, Kotor 6, Ulcinj 3 and Bar 2 hotels. Out of a total of 68 hotels with wellness and spa offer, 54 are located in the coastal region, which is as much as 80% of the total. In Podgorica, which represents the central regions, there are 9 hotels with wellness and spa offer, while in the northern region there are only 5 hotels, namely Kolasin (2 hotels), Zabljak (2 hotels) and Mojkovac (1 hotel).

These data clearly indicate regional inequalities in the development of high-class hotels.

## 5.5. Analysis of the health system of Montenegro<sup>48</sup>

The health system of Montenegro is organized as a single health region and is predominantly based on the public sector. Public health institutions are organized through a network of primary, secondary and tertiary health care, consisting of 18 health centers, seven general hospitals, three special hospitals, the Clinical Center of Montenegro, the Institute of Emergency Medicine, the Institute of Public Health and the Pharmacy "Montefarm", which includes 41 pharmacies in all municipalities of Montenegro.

The private sector consists of a number of surgeries, dental clinics, wholesalers and pharmacies. The private sector as a whole is not integrated into the health care system, while it is partially integrated. The Decision on the Network of health care institutions determines the type, number and distribution of public and private health care institutions on the territory of Montenegro. Health care institutions covered by the Health Network provide the determined scope of health care from the compulsory health insurance.

In accordance with legal regulations, in Montenegro were established: 18 health centers, 7 general hospitals, 3 special hospitals, Clinical Center of Montenegro, Institute of Public Health, Institute of Emergency Medicine, Institute of Blood Transfusion, Pharmacies of Montenegro "Montefarm". Depending on the activity for which they are established, institutions provide health care at the primary, secondary and tertiary levels. In the area of health insurance, the Health Insurance Fund of Montenegro is responsible (which has signed contracts with 210 surgeries), and the Agency for Medicines and Medical Devices (CALIMS) is responsible for the implementation of pharmaceutical policy.

Hospital health care for the population in Montenegro is provided through:

- seven general hospitals:
  - Bar (for the municipalities of Bar and Ulcinj);
  - Bijelo Polje (for the municipalities of Bijelo Polje and Mojkovac);
  - Berane (for the municipalities of Berane, Andrijevica, Plav and Rozaje);
  - Kotor (for the municipalities of Kotor, Tivat and Herceg Novi);
  - Niksic (for the municipalities of Niksic, Pluzine and Savnik);
  - Pljevlja (for the municipalities of Pljevlja and Zabljak); and
  - Cetinje (for the municipalities of Cetinje and Budva);
- five health centers and two health stations - located in the municipalities: Mojkovac, Plav, Ulcinj, Kolasin, Rozaje, Pluzine and Savnik, in which there were 96 beds, as follows: HC Mojkovac 15, HC Rozaje 44, HC Plav 24, HC Ulcinj 8 (5 beds in the hospital HC Kolasin is not in function), 5 beds in HS Pluzine.

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<sup>48</sup> The data in this section are data from the Ministry of Health delivered in 2020 for the purposes of adopting this Program

- the Clinical Center of Montenegro, which in addition to general hospital activities for the municipalities of Podgorica, Danilovgrad and Kolasin, also provides territorial health care at all levels for the state.
- three special hospitals:
  - Special hospital for psychiatry - Dobrota in Kotor;
  - Special Hospital for Orthopedic Traumatology, Neurology and Neurosurgery "Vaso Cukovic" Risan;
  - Special Hospital for Lung Diseases and Tuberculosis "Dr Jovan Bulajic" - Brezovik in Niksic;
- Institute of Physical Medicine, Rehabilitation and Rheumatology "Dr Simo Milosevic" AD Igalo in the municipality of Herceg Novi.

Of particular importance for outpatient health care are public health institutions, the Institute of Public Health and Pharmacy "Montefarm" with 41 pharmacies (Podgorica 10, Plav 3, Bar, Berane, Budva, Danilovgrad, Kolasin, Kotor, Niksic, Ulcinj and Herceg Novi 2 each, and in the other 10 municipalities 1 each), as well as a significant number of private pharmacies in most municipalities.

According to the data provided by the Ministry of Health, human resources have the following structure:

- The total number of medical workers is 6,264 (health workers + associates),
- Total number of doctors 1,708,
- Total number of dentists 33 (dentists in public health, polyclinic and faculty),
- Total number of pharmacists 127 (Public Health Institutions (PHI) + Public Pharmacy Institutions (PPI)),
- Total number of hospitals 11, and
- Total number of beds 2,400 in PHI.

2,143 doctors of medicine are registered in the Register of Medical Doctors of Montenegrin citizens. In addition, 178 licensed foreign doctors of medicine have permanent or temporary residence in the territory of Montenegro.

Below is a tabular overview of data on the health system of Montenegro.

**Table 21:**

*Overview of health care institutions in Montenegro*

#	Region	General Hospital	Special hospital	Clinical centre	Health Center	Inpatient health center
1.	Coastal	2	2		6	
2.	Central	2	1	1	4	
3.	North	3			8	5
4.	Total	7	3	1	18	5

**Table 22:***Staff and bed stock in hospitals and dispensaries*

<b>Public Health Institutions</b>	<b>Number of beds</b>	<b>Number of doctors</b>	<b>Senior and middle health staff</b>	<b>Capacity utilization (%)</b>
Inpatient HC	96	9	40	43,74
General hospitals	1634	350	962	70,37
Bar	167	45	143	69,28
Berane	196	60	171	72,96
Bijelo Polje	141	56	124	62,42
Kotor	149	42	101	60,55
Niksic	225	69	205	64,56
Pljevlja	117	36	126	66,23
Cetinje	92	42	92	65,23
Special hospitals	504	61	225	86,73
SH for lung diseases and TBC Brezovik	141	20	72	77,20
SH for psychiatry Dobrota - Kotor	241	16	73	91,09
SH for orthopedics, neurosurgery and neurology	122	25	80	70,73
Clinical Center of Mne	707	408	974	73,30
<b>Total</b>	<b>2.394</b>	<b>828</b>	<b>2.201</b>	<b>69,60</b>

**Private health facilities and clinics**

786 private health institutions - outpatient clinics have a significant role in the primary health care of the population of Montenegro.

These institutions are located in several municipalities and provide services for 34 medical activities. Most of them are located in Podgorica (44.24%), followed by Bar (12.72%), Budva (10.09%), Herceg Novi (8.48%), Niksic (6.66%), etc. There are 77 dental institutions (46.66%), 14 in the field of gynecology (8.48%), 10 in internal medicine (6.06%), 11 in eye diseases (6.66%), 7 in pediatrics (4.24%), 5 in ultrasound diagnostics (3.03%), 3 in general medicine (1.181%), etc.

## **Hadron project**

Montenegro's great chance is the The South East European International Institute for Sustainable Technologies (SEEIIST) project, which was initiated in mid-2017, and has become the most serious regional development science and technology project. It is a large pan-European research infrastructure, which has a strong European relevance and perspective. SEEIIST targets one of the biggest social, health challenges - the fight against cancer - which Europe has positioned as one of its special missions in the next framework program for science and innovation - Horizon Europe.

SEEIIST is an infrastructure for cancer therapy and multidisciplinary research using heavier ions, which today represents the most modern and most effective method of cancer treatment. While there are only 12 such projects in the world, 4 of which are in Europe, SEEIIST will have a number of unique features, as the technology will be significantly improved thanks to the support of 18 renowned European institutions and clinics, most notably CERN in Geneva and GSI in Germany.

The SEEIIST project will also be conceived as the first green infrastructure in the field of cancer treatment, and thus will be the first infrastructure in line with the EU 'HorizonEurope Cancer Mission'.

5.5.1. Health system capacities (report of the Institute of Public Health (IPH) for 2018)

The following tables show detailed data from the 2018 Institute of Public Health Report.

3.14. LJEKARI SPECIJALISTI PREMA DOBNIM GRUPAMA I POLU U CRNOJ GORI U 2017. GODINI  
3.14. SPECIALISTS BY AGE AND SEX IN MONTENEGRO IN 2017

Specijalnost Specialty	Ukupno Total	Svega Of all		Dobne grupe i pol Age groups and sex							
				do 34 godine less than 34 years		35 - 44, godine 35 - 44 years		45 - 54, godine 45 - 54 years		55 i više godina 55 years and over	
		muški male	ženski female	muški male	ženski female	muški male	ženski female	muški male	ženski female	muški male	ženski female
Interni medicina Internal medicine	122	59	63	2	3	27	24	17	18	13	18
Infektologija Infectology	15	5	10	1		1	2		2	3	6
Pneumofiziologija Pneumophysiology	26	7	19			2	1	3	6	2	12
Pedijatrija Pediatrics	153	26	127	2	4	7	35	3	46	14	42
Psijhijatrija Psychiatry	37	14	23			7	12	4	9	3	2
Neuropsijhijatrija Neuropsychiatry	16	4	12				2		2	4	8
Neurologija Neurology	20	7	13		1	5	5	2	4		3
Fizička medicina Physical medicine	14	1	13		1		5		3	1	4
Dermatovenerologija Dermatovenerology	13	1	12				6	1	4		2
Radiologija Radiology	70	28	42			10	24	6	14	12	4
Hirurgija Surgery	59	56	3			25	2	18	1	13	
Urologija Urology	15	14	1			4		3	1	7	
Ortopedija Orthopedics	25	25		1		10		7		7	
Neurohirurgija Neurosurgery	6	6				4				2	
Dječija hirurgija Pediatric surgery	6	4	2			2	1	1	1	1	
Ginekologija i akušerstvo Gynecology and obstetrics	86	36	50			16	17	11	12	9	21
Oftalmologija Ophthalmology	21	5	16		1	1	8	2	5	2	2
Otorinolaringologija Otorhinolaryngology	22	14	8			2	6	3	1	9	1
Anestezijologija Anesthesiology	57	22	35	3	2	7	16	5	6	7	11
Transfuzijologija Transfusion	18	3	15				6		4	3	5
Patohistologija Pathohistology	9	4	5	1		3	5				
Šumska medicina Forest medicine	4	2	2		1	1				1	1
Epidemiologija Epidemiology	26	12	14	1	1	7	5	1	8	3	
Mikrobiologija Microbiology	20	6	14	1		1	2	2	6	2	6
Higijena Hygiene	9	1	8			1	5	0	2		1
Socijalna medicina Social medicine	7	2	5				4	1		1	1
Školska medicina School medicine	0	0	0								
Nuklearna medicina Nuclear medicine	4	2	2				2	1		1	
Sportska medicina Sports medicine	4	2	2			1				1	2
Urgentna medicina Emergency medicine	21	8	13			2	2	3	6	3	5
Medicina rada Occupational medicine	31	8	23						6	8	17
Opšta medicina General medicine	77	14	63			2	7	3	24	9	32
Imunologija Immunology	2	0	2				2				
Medicinska bihemija Biochemistry	33	2	31		3	1	15		7	1	6
Maksilofacijalna hirurgija	3	1	2					1	2		
Klinička farmakologija Clinical Pharmacology	1		1						1		
Doktor tradicionalne kineske medicine Traditional Chinese medicine											
Klinička genetika Clinical genetic											
Plastična i rekonstruktivna hirurgija	4	1	3			1	2				1
Perinatalna medicina	25	5	20			3	4	2	8		8
Zdravstvena statistika	1		1				1				
<b>Ukupno ljekara specijalista Total specialists</b>	<b>1082</b>	<b>407</b>	<b>675</b>	<b>12</b>	<b>17</b>	<b>153</b>	<b>228</b>	<b>100</b>	<b>209</b>	<b>142</b>	<b>221</b>



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3.17. MEDICINSKI RADNICI I SARADNICI SA VIŠOM, SREDNJOM I NIŽOM STRUČNOM SPREMOM PREMA PROFILU, STAROSTI I POLU U CRNOJ GORI U 2017. GODINI

3.17. MEDICAL STAFF WITH HIGH, SECONDARY AND LOWER SCHOOL EDUCATION BY PROFILE, AGE AND SEX IN MONTENEGRO IN 2017

Profil Profile	Stražna sprema Educational attainments	Ukupno Total	Dobne grupe i pol Age and sex									
			svaga of all		do 34 godine to 34 years		35 - 44 godine 35 - 44 years		45 - 54 godine 45 - 54 years		55 i više godina 55 years and over	
			muški male	ženski female	muški male	ženski female	muški male	ženski female	muški male	ženski female	muški male	ženski female
Ukupno Total	sa višom stručnom spremom high school education	142	22	120	2	14	2	23	8	48	10	35
	sa srednjom stručnom spremom secondary school education	3570	304	3066	167	784	91	736	117	920	129	626
	sa nižom stručnom spremom lower school education											
Medicinske sestre tehničari opšti snajer Nurses	sa višom stručnom spremom high school education	36	4	32	1	3	1	10	2	7		12
	sa srednjom stručnom spremom secondary school education	2135	344	1791	123	429	56	392	79	544	86	426
Medicinske sestre tehničari pedijatrijski snajer Nurses	sa višom stručnom spremom high school education	2		2						2		0
	sa srednjom stručnom spremom secondary school education	367		367		84		136		95		52
Medicinske sestre tehničari akuterski snajer Nurses	sa višom stručnom spremom high school education	5		5		4		1				
	sa srednjom stručnom spremom secondary school education	226		226		59		65		70		32
Medicinske sestre tehničari kužno liječenje Nurses	sa višom stručnom spremom high school education											
	sa srednjom stručnom spremom secondary school education	8	2	6		1			1	1	1	4
Medicinske sestre tehničari preventivni snajer Nurses	sa višom stručnom spremom high school education	1		1								1
	sa srednjom stručnom spremom secondary school education											
Sanitarni tehničari Sanitary technicians	sa višom stručnom spremom high school education	10	3	7					2	5	1	2
	sa srednjom stručnom spremom secondary school education	49	16	33	2	1	3	8	2	18	7	6
Rentgen tehničari X-ray technicians	sa višom stručnom spremom high school education	15	5	10	1	2				4	4	4
	sa srednjom stručnom spremom secondary school education	87	35	52	10	7	7	13	9	17	9	15
Fizioterapeutski tehničar Physiotherap. technician	sa višom stručnom spremom high school education	38	7	31		3	1	8	2	16	4	4
	sa srednjom stručnom spremom secondary school education	10	4	6	1	1		1	2	3	1	1
Laboratorijski tehničari Laboratory technicians	sa višom stručnom spremom high school education	17	1	16				2	1	9		5
	sa srednjom stručnom spremom secondary school education	322	46	276	19	68	4	58	12	114	11	35
Zubni tehničari Dental technicians	sa višom stručnom spremom high school education											
	sa srednjom stručnom spremom secondary school education	28	9	19	2	7	3	6	2	3		3
Stomatološke sestre - tehničar Dental technicians	sa višom stručnom spremom high school education											
	sa srednjom stručnom spremom secondary school education	10		10		2		6		2		
Farmaceutski tehničari Pharmac. technicians	sa višom stručnom spremom high school education											
	sa srednjom stručnom spremom secondary school education	205	13	192	4	107	7	35	2	19		31
Hemijski tehničari Chemical technicians	sa višom stručnom spremom high school education											
	sa srednjom stručnom spremom secondary school education	17	1	16		1	1	1		12		2
Dijetetičari Nutritionists	sa višom stručnom spremom high school education	7		7		1		2		2		2
	sa srednjom stručnom spremom secondary school education											
Transfuzeri Transfusologists	sa višom stručnom spremom high school education											
	sa srednjom stručnom spremom secondary school education	27	15	12	1		5		3	5	6	7
Defektolozi Defectologists	sa višom stručnom spremom high school education	2	1	1						1	1	
	sa srednjom stručnom spremom secondary school education											
Socijalni radnici Social workers	sa višom stručnom spremom high school education	6		6						1		5
	sa srednjom stručnom spremom secondary school education											
Anestetičari Anesthetis technicians	sa višom stručnom spremom high school education											
	sa srednjom stručnom spremom secondary school education	23	11	12	2	5	1	3	2	3	6	1
Inženjer tehnologije Technologists	sa višom stručnom spremom high school education	1	1						1			
	sa srednjom stručnom spremom secondary school education											
Instrumentari Instrumenta technicians	sa višom stručnom spremom high school education											
	sa srednjom stručnom spremom secondary school education	42	1	41	1	11		11		11		8
Zdravstveni statističari Health statisticians	sa višom stručnom spremom high school education											
	sa srednjom stručnom spremom secondary school education	5	1	4				1	1			3
Ostali medicinski radnici i saradnici sa višom, srednjom i nižom stručnom spremom Other health and associates with high, secondary and lower school education	sa višom stručnom spremom high school education	2		2		1				1		
	sa srednjom stručnom spremom secondary school education	9	0	9	2				2	3	2	
	sa nižom stručnom spremom lower school education											

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4.2.1. BROJ POSTELJA, DANI LIJEČENJA ISPISANIH BOLESNIKA I PROCENTNA ISKORIŠĆENOST POSTELJA  
PREMA VRSTI JAVNIH ZDRAVSTVENIH USTANOVA U CRNOJ GORI U 2017. GODINI

4.2.1. NUMBER OF BEDS, HOSPITAL DAYS OF DISCHARGED PATIENTS AND PERCENT OF BED USAGE BY TYPE OF INSTITUTIONS  
IN MONTENEGRO IN 2017

Institucije Institutions	Postelje Beds	Dani liječenja ispisanih bolesnika Hospital days	Ispisano bolesnika Discharged patients	Procenat iskorisćenosti Percent of bed usage	Dnevno slobodne postelje Daily free beds
<b>Stacionari domova zdravlja Stationaries in Health Centres</b>					
Kolacin*					
Mojkovac	15	2350	295	42,92	8,56
Plav	24	2723	669	31,08	16,54
Plužine	5	552	62	30,25	3,49
Ružice	44	6168	1293	38,41	27,10
Šavnik					0,00
Ulcinj	8	200	59	6,85	7,45
<b>Svega stacionari domova zdravlja Of all Stationaries</b>	<b>96</b>	<b>11993</b>	<b>2378</b>	<b>34,23</b>	<b>63,14</b>
<b>Opšte bolnice General hospitals</b>					
Bar	167	45403	7044	74,49	42,61
Berane	186	49277	8344	72,58	50,99
Bijelo Polje	148	32391	4805	59,96	59,26
Kotor	147	30492	5866	56,83	63,46
Nišić	225	47853	6210	58,27	93,90
Pļjevlja	117	26073	3288	61,05	45,57
Cetinje	92	23183	4056	69,04	28,48
<b>Svega Opšte bolnice Of all General Hospitals</b>	<b>1082</b>	<b>254672</b>	<b>39613</b>	<b>64,49</b>	<b>384,27</b>
<b>Specijalne bolnice Special hospital</b>					
Brezovik	147	35135	3007	65,48	50,74
Dobrota	241	73609	919	83,68	39,33
Risan	122	32609	1953	73,23	32,66
<b>Svega Specijalne bolnice Of all Special hospital</b>	<b>510</b>	<b>141353</b>	<b>5879</b>	<b>75,93</b>	<b>122,73</b>
<b>Svega Stacionari domova zdravlja, Opšte bolnice, Specijalne bolnice Of all Stationaries, General Hospitals and Special hospital</b>	<b>1688</b>	<b>408018</b>	<b>47870</b>	<b>66,22</b>	<b>570,14</b>
<b>Klinički centar Crne Gore* Clinical Centre Montenegro</b>	<b>715</b>	<b>180134</b>	<b>34520</b>	<b>69,02</b>	<b>221,48</b>
<b>Svega Stacionari domova zdravlja, Opšte bolnice, Specijalne bolnice, Klinički centar Of all Stationaries, General Hospitals, Special hospital and Clinical Centre</b>	<b>2403</b>	<b>588152</b>	<b>82390</b>	<b>67,06</b>	<b>791,62</b>

\*Bez 28 postelje za neonatologiju koje nijesu standardne

\* Without 28 beds for neonatology, that are not standard

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4.2.8. ZDRAVSTVENI RADNICI U BOLNIČKOJ SLUŽBI PO ODJELJENJIMA U CRNOJ GORI U 2017. GODINI  
4.2.8. HEALTH WORKERS IN HOSPITAL CARE SERVICE BY DEPARTMENTS IN MONTENEGRO IN 2017

Odjeljenje Department	Medicinski radnici prema stepenu stručne spreme i profilu Health workers by educational attainments and profile							
	Sa visokom stručnom spremom Higher school education				ostali sa visokom stručnom spremom others health workers with higher school education	sa višom stručnom spremom health workers with high school education	sa srednjom stručnom spremom health workers with secondary school education	sa nižom stručnom spremom health workers with lower school education
	Ljekara physicians							
	ukupno total	opšte medicine general medicine	na specijalizaciji specializing in	specijalista specialists				
Interno Internal	161	7	51	103	10	16	267	
Hirurgija Surgery	122	2	32	88		23	220	
Ortopedija Orthopedic	18		8	10		8	37	
Ginekologija i akušerstvo Gyn.-obstetric	84		23	61		17	214	
Dječije odjeljenje Pediatric	27		8	19		6	103	
Otorinolaringologija Otorhinolaryngology	27		10	17	4	1	33	
Očno Eye ward	18	2	5	11	2	0	24	
Neurološko i psihijatrija Neurology and Psychiatry	35		9	26		10	41	
Infektivno Infective	23		9	14	4	2	38	
Urologija Urology	19	1	9	9		4	25	
Kožno venerično Dermatovenerology	5			5		1	6	
Neurohirurško Neurosurgery	8		5	3		5	12	
Intenzivna njega Intensive care	46	0	11	35		13	66	
<b>Ukupno Total</b>	<b>593</b>	<b>12</b>	<b>180</b>	<b>401</b>	<b>20</b>	<b>106</b>	<b>1086</b>	

4.2.9. POSTELJE, ISPISANI BOLESNICI, BOLESNIČKI DANI I UMRILI U BOLNIČKOJ SLUŽBI U CRNOJ GORI U 2017. GODINI  
4.2.9. BEDS, DISCHARGED PATIENTS, HOSPITAL DAYS AND DEATHS IN HOSPITAL SERVICE IN MONTENEGRO IN 2017

Odjeljenje Department	Postelja Beds	Dani liječenja ispisanih bolesnika Hospital days of discharged patients	Ispisano bolesnika Discharged patients		Iskorišćenost Bed usage	
			ukupno total	od toga umrlo deaths	% dnevne zauzetosti daily usage	dnevne slobodne postelje daily free beds
Interno Internal	434	133108	19330	1117	84,03	69,32
Hirurgija Surgery	345	94082	14930	305	74,71	87,24
Ortopedija Orthopedic	62	13980	1483	14	61,78	23,70
Ginekologija i akušerstvo Gyn.-obstetric	319	55432	12238	3	47,61	167,13
Dječije odjeljenje Pediatric	135	30212	7603		61,31	52,23
Otorinolaringologija i maksilofacijalna hirurģija Otorhinolaryngology and maxillofacial surgery	35	8181	1748	6	64,04	12,59
Očno Eye ward	29	6944	3742	1	65,60	9,98
Neurološko i psihijatrija Neurology and Psychiatry	99	21472	1722	122	59,42	40,17
Infektivno Infective	61	12052	1561	23	54,13	27,98
Urologija Urology	63	14861	1606	29	64,63	22,28
Kožno-venerično Dermatovenerology	8	1041	101		35,65	5,15
Neurohirurško Neurosurgery	18	6436	817	7		
Intenzivna njega Intensive care	26	5251	1211	202	55,33	11,61
<b>Ukupno Total</b>	<b>1634</b>	<b>403052</b>	<b>68092</b>	<b>1829</b>	<b>67,58</b>	<b>529,75</b>

## 5.6. Business analysis of companies whose activities are related to health tourism

In total, activities related to health tourism are performed by 494 entities, with revenues of EUR 52.95 million, with 2,676 employees. The loss in these entities amounts to EUR 4.40 million. So, it is clear that this segment of business in Montenegro is dispersed, employs a small number of people and records a loss in business.<sup>49</sup>

**Table 23:**

*Structure of companies and institutions by municipalities*

<b>Municipality</b>	<b>Number of employees</b>	<b>Revenue</b>	<b>Profit</b>
ANDRIJEVICA	2	34.055	1.186
BAR	147	2.345.728	175.179
BERANE	79	1.112.917	10.114
BIJELO POLJE	60	583.004	-16.875
BUDVA	107	3.147.512	515.805
CETINJE	20	190.222	-6.234
DANILOVGRAD	9	84.630	1.613
GUSINJE	2	9.082	-1.703
HERCEG NOVI	833	13.234.285	-8.038.850
KOLASIN	6	73.594	5.853
KOTOR	63	793.749	45.978
MOJKOVAC	5	61.551	7.677
NIKSIC	135	1.764.242	37.004
PLAV	16	142.118	-470
PLJEVLJA	36	359.821	14.653
PODGORICA	1.059	27.790.362	2.817.054
ROZAJE	15	145.510	10.890
TIVAT	44	581.610	43.906
ULCINJ	35	460.512	-1.891
ZABLJAK	3	34.337	-1.670
<b>Total</b>	<b>2.676</b>	<b>52.948.841</b>	<b>-4.380.781</b>

The highest revenues in this sector are generated in Podgorica (EUR 27.8 million), Herceg Novi (EUR 13.20 million) and Budva (EUR 3.15 million). The biggest profit was made in Podgorica, Budva and Bar. When we look at the number of workers, most of them are employed in Podgorica, Herceg Novi and Bar.

<sup>49</sup> The data were obtained from the Binfo.me portal for 2019. Performance indicators of individual companies are given in the annex.

**Table 24:***Structure of companies and institutions by activities*

<b>Name of activity</b>	<b>Number of employees</b>	<b>Revenue (Eur)</b>	<b>Profit (Eur)</b>
Hospital activities	913	23.468.943	-6.577.195
Activities of accommodation facilities with medical care	1	1.750	-369
General medical practice	24	343.864	108.042
Other health care	344	9.050.700	279.455
Specialist medical practice	541	11.168.153	1.498.497
Dental practice	853	8.915.431	310.789

The largest revenue is generated in hospitals (EUR 23.40 million), followed by specialist medical practice (EUR 11.10 million) and dental practice (EUR 8.90 million). The most profitable activities are specialist medical practice (EUR 1.50 million), dental practice and other health care (EUR 0.30 million each).

**Table 25:***The structure of companies and institutions by company size*

<b>Company size</b>	<b>Number of employees</b>	<b>Revenue (Eur) 2019</b>	<b>Profit (Eur) 2019</b>
SMALL ENTERPRISE	149	5.663.719	871.429
MICRO ENTERPRISE	1.471	20.745.629	1.566.546
MEDIUM ENTERPRISE	325	14.610.900	1.284.747
LARGE ENTERPRISE	731	11.928.593	-8.103.503

Only one enterprise from the above table belongs to the large enterprise segment, and that is the Dr Simo Milosevic Institute. Other companies are in the segment of micro, small and medium enterprises.

**Table 26:***Structure of companies and institutions by legal form*

<b>Legal form</b>	<b>Number of employees</b>	<b>Revenue (Eur)</b>	<b>Profit (Eur)</b>
JOINT STOCK COMPANY	731	11.928.593	-8.103.503
Limited liability company	46	908.347	100.688
INSTITUTION	1.899	40.111.901	3.622.034

## 5.7. Natural resources of Montenegro

Montenegro is a country extremely rich in natural resources that should be properly used in the context of the overall development of tourism, with special emphasis on health tourism. In 2011, the Ministry of Economic Development (then the Ministry of Economy) created a map of resources, which served as a basis for an overview of Montenegro's natural resources.

### 5.7.1. Map of resources of Montenegro

#### **Protected natural areas**

##### *Nationally protected natural assets - areas*

Based on national legislation, a large number of natural assets have been placed under protection in Montenegro, many of which enable the protection of the most important components of biological diversity. The national network of protected nature areas currently covers 125,496 ha, or 9.08% of the territory of Montenegro, of which the largest share (79.78% = 100,130 ha) have five national parks: Durmitor, Skadar Lake, Lovcen, Biogradska gora and Prokletije. The rest make up over 40 protected areas within the categories: natural monument; area of special natural features and (general and special) reserves.

The Law on Nature Protection provides for the protection of endemic, rare and endangered plant and animal species. At the beginning of 1968, only 6 plant species were placed under protection, and later in 1982, 52 plant and 314 animal species were placed under protection. Along with new knowledge about the endangerment of certain plant and animal species, the number of protected species has grown, so that today 415 plant and 430 animal species have been placed under the protection regime. The protection of rare, significant monumental trees is traditionally an integral part of the activities for the protection of biological diversity, so that over time a larger number of olive, oak, oak and other trees have been placed under protection.

##### *Internationally protected natural assets*

Based on the application of international agreements (conventions, protocols) in the field of biodiversity protection that Montenegro has ratified or taken over by succession from previous federations / common states, the following areas are under protection:

- Skadar Lake National Park (40,000 ha) has been protected as a Ramsar territory since December 25, 1995, when it was inscribed on the „Wetlands List“ of International Importance especially as a waterfowl habitat (Ramsar List), with the Ramsar Convention (Concentration of international importance especially as a water bird

habitat). The reason for the entry of Skadar Lake National Park on the Ramsar list is the richness and diversity of ornithofauna. This area has been recognized since 1989 as the Important Bird Area (IBA). The Albanian part of Skadar Lake has also been protected as a Ramsar territory since 2 February 2006.

- Durmitor National Park with the Tara Canyon (33,895 ha) has been protected since 1980 as a World Natural Heritage (UNESCO World Natural and Cultural Heritage List), based on meeting the criteria of the Convention Concerning the Protection of the World Natural and Cultural Heritage (UNESCO). A special value of this protected area are the zones with a special management regime, two of which are with a strict protection regime (Tara river canyon and "Crna Poda" forest reserve).
- The Tara River Basin (182,899 ha) is protected as a World Biosphere Reserve (Man and Biosphere Program - M&B, UNESCO, January 17, 1977), under the Convention Concerning the Protection of the World Natural and Cultural Heritage (UNESCO).
- The Bay of Kotor and Risan (15,000 ha) has been protected as a natural and cultural asset of World Importance (UNESCO World Natural and Cultural Heritage List) since October 26, 1979, pursuant to the provisions of the Convention Concerning the Protection of the World Natural and Cultural Heritage (UNESCO). Prior to being placed under international protection, this area was protected under national law.

In addition to the aforementioned areas, there are many other areas of nature in Montenegro with significant and valuable biological diversity, which meet the criteria of both the mentioned and other international agreements to which Montenegro is a Contracting Party (member). Such is the Convention for the Protection of the Mediterranean Sea (Barcelona Convention), and its Protocol for Specially Protected Areas in the Mediterranean, which allow for the protection of marine protected areas.

Avoiding duplication and overlap, nationally (125,496 ha) and internationally (237,899 ha), protected natural assets (protected nature areas) make up the total area of protected areas of 360,395 ha, representing 26.3% of the state territory.

**Table 27:***Review of existing national protected areas in Montenegro*

National parks	Lake Skadar Lovcen Durmitor Biogradska gora Prokletije
Nature reserves	NP Lake Skadar: Manastirska tapija, Panceva oka, Crni zar, Grmozur and Omerova gorica NP Durmitor: Crna Poda, Tivat salt
Monuments of nature	Djalovica gorge Caves: Lipska, Magara, Globocica, Spila near Trnovo / Virpazar, Babatusa; Novakovica cave near Tomasevo Pit Duboki do, near Njegusi Piva River Canyon and Komarnica River Canyo, Pine curve communities at Ljubisnja (1.000ha), Durmitor (5.200ha) and Bjelasica (400ha) „Munika“ pine communities on Orjen (300ha), Lovcen (300ha) and Rumija (100ha) Individual dendrological objects: Skadar oak tree, on Curioč near Danilovgrad, medunca oak tree, in Orahovac near Kotor, olive trees on Mirovica, Stari Bar and Ivanovići, Budva Beaches on the shores of Skadar Lake Beaches: Large Ulcinj beach, Small Ulcinj beach, Valdanos, Velji pijesak, Topolica Bar, Sutomore, Lučica, Petrovac, Canj, Pecin, Buljarica, Petrovac beach, Drobni pijesak, Sveti Stefan, Milocer, Becicka, Slovenian beach, Mogren, Jaz, Przno Savinska Dubrava u Herceg Novom Botanical reserve of laurel and oleander, above the spring Sopot near Risan Botanical garden of mountain flora in Kolasin General Kovacevic Botanical Garden in Grahovo Park "July 13" and "Njegosev Park" in Cetinje Park near the Boka Hotel in Herceg Novi City Park, in Tivat Park of the Castle on Topolica Landscapes of special natural features Spas Hill above Budva Ratac peninsula with Zukotrljica The island of Stari Ulcinj Trebjesa hill in Niksic
Areas protected by municipal decisions	Kotor - Risan Bay - Municipality of Kotor



**Table 28:***Review of existing international protected areas in Montenegro*

Ramsar territory (List of wetland areas of international importance, especially as a waterfowl habitat)	Skadar Lake 40.000m <sup>2</sup>
UNESCO World Natural and Cultural Heritage	Kotor - Risan Bay, Municipality of Kotor Durmitor National Park with Tara Canyon 33.895 m <sup>2</sup>
M&B UNESCO Biosphere Reserves	Tara River Basin

**5.7.2. Potentials of Ulcinj in the context of health tourism**

According to the Study of the protection of the area "Ulcinj saline"<sup>50</sup>, there are 3 important resources that can be used in the context of the development of health tourism: Sea salt, Peloid and Medicinal herbs.

*Sea salt*

The Ulcinj saline, with an area of 1,477 ha, is one of the ten largest in the Mediterranean, while it is one of the weakest in terms of annual production. Production began in 1935 and to this day, except in four cases when there was no production, a salt harvest is organized every year. Obtaining sea salt is simple: by natural evaporation of water on a system of successively placed shallow pools, the water gradually evaporates to saturation under the influence of the sun and wind, ie. until the moment when the molten salt - NaCl can no longer be maintained in the molten state, and crystallizes in specially designed crystallization basins from which it is then collected. The salt is polymineral and contains: K, Li, Sr, Rb, Ca, M, Al, Fe, Si, P, particles of microorganisms from sea water, algae and plankton, whose decomposition produces amino acids (proline, tryptophan, lysine, histidine). It is therefore widely used for medical and balneological purposes: for the treatment of various diseases of rheumatic nature, neurological diseases and complications, injuries of muscles, tendons, peripheral nerves, post-fracture conditions, as well as post-traumatism. Sea salt has antiseptic and antihistamine properties, which is why it is beneficial for allergic skin reactions. After "picking salt", the salt solution and the so-called fine peloid, as a precipitate with a fairly high content of iodine, magnesium and bromine, which are also very useful for the purpose of treatment.

*Peloid (zoganj mineral mud)*

Peloid is a very greasy mud of dark gray to almost black color, fine colloidal structure (Ph 8.4-8.5), salty taste and smell similar to hydrogen sulfide. Its physical properties include

<sup>50</sup> <http://www.ulcinjsalina.me/wp-content/uploads/2016/12/Studija-zastite-Ulcinjaska-Isolana.pdf>

particles of 0.02 mm size found in 50% of samples, and above 0.02 mm in 0.97%. The main sites are near Solana, 2-3 km from the sea, on an area of 9 km<sup>2</sup>. The peloid is covered with earth and sand. Its reserves are huge and are estimated at more than 350,000 cubic meters. Ulcinj peloid was tested several times, the last time in 1985. The conditions for the formation of peloids are extraordinary: the proximity of the sea, lush vegetation, the presence of plankton, shells, snails that die and fall apart. Peloid is a heterogeneous system containing: Na, K, SiO<sub>2</sub>, AlO<sub>3</sub>, FeO<sub>3</sub>, CaO, MgO, CO<sub>2</sub>, then bitumen, sand minerals, humic acid 3.30%, organic matter, radioactive elements uranium and radium. Components such as: S, Ca, P, H<sub>2</sub>S, CO<sub>2</sub> penetrating through the skin act as biologically active substances. Undoubtedly, the peloid territory in Ulcinj is of great importance and represents an important factor not only in the medical program, but it can also be one of the important factors in the development of health tourism. The use of peloids for medical purposes is called peloidotherapy and is a very important method of physical medicine. It has a thermal and mechanical effect, and has a beneficial effect on local inflammatory processes in the body, regenerative processes, trophic changes in the skin, and also acts on the symptom of pain (analgesic and antispasmodic). Therefore, it is widely used: in arthritis, arthrosis, periarteritis, tendinitis, bursitis, myalgia, fibrositis, spondylosis and discopathy, in post-traumatic contractures, delayed callus formation, neuralgia and neuritis, peripheral nerve lesions, chronic postoperative lesions, chronic sterilitis infiltrate, in uncomplicated varicose syndrome (without ulceration). It is also used for cosmetic purposes. Peloid irritates both extero and interoceptors, causing a series of neurohumoral and neuroendocrine reactions, through the adrenal cortex causes the production of glucocorticoids, which has a beneficial effect on inflammatory processes.

#### *Medicinal herbs*

Ulcinj with its coastal region belongs to the Mediterranean vegetation area, which as such consists of a complex of evergreen dendoflora, aromatic plants and predominantly represented Mediterranean macchia. Ulcinj saltworks is a semi-natural wetland that has retained many features (muddy shores, reeds, sedges, halophytic vegetation, open water surface) of the former natural lagoon Zoganjsko Lake in its place. Solana also protects untouched alluvial forests, brackish swamps, wet meadows and pastures that surround it, because due to its specific position, this area cannot be drained. The halophyte communities in the saltworks have the greatest natural value because this type of vegetation exists only in another locality in Montenegro (land around the abandoned Tivat saltworks in the Tivat field). One of the associations of halophytic vegetation in the Ulcinj saltworks is known only in Montenegro: *Salicornietum herbaceae* Jank. & Stev. (Jankovic & Stevanovic 1983). The area of the Ulcinj Saltworks is characterized by the presence of a large number of types of medicinal herbs, which can undoubtedly be used for medical and tourist purposes. The following can be singled out: St. John's wort (*Hypericum perforatum* L.) which can be used as an antidepressant, sedative and antibiotic and dandelion (*Taraxacum officinale* Weber)

which is primarily used for liver, bile and urinary tract problems. Folk herbalists also recommended it for hypochondria, pallor and other health problems.

### 5.7.3. *Peloid in Igalj*

Igalj peloid (mud) is extracted from the sea in the Igalj Bay and is characterized by a high content of minerals and biologically active substances. It is formed by the deposition of mineral sediments of the river Suturina and sea water, with the participation of the specific world of marine flora and fauna, which is significantly contributed by the small depth of the sea, abundance of solar radiation, soft soil, favorable geohydrological and climatological factors. The therapeutic effect of needle peloid has been proven, experimentally and clinically, in a huge number of patients.

Thanks to this, Igalj has developed into one of the largest and best peloid spas in the world.

### 5.7.4. *Medicinal herbs*<sup>51</sup>

Medicinal and aromatic herbs, together with forest fruits and mushrooms, have long been used by the people as medicines and auxiliary medicines (teas, tinctures, extracts, balms, syrups, etc.), as food or food additives, as natural additives and preservatives, as plant protection products (natural herbicides, fungicides and insecticides), dyes..., while in the era of industrialization they became a raw material for the pharmaceutical, confectionery, alcoholic and non-alcoholic beverages industry, raw materials for biogas, and found use in cosmetics, as well as in the production of perfumes. Given the pronounced trend of promotion of health, rural, ethno-tourism and eco-tourism, local traditional herbal products (teas, balms, syrups, jams, alcoholic beverages, compotes, juices, honey and bee products enriched with herbs, as well as other food products that contain medicinal herbs), began to gain special value. Their production and placement are gaining more and more importance in the development of the local community and have a positive impact on the socio-economic position of pickers. Pickers, however, must be trained to recognize plants, to use proper picking, drying, storage techniques, to be instructed in the basic laws in this area, as well as in the application of standards in the sector concerning medicinal and aromatic plants.

In Montenegro, the turnover and export of medicinal aromatic herbs (MAH) is measured in hundreds of thousands of euros, and the main partners are the countries of the region, especially Serbia and Albania.

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[https://www.ucg.ac.me/skladiste/blog\\_6256/objava\\_64140/fajlovi/2013%20Regionalni%20priru\\_nik%20za%20sakuplja\\_e%20MNE\\_03.pdf](https://www.ucg.ac.me/skladiste/blog_6256/objava_64140/fajlovi/2013%20Regionalni%20priru_nik%20za%20sakuplja_e%20MNE_03.pdf)

**Table 29:***Business of companies engaged in producing of aromatic herbs, essential oils, preparations*

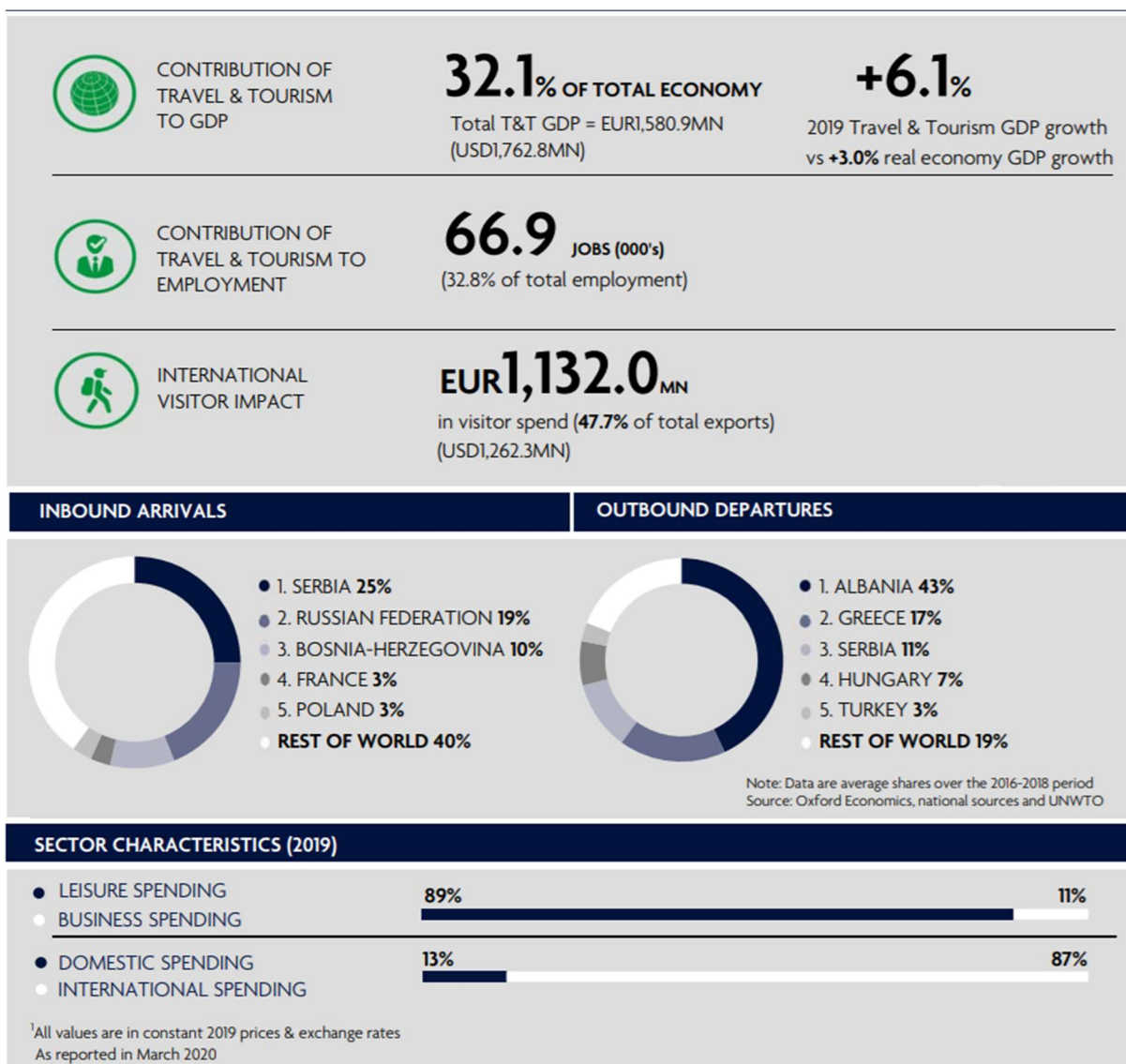
Company name	Name of activity	Place	Year of last balance sheet	Number of employees	Revenue (Eur)	Profit (Eur)	EBIT (Eur)
"FLORES TRADE" ULCINJ	Production of essential oils	ULCINJ	2020	3	581.154	38.019	41.931
"FLORES" MOJKOVAC	Production of essential oils	MOJKOVAC	2020	8	489.480	36.290	37.042
"BALKAN ORGANICS" BAR	Production of essential oils	BAR	2020	1	23.004	3.215	3.537
"OLIVMONT" BAR	Production of essential oils	BAR	2019	2	5.216	-2.159	-892
"BASISVITA" D.O.O. KOLAŠIN	Cultivation of spices, aromatic and medicinal herbs	KOLAŠIN	2020	1	1.347.646	49.191	54.695
"HERBAL MONTENEGRO" D.O.O. - NIKSIC	Cultivation of spices, aromatic and medicinal herbs	NIKSIC	2019	5	271.699	-107.246	-107.246
"BILJE BR" NIKSIC	Cultivation of spices, aromatic and medicinal herbs	NIKSIC	2020	1	24.470	-2.637	-1.046
"LJEKOVITO BILJE PIPERI" DOO PODGORICA	Cultivation of spices, aromatic and medicinal herbs	PODGORICA	2019	1	0	327	-327
"PLOUTUS AGRICULTURE" DOO NIKSIC	Cultivation of spices, aromatic and medicinal herbs	NIKSIC	2019	2	0	0	9.875
"SRETENJE" DOO BUDVA	Cultivation of spices, aromatic and medicinal herbs	BUDVA	2020	1	0	-89	-89
"IN SPE" BAR	Production of homogenized nutrients and dietary food	BAR	2020	17	425.320	57.077	85.583
"DARIS & CO" PODGORICA	Production of homogenized nutrients and dietary food	PODGORICA	2019	4	156.921	-704	5.484
"MEĐEDOVIĆ PROM" BIJELO POLJE	Production of spices and other food additives	BIJELO POLJE	2020	2	78.029	-14.090	-14.090
"PACO MONTE" DANILOVGRAD	Production of spices and other food additives	DANILOVGRAD	2019	1	14.744	9.107	10.011
"MONTSILVER CO" D.O.O. NIKSIC	Production of homogenized nutrients and dietary food	NIKSIC	2019	1	2.570	-119	-143
"MONTENEGRO BIO SCIENCE"	Production of homogenized nutrients and dietary food	PODGORICA	2019	2	235	-34.252	-34.252
DOO "VODENICA 2019" DANILOVGRAD	Production of homogenized nutrients and dietary food	DANILOVGRAD	2019	1	0	-1.598	-1.598
"MEDITERANO" D.O.O. PODGORICA	Production of spices and other food additives	PODGORICA	2019	1	0	-4.135	-4.135
"AGRO PROJECT" PODGORICA	Production of homogenized nutrients and dietary food	PODGORICA	2020	1	0	-15.978	-15.978
<b>Total</b>				<b>55</b>	<b>3.420.488</b>	<b>10.219</b>	<b>68.362</b>

A small number of companies work in the areas of production of aromatic herbs, essential oil and preparations. Only 3.40 million euros in revenue, with a modest profit of 10,000 euros shows that there is a huge space for this activity.

## 6. Statistical data on tourist arrivals and emitting markets

### 6.1. Tourism and travel in Montenegro according to World Travel and Tourism Council (WTTC) data

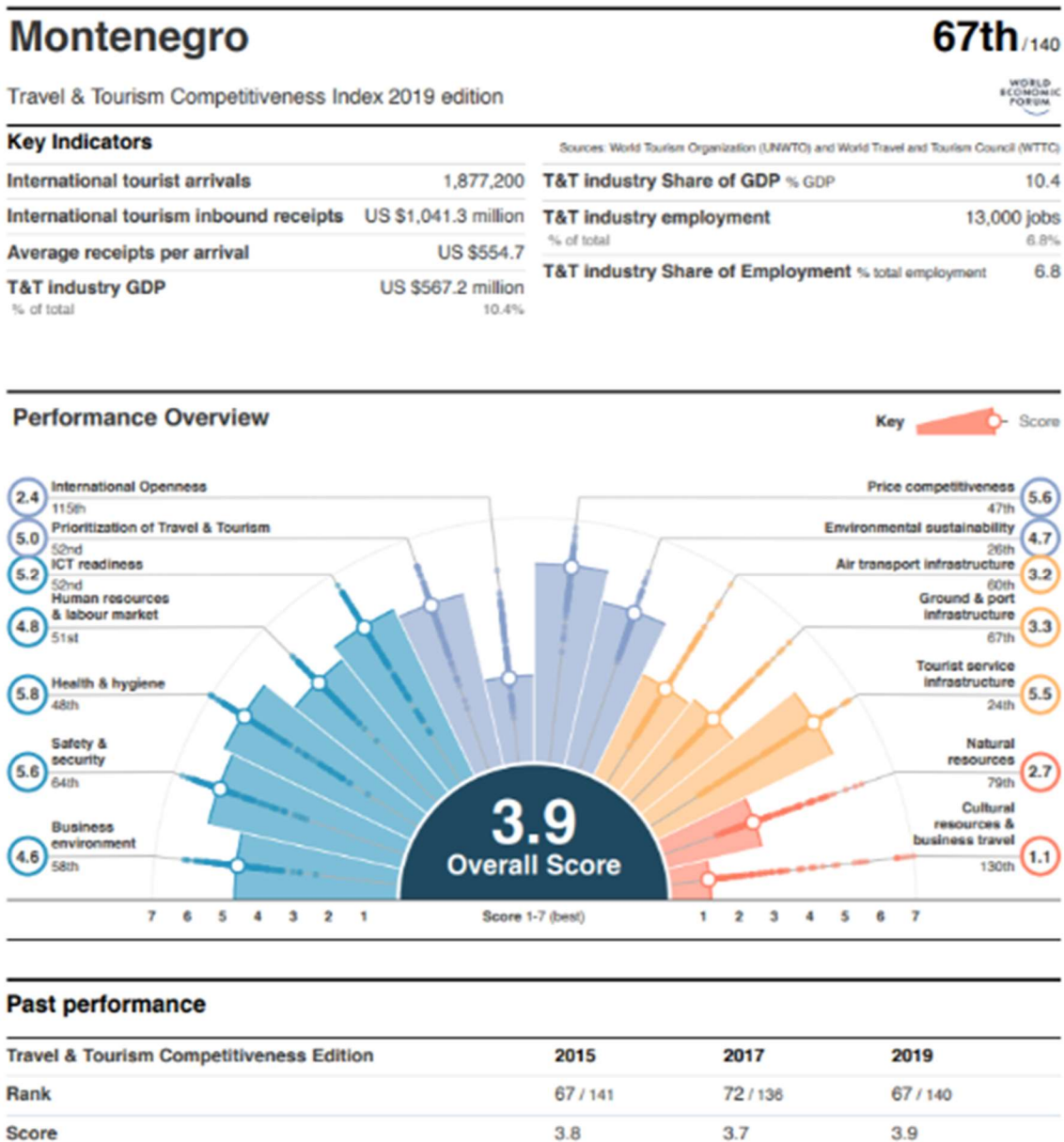
According to official WTTC data, tourism and travel in Montenegro contribute (total direct and indirect contribution) as much as 1.58 billion euros to the total economy, which is 32.10% of GDP. These categories together contribute to employment with as many as 66,900 jobs, which is a third of total jobs.



This graph actually shows how important tourism and travel are for Montenegro. Of course, it should take into account the negative impact on the overall economy, which, unfortunately, is witnessed by the virus COVID19, as a result of which revenues from this branch of activity in 2020 decreased by 85% compared to 2019.

## 6.2. Ranking of Montenegro on the list of World Economic Forum (WEF)

According to WEF data, in 2019, Montenegro took 67 out of 140 places on their ranking list. The key data on tourism are shown in the following picture<sup>52</sup>.



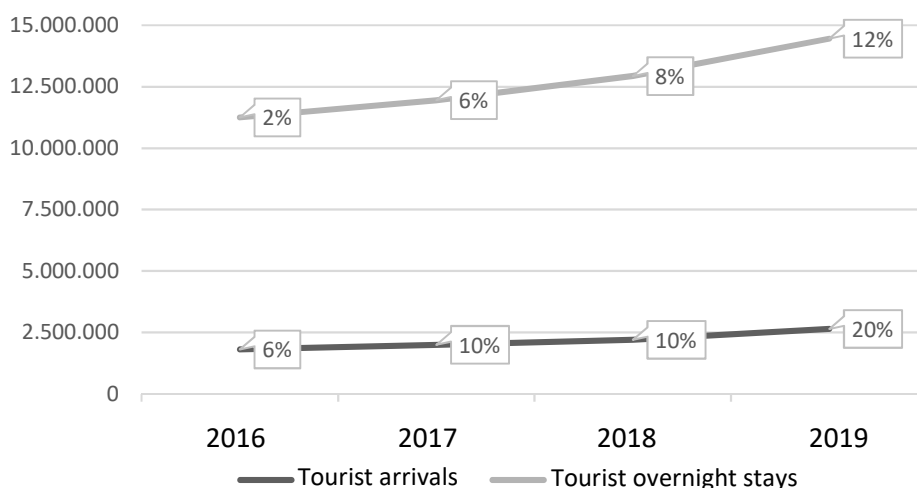
Montenegro achieves the highest score in the segment "Health and Hygiene", which will be a strong support for the implementation of activities under this Program.

<sup>52</sup> <https://reports.weforum.org/travel-and-tourism-competitiveness-report-2019/country-profiles/#economy=MNE>

### 6.3. Data on tourist arrivals

In order to properly set the target markets for health tourism, a review and analysis of statistical data on tourist arrivals and overnight stays was done, taken from the Monstat. Below is a graphical presentation of the stated growth from year to year, for the period 2016-2019.

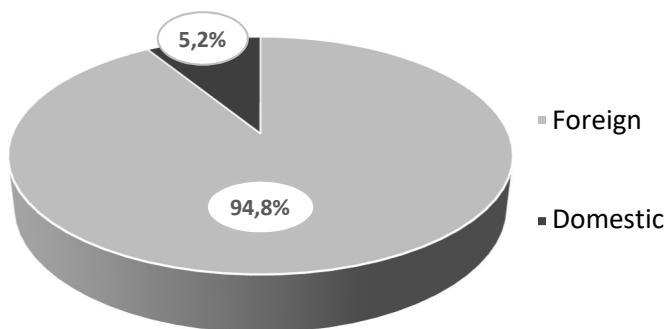
**Graph 4:**  
*Overview of the growth in the number of tourist arrivals and overnight stays for the period 2016-2019, compared to the previous years, in percents*



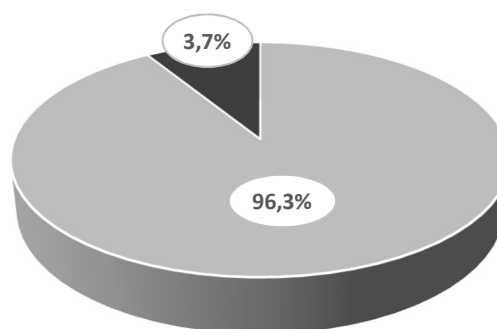
In the observed period, almost proportional growth from year to year was recorded, so in the record year 2019 the number of tourist arrivals increased by 20% compared to 2018, while the number of overnight stays was higher by 12%.

Below are graphical representations of certain statistical data for 2019, which relates to the total data on tourist arrivals and overnight stays in Montenegro.

**Graph 5:**  
*Structure of tourist arrivals for 2019*

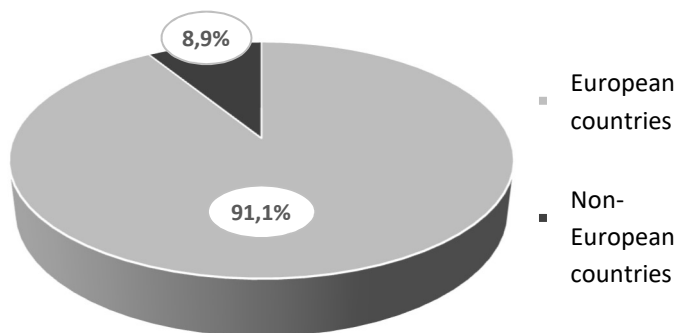


**Graph 6:**  
*Structure of overnight stays for 2019*

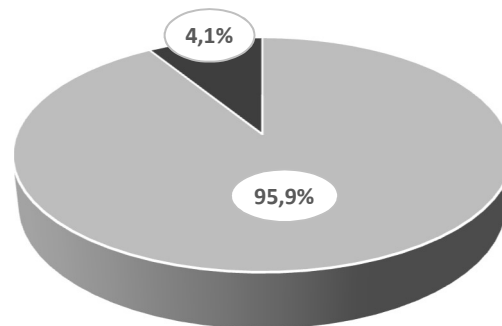


On graphs 5 and 6, it is clear that by far the majority of the tourists are foreigners, while the charts below shows the structure of arrivals and overnight stays by foreign tourists in 2019.

**Graph 7:**  
Structure of foreign tourist arrivals



**Graph 8:**  
Structure of foreign tourist over-nights stays



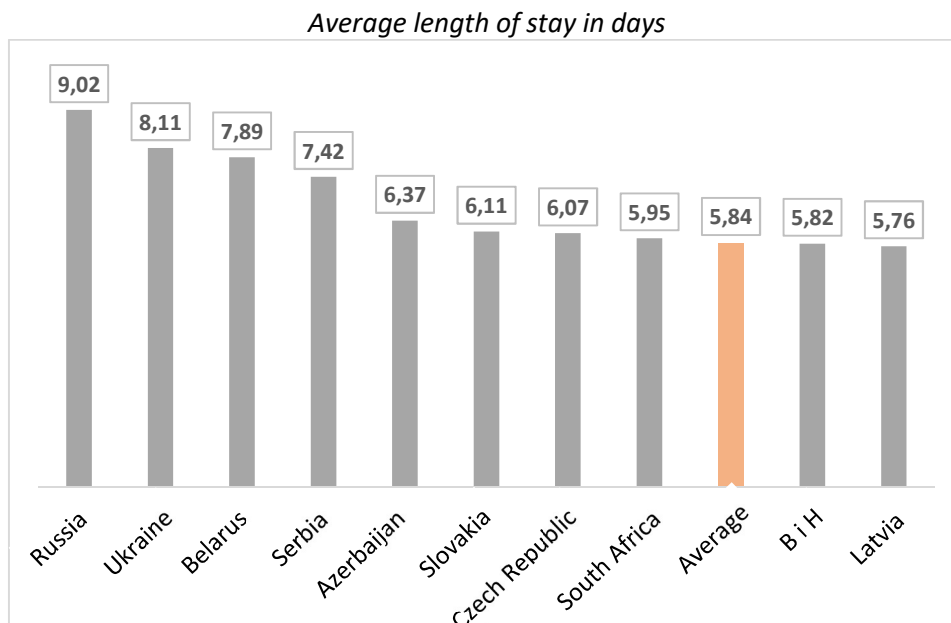
**Table 30:**  
Countries from which the largest number of tourists come to Montenegro - 2019

#	Country	Structure of tourist arrivals	Structure of tourist over-nights stays
European countries			
1.	Serbia	16,06%	21,45%
2.	Russia	15,34%	24,92%
3.	BiH	8,13%	8,51%
4.	Kosovo	6,76%	5,42%
5.	Germany	6,54%	4,62%
6.	France	3,59%	3,13%
7.	Great Britain	3,23%	3,04%
8.	Albania	3,08%	1,71%
9.	Poland	3,06%	2,85%
10.	Ukraine	2,28%	3,33%
Non-European countries			
1.	China and Hong Kong	2,98%	0,70%
2.	Izrael	1,63%	0,80%
3.	USA	1,42%	0,88%

As shown on Charts 7 and 8, tourist arrivals from European countries account for 91.1% of total tourist arrivals, while as many as 95.90% of overnight stays come from European tourists. Table 30 singles out the European countries from which the most tourists come to Montenegro: Serbia, Russia, BiH, Kosovo, Germany, France, Great Britain, Albania, Poland and Ukraine. These countries are also leaders in the percentage of overnight stays in total overnights stays. The table also highlights three non-European countries that are leading in the number of tourist arrivals and overnight stays in total, namely: China and Hong Kong, Israel and the United States of America.



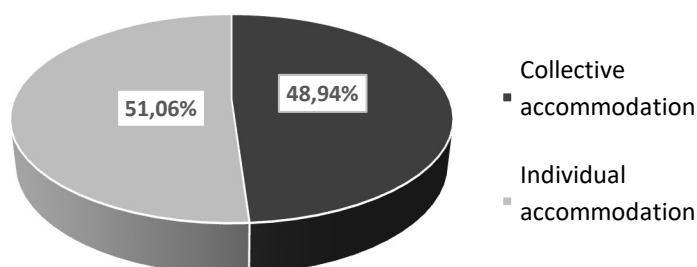
**Graph 9:**



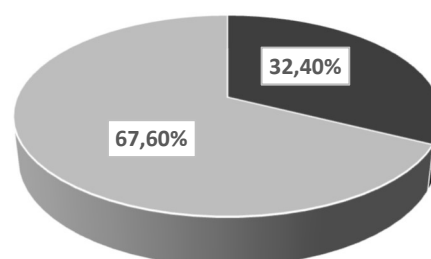
When it comes to the average length of stay of tourists which comes from Europe, for 2019 it is 5.84 days. Graph 9 shows ten countries whose tourists stayed in Montenegro for the longest time on average in 2019. Above the stated average length of stay of 5.84 days are: Russia, Ukraine, Belarus, Serbia, Azerbaijan, Slovakia, the Czech Republic and South Africa. BiH and Latvia are slightly below average.

As stated, all previous data are related to the total data on the number of tourists. The allocation of total data to collective and individual accommodation is shown in the following graphs 10 and 11.

**Graph 10:**  
*Structure of tourist arrivals (2019)*



**Graph 11:**  
*Structure of tourist over-nights stays*

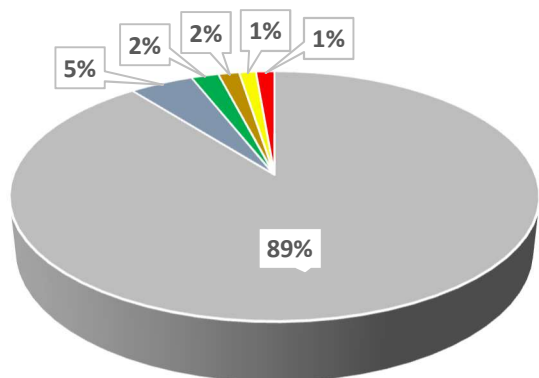


The conclusion is that approximately identical number of tourists visit both collective and individual accommodation, however when it comes to the structure of total overnight stays, the conclusion is that about two thirds of overnight stays are realized in individual accommodation, while only one third is realized in collective accommodation.

Given that collective accommodation consists of different types of catering facilities, the following graphs (Graphs 12 and 13) show the tourists traffic (participation of tourists and overnight stays) within collective accommodation.

**Graph 12:**

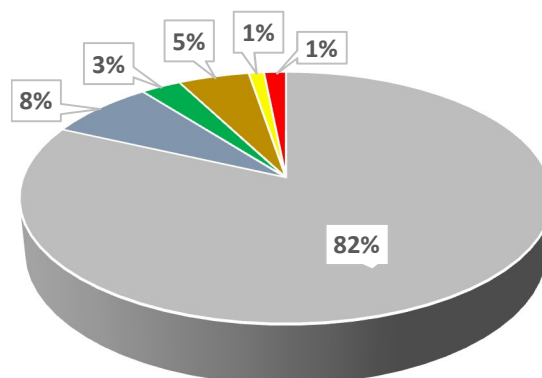
*Structure of tourists in collective accomm.*



- Hotels
- Resorts
- Hostels

**Graph 13:**

*The structure of overnight stays in the collective accomm.*



- Tourist resorts
- Spas
- Motels, Inns, Pansions, Camps and Ethno Villages

The graphs confirm that the largest tourist traffic is realized in hotels as a type of collective accommodation. 9 out of 10 tourists who visit collective accommodation stays in hotels, while other categories are less represented. Tourist resorts are visited by 5% of tourists, Resorts and Spas by 2%, Hostels by 1%, and Motels, Inns, Pansions, Camps and Ethno Villages are visited by a total of 1% of tourists.

When it comes to tourist overnights stays (graph 13), the allocation is slightly changed compared to graph 12. The highest percentage of overnight stays is still in hotels - 82%, in Tourist resorts 8%, in Spas 5%, in Resorts 3%, Hostels 1%, and in Motels, Inns, Pansions, Camps and Ethno villages a total of 1% of total overnight stays in collective accommodation.

#### 6.4. Seasonality in business

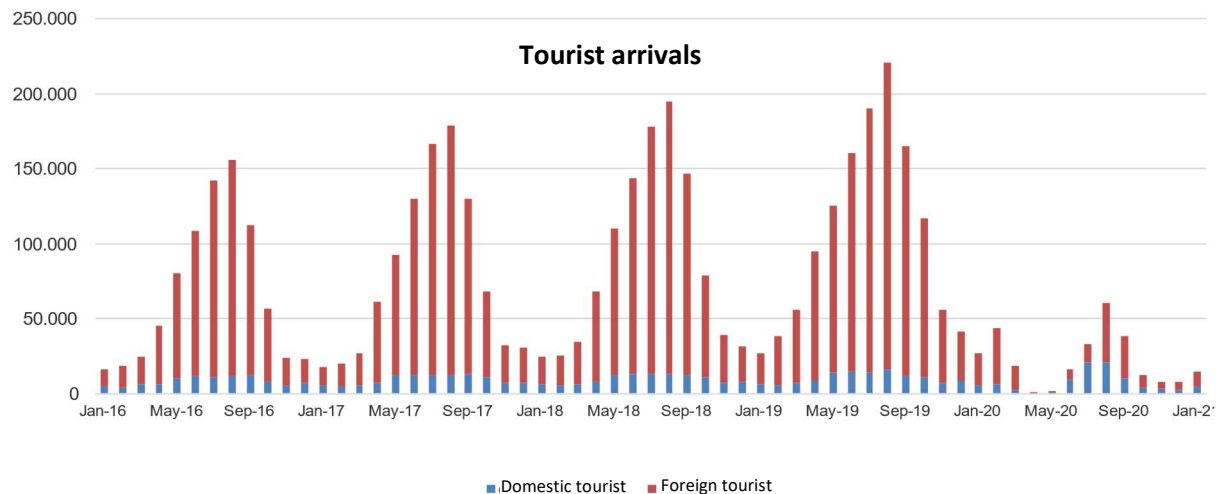
According to Monstat data<sup>53</sup>, Montenegrin tourism industry has a very pronounced seasonality, which the following graphs show. Available data by months are shown, which refer only to collective accommodation, while the level of seasonality would be even more pronounced with data related to both collective and individual accommodation.

<sup>53</sup> [www.monstat.org](http://www.monstat.org)

Montenegro is recognized as a destination of sun and sea; A lot of efforts will have to be made by various actors in order to strengthen the year-round availability, but also in order to raise the recognition of Montenegro as a destination that also offers health tourism. Health tourism has the potential to increase the number of tourist arrivals and the number of overnight stays outside the main tourist season.

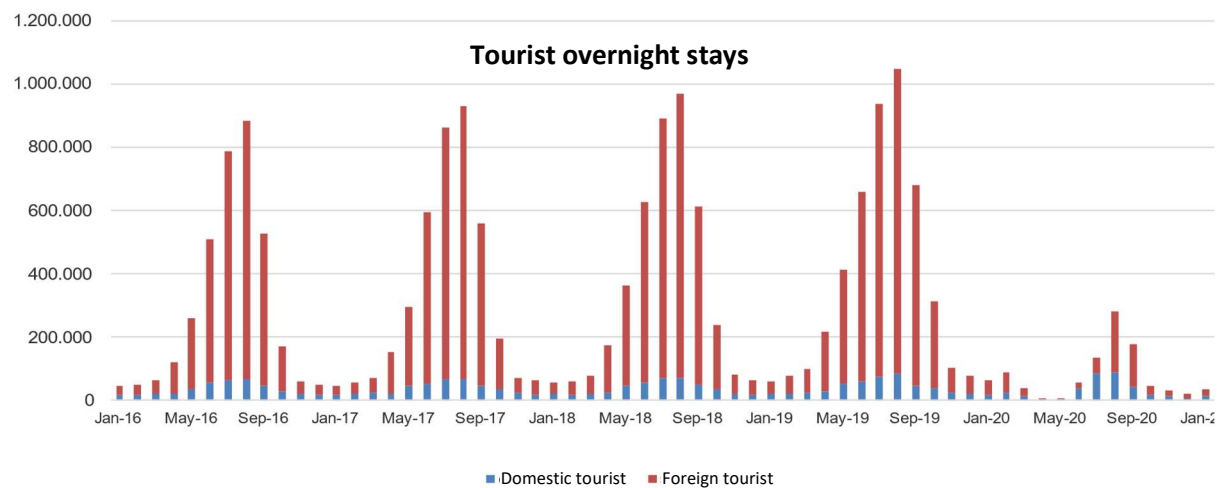
**Graph 14:**

*Tourist arrivals for the period 2016 - 2020*



**Graph 15:**

*Tourist overnight stays for the period 2016 - 2020*



The graphs also clearly show the impact of the COVID19 virus on tourism in Montenegro.

### 6.5. Emitting tourist markets

For the analysis of emitting markets, we used data from the Work Program of the National Tourist Organization of Montenegro for 2020<sup>54</sup>.

<sup>54</sup>[https://www.gov.me/ResourceManager/FileDownload.aspx?rid=399379&rType=2&file=08\\_159\\_27\\_02\\_2020.pdf](https://www.gov.me/ResourceManager/FileDownload.aspx?rid=399379&rType=2&file=08_159_27_02_2020.pdf)

According to the data from the NTO Work Program for 2020, marketing efforts are focused on the emitting markets of Germany, Great Britain, Russia, Austria, Poland and France, as the first priority markets. Having in mind the importance of the markets of Serbia and the Region, also intensive promotional activities are planned in these markets as well. In the next year, the implementation of activities within the regional initiatives is planned, which are mainly aimed at promotion in distant markets (China, Singapore, USA and Canada), which will possibly be revised, given the new tourism trends conditioned by the Covid-19 pandemic and the orientation towards regional and closer emitting markets.

### **Germany**

The most popular type of vacation with the Germans before the outbreak of the pandemic was the sun and the sea, followed by tours. The preferences of this target group have changed, so tourists from Germany are now predominantly choosing an active vacation that will bring them experiences different from previous ones, with maximum orientation towards taking care of their own health and safety. Holidays in nature with culture have great potential for specialized trips abroad. According to research, growing segments of demand are eco-tourism and active holidays (cycling and hiking still on the rise), cruising and cultural tourism. Germans are also interested in culture, cultural events and want to learn during their vacation, and not just enjoy the beach and the sun. They show great interest in destinations that provide them with experiences in glamping tourism (luxury or glamorous camping), such as Croatia.

During 2018, the German tourist market recorded over 100 million trips abroad, and it is expected that trips from Germany abroad will reach over 115 million in 2025.

Montenegro is already well connected with Germany through various airports. The main goal in the German market is to attract more tourists, especially in the period before and after the season, higher purchasing power. Also, one of the goals is to keep the existing clientele and increase the degree of satisfaction with the elements of the tourist offer. Activities in 2020 will be concentrated in the regions of Bavaria, North Rhine-Westphalia, Baden-Württemberg, the Berlin region and the area that includes the cities of Hamburg and Hanover.

### **Austria**

According to research, Austrians cite the following reasons for travel: culture, sightseeing and visits to cities, beaches, clean sea and beach conditions, visits to relatives and acquaintances, vacation, active vacation. Looking at the data for 2017, in the period of summer vacation (June-September), Austrians made 7.20 million tourist trips, most of which are related to foreign countries (56.3%). For 2025, it is estimated that the number of trips abroad from Austria will reach 17.964 million. Promotional activities should be directed towards positioning Montenegro as a diverse, attractive and catchy destination through

programs based on the offer of sun & sea, sports & adventure, tour & culture, natural & rural tourism. Vienna is certainly the most important region in Austria.

Austrian Airlines and Montenegro Airlines fly to Vienna according to the established schedule from Podgorica. A total of 16 larger and smaller tour operators and agencies have Montenegro in their tourist offer.

### **Great Britain**

When it comes to the potential of this market in 2018, British tourists made 71.7 million trips abroad. It is estimated that trips abroad from the UK will reach 78 million in 2020, and almost 95.30 million in 2025. The main goal in the UK market is to attract more new tourists during the summer 2019 season, higher purchasing power. Also, one of the goals is to keep the existing clientele and increase the degree of satisfaction with the elements of the tourist offer.

Given the fact that Montenegro is directly connected to the two largest markets in the UK - London and Manchester, these should be the primary cities / regions in which Montenegro should promote its tourism offer. Birmingham should be targeted as a secondary target, bearing in mind that it is the third largest consumer market in the UK.

### **Russia and Ukraine**

According to the data of Fedstat.ru (Statistical Office of the Russian Federation), during the first nine months of 2019, 37.30 million trips of citizens of the Russian Federation were recorded, and Montenegro is on the 15th place in terms of the number of passengers whose reason is traveling sun & sea. The majority of the population (74%) lives in urban areas. With over 12 million inhabitants, the old town capital of Russia is by far the largest city in this country, and is therefore considered the main emitting market for travel abroad. In addition to vacationing on the beach, the Russians have expressed great interest in tours and culture during their travels abroad.

During the ten months of 2019, Montenegro was visited by 55,849 tourists from Ukraine who spent 445,733 nights. Montenegro is connected by charter flights from Kiev, Odessa, Lviv, Kharkov and Dnepropetrovsk, which operate at the Tivat airport.

### **Poland**

During the ten months of 2019, Montenegro was visited by 76,080 tourists from Poland, who spent 394,602 nights. By 2025, travel abroad from Poland will grow at an annual growth rate (CAGR) of 7% and reach a figure of 15 million in 2020, and over 21 million in 2025. When it comes to air accessibility, Montenegro and Poland are connected by direct flights.

### **France**

During 2017, 64.20% of French people (34.80 million) went on vacation, which is a record number in the last 16 years (63.10% in 2016). It is estimated that travel from France will

continue to grow at a compound annual growth rate (CAGR) of 4% in 2015-2025, and will exceed 35 million in 2018 and 42 million in 2025.

### **Activities on regional markets**

The National Tourist Organization of Montenegro, within its regular promotional activities, places special emphasis next year on the promotion of the tourist offer of Montenegro on the regional market, and to promote the tourist offer of Montenegro in the most efficient way based on previous experience, requirements and market trends. Promotion in regional markets has always been significantly represented, but has differentiated as dominant, given the Covid-19 pandemic. This is primarily due to international recommendations and good practice, that small countries, with a low standard of living, must base the recovery of tourism on the surrounding markets, given that their own market does not have the critical mass and strength needed for recovery.

### **Other markets in the region**

The National Tourist Organization also implements promotional activities on the markets of Bosnia and Herzegovina, Slovenia, Albania, Kosovo and Macedonia. When it comes to the market of Bosnia and Herzegovina, support is given to local tourism organizations for the realization of roadshow events in Banja Luka and Sarajevo, study visits of journalists are organized, as well as promotions through PR activities, print and online media. In cooperation with local tourism organizations that will be responsible for the implementation of activities, it is planned to participate in fairs in Albania and Kosovo, roadshow campaigns and the organization of study groups for media representatives from these markets. In cooperation with the embassies of Montenegro and local tourist organizations, initiatives are being implemented to promote the tourist offer in Slovenia and Macedonia.

### **Remote markets**

Activities continued as part of regional initiatives, which are mainly aimed at promotion in remote markets (China, Singapore, USA and Canada). Activities on the promotion of the tourist offer on the Chinese market are realized in cooperation with the Tourist Organization of Serbia, but in a different format (online) and scope, due to Covid-19.

## **6.6. Analysis of road infrastructure - road, rail and air traffic**

The distance and traffic openness of a destination, comfort, speed and costs of departure and arrival, determine the tourist development of a particular destination. According to that, the engagements of tour operators are determined, as well as privately organized vacation trips. Travel modalities have some influence on which target groups should be obtained for which destination and which not. It mainly depends on the direction, content and quality of the range of offers. However, their placement on the market is successful only if the transport systems are properly built and if they are competitive with other destinations.

Montenegro's tourism development policy and strategy until 2020 identifies the EU and Russia as key emitting markets, and indicates that tourists from these countries predominantly use air transport during tourist trips. In addition, tourists from the surrounding countries should not be neglected, who prefer to use personal cars during tourist visits. In the following text, for the purposes of road infrastructure analysis, we used data from the Traffic Development Strategy 2019-2035<sup>55</sup>.

### **Road infrastructure**

At the moment, all main and regional roads in the length of about 1,850 km are with asphalt pavement. Main roads (marked "M") connect major cities in the country, economic centers and border crossings. These are roads with a carriageway that has one traffic lane in the direction (the width of the lane is at least 3 meters, with a narrow bank in most cases) and a third, overtaking lane on steep sections. Only a few segments around urban areas have roads with two lanes in the direction, with or without dividers. The route of the main roads allows a maximum speed of 80 km/h. Regional roads (marked "R") connect regional centers, merge traffic into the main network and enable traffic connections with border crossings. The poorer quality of route guidance elements on these roads imposes lower speeds compared to main roads (up to 50 km/h).

### **Railway infrastructure**

The total length of the railway network in Montenegro is 250 km. The railway is single-track, category D4 with normal track width (1,435 mm). The railway network is electrified for the most part (225 km). The permissible axle load is 22.5 tons. Within the railway network there are 121 tunnels with a total length of 58 km, 120 bridges, 9 galleries and 440 culverts. The network consists of three lines that converge towards Podgorica. The density of the railway network in Montenegro is 18.4 m of railway / km<sup>2</sup>, or 0.40 km / 1000 inhabitants.

Montenegrin railway stations do not have an adequate length of bypasses in order to provide conditions for freight trains with a length of 740 m (as prescribed by Regulation 1315/2013 for valid ERTMS operations).

### **Air traffic**

Air traffic in Montenegro is performed through two international airports (Podgorica and Tivat).

Podgorica Airport (IATA: TGD, ICAO: LYPG) serves the capital of Montenegro. The airport has one runway, 2,500 m long and 45 m wide, with a north-south orientation (PSS 18/36). The airport has 14 parking positions for category C aircraft, with the possibility of parking category D aircraft in parking positions 5 and 6, 3 parking positions for general aviation aircraft (wing span ≤20m), 1 parking position on the technical platform for Category C aircraft, a passenger terminal of 5,500 m<sup>2</sup>, which has 8 counters for registration of

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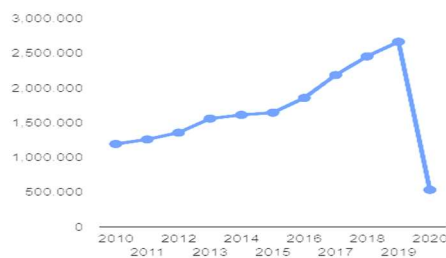
<sup>55</sup> Traffic Development Strategy of Montenegro 2019-2035

passengers and luggage, 8 exits (two for arrivals and 6 for departures) and 2 carousels for taking over luggage.

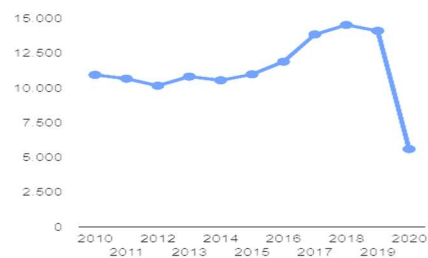
Tivat Airport is located near Tivat, at a distance of 8km (5 min) from the center of Kotor and 20 km (12 min) northwest of Budva. The airport has one runway (14/32), 2,500 m long and 45 m wide, the end of which is only 88 m from the shoreline of the Bay of Kotor. At Tivat Airport, incomplete compliance with international regulations regarding the protective surfaces of the runway is observed. Tivat Airport is characterized by challenging approach and landing procedures, due to the hilly terrain configuration around the airport location and strong prevailing crosswinds. The airport has 2 runways, 7 parking positions for aircraft (5 for aircraft of category C and 2 for aircraft of category D, 12 parking positions for aircraft of general aviation (wing span ≤20m), and a passenger terminal of 4.050m<sup>2</sup>, which has 12 passenger and luggage check-in counters, 6 exits and 2 luggage pick-up carousels. A new passenger terminal has recently been added.

According to the latest available data, both airports have recorded very good growth in passenger traffic in the last 10 years. Of course, a dramatic decline in 2020 is also noticeable here (the impact of the COVID19 virus).

Number of passengers



Aircraft traffic



These data guarantee that even after the end of the COVID19 epidemic, airports will be an important segment of the overall development of Montenegro as a year-round tourist destination, with a special emphasis on health tourism.

In addition, in 2020, no valorization of the airport is planned due to new developments due to the action of the COVID-19 virus. Also, flight planning and connecting Montenegro with destinations cannot be the subject of pre-made decisions, but the process is flexible, depending on the epidemiological situation, both globally and regionally and nationally.



## 7. Environmental analysis and complementarity with health tourism

The topic of health tourism fits perfectly with the tourism of protected parts of nature, which takes place within the areas that are placed under state protection, in order to preserve them in their natural form and be available to future generations to enjoy them. Of course, the preserved natural space, especially in the territorially small Montenegro, is a rare resource in the modern environment, and therefore the interest of tourists in such preserved areas is growing.

In addition, increasing pollution of basic natural resources such as air, water and land, increasing noise in urban living conditions, as well as increasing population stress due to increased pressures of everyday living and working environment, have strongly influenced the need of modern tourists to turn to preserved environment and preserved spaces.

Five areas in Montenegro have the status of a national parks:

- NP Lovcen,
- NP Durmitor,
- NP Biogradska gora,
- NP Lake Skadar, and
- NP Prokletije.

Their natural and cultural values are presented in the visitor centers, and the opportunities for active holidays are numerous. In addition to marked hiking, mountaineering and cycling trails, there are theme and educational trails in the parks. We also offer sport fishing, boating and kayaking, camping, adventure park, bungalow rentals and more.

We are witnesses that in Montenegro, due to the desire to achieve greater attendance, there is a disturbance of ecosystems and stability within protected areas due to increased pressure from tourists. Montenegro, as a small country dependent on tourism, finds it harder to cope with the pressures of a large number of tourists on its natural infrastructure, which suffers enormous pressure during the summer tourist season.

The Agency for Nature and Environmental Protection establishes and maintains the Environmental Information System, with the aim of efficient identification, classification, processing, monitoring and recording of natural resources and environmental management, respecting internationally accepted standards and obligations. Real-time air quality data is available on the Nature and Environment Agency website<sup>56</sup>. As air pollution in Montenegro is seasonal and most often related to the period when space heating is necessary, so the solutions must go in the direction of establishing a district heating system in urban areas, implementation of energy efficiency measures in individual and collective housing, strictly

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<sup>56</sup> <http://www.epa.org.me/vazduh/>

implementation of environmental standards in industry, modernization of the vehicle fleet, improvement of public transport and other activities. Also, the Environmental Protection Agency has established a national network of stations to monitor the concentration of allergenic pollen in Montenegro. Measuring stations are located in Podgorica, Niksic, Mojkovac, Bar and Tivat.

Health tourism does not focus on economies of scale, but clearly strives for quality and a limited number of guests as the main carriers of development. Therefore, in the coming period, special attention should be paid to the complementary effect of health and eco tourism, which together is offered to tourists as a unique and authentic tourist experience. The International Ecotourism Society TIES<sup>57</sup> defines ecotourism as "responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education". Health and ecotourism belong to sustainable tourism and include activities that have a negligible (negative) impact on the environment. Montenegro does not have adequate infrastructure to support the development of sustainable tourism. Montenegro lacks strategic planning for tourism development management, with as little negative impact of tourism activities on the environment as possible.

Unique locations in Montenegro have a great opportunity to be complementary to the development of health tourism. Therefore, health tourism infrastructure should be built near these locations, because they are an integral part of the overall tourism product of Montenegro, namely rural, nautical, eco, excursion, sports and recreation, fishing, cultural, religious tourism and other forms of tourism.

World trends that include bringing man and nature closer, increasing awareness of the need to preserve nature and enjoy in it, as well as the growing lack of quality natural spaces, represent a chance for proper positioning of Montenegro in a highly competitive foreign tourism market.

Montenegro is rich in locations in the continental part of the country, which can be a starting point for a detailed analysis of possible investments in health tourism.

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<sup>57</sup> <https://ecotourism.org/what-is-ecotourism/>

## 8. Global trends, trends in Montenegro and key success factors in health tourism

During the development of the Health Tourism Development Program, the following trends and success factors were considered:

- **The impact of globalization on international health:** Health tourism is one example of how globalization is changing health systems around the world. The availability and development of information technology, as a basis for the existence of telemedicine ("online" treatment or observation of patients), is another indicator of the impact of globalization on health systems;
- **Intermediaries in health tourism:** Patients who are not familiar with specific medical institutions abroad can coordinate their treatment through special medical intermediaries. These services are performed by intermediaries as specialized travel agents (they make all relevant reservations and arrangements for travel and treatment, with a fixed fee and / or commission);
- **Destination marketing and health tourism events:** Recently, actors in health tourism strive to communicate not only through their websites, but through certain events, exhibitions, conferences, fairs, as well as their own offices around the world, and their agents, and thus provide the necessary information;
- **Online communities and medical travel journals:** Potential patients can gain some knowledge about safety, quality, price, and the experiences of other patients, through online searches, where patient testimonials about previous treatments are available;
- **Competitive prices:** The prices of treatment in foreign health care institutions are lower due to many reasons - lower labor costs, prices are transparent, litigation costs due to negligent work are lower, there are fewer regulations limiting mutual arrangements between health care institutions and doctors, shorter waiting lists and other reasons;
- **Changes in health regulations:** The possibility for policy makers to recognize licenses and broad certifications from other countries in this area;
- **Unhealthy lifestyle:** The Institute for Climate Change Impact Research in Potsdam concludes that global eating habits are changing from a food based on plant and starch to a food which is rich in sugars, fats, foods of animal origin, in which there is a significant share of industrially processed foods. If current unhealthy dietary trends continue, more than four billion people could be overweight by 2050, of which 1.5 billion would be obese;
- **Population aging as one of the greatest social transformations:** It is estimated that the percentage of elderly people over the age of 60 will almost double between 2000 and 2050. The absolute number of people aged 60 and over is expected to increase from 605 million to 2 billion in the same period, while the number of people

aged 80 and over will be almost four times higher by 2050 and will amount to 395 million. It is estimated that the elderly persons will make up as much as 80% of the world's population. Specifically, in the countries of the European Union, currently about 17% of the population is older than 65 years. By 2025, this share is projected to grow to 20%, and to reach 30% by 2050. In parallel with the aging of the population, life expectancy is increasing (average of 78 years in the countries of "Western Europe"). An older, increasingly affluent and healthy population encourages the growth of demand for health and spa / wellness tourism, seeks recreational activities appropriate to their age, as well as travel.

- **The emergence of new social values:** Lately, the emphasis has been placed on environmental awareness at all levels of society, as well as on social responsibility. A holistic approach to health is also one of the global trends - an overall approach to health (mind, spirit, body);
- **New participants:** In addition to the already established health tourism destinations, there are a number of emerging destinations;
- **The impact of COVID19:** The pandemic caused by the COVID19 virus will have a great impact on the innovative offer of health tourism with a special emphasis on the wellness segment of the offer.

In addition to these trends, which can be applied both globally and at the level of Montenegro, we can highlight a few more remarks that characterize health tourism in Montenegro.

Montenegro is "lagging behind" for the surrounding countries when it comes to wellness and spa programs. The existing offer of wellness tourism in hotels and tourist resorts is focused on beauty treatments, massages, saunas, pool facilities and fitness, and its development potential is reduced by the lack of regulations on staff training, as well as legislation limiting the introduction of medical components in the hotel industry.

When it comes to medical tourism, Montenegro has a certain potential and entities led by the Institute "dr Simo Milosevic", the Special Hospital for Lung Diseases „Vaso Cukovic“ in Brezovik, the General Hospital Meljine, the Public Institution Kakaricka gora, and a large number of private health institutions. The first step towards improving Montenegro's position on the "health tourism market" was the formation of the NGA Health Tourism Cluster of Montenegro in February 2015, with the support of the then Ministry of Sustainable Development and Tourism (now the Ministry of Ecology, Spatial Planning and Urbanism). The cluster aims to bring together prominent individuals, companies and institutions from different economic sectors, and to strengthen the competitiveness of members through the exchange of ideas, information and knowledge.

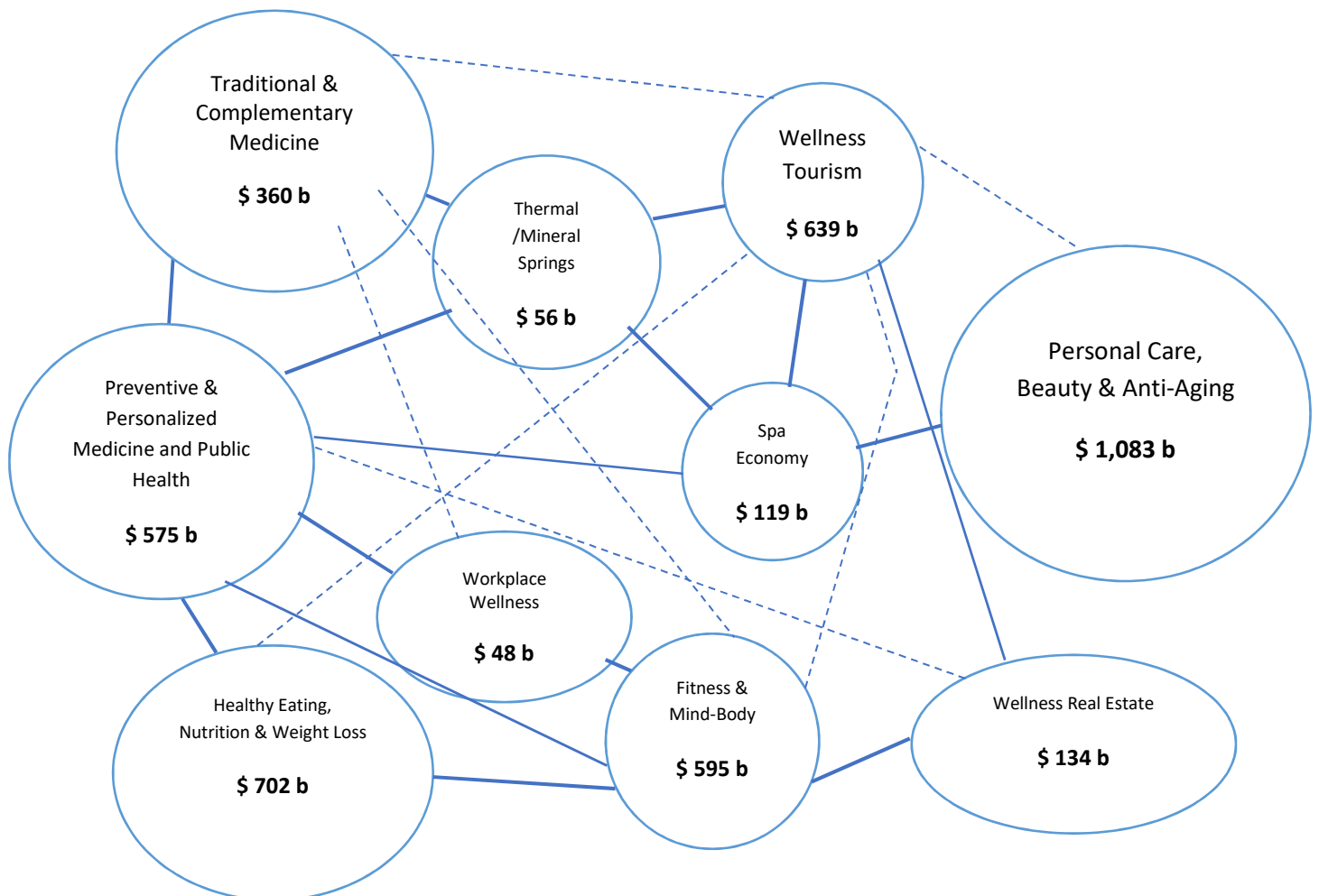
As a continuation of the latest trend in which already recognized destinations of health tourism are mentioned, we will single out a couple of them that we can describe as world leaders in this field:

- EU - some member states are recognized as destinations with a top complete offer of health tourism (Switzerland, Germany, Hungary (wellness), Scandinavian countries)<sup>58</sup>;
- Croatia;
- Region.

### 8.1. An overview of the global economy of wellness tourism

According to the Global Wellness Institute (2018), the global wellness economy in 2017 was \$ 4.50 trillion and is shown in the following diagram.

#### An overview of the global economy of wellness tourism



Source: Global Wellness Institute (2018)<sup>59</sup>

<sup>58</sup> <https://www.e-unwto.org/doi/pdf/10.18111/9789284421152>

According to the publication "Exploring Health Tourism"<sup>60</sup>, it is important to define wellness tourists as those whose main motivation is the improvement of health and personal well-being, and who stay at least one night in a facility specially designed for this purpose<sup>61</sup>. Although it is stated that there are two types of wellness tourism (medical and holistic), globally wellness tourism should be mostly voluntary, proactive and preventive (rather than reactive and curative like medical tourism). In the end, wellness tourism is a more pleasant and fun form of tourism, compared to medical tourism.

## 8.2. Previous practice, offer of health tourism and specialization within the same

By analyzing the current practice, it is possible to single out certain criteria, which directly affect the quality of health tourism, as well as the relationship between supply and demand in this market. The decisive factors in making decisions in the selection of medical tourism products have been identified, namely: doctors, hospitals, service providers (medical tourism agencies) and the country of destination.

It is also possible to single out "external" factors that also affect the choice of destination, and mainly describe the level of development of health tourism in the country: infrastructure, hospital and wellness standards, culture of the host country, the location of medical and wellness facilities, and their affiliation with prestigious international universities and connections with other health systems, then the qualifications and competencies of both doctors and other medical and non-medical staff.

## 8.3. Distribution channels in health tourism

When it comes to marketing of health tourism, there are three basic steps in providing health treatment services and health products: specialization, selecting the target group of consumers, and finally creating your own unique brand.

Globally, the health tourism sector has quickly embraced the various distribution channels that characterize other businesses, from traditional travel agencies and airlines as intermediaries, through its own representative offices, to the creation of international centers to distribute the necessary information.

- Intermediaries in medical tourism – Medical travel agencies work on the principle of classic traditional travel agencies, only they are specialized in the field of medical tourism. They connect with health care providers, and help with travel

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<sup>59</sup> [https://globalwellnessinstitute.org/wp-content/uploads/2018/10/Research2018\\_v5FINALExecutiveSummary\\_webREVISED.pdf](https://globalwellnessinstitute.org/wp-content/uploads/2018/10/Research2018_v5FINALExecutiveSummary_webREVISED.pdf)

<sup>60</sup> World Tourism Organization and European Travel Commission (2018), Exploring Health Tourism, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284420209>

<sup>61</sup> Voigt, C.; Brown, G. i Howat, G. (2011).

arrangements, flight reservations, and patient accommodation. In addition, they can include in their offer the organization of patients' free time;

- Health tourism providers - Numerous providers have provided access to international markets through their own offices. In this way, a direct connection is established around the world between healthcare institutions and patients - inquiries and meetings can be easily arranged through these offices. Asian countries, led by Singapore and Thailand, are the leaders when it comes to this type of distribution channel;
- International Patient Service Centers – Many providers provide such centers to meet the needs of international patients in one place. Some of the services offered in these centers are: doctoral instructions and examinations, flight organization and transfer services, translation services, accommodation reservations for patient escorts, visa applications and visa extensions, religious arrangements, private care, and many other services.

#### 8.4. Worldwide regulations and provisions

##### **Accreditation**

Evidence of quality of equipment and services is a prerequisite for competition in the international market and is guaranteed through national and / or international accreditation systems of medical institutions, through a large number of national and / or international certificates that set standards for services, facilities and even entire destinations (e.g. Best Health Austria, ISO, DNV, JCI, ISPA, ESPA). The international institution in charge of accreditation of international health institutions is the Joint Commission International - JCI, as a branch of the World Health Organization (WHO). In America and Europe, the Joint Commission for Accreditation of Healthcare Organizations (JCAHO) has been recognized. The International Standards Organization (ISO) also accredits health facilities that meet internationally agreed standards. Many international healthcare institutions today see obtaining JCI accreditation as a way to attract patients, so the number of accredited facilities has increased significantly in recent years. In addition to the above institutions for the accreditation of health care institutions, there are many others, both international and at the level of individual countries, but they are certainly in line with international standards.

##### **Deficiencies in quality standards**

There are certain deficiencies in developing countries, which significantly affect the quality, and thus the development of health tourism. The most important are: lack of standardization in medical care and costs, lack of regulatory mechanisms and infrastructural bottlenecks and poor health insurance. Certainly, other industries (primarily tourism and catering) in developing countries also have some difficulties, but cooperation between

industry and government in terms of encouraging and creating a calming environment can further facilitate the described situation for all stakeholders. In particular, to improve the situation in health tourism, it is necessary to establish a consortium for all participants in health tourism, which would discuss all issues and maintain closer interaction and coordination of participants, in order to develop medical tourism.

### **Ethical and legal issues**

Traveling abroad for treatment, medical tourists may encounter unknown ethical and legal issues. Examples are common, specifically it is considered that in China and India there is an illegal purchase and sale of organs for transplantation. Also, the problem that medical tourism can create, or rather increase, is the deepening of inequalities that are already largely embedded in health systems.

### 8.5. Complementary effects of health tourism

Users of health tourism services spend more money than consumers of other types of tourism for the following reasons: stay longer in the destination (sometimes for several weeks if it is for medical-tourist needs), or in the case of wellness tourism when staying in higher category hotels (at least 3 stars, and most often 4 and 5 stars). In addition, users of health tourism services significantly contribute to the year-round offer of the destination, because one of the main characteristics of this form of tourism is non-seasonality.

Health tourism products and services are mostly based on labor-intensive personalized services, such as various types of treatments or massages performed manually by specialist therapists, which implies a larger number of employees than in some other types of tourism. For this reason, there is a need to employ trained staff, more so than in institutions/hotels that do not have these facilities. This fact puts pressure on the management, because it is often difficult to find qualified and experienced staff in the places where the facility is located.

In the case of large medical and wellness centers, there is a clear positive correlation with higher employment of the local population. However, due to the need to employ trained staff, one of the basic problems faced by destinations is the mixing of temporary (immigrants) and permanent population, which can lead to difficulties in understanding and acceptance by the local population.

Preservation of flora and fauna in the destination is extremely important because these natural aspects that help in healing, are part of the natural habitat, so any construction on them, development or exploitation, has a direct impact on flora and fauna. Preservation of flora and fauna is therefore extremely important, because any disturbance of the



environment can change the natural habitat in itself. Therefore, for the launch and construction of new facilities, it is very important that the natural environment that surrounds them remains intact, because it itself is part of the tourist attraction. One of the biggest impacts of wellness tourism on the environment is the disposal of used water. The water used in wellness and health centers is often rich in minerals, or has high temperatures. These waters should be treated, since hot water rich in minerals burdens natural waters, while high water temperatures affect the extinction of certain plant species.

#### 8.6. Factors affecting the current and future growth of the health market

Within this analysis, some of the factors influencing health tourism are presented, where the most important are:

- **High costs of health care in the home country.** When comparing the prices of certain health treatments and requests in the home country and abroad, the prices of treatment abroad can be up to 20 times lower. The price-quality ratio is crucial when choosing a destination by tourists;
- **Quite a long waiting lists for certain procedures.** With health tourism, waiting for certain medical procedures is completely eliminated. In home countries, waiting for certain procedures takes up to a year, while medical tourism reduces the waiting literally to the duration of the travel organization itself - and thus a shorter waiting time for treatment has a key advantage, saving lives;
- **Reputation and quality guarantee.** Many hospitals and medical centers emphasize the rigorous process of accreditation of doctors and medical staff, and sign numerous international agreements to make treatment safe, reliable and worry-free;
- **Success rate.** A factor that is closely related to the previous one (with quality to the lowest possible mortality rate);
- **Access to treatment.** Coverage of treatment is often an obstacle, what insurance covers from costs and what does not. In medical tourism, this problem has been overcome, because mostly all possible additional costs are included in the price of treatment;
- Personal attention, top equipment of facilities, anonymity of patients, organization of patients' free time, are also some of the factors that ensure the growth and development of health tourism;
- **Proximity to the destination** where the health tourism service is provided;
- **Increased number of people who prevent the onset of the disease.** Young people and their lifestyle favor the development of health tourism, but also the older generation from developed countries with a strong social component is intensively looking for a good offer of health tourism;
- Strong domestic demand, due to Government support for certain treatments;
- Destination promotional campaigns and connectivity of all actors;

- Increased levels of stress and accompanying diseases due to accelerated lifestyle;
- Legal regulations strongly and long-term influence the development of health tourism;
- Technological progress in performing certain procedures (development of telemedicine, robotics, new techniques of operations);
- Application development and smart specializations;
- Due to the COVID-19 virus, investment in health tourism projects will slow down;
- Due to COVID-19, tourist mobility in the medium term will decline, which will cause a number of unplanned activities in terms of cost reduction;

## 9. SWOT analysis

Based on the findings of the benchmarking process and detailed analysis, with the assessment of the health tourism sector, a SWOT analysis was prepared at the national level, by priority health tourism products as well as a regional SWOT analysis.

SWOT analysis is a systematic way of identifying (researching and analyzing) important factors of the organization and strategies that make the best use of these factors. The essence of a good program is a successful balance of strengths and weaknesses with opportunities and threats.

### 9.1. SWOT analysis at the national level

Segment	Strengths	Weaknesses	Opportunities	Threats
Policy / strategy	<ul style="list-style-type: none"> <li>• Well positioned tourist destination</li> <li>• Diversity of tourist offer (coastal, ski, religious, cultural-historical and other types of tourism)</li> <li>• Good potential for the development of health tourism that would integrate the existing tourism product</li> <li>• Proximity to large emitting markets through air availability</li> <li>• Wide offer of tourist accommodation and accommodation capacities with 4 and 5 *</li> <li>• A growing number of hotels with a quality wellness offer</li> <li>• An economic citizenship program that enables potential investments in health tourism</li> <li>• Adequate visa regime</li> <li>• Competitive prices in relation to quality</li> <li>• Natural factors and the beauty of the country (with the level of ecological preservation of the environment and rich cultural and historical heritage), as well as favorable climatological parameters</li> <li>• Significant investments in tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of a clear vision for the development of health tourism</li> <li>• Lack of formal cooperation between institutions in the field of health tourism</li> <li>• Lack of reliable data on trends and revenues from health tourism</li> <li>• Lack of statistical data on health tourism revenues, bearing in mind that data related only to the Institute are available (inadequate statistics)</li> <li>• Bureaucracy that can disrupt the establishment of potential projects</li> <li>• We are not a member of the EU, which would bring numerous benefits in this area</li> <li>• Excessive dependence on government support and lack of commercial access</li> <li>• Insufficient support for the promotion of health tourism (insufficiently developed systemic national promotion of health tourism)</li> <li>• Poor coordination between different service providers - airlines, hotels, travel agents and hospitals</li> <li>• Poor traffic connections (air and road)</li> <li>• Obsolete facilities that will require large investments (Simo Milosevic Institute and special hospitals), as</li> </ul>	<ul style="list-style-type: none"> <li>• Post-covid era as a chance for health recovery</li> <li>• A significant number of EU citizens are willing to travel to use the tourism product of health tourism</li> <li>• Population aging, which means an increase in the number of international tourists who will use health tourism products</li> <li>• The positive impact of globalization</li> <li>• Development of awareness of the need to preserve health in middle-aged people (prevention)</li> <li>• Increase foreign direct investment with clear proposals in health tourism</li> <li>• Lifestyle change in the total population</li> <li>• Integration of other segments of the tourism industry</li> <li>• Renovation and raising the quality of existing facilities, with the obligatory development of road infrastructure</li> <li>• Proximity to the emitting European market as well as the possibility of positioning in the market of China, North America, the Middle East</li> <li>• Montenegro is branded as a</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficiently fast development of the tourist offer</li> <li>• Great expectations of tourists can be betrayed due to the specifics of this tourist product</li> <li>• Strong direct competition from the region and other countries in the Mediterranean as well as those with a long tradition in health tourism</li> <li>• Increased concerns regarding hygiene and food safety</li> <li>• Changing health policy in countries that want to retain their citizens and provide them with services in the country</li> <li>• Insufficiently developed legislation</li> <li>• COVID-19 and the accompanying economic crisis</li> <li>• Rapid development of technology that imposes the need for</li> </ul>

	<ul style="list-style-type: none"> <li>• Good base of tourist staff</li> <li>• Existence of a formal organization of tourism organizations (NTO and LTO)</li> <li>• Contribution to destination diversification</li> <li>• Availability and quality of natural healing factors, with a long tradition in providing health tourism services</li> <li>• Quality staff</li> <li>• An increase in the number of quality private health care institutions interested in health tourism and their networking (cluster connection), as well as an increasing number of hotels with a quality wellness offer</li> </ul>	<p>well as the lack of high-class hotels</p> <ul style="list-style-type: none"> <li>• Limited development potential due to the existing ownership structure (state)</li> <li>• Insufficient market orientation of the Institute dr Simo Milosevic and insufficient capacity utilization</li> <li>• Montenegro is known as a sun and sea destination, with mass tourism in July and August</li> <li>• Restrictions on facilities for guests with illness and disability in many hotels / hospitals</li> <li>• Lack of accreditation and certification of health care institutions</li> <li>• Lack of specialized travel agencies and tour operators working in the sector</li> <li>• Lack of specialized staff in health tourism, as well as lack of service staff to support the tourist offer</li> <li>• Limited national promotion through NTO and LTO communication channels</li> <li>• Weak role of the national airline in the case and promotion of the sector</li> <li>• Inadequate municipal waste management, with the problem of environmental destruction on the Montenegrin coast</li> <li>• Inconsistency of legislation, insufficient multidisciplinary of education, accreditation, introduction of certificates - quality management, insufficient strength of</li> </ul>	<p>responsible destination, which is a factor in the choice of EU tourists</p> <ul style="list-style-type: none"> <li>• Creating strategic partnerships using ICT and Internet resources to connect with tourists, agencies and other stakeholders</li> <li>• Low labor costs together with favorable tax policy (development of a system of incentives for various models of subsidizing health and tourism services)</li> <li>• Great chance for the creation of Montenegro as a year-round destination - Extension of tourist seasons (summer and winter)</li> <li>• International recognition of Montenegro as a tourist destination</li> <li>• Availability of EU funds and programs for the improvement of the health system</li> <li>• Use of advanced technologies in oncology (hadron therapy) and the role of Montenegro in the regional project of establishing the Institute for Sustainable Technologies in Southeast Europe (SEEIIST)</li> <li>• Digitization and ICT - opinion of doctors online, telemedicine and the like</li> <li>• Existing capacities in the field of rehabilitation medicine, in vitro fertilization, dentistry, ophthalmology and cosmetic surgery</li> </ul>	<p>constant investment, and increasing demands as well as consumer expectations</p> <ul style="list-style-type: none"> <li>• Inability to fill tourist capacities in areas dependent on seasonal trends by developing an alternative offer</li> <li>• Impossibility of solving infrastructural problems in the period until 2023 (period covered by the Program)</li> </ul>
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		clusters and similar associations / organizations	<ul style="list-style-type: none"> <li>• Extending health insurance to prevention services</li> <li>• Creating opportunities to bring in health professionals</li> <li>• Strengthening relations with multinational companies that have a large number of workers and that have good health insurance</li> <li>• Possible shortening of seasonality will create a chance for less negative impact of infrastructural problems</li> </ul>	
Health	<ul style="list-style-type: none"> <li>• Good public health care system</li> <li>• Availability, quality, good reputation and tradition of health tourism (Institute dr Simo Milosevic)</li> <li>• Good basis of expert and professional staff</li> <li>• An increasing number of private service providers in the health sector</li> <li>• Emergence of new health care providers with international accreditation (mostly representative offices of foreign companies)</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of managerial experience in running facilities that provide health tourism services</li> <li>• Insufficiently trained medical staff for tourist services</li> <li>• Limited training programs for health professionals and international medical institutions to upgrade skills</li> <li>• Problems of quality control in private health care institutions</li> <li>• Limited number of service providers with international accreditation</li> <li>• Inability to adopt appropriate quality systems for tourism health tourism products</li> <li>• Outdated existing health equipment and technologies</li> <li>• Insufficient multidisciplinary of the education system</li> <li>• Lack of serious insurance company programs</li> </ul>		
Infrastructure	<ul style="list-style-type: none"> <li>• Existence of international airports (airports in Tivat and Podgorica)</li> <li>• Solid road infrastructure in the south and central part of the country</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate service for international patients at airports (fast track, special transport, etc.)</li> <li>• Inadequate municipal waste management</li> <li>• Traffic congestion and accompanying problems on the coast, especially during the summer season</li> <li>• Weak road connection with the north of Montenegro</li> </ul>		

## 9.2. SWOT analysis by products

<b>Medical products</b>	
<b>Dental</b>	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• excellent price-quality ratio</li> <li>• diversity of products and services</li> <li>• satisfied patients</li> <li>• reputation in domestic and foreign market</li> <li>• favorable geographical position</li> <li>• good air connection with emitting destinations</li> <li>• the strong role of the diaspora</li> <li>• additional tourist attractions</li> <li>• favorable climatic conditions</li> <li>• professional and educated staff</li> </ul>
	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• insufficient number of accredited and certified institutions for the international market</li> <li>• high prices for home patients</li> <li>• excessive dependence on domestic consumers</li> <li>• insufficient service promotion</li> <li>• few new tourist offers and tourist products</li> <li>• insufficient investment in additional education of professional staff</li> <li>• seasonality of service for international patients (diaspora comes mostly in summer)</li> </ul>
	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• additional investment in staff</li> <li>• opening new facilitator agencies</li> <li>• accelerated development of dental tourism on a global scale</li> <li>• strengthening marketing activities</li> <li>• increase of quality accommodation capacities</li> <li>• withdrawal of funds from EU funds</li> <li>• adequate communication with consumers of high purchasing power</li> </ul>
	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• increasing regional competition</li> <li>• weaker demand in the winter months</li> <li>• rapid development of technology that must be monitored,</li> <li>• higher costs of introducing new technologies</li> <li>• price increase</li> <li>• economic downturn and recession due to the Covid-19 virus pandemic</li> </ul>

Reproductive medicine: in vitro fertilization, couple health, support services	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• excellent price-quality ratio</li> <li>• favorable geographical position</li> <li>• good air connection with emitting destinations</li> <li>• additional tourist activities</li> <li>• favorable climatic conditions</li> <li>• professional and educated staff</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• insufficient number of accredited and certified institutions for international tourists</li> <li>• insufficient destination promotion</li> <li>• excessive dependence on domestic consumers</li> <li>• insufficient number of professional and educated staff</li> </ul>
	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• the trend of increasing infertility of couples</li> <li>• additional investment in staff</li> <li>• opening new facilitator agencies</li> <li>• increase of quality accommodation capacities</li> <li>• withdrawal of funds from EU funds</li> <li>• adequate communication with consumers of high purchasing power</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• departure of professional staff</li> <li>• strong regional competition</li> <li>• economic downturn and recession due to the Covid-19 virus pandemic</li> </ul>
Sports medicine	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• excellent price-quality ratio</li> <li>• favorable geographical position</li> <li>• favorable climatic conditions</li> <li>• good air connection with emitting destinations</li> <li>• additional tourist activities</li> <li>• professional and educated staff</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• insufficient number of accredited and certified institutions for the international market</li> <li>• insufficient number of specialized hospitals</li> <li>• low capacity institutions</li> <li>• excessive dependence on domestic consumers</li> <li>• partial dependence on foreign experts</li> </ul>
	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• increasing demand</li> <li>• linking surgery and rehabilitation</li> <li>• additional promotion</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• departure of professional staff</li> <li>• strong regional competition</li> <li>• economic downturn and recession due to the Covid-19 virus pandemic</li> </ul>



Diagnosis, tests, other opinions	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• excellent price-quality ratio</li> <li>• favorable geographical position</li> <li>• favorable climatic conditions</li> <li>• good air connection with emitting destinations</li> <li>• additional tourist attractions</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• insufficient number of professional staff</li> <li>• excessive dependence on domestic consumers</li> <li>• strong dependence on foreign experts</li> </ul>
	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• increasing demand</li> <li>• education of domestic staff</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• departure of professional staff</li> <li>• strong regional competition</li> <li>• economic downturn and recession due to the Covid-19 virus pandemic</li> </ul>
<p><b>Wellness products</b></p>		
Rehabilitation and therapies	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• recognizability of the destination</li> <li>• Institute dr Simo Milosevic</li> <li>• excellent price-quality ratio</li> <li>• favorable geographical position of the destination</li> <li>• personalized care</li> <li>• favorable climatic conditions</li> <li>• good air connection with emitting destinations</li> <li>• additional tourist attractions</li> <li>• professional and educated staff</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• insufficient number of accredited and certified institutions for the international market</li> <li>• low investments in equipment and infrastructure of the Institute dr Simo Milosevic</li> <li>• departure of professional staff</li> <li>• low earnings</li> <li>• hotels do not have an adequate offer</li> </ul>

	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• new contents at the Institute dr Simo Milosevic</li> <li>• new facilities in existing high category hotels</li> <li>• global market</li> <li>• unexplored area of rehabilitation due to recovery from Covid-19</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• departure of professional staff</li> <li>• strong regional competition</li> <li>• economic downturn and recession due to the Covid-19 virus pandemic</li> </ul>
<p>Special treatments: Healthy diet, detox, yoga, massages, walks, exercise and fitness, meditation, hippotherapy</p>	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• present luxury resorts</li> <li>• additional tourist products</li> <li>• recognizability of the destination</li> <li>• Institute dr Simo Milosevic</li> <li>• excellent price-quality ratio</li> <li>• favorable geographical position</li> <li>• favorable climatic conditions</li> <li>• good air connection with emitting destinations</li> <li>• additional tourist activities</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• lack of staff</li> <li>• inadequate destination promotion</li> <li>• a small number of hotels with a wellness offer</li> <li>• excessive dependence on domestic consumers</li> <li>• pronounced seasonality of the destination</li> </ul>
	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• a huge global market</li> <li>• developing niche products</li> <li>• binding and cross-selling products</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• established competition</li> <li>• departure of trained personnel</li> </ul>
<p>Programs specifically designed for</p>	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• Institute dr Simo Milosevic</li> <li>• well-positioned hotels</li> <li>• Mediterranean climate</li> <li>• untouched nature in the northern region</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• most hotels are in the coastal region</li> <li>• insufficiently researched area</li> <li>• insufficient capacity for high-paying clients</li> <li>• inadequate promotion</li> <li>• space pollution</li> </ul>

recovery from COVID-19	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• new product</li> <li>• global market</li> <li>• quick reaction to new opportunities</li> <li>• long-term patient recovery</li> <li>• positioning Montenegro as a year-round destination</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• strong competition</li> <li>• uncertainty over the duration of the pandemic</li> <li>• modification of health protocols</li> </ul>
Natural cosmetics, medicinal herbs, medicinal mud	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• good natural conditions for growing plants</li> <li>• existing peloid sites (Ulcinj, Igalo, northern region)</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• uncontrolled way of collecting plants</li> <li>• inadequate marketing approach</li> <li>• untapped potential</li> <li>• the workforce is not trained</li> <li>• challenges in quality control</li> </ul>
	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• packaging and export of peloids</li> <li>• better product promotion</li> <li>• a more organized approach to breeding and production</li> <li>• increased degree of product finalization</li> <li>• importing products into the overall tourist offer</li> <li>• attracting EU funds</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• strong regional competition</li> <li>• space pollution</li> <li>• poor reputation</li> </ul>
Consulting and workshops, company retreat	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• good hotel infrastructure</li> <li>• standardized accommodation offer</li> <li>• well-trained workforce</li> <li>• excellent price-quality ratio</li> <li>• favorable geographical position</li> <li>• favorable climatic conditions</li> <li>• good air connection with emitting destinations</li> <li>• additional tourist attractions</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• capacities for large mice events do not exist</li> <li>• the existing capacities are located mostly in the coastal region</li> <li>• huge crowds during the summer tourist season</li> <li>• challenges in transport and logistics due to a weak transport network</li> </ul>

	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"><li>• increasing interest in health tourism</li><li>• organization of "high level" company events</li><li>• positioning Montenegro as a year-round destination</li></ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"><li>• strong regional competition</li><li>• space pollution</li><li>• challenges with the image of a destination for "high profile" companies</li><li>• budget cuts due to the economic crisis</li></ul>
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### 9.3. SWOT analysis by regions (northern, central and southern region)

Region	Strengths	Weaknesses	Opportunities	Threats
Southern	<ul style="list-style-type: none"> <li>• Long tradition and knowledge of tourism</li> <li>• Some hotels may be internationally competitive in the wellness segment</li> <li>• Some hotels might be interesting in terms of developing a segment for a combination of wellness &amp; culture</li> <li>• Existence of the Simo Milosevic Institute as a carrier of health tourism development</li> <li>• Pleasant climate for most of the year</li> <li>• Interesting cultural and historical attractions for European travelers</li> <li>• Airport in Tivat, which guarantees excellent air connections</li> <li>• Presence of strategic private investors</li> <li>• Natural beauties</li> <li>• Good locations for bird watching</li> <li>• Good traffic connection (no traffic jams outside the summer season)</li> <li>• There are no industrial plants</li> <li>• Food safety</li> <li>• Developed nautical tourism</li> <li>• Good hotel management</li> <li>• Total destination security</li> <li>• The trend of a slight increase in the number of tourists outside the main tourist season</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficient supply of health tourism products other than the Institute</li> <li>• Lack of diversification of the tourist product</li> <li>• Large number of 2 and 3 star accommodation</li> <li>• Inadequate communal infrastructure</li> <li>• Insufficient awareness of environmental issues</li> <li>• Dependence on regional markets</li> <li>• Insufficiently developed wellness offer</li> <li>• Excessive retention in vehicles during the summer tourist season</li> <li>• Strong tourism revenue through (cheap) mass tourism, with a currently high number of visitors, can prevent investors from investing in health tourism</li> <li>• Reliance on low-accumulation consumption markets</li> <li>• Too little capacity of Tivat Airport during the summer season</li> <li>• Lack or very limited knowledge, in terms of the development of medical wellness or wellness by existing investors (with exceptions)</li> <li>• Unarranged taxi and transportation service</li> <li>• Insufficient number of off-season flights to major target markets that</li> </ul>	<ul style="list-style-type: none"> <li>• Integral development of health tourism through importation with other tourist products</li> <li>• Unexplored Mediterranean locations that are interesting to users of health tourism products</li> <li>• Professional development and employment opportunities</li> <li>• Hiking, cycling - sports &amp; wellness</li> <li>• Use of bird watching locations</li> <li>• Better space planning</li> <li>• Raising service quality levels</li> <li>• Linking domestic production with hotels and institutions that provide services in health tourism</li> <li>• Destination authenticity</li> <li>• Creating luxury wellness centers</li> <li>• Development of cultural and historical heritage products</li> <li>• Better traffic management</li> <li>• Institute as a regional center for professional training of staff for health tourism</li> <li>• Raising service quality levels</li> <li>• New airlines to emitting markets</li> <li>• Development of SIT (Special interest tourism)</li> <li>• Adequate marketing towards targeted markets</li> <li>• Recovery programs (alcohol, drugs, rehabilitation)</li> <li>• Aesthetic and dental tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficiently trained staff</li> <li>• High level of need for professional staff</li> <li>• Inadequate planning documents</li> <li>• High price of water</li> <li>• Unresolved utility problem</li> <li>• High investment to launch or upgrade an existing offering</li> </ul>

	<ul style="list-style-type: none"> <li>• Valorization of space outside the city center</li> </ul>	can afford health tourism products		
Central	<ul style="list-style-type: none"> <li>• The largest capacities for health tourism</li> <li>• Great expertise</li> <li>• Special hospital in Brezovik</li> <li>• Good price / quality ratio</li> <li>• Excellent air connection through Podgorica Airport</li> <li>• Developed infrastructure (accommodation, transport)</li> <li>• Quality staff</li> <li>• Safe city</li> </ul>	<ul style="list-style-type: none"> <li>• Excessive dependence on state funds of Montenegro</li> <li>• Insufficient cooperation between stakeholders</li> <li>• Poor promotion of health tourism</li> <li>• Inadequate infrastructure for serious health tourism</li> </ul>	<ul style="list-style-type: none"> <li>• An aging population in more developed countries that wants quality service</li> <li>• Growth of health tourism on a global level</li> <li>• Modified habits of people</li> <li>• A large number of transit tourists</li> </ul>	<ul style="list-style-type: none"> <li>• Poor public understanding of the benefits of health tourism for the entire ecosystem</li> </ul>
Northern	<ul style="list-style-type: none"> <li>• Natural beauties</li> <li>• National parks</li> </ul>	<ul style="list-style-type: none"> <li>• Poor road infrastructure</li> <li>• Insufficient staff (quantity)</li> <li>• Insufficient experience in providing specific types of health services</li> <li>• Cultural challenges</li> <li>• Poor tourist visits in relation to the total number</li> <li>• Poor air connectivity</li> </ul>	<ul style="list-style-type: none"> <li>• Significant investments in infrastructure</li> <li>• Presence of investors from the southern region</li> <li>• Untouched nature</li> <li>• Wellness tourism</li> <li>• Rural tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on the development of other activities that bring higher profitability</li> </ul>

## 10. PESTEL analysis

In most cases, people who nurture a healthy lifestyle intend to visit tourist destinations that offer health tourism. However, many people also become health tourists only on the recommendation of doctors, but also by looking at external factors that they see using external sources.

For this reason, it is necessary to conduct an analysis that should show whether there are changes taking place in society as well as new trends affecting the development of health tourism.

In this part of the Program, an analysis of various factors that affect, or are expected to affect, consumption and growth of health tourism activities, has been prepared, taking into account political, economic, social, technological and environmental factors.

**PESTEL analysis** (acronym from the words political, economic, socio-cultural, technological, environmental protection, legal) describes the framework of macroeconomic factors used in the conception of strategic documents.

When it comes to health tourism, PESTEL analysis provides a "bird's eye" view of the overall environment from many different angles. As the health tourism industry deals with invisible exports and "works" on the international market, this type of analysis can be applied to the analysis of health tourism offered to tourists in international markets.

- Political factors include state stability, tax policy, foreign trade regulations, and community welfare;
- Economic factors include business climate, GDP, interest rates, currency, inflation and unemployment;
- Socio-cultural factors are demographic indicators, income distribution, social mobility, lifestyle changes, behavior and attitudes;
- Among the technological factors are Government spending on research, Government efforts to spread technological advances, new discoveries and development, technology transfer rate;
- Ecological factors include laws on environmental protection, waste disposal, energy consumption and the similar;
- Legal factors include state monopoly legislation, employment, health and product safety law.

### 10.1. Political factors

The perception of the political stability of the destination is extremely important. As Montenegro is a safe destination and a member of the NATO alliance, and negotiations with the EU are underway, it can be stated that our country is a politically stable destination.

Political factors are very important when deciding which tourist destination some tourist destination will choose. Namely, people in the developed world are devoting more and more time to activities in the field of personal and family health (travel, health care, personal well-being, and accompanying health programs). When traveling, they look for safety, security, and of course, due to the action of COVID-19, impeccable hygiene and cleanliness.

In addition to political stability, the social policy pursued by the Government is also important. Many countries in Europe are implementing the concept of social tourism by providing tourist vouchers to vulnerable groups in order to raise the quality of their lives. This concept is particularly based on Eurostat data that in 2060, almost a third of the EU population will be over 65 years old. According to Eurostat, the share of tourists over the age of 65 is 20% of the total number of tourists, while that share rises to almost 40% for tourists over the age of 55.

The role of the state and its existing bodies is critical for the development of health tourism, which must be incorporated into all marketing, economic and diplomatic activities in order to adequately position Montenegro on the world map of health tourism. In this regard, it is important to note that in 2019, Montenegro adopted a Strategy for Improving the Quality of Health Care and Patient Safety for the period 2019-2023. year, with the Action Plan for 2019-2020. The strategic goals are as follows: establishment of a national body for quality in health, establishment of a formal structure for quality management in health institutions, introduction and assessment of health technologies, establishment of an internationally recognized accreditation procedure in health, strengthening of capacity for health management, systematic measurement of quality and safety improvement through security monitoring.

In all official channels of communication conducted by NTO and LTO, information on health tourism, as one of the important branches of the year-round tourist offer of Montenegro, must be strongly permeated.

In terms of the support provided by the state to the development of health tourism in Montenegro, there are certain insufficient activities and there is no synergy of activities of all actors to make Montenegro a destination for health tourism. There is an obvious lack of links between the private and public sectors and insufficient cooperation on the development of specific tourism infrastructure that characterizes health tourism.



In order to improve and strengthen the development of health tourism in Montenegro, the NGA Cluster of Health Tourism was established, which operates independently. Within the Chamber of Economy, more precisely within the Board of the Association of Tourism and Catering, the Coordination Board of Health Tourism was formed. The members of the coordination committees are representatives of administrative bodies, institutions, non-governmental and other organizations, with which the Chamber cooperates.

At the moment, Montenegro cannot be considered a destination that has advantages for the development of health tourism. The structure of foreign direct investment is not so favorable in relation to the necessary investments for the development of health tourism, while investing in tourism does not go in the direction of developing the infrastructure needed for health tourism.

The visa system of Montenegro is adequate, but it will be necessary to make certain changes for a longer stay of tourists, which is characteristic of certain forms of health tourism.

It must be pointed out here that the relationship between price and quality of medical services is one of the key factors influencing health tourism, especially in terms of patient care, equipment, technology, and of course excellent doctors and accompanying medical staff.

## 10.2. Economic factors

The level of economic development of a country, which is reflected in GDP, is the main indicator of the economic development of a country. In addition to GDP, which is the main indicator of economic development, there is employment, investment climate, encouragement of foreign investment, incentive for tourism development, inflation.

Montenegro belongs to the ranks of middle-developed countries. Montenegro's GDP for 2019 was around 5 billion euros. GDP per capita increased from 6,908 euros in 2017 to an estimated 7,743 euros in 2019, and GDP per capita according to the purchasing power standard in Montenegro increased from 44 to 47 percent of the EU average, the highest in the Western Balkans region.

However, due to the operation of COVID-19, Montenegro will be in a situation of economic crisis, which will create high unemployment, reduced personal consumption and insufficient investment activity (*this section is processed separately in section 2.3.*).

The global economic and financial crisis will cause an unprecedented change, which will be felt in the segment of health tourism. One of the economic challenges is the possible reduction of public spending on health care, given that Montenegro does not allocate enough money when it comes to health care costs when compared to EU member states.

According to the WTTC, the contribution of tourism in Montenegro, which directly and indirectly generates over 30% of GDP and affects a total of 66,000 people, is characterized by seasonal activity during the summer tourist season.

In the years of stabilization, health tourism is expected to extend the season, and help increase the number of days tourists spend with their families and companions in Montenegro, with a special emphasis on regional diversification of visits. Our country, on the other hand, has insufficiently developed transport connections with global destinations (non-integrated road and rail transport). When we talk about air transport, the need to expand the capacity of the airport, the number of flights and increase the number of destinations throughout the year, is one of the important prerequisites for the development of health tourism.

Increasing investments, both domestic and foreign, is necessary in order to raise the quality of health tourism in Montenegro.

However, the biggest problem threatens Montenegro due to the emergence of "brain drain", specifically the departure of qualified personnel to third countries (mostly EU members), which is already noticeable in Montenegro, which must be strongly influenced by increasing the living standards of all employees in the health sector in Montenegro.

### 10.3. Socio-cultural factors

Montenegro is a destination with a well-educated population, a medium level of hospitality and very good expertise in the public health system. Also, Montenegro is a destination with a large number of natural attractions and a rich cultural and historical heritage. The use of these advantages should be more meaningful and adaptable to the needs of health tourists and their companions, in order to spend the best possible time in our country.

Although the NTO's work program is designed to establish a key channel for the representation of Montenegro in the digital system, as one of the world's destinations with a diverse offer of natural resources, knowledge of marketing management in health tourism is currently inadequate in this segment; NTO and LTO should work on improving the visibility of Montenegro as a year-round destination that has health tourism in its offer. Raising the general level of services and kindness of both employees and the local population is also essential, which will result in raising awareness of the need for tourists to feel welcome to return to Montenegro, which is the basis for long-term development of health tourism.

Seasonal employment during the summer tourist season is characterized by mostly unskilled staff in the tourism industry, which is accompanied by low salaries, which is the reason why employees are not motivated to provide a top level of kindness to guests, which is especially important in health tourism.

Montenegro has the potential of human resources, a rich social life and a way of life that is considered open to social events and that can be applied in the health tourism industry. Montenegro also has the conditions for quality presentation of natural, cultural and historical attractions for tourists and health needs to build on them and offer complementary services that will keep tourists from health one or more days longer than the end of their health treatments.

Montenegro has the potential for health development in terms of socio-cultural factors, but they are not designed, coordinated or implemented at levels that could be compared to global tourist destinations.

Given the seasonal nature of tourism in Montenegro (short duration of the summer tourist season), it is necessary to design additional facilities, activities and offer to extend the season, which are offered to health tourists and their companions.

However, the health status of travelers is not the primary factor that creates the need for health tourism. Longer life expectancy, together with higher elderly incomes in the Western world, has created a new concept: healthier and more active aging, with longer life expectancy, because mobile, active and older tourists want to live and travel, and be as healthy as possible. This circumstance was especially pronounced in the conditions of the

Covid-19 pandemic, and it will be possible to significantly base the development of health tourism on it, as well as special segments of tourism in general.

According to an OECD report, life expectancy has increased in all OECD countries by over ten years since 1970, to reach an average of 80.60 years<sup>62</sup>. Increasing the expected age of the population leads to the need to change health policies, due to the fact that increasing the expected age creates pressure on pension funds, and creates higher public expenditures for conducting adequate health and social policy.

Large hotel chains have changed the offer of services through the implementation of products for nurturing healthy lifestyles. It is clear that disease prevention is becoming extremely important for an increasing number of people, as well as prevention of the spread of Covid-19 virus.

A special category are people with disabilities. Going together on therapies with people with a similar condition can significantly affect the improvement of the overall condition of people with disabilities. The World Health Organization reported over a billion people with disabilities worldwide in 2011, or 15% of the total population.<sup>63</sup>

Finally, a special category of health tourism that can be particularly interesting in Montenegro and includes all adult categories of tourists, is aesthetic and dental surgery. Of course, in order for this category to be interesting within Montenegro, there must be certified institutions that apply the prescribed quality standards. The main characteristic of these procedures is that they are short-lived, not too risky, do not require special care and are quite expensive compared to other surgical procedures.

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<sup>62</sup> Organisation for Economic Co-operation and Development (2016), Health at a Glance: Europe 2016, State of Health in the EU Cycle

<sup>63</sup> World Tourism Organization (2016), Manual on Accessible Tourism for All: Principles, Tools and Best Practices. Module I: Accessible Tourism – Definition and Context

#### 10.4. Technological factors

Last year, Montenegro adopted the Smart Specialization Strategy for the period 2019-2024. The Smart Specialization Strategy (S3) is a national innovation strategy that sets development priorities, which aims to build a competitive advantage by connecting its own efforts in research and innovation with the needs of the economy, responding in a coherent way to growing opportunities and market development, thus avoiding overlapping and fragmenting policies.

According to that document, the vision of Montenegro in 2024 is the following: *an internationally recognized destination of sustainable and health tourism with a year-round and diversified tourist offer based on the principles of sustainability, equality, competitiveness, innovation and authenticity.*

A developed and competitive state is based on three key strategic directions, namely:

- Healthier Montenegro;
- Sustainable Montenegro;
- Modernized and digitized Montenegro.

The strategic direction of "Healthier Montenegro", with improved aspects of primary, secondary and tertiary protection and prevention, and new products, will enable a higher quality of life, and thus the prosperity of the nation. Healthier Montenegro is the center of biomedical development through new technologies, production of medicines, medicinal herbs and organic food and with the provision of specialized health services (such as innovative and standard therapeutic and rehabilitation programs) as a finished product, with the aim of attracting a special group of patients and researchers. Healthier Montenegro is a society of technology for health, science, prosperity, regional cooperation and peace.

The synergy effect of sustainable and health tourism in relation to other priority sectors is as follows:

- Application of nanomaterials in health tourism;
- Application of mineral raw materials in cosmetology and pharmacy (bentonite and carbonate rocks);
- Production of medicinal herbs, essential oils, cosmetics, spa, etc. preparations;
- Energy efficiency of tourist and health facilities;
- E-health services:
  - E-health,
  - Applications for health tourism,
  - Health information systems,

- Telemedicine;
- E-platforms and travel services:
  - E-tourism,
  - E-visitor,
  - Applications that use VR / AR;
- E-Montenegro model for high-quality tourism.

Montenegro should modernize the public administration for the provision of services to tourists to introduce Smart service systems, such as online check-in, high-quality and modern air and bus transport, wifi hotspots, as well as to improve infrastructure and all other services required by health tourists.

When creating a tourist destination, Montenegro should pay attention to the experiences from developed destinations, and above all to invest in so-called "smart" health projects that can be adapted to health tourists. Additionally, adequate positioning is needed on technology platforms visited by health tourists. However, having in mind the specifics of health tourism, a special role is played by specialized agencies that have a higher level of knowledge in order to create the best experience for a health tourist.

## 10.5. Ecological factors

Issues of environmental protection or sustainability are crucial for the competitiveness of the tourism sector, and greatly influence the development of health tourism.

The ecological environment of Montenegro is considered one of the advantages that Montenegro has among other destinations, given that the nature of Montenegro is still unpolluted compared to similar destinations, while the Adriatic Sea is considered one of the cleanest seas in the world, and a large number of beaches is marked with a blue flag.

Montenegro has 5 national parks: Durmitor, Biogradska gora, Skadar Lake, Lovcen and Prokletije, and they make up 7.70% of the territory of Montenegro. In addition, Montenegro has numerous natural parks and UNESCO protected cultural monuments. All these resources, Montenegro should be used in designing the development of health tourism.

In terms of development plans in Montenegro, it can be concluded that Montenegro still has a problem with "illegal construction", which is prohibited by law, but is present due to historical facts and the lack of work of inspection services.

Several years ago, Montenegro adopted the National Strategy for Sustainable Development of Montenegro until 2030, which set out the principles, strategic goals and measures for achieving long-term sustainable development of Montenegrin society, taking into account the current situation and international obligations, priority given to the United Nations Agenda for sustainable development by 2030.

NSSD is the main, horizontal and long-term development strategy of Montenegro, which refers not only to the economy and the environment, but also to irreplaceable human resources and valuable social capital. NSSD integrates the requirements of the United Nations Agenda for Sustainable Development, into the national context through the measures defined in the Action Plan for the period until 2030. The first reporting according to the defined indicators is expected in the near future.

When it comes to the direct impact of nature on human health, it is particularly interesting that doctors in Scotland have recently started prescribing therapy in the form of nature walks (Shetland, Scotland) to reduce blood pressure, anxiety, diabetes, mental illness, stress, heart disease and more. This fact speaks of the need to use the natural resources of Montenegro as one of the key factors in the development of health tourism.

The Health Tourism Development Program in Montenegro includes the preparation of a Strategic environmental impact assessments. However, as the Ministry of Economic Development is working on the development of the Tourism Strategy in Montenegro for the period 2021-2025 with an Action Plan, the strategic assessment of the impact of health tourism will be the subject of the general Strategy.

## 10.6. Legal factors

Overall tourism and health legislation and other laws related to the regulation of relations in the field of health and tourism, are very important for the development of health tourism in Montenegro.

In legal terms, Montenegro does not have a precisely defined strategy for attracting foreign capital in terms of strengthening health tourism and other infrastructure, which are critical for the development of health tourism. In this segment, Montenegro has not yet made enough progress, which is a logical consequence of the political and economic situation in country, which also is reflected in health tourism as a special form of tourism that requires significant investment.

The visa system, as a very important factor for the establishment and development of health tourism, is quite well established. According to the official website of the Ministry of Foreign Affairs, “Holders of travel documents with a valid Schengen visa, a valid visa of the United States, the United Kingdom of Great Britain and Northern Ireland and the Republic of Ireland or a residence permit in those countries can enter and stay or cross the territory of Montenegro up to 30 days, and the longest until the expiration of the visa, if the validity of the visa is shorter than 30 days. Holders of travel documents issued by Member States of the European Union, the United States of America, the Kingdom of Norway, the Republic of Iceland, the Swiss Confederation, Canada, the State Union of Australia, New Zealand and Japan under the 1951 Convention relating to the Legal Status of Refugees, or the 1954 Convention relating to the Legal Status of Stateless Persons, as well as travel documents for aliens, may enter, cross the territory and stay in Montenegro for up to 30 days without a visa.”

With a detailed review of available regulations, Montenegro does not have special health visas as the US, Dubai, Turkey, which can extend the stay for tourists coming to medical protocols that last for a long time, but the conclusion of international social security agreements establishes coordination between systems of social security of States Parties. The main purpose of these contracts is to enable the exercise of rights from social insurance on the basis of work and insurance abroad. Montenegro has signed social security agreements with 25 countries<sup>64</sup>, namely: Austria, Belgium, Bosnia and Herzegovina, Slovakia, Czech Republic, Denmark, Egypt, France, the Netherlands, Croatia, Italy, Libya, Luxembourg, Hungary, Macedonia, Norway, Germany, Poland, Slovenia, Serbia, Switzerland, Sweden, Great Britain, Bulgaria and Turkey.

Ethics, responsibility, health laws and patient safety are particularly delicate and important issues, especially in health tourism. A special issue is the fight against organ smuggling, but it

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<sup>64</sup> <https://mrs.gov.me/informacije/medjunarodniugovori>



is regulated by the Istanbul Declaration (2008), which was accepted by 100 countries around the world, including Montenegro.

In a special part of this Program, Directive 2011/24/EU on patients' rights in cross-border healthcare is specifically addressed.

Additionally, the ethical issue is the possibility for medical tourists to be carriers of infections and diseases from one country to another. Viral and bacterial infections can spread from medical tourists to hospitals in third countries. This is the reason why there is a global Covid-19 pandemic, and given the importance of tourism for Montenegro, this is a particularly important issue. Namely, Montenegro is recognized as a destination of mass tourism with a strong seasonality. In 2019, 2.50 million tourists entered Montenegro, who realized 15 million overnight stays, of which 80% of overnight stays were realized in July, August and September. Therefore, importing cases of the virus poses a special danger to the public health system of Montenegro.

## 11. Comparative analysis of health tourism of competing countries (region) with guidelines and directions of development

Although the Balkan region has a long history and tradition of health tourism, including balneology and spas, it has been difficult to develop destinations and facilities outside the domestic market. Reasons for this are numerous, including instability and conflict, political mismanagement and corruption, lack of funding, limited infrastructure development, poor service levels, and inadequate marketing.

Below is a more detailed analysis for the following countries: Serbia, Bosnia and Herzegovina, Northern Macedonia, Slovenia and Croatia.

### Serbia

Country scales	Serbia
<b>Basic information</b>	
Policies and scope of investment	Serbia has very good preconditions that are not sufficiently used (nor promoted) for the development of profitable health and tourism activities: natural resources (richness in thermo-mineral waters), rich historical, cultural and industrial heritage, favorable geographical position, traditional hospitality of people, existing tourist infrastructure, multiethnic character and multicultural traditions.
Business structure and management	In 2010, a Serbian cluster of medical tourism was established for all interested state and private organizations involved in the provision of medical and tourist services, e.g. spas, hospitals, clinics, institutes, hotels, travel agencies, restaurants and others. One of the main goals was to improve and develop the offer of medical tourism in Serbia.
Health care providers	The offer of health tourism in Serbia relies heavily on spa tourism (about 50 spas). In the spas of Serbia, there is the largest number of beds in relation to other tourist places, 29% of the total number of beds. Also, the appearance of private clinics that provide numerous services is evident. The Military Medical Academy, as the largest institution in the country, also provides services on the market.
Product specialization	Health tourism does not have a prominent place in the network communication of Serbia, although there are over 1,000 sources of cold and hot mineral water, as well as natural mineral gases and medicinal mud. However, only about 5% is used. There are over 53 thermal resorts, as well as climatic resorts with a favorable climate and geographical location.
Product quality and price	The quality of service is excellent with affordable prices.
Technology / research	Spas in Serbia lack quality, partly because relatively little or no investment has been made in maintaining and building tourist infrastructure in spa towns. Investments in private clinics are not enough to adequately position themselves in the regional market.

Advantages and disadvantages	<p>Advantages: Untouched natural environment, very favorable climate, diverse natural and anthropogenic tourist offer, hospitality, gastronomic offer.</p> <p>Disadvantages: Insufficiently developed traffic infrastructure and superstructure, obsolescence of transport capacities, low level of quality of accommodation capacities, undeveloped trade offer intended for tourists, lack of complete and selective measures that would constantly encourage further development.</p>
<b>Value chain benchmarks</b>	
<b>Standards of support services:</b> Infrastructure (Airports, roads ... etc)	Poor technical condition of the spa, inadequate and worn out infrastructure.
Hotels and resorts	Required investment in quality accommodation capacities.
<b>Standard of main locations:</b>	The strategy for the development of tourism in Serbia is determined by a selective approach, with special importance attached to rural tourism (environment, nature, food, customs...). In addition to rural, it is important to mention and put emphasis on spa tourism. Most spas in Serbia lie at the foot of the mountains, surrounded by forest, protected from strong winds and have a mild climate, so they are destinations suitable for tourists who are not fans of winter sports and low temperatures.
<b>Performance benchmarks</b>	
Visitors of medical tourism	Visitors of medical tourism are a large number of visitors to spa tourism.
Estimated revenue	No reliable data.
International / national accreditation	Additional accreditation and standardization of institutions is needed, in order to attract more tourists.
Human Resources	Mostly skilled workforce.
<b>Marketing benchmarks</b>	
Marketing of medical tourism strategy	The fact is that spas in Serbia need to prove their quality, not only in terms of their treatments, but in their overall presentation, climatic characteristics, as well as cleanliness. It is certainly necessary to carry out marketing activities in order to better promote.

**Bosnia and Herzegovina**

Country scales	Bosnia and Herzegovina
<b>Basic information</b>	
Policies and scope of investment	Health tourism has been identified as one of the main opportunities for the development of the economy of Bosnia and Herzegovina.
Business structure and management	Bosnia and Herzegovina belongs to the cluster of Central and Eastern Europe where the concept of health tourism is associated with the use of medicinal thermal and mineral springs, primarily for rehabilitation. Bosnia and Herzegovina has hyperthermal, thermomineral, calcium and soda-rich waters.
Health care providers	The development of health tourism in Bosnia and Herzegovina is still at an early stage in terms of foreign markets and is completely dysfunctional at the national level due to the existing health system that limits access to the private sector. Most spas have not yet undergone the process of privatization and conceptual restructuring in relation to modern market trends.
Product specialization	Bosnia and Herzegovina has great potential for the development of dental tourism. In addition to dental, other forms of health tourism are available such as maxillofacial surgery, vision treatment, and infertility treatment.
Product quality and price	Foreign guests who come for health, recreational or aesthetic reasons, in addition to the quality of services, as a reason for arrival, they state that prices are significantly lower, even with transportation cost to Bosnia, than in their countries.
Advantages and disadvantages	The advantages are certainly the already isolated natural resources, and as the main disadvantage of Bosnia as a destination for health tourism, we can single out the insecurity of the country, which certainly influences the avoidance of this destination by tourists through the media.
<b>Value chain benchmarks</b>	
<b>Standards of support services:</b> Infrastructure (Airports, roads ... etc)	There is a need to improve the overall infrastructure of the spa centers, including accommodation, facilities, treatment and recreation facilities.
<b>Standard of main locations:</b>	Today, spas are unique tourist destinations, in which, in addition to vacation, sulfur thermal springs are used to treat cardiovascular, neurological, rheumatic, skin, gynecological and many other diseases. Treatments also include modern aromatherapy, massages for relaxation and recovery of the muscular system.
<b>Performance benchmarks</b>	
Visitors of medical tourism	The FBiH Statistical Office (2013) estimated that 495,537 visitors came in 2012, two thirds of whom were foreign tourists, especially from Croatia, Turkey and Slovenia. Spas accounted for only 5% of total overnight stays in Bosnia and Herzegovina in 2012, of which 14% were domestic visitors. Most users of health tourism services are local, although the number of foreign tourists is growing.
Estimated revenue	No reliable data.

International / national accreditation	What needs to be done is to improve conditions, renovate and increase accommodation capacities, modernize services in accordance with European and world standards, and also with requirements of tourists in the field of health tourism, and enrich the offer with additional facilities. The leader in health tourism in RS, and also in BiH, is certainly Banja Vrucica, whose example should be followed by others.
Human Resources	It is necessary to educate the workforce, with quality medical equipment and good infrastructure, but also to promote the security of the country.
<b>Marketing benchmarks</b>	
Marketing of medical tourism strategy	The country's Internet communications contain natural resources such as rivers, forests and mountain landscapes, including national parks.

## North Macedonia

Country scales	North Macedonia
<b>Basic information</b>	
Policies and scope of investment	Health tourism is given a relatively low priority, although Macedonia is a country rich in geothermal waters with healing effects.
Business structure and management	A group of spas has been established within the Association for Hospitality and Tourism, in the Chamber of Economy of Northern Macedonia. The National Tourism Development Strategy (2009-2013) was updated until 2015, and a new strategy has been prepared for the period 2015-2020. The National Strategy for the Development of Health Tourism 2012-2018 has also been launched.
Health care providers	Hospitals, which are mostly for the local population, are well distributed in the country. There is a fully liberalized health sector with 10 private hospitals.
Product specialization	Spa and health tourism is one of the six tourism sectors promoted within the national tourism development strategy (along with eco and mountain tourism, wine tourism, cultural and religious tourism, rural tourism and lake tourism).
Product quality and price	Prices are competitive, but in private clinics often limit a good part of the domestic population with higher prices, due to low living standards. The quality of services is at a satisfactory level, but can be improved through various educations and certifications.
Technology / research	<p>Spas in Macedonia were built between 1960 and 1980 and mostly offer only medical treatment for a number of conditions such as rheumatism, skin problems, blood circulation, etc. Four of the seven active spas offer only standard medical treatment. Only three wellness and spa centers offer a variety of products such as massage, detoxification, mud treatment, facial treatment, etc.</p> <p>Macedonia plans to offer subsidies and tax reliefs to foreign hospitals by establishing facilities to treat private foreign patients, in a bid to encourage medical tourism.</p>
Advantages and disadvantages	<p>Advantages: Macedonia is rich in natural resources, which provides good potential for the improvement and modernization of health tourism.</p> <p>Disadvantages: In addition to infrastructure, which is an important element of success, large investments are needed in order to equip institutions with the most modern equipment and at the same time to pay attention to the training of the workforce.</p>
<b>Value chain benchmarks</b>	
<b>Standards of support services:</b> Infrastructure (Airports, roads ... etc)	Poor technical condition of spas, inadequate and worn-out infrastructure, lack of available accommodation and lack of financial resources and new investment opportunities.

<b>Standard of main locations:</b>	Macedonia's mountains, national parks, protected areas and forests are known for their beauty and wilderness, and they are very attractive to visitors, providing a variety of holiday options, outdoor activities throughout the year, as well as numerous winter sports in the winter. Macedonia has taken key steps to raise the level of competitiveness as a destination, by increasing the skills and knowledge of the workforce, improving road and tourism infrastructure, quality standards and safety.
<b>Performance benchmarks</b>	
Visitors of medical tourism	According to the National Bureau of Statistics of the Republic of Macedonia (2014), Macedonia has about 28,405 spa tourists. Of that, 86% are domestic tourists and 14% foreign. Foreign tourists mostly come from neighboring countries Albania, Greece and Kosovo and they are aged 50+.
Estimated revenue	No reliable data.
International / national accreditation	Macedonia plans to offer subsidies and tax reliefs to foreign hospitals by establishing facilities to treat private foreign patients (foreign health tourists), in a bid to encourage medical tourism. In addition, it is certainly necessary to conduct international accreditation and standardization of existing institutions.
Human Resources	There is a skilled workforce, but it needs to be improved.
<b>Marketing benchmarks</b>	
Marketing of medical tourism strategy	Macedonia is doing everything to promote the natural wealth it possesses, and to attract tourists. In addition to the basic resources in Macedonia, there are additional potentials as a supplement to the health form of tourism. They are based on cultural and historical heritage that has roots in ancient times.

## Slovenia

Country scales	Slovenia
<b>Basic information</b>	
Policies and scope of investment	Although Slovenia is a small country, it has many natural resources, including healing thermal waters (87 thermal springs) and good climatic conditions. Slovenian spas and thermal baths have a rich range of options, from saunas and massages to care and health programs through different climatic characteristics, given that they are in different parts of Slovenia, from the sea and mountains to the plains.
Business structure and management	Health tourism is promoted in network communication, and in addition to the sea, mountains, lakes and gastronomy, it includes healthy local food. There are fifteen spas and thermal baths represented by the Slovenian Spa Association.
Health care providers	Slovenia has made a number of investments, in the last 20 years, in its spas, thermal baths, and health resorts. Most of them are categorized with 4 and 5 stars. Each of the health care providers has introduced elements of new spas, clinics and wellness and these are all trump cards that attract guests. The trump card of Slovenia is precisely the luxury of the offer with various attractions.
Product specialization	In the Slovenian Tourism Development Strategy 2012-2016, health and spa tourism are in the first place in the basic areas of supply in tourism.
Product quality and price	Price and quality are in a harmonious relationship. In Slovenian spas, wisdom, experience, natural environment and characteristics of the country are combined in a harmonious relationship with the hospitality of the hosts.
Technology / research	Among the quantitative and qualitative goals of the Strategy, there are the following: increase of summer tourist traffic to 1.60 billion euros, growth of the number of overnight stays at 7% annual rate, increase of daily consumption of tourists to 80 euros per day, upgrade at least 4,000 new hotel beds, develop at least 38 new tourist destinations and improve the supply of beds in mountain lodges, youth hostels and campsites.
Advantages and disadvantages	One of the great advantages of Slovenia, in addition to the things already mentioned, is its image as an attractive and one of the safest countries in the world, and the world's largest media have such an attitude towards it.
<b>Value chain benchmarks</b>	
<b>Standards of support services:</b> Infrastructure (Airports, roads ... etc)	Investments in infrastructure and facilities, as it could be concluded, have already been implemented in the previous period.
<b>Standard of main locations:</b>	In 2005, Slovenia, with its 87 thermal springs, had 25 thermal spa centers, 18 of which had the status of a state-verified health resort. They are known for sulfur radioactive and warm water, rich in the minerals calcium and chlorine, so they are suitable for the treatment of rheumatic, gynecological and dermatological diseases, damage to the respiratory tract and respiratory system, as well as postoperative conditions.



<b>Performance benchmarks</b>	
Visitors of medical tourism	One third of all tourists who come to Slovenia stay in spas, which are their biggest tourist asset. It is estimated that 32% of overnight stays in Slovenia in 2013 referred to spas, which accounted for 22% of total international overnight stays and 47% of total domestic overnight stays. The top 5 countries from which the largest number of visitors come are Austria, Italy, Russia, Germany and Croatia. In total, over 680,000 guests come to Slovenian spas.
Estimated revenue	No reliable data.
International / national accreditation	Slovenia started the process of accreditation of health institutions in 2010. Through accreditation, health facilities are helped to discover their own strengths and opportunities for progress, and to use available resources in the most efficient way.
Human Resources	Skilled workforce.
<b>Marketing benchmarks</b>	
Marketing of medical tourism strategy	In Slovenian spas there are well-equipped health and recreation centers where you can combine various activities, such as swimming, running, walking, exercises on various devices, playing various sports games and riding mountain bikes. In addition to a variety of recreational offers, social, cultural and folklore events are offered, as well as excursion opportunities for all persons who come to spas and health resorts.

**Croatia**

Country scales	Croatia
<b>Basic information</b>	
Policies and scope of investment	According to the criteria of attractiveness and competitiveness, health tourism belongs to the group of potentially leading production groups in Croatia. Given the significant comparative advantages of Croatia for the development of health tourism, which primarily include qualified staff and a generally good reputation of health services, but also competitive prices, proximity to large emitting markets, natural beauty and favorable climate, national security and long tradition in tourism, it can be concluded that this is a product with high growth potential.
Business structure and management	The Ministry of Tourism has developed a Strategy for the Development of Tourism in the Republic of Croatia until 2020, in which health tourism has been identified as one of Croatia's priority tourism products. The Ministry, as for other forms of tourism whose importance has been identified, has initiated the development of an Action Plan. Further, the Ministry of Health has developed a National Health Development Strategy 2012-2020. which also recognizes the growing importance of health tourism in the world, and thus the potential of Croatia for its development in the future. Within the Ministry of Health, there is the Institute for Health Services in Tourism, a specialized department for performing a wide range of professional activities related to the development of health, medical and wellness tourism, as well as for raising the quality of health services in tourism.
Health care providers	The offer of health tourism in Croatia today includes a complex set of health tourism service providers in the sphere of private and public sector. Almost the entire offer of wellness, a significant part of the offer of medical tourism and a small number of spas is privately owned and represents market-oriented small and medium enterprises. Special hospitals, health resorts and large hospital systems control most of the natural healing areas, and with their size and concentration of expertise are key factors in the credibility and recognizability of Croatia's health and tourism offer. Dental tourism contributes significantly to health tourism.
Product specialization	Medical holistic wellness tourism, and especially thalassotherapy programs are an important segment of the Croatian health tourism offer, both in the pre- and post-season. After ownership restructuring, and as a result of modernizing the offer, especially in the continental part, spa tourism is a technologically competitive tourist product, while the tourist product within medical tourism is vertically integrated, competitive in quality and price, and focused mostly on selected segments of demand in the global market.
Product quality and price	Croatia has a quality medical service, with acceptable and competitive prices.
Advantages and disadvantages	The advantage of Croatian health tourism is reflected in the natural basis, tradition, quality of medical staff and good reputation of health services, competitive prices, and the growing number of hotels with quality wellness offer and quality private health facilities. On the other hand, there are disadvantages such as inconsistency of laws in the field of health and tourism, obsolete facilities of spas and special hospitals, limited development potential of spas and special hospitals due to the existing ownership structure, excessive dependence on CHCS system, insufficient strength of specialized intermediaries, lack education, certificates, restrictions in promotion and sales.

<b>Value chain benchmarks</b>	
<b>Standards of support services:</b> Infrastructure (Airports, roads ... etc)	In the last ten years, there has been some progress in the development of road infrastructure on the most important routes in Croatia. This certainly has a positive impact on the arrival of tourists from neighboring countries from the former "Eastern Bloc", primarily Hungary, the Czech Republic and Slovakia, which are primarily focused on the use of road vehicles arriving in Croatia. In addition, Croatia has a relatively large number of airports and ports, of which as many as seven airports have the status of an international airport. The connection with Italy in the context of dental (dental) tourism is especially emphasized.
<b>Standard of main locations:</b>	Health and wellness tourism in Croatia continues with a positive trend from year to year. This is especially true for medical tourism, but is limited to certain destinations or regions only. Spa-oriented hotels, which offering a wide range of services, are growing, and together with well-known coastal destinations, it is believed that the spa tradition in the northern part of the country could be of interest to future investors. Although several coastal destinations offer spa and wellness hotels or resorts, most thermal spas are located in northern and eastern Croatia.
<b>Performance benchmarks</b>	
Visitors of medical tourism	When it comes to tourism in general, the main focus is on coastal tourism, as well as on activities based on nature, however, wellness tourism is considered an important by-product. The constant increase in the number of tourists and overnight stays at an average rate of about 5% in Croatian health resorts also indicates the growth of health tourism. Domestic tourists, according to the analysis of the Croatian Chamber of Commerce, visit more continental spas and wellness centers with a share of 90%, while the share of foreign tourists in marine spas is significantly higher (about 40%).  According to the research of Kesar and Rimac (2011), four segments of Croatian health tourism can be distinguished: (1) Medical tourists: who come for rehabilitation, mainly to one of the five largest, known sanatoriums based on thermal and mineral springs; (2) Spa-thermal tourists and thalasso tourists: These tourists visit thermal water-based facilities and hospitals - both locals and foreign tourists; (3) Wellness tourists: They visit wellness centers and resorts that mainly have stress management treatments and relaxation treatments; (4) Clinical tourists: Those tourists who use health services. This type of tourism is less developed than others.
Estimated revenue	According to the Croatian Chamber of Commerce, health tourism in Croatia annually employs about 10,000 people and generates about 300 million euros in revenues from health services (source: Ministry of Tourism and Sports of the Republic of Croatia - 2016).
International / national accreditation	An autonomous system of certification of health care institutions has not yet been established in Croatia. A small number of health care institutions have basic international certificates, among which the most widespread are ISO standards, and the largest number of health tourism service providers in Croatia is not certified for the needs of health tourism services. International certification of Croatian health care institutions should ensure their greater international credibility, and thus accelerate the acquisition of greater market recognition. The responsible institution for the accreditation of health care institutions in Croatia is the Agency for Quality and Accreditation in Health and Social Care.

Human Resources	The current structure of staff working in health tourism in Croatia is not completely satisfactory, given the current and future needs of the increasingly demanding and sophisticated guest.
<b>Marketing benchmarks</b>	
Marketing of medical tourism strategy	The promotion of health tourism in Croatia at the national level is relatively limited despite the recognized potential and benefits of developing this form of tourism. The promotion is mostly reduced to the independent efforts of individual service providers. Recently, however, a more significant joining forces in the marketing approach has been noticeable.

## 12. Readiness for market representation

When looking at the readiness for market representation, it can be stated that at this time Montenegrin health tourism is quite unprepared for modern trends in health tourism.

The following are the reasons for this conclusion:

- Only a few hotels offer wellness programs that are available all year round;
- Montenegro is a seasonal airline destination;
- The professional staff is good, but it needs additional training;
- Insufficient institutionalized cooperation between key actors in the country;
- There is no systematic promotion of Montenegro as a destination for health tourism;
- Insufficiently developed infrastructure;
- Non-integrated offer;
- Small domestic market;
- Lack of accredited institutions.

Therefore, it will take a lot of effort for Montenegro to adequately position itself in the extremely demanding global market of health tourism.

Successful development of health tourism, as well as better structuring of the overall tourist offer, should be based on such economic foundations that will include several market segments. Consequently, from the point of view of conceiving the future integral and complex tourist product, it is necessary to define several priorities of future development on the basis of comparative advantages, which relate to the marketing approach:

- Wellness and Spa offer to be based on healing natural and health factors with a long tradition and highly professional staff;
- Combined organization of health tourism with other forms of tourism, taking into account the rich cultural, historical and ethnographic attractions;
- Enrichment of health tourism programs, combining domestic authentic with foreign modern trends, throughout the whole year;
- Harmonization of ecologically healthy environment with specific domestic gastronomy;
- Forcing relatively low prices of therapeutic and other programs;
- Ecological protection and maintenance of environmental quality.

### 13. List of priority products of health tourism in Montenegro

The following is a list of priority products in Montenegro.

**Table 31:**

*List of priority products of health tourism in Montenegro*

<b>Product category</b>	<b>Individual products</b>	<b>Priority products for Montenegro</b>	<b>Necessary infrastructure</b>
Medical tourism	<ul style="list-style-type: none"> <li>• Dentistry</li> <li>• Surgery</li> <li>• Reproductive medicine: in vitro fertilization, couple health, support services</li> <li>• Therapies</li> <li>• Sports medicine</li> <li>• Oncology</li> <li>• Psychology and psychiatry</li> <li>• Diagnosis, tests, other opinions</li> <li>• Other products</li> </ul>	<ul style="list-style-type: none"> <li>• Dentistry</li> <li>• Sports medicine</li> <li>• Therapies</li> <li>• Reproductive medicine: in vitro fertilization, couple health, support services</li> <li>• Diagnosis, tests, other opinions</li> </ul>	<ul style="list-style-type: none"> <li>• Dr Simo Milosevic Institute</li> <li>• Vaso Cukovic Special Hospital</li> <li>• Smaller dental practices</li> <li>• Specialized hospitals</li> <li>• Advisory institutions</li> </ul>
Wellness tourism	<ul style="list-style-type: none"> <li>• Prevention programs</li> <li>• Therapies</li> <li>• Face and body treatments</li> <li>• Special treatments: Healthy diet, detox, yoga, massages, walks, exercise and fitness, meditation, hippotherapy</li> <li>• Programs specifically designed to recover from COVID19</li> <li>• Consulting and workshops</li> <li>• Natural cosmetics, medicinal herbs, medicinal mud</li> <li>• Company "retreat"</li> <li>• Other products</li> </ul>	<ul style="list-style-type: none"> <li>• Rehabilitation and therapies</li> <li>• Special treatments: Healthy diet, detox, yoga, massages, walks, exercise and fitness, meditation, hippotherapy,</li> <li>• Programs specifically designed to recover from COVID19</li> <li>• Natural cosmetics, medicinal herbs, medicinal mud</li> <li>• Consulting and workshops</li> <li>• Company "retreat"</li> </ul>	<ul style="list-style-type: none"> <li>• Dr Simo Milosevic Institute</li> <li>• Hotels with spa and wellness facilities</li> <li>• Specialized (niche) institutions</li> <li>• National parks</li> <li>• Protected areas</li> </ul>
Spa tourism	<ul style="list-style-type: none"> <li>• Natural cosmetics, medicinal herbs, medicinal mud</li> <li>• Therapies</li> <li>• Face and body treatments</li> <li>• Programs specifically designed to recover from COVID19</li> </ul>	<ul style="list-style-type: none"> <li>• Rehabilitation</li> <li>• Therapies</li> <li>• Programs specifically designed to recover from COVID19</li> <li>• Natural cosmetics, medicinal herbs, medicinal mud</li> <li>• Climate therapies</li> </ul>	<ul style="list-style-type: none"> <li>• Dr Simo Milosevic Institute</li> <li>• National parks</li> </ul>

It can be stated that the products of health tourism in Montenegro mostly rely on the Dr Simo Milosevic Institute, numerous dental offices, hotels with wellness and spa facilities, which rely on the natural resources of Montenegro in the form of national parks and protected areas. In addition, health tourism represents an additional value to the overall tourist offer of Montenegro with an emphasis on positioning Montenegro as a year-round tourist destination.

### 13.1. Cleanliness is next to godliness

The above list envisages the creation of specially designed programs for recovery from the Covid-19 virus. At a time when the pandemic is still going on, and its end is not in sight, it is certain that these programs are a priority in the offer of health tourism. In addition, in the future, near or far, "post-Covid" situation, the emphasis should be on cleanliness, hygiene and disinfection, not only as special products in health tourism in Montenegro, but primarily on a wider, public level. In order for the natural beauties of Montenegro to be promoted and used in full capacity, it is necessary to fully "prepare the ground" for that.

Montenegro was declared the first ecological state in the world on September 20, 1991, by the declaration on Zabljak. Almost 3 decades later, we can say with certainty that Montenegro is an ecological state, but only declaratively. According to the European Commission's progress reports on Montenegro, waste management has been singled out as one of Montenegro's priorities - *the Integrated Waste Management System [in Montenegro] is still considered at a very early stage of development. Moreover, **cooperation between the state and local authorities needs to be strengthened** and new investments are needed in this area (with a focus on waste separation and recycling).*

The National Strategy with the Action Plan for transposition, implementation and enforcement of the *acquis communautaire* in the field of environment and climate change 2016-2020<sup>65</sup>, states the following: *Waste is considered a sector that will pose a particular challenge for candidate countries due to the scope of EU environmental requirements and the need for significant investments in environmental infrastructure to achieve compliance. Therefore, waste management is one of the key challenges in the harmonization process, and special efforts will be made to address all issues in this area. The basic principles of waste management on which EU waste management is based, although integrated into the National Waste Management Strategy and the National Waste Management Plan, are still not fully applied in the waste management system in Montenegro, especially when it comes to the principle of hierarchy.*

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<https://mrt.gov.me/ResourceManager/FileDownload.aspx?rid=255207&rType=2&file=Nacionalna%20strategija%20za%20transpoziciju,%20implementaciju%20i%20primjenu%20pravne%20tekovine%20EU.pdf>

which ensures compliance with the order of priorities in waste management (waste prevention, preparation for re-use, recycling and other facilities (energy use) and waste disposal).

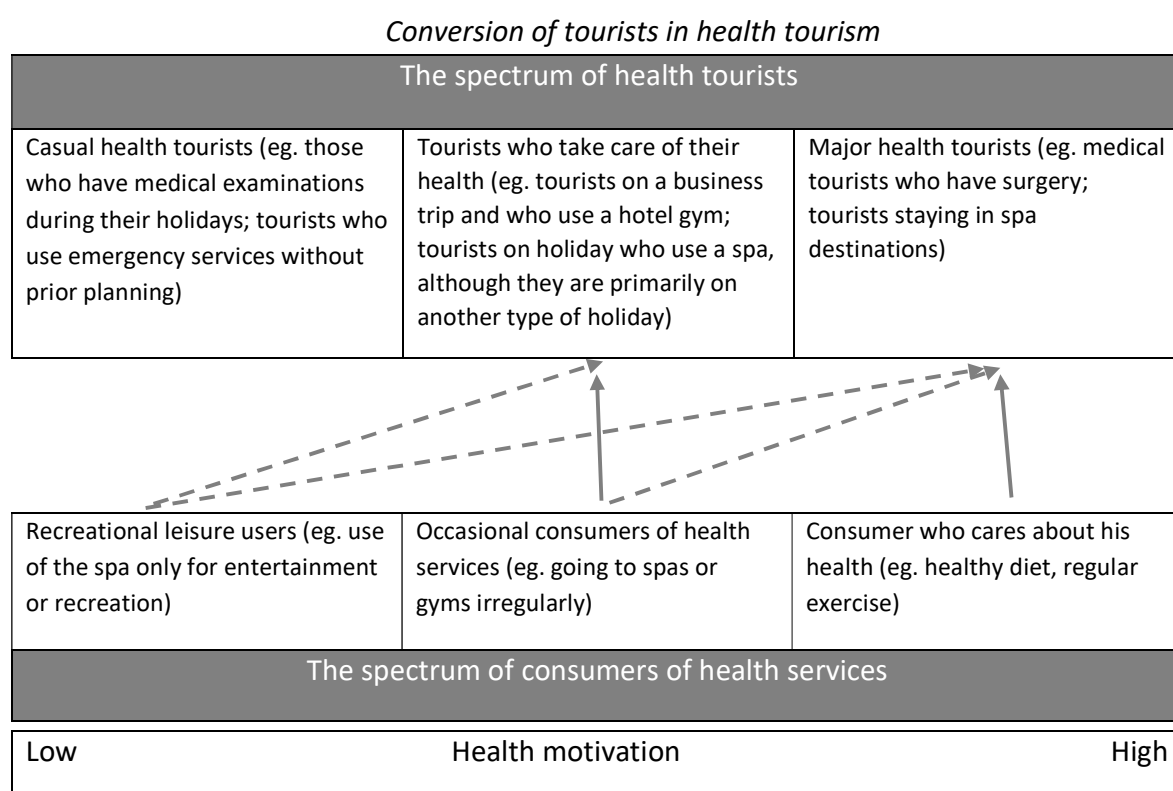
With this in mind, awareness of the waste problem undoubtedly exists in Montenegro. However, much work remains to be done to reduce this problem to the level required by European and environmental regulations.

## 14. Target groups in health tourism

According to demand, health tourists can be categorized based on their health awareness<sup>66</sup>. People with a very limited or very low level of health awareness most likely will not become medical or wellness tourists, for the reason that only in extremely rare circumstances they consider traveling for health purposes.

Users who have a higher level of health awareness at least occasionally visit a destination that offers health services or tend to book a hotel that offers some of the services of health tourism.


**Table 32:**




<sup>66</sup> World Tourism Organization and European Travel Commission (2018), Exploring Health Tourism, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284420209>



### *Interpretation of tourist movements*

Natural conversion: this conversion can only occur on the basis of the health interest of the consumer 

Opportunity for organic conversion: this conversion requires greater involvement and guidance from operators, intermediaries or traders because health interests and / or awareness are relatively low or limited 

#### 14.1. Characteristics of health tourists

The average health tourist has the following characteristics:

- belongs to the upper middle class;
- has a higher education;
- is middle-aged;
- is willing to spend more per trip than the average tourist / guest.

However, it should include all demographic groups that, in the context of health tourism, have the following characteristics:

- "Silver" generation (70+ years): Spas, basic treatments, loyal, local, personalized;
- Baby boomer (60 - 70 years): Largest segment, skin treatments and better mobility, mobile;
- Generation (40-60): Trendy, skeptical, environmentally sensitive, networked;
- Millennials (under 40): Love everything new, instant results, networked.

Beneficiaries of medical tourism are tourists with health problems who need complex medical treatments, who require the services of specialized health institutions and top medical staff and who therefore travel to other destinations. Although the citizens of a certain country have health insurance, they must provide financial resources for the implementation of medical procedures and treatments. Medical tourists travel to distant destinations mostly due to the difference in price between the country in which they are residents and tourist destinations. Medical tourism is therefore often referred to as treating the rich at the price of the poor. Medical services at certain destinations are reasonably priced and medical tourists choose these destinations to avoid the long waiting lists in their country. They are looking for high quality medical services at affordable prices (Kurtes, 2016).

Motive	The reason for traveling in medical tourism
Treatment / recovery, improvement of health	Low prices
	Avoiding the waiting list
	Procedures are not available in the home country
	Tourism and vacation
	Privacy and reliability

Source: Horowitz & Rosensweig, 2007

In wellness tourism, the basic needs are physical activity, mental balance, socialization, mental well-being, aesthetic experience, education, being in contact with nature, all in order to preserve health (Kurtes, 2016: 32).

Motive	Needs
Health preservation / disease prevention	Physical activity
	Health preservation / disease prevention
	Mental balance
	Socialization
	Mental well-being
	Aesthetic experience
	Education
	Contact with nature

Source: Corbin, et al., 2001.

Wellness tourists can be divided into three groups depending on the benefits they expect from wellness services (Voigt, 2008: 211):

- **Users of spa services for the purpose of beauty - beautyspa visitors.** Users of spa services for the purpose of beauty, most often highlight the benefits such as body care and appearance, beautification and enjoyment, socialization, self respect, relaxation, stress relief.

- **Sports and recreational users - lifestyle resort visitors.** Another type of wellness tourists visit wellness centers in order to improve health, healing and recovery, detoxification, exercise, improve sleep, change the diet. These types of tourists are sports and recreational users and, unlike the users of beauty treatments, they take care of a healthy diet.
- **Spiritual retreat visitors.** Visitors to spiritual refuges emphasize the importance of benefits, such as escaping from everyday life, finding peace and tranquility, spiritual progress, self-realization, and achieving self-awareness.

## 15. Vision of health tourism development in Montenegro

In 2024, health tourism in Montenegro, on the basis of private-public partnership, as well as the hotel industry and accompanying providers of products and services, will be the most important segment of Montenegro's year-round health tourism offer, accompanied by specially designed tourism products adjusted for health tourists and their companions.

## 16. Coherence of operational goals of the health tourism development program with other strategic documents

Document / policy	Key priorities (KP), priorities, operational objectives (OO), priority topics, SDG	Health tourism development program
Government work program for 2021	KP 2: Healthy finances and economic development KP 3: Health and healthy environment KP 4: Education and knowledge-based society KP 5: Digital transformation	Operational objective 1: Providing a strategic framework for the development of health tourism  Operational objective 2: Creating qualitative preconditions for international competitiveness  Operational objective 3: Strengthening the capacity of the Dr Simo Milosevic Institute, the system of education and monitoring the implementation of the program
Government work program for period 2018 - 2020	Priority 1: Montenegro - a country of economic development and new jobs	
Tourism Development Strategy of Montenegro until 2020	OO-1: Creation of special tourist and accompanying infrastructure in the direction of achieving the strategic goal OO-2: Montenegro forms a single sales offer OO-3: Montenegro is known and accepted as a “w h o l e y e a r” tourist destination OO-4: The institutional and legal framework meets the requirements of successful and sustainable tourism development and OO-5: Local population is increasingly involved in the tourism industry ("internal marketing")	
National Strategy for Sustainable Development until 2030 (NSSD)	<ul style="list-style-type: none"> <li>- Improving the state of human resources and strengthening social inclusion</li> <li>- Preservation of natural capital</li> <li>- Introduction of green economy</li> <li>- Management for sustainable development</li> <li>- Financing sustainable development</li> </ul>	

Smart specialization strategy	Priority: Health tourism	
Directions of development of Montenegro 2018 - 2021	Smart growth, Sustainable growth, Inclusive growth	
EU integration	Chapter 28: Consumer and health protection	
EU policies: Health 2020	- Improving health for all and reducing health inequalities - Improving leadership and division of powers and responsibilities in the field of health	
SDG	SDG 3: Good health and well-being SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all SDG 8: Promoting sustainable and inclusive economic growth, full and productive employment and decent work for all SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable SDG 12: Ensuring sustainable consumption and production patterns SDG 15: Protect, restore and promote the sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, and stop and reverse land degradation and halt biodiversity loss	

## 17. Operational objectives with accompanying performance indicators

Carefully structured, health tourism should enable the import of other segments of the Montenegrin tourist offer, with clear diversification in relation to other destinations, all with the aim of positioning Montenegro as a recognizable year-round destination.

The offer of health tourism in Montenegro should be clearly profiled with a focus on niche products and services, at the same time accredited and certified institutions, which will enable international recognition. The price / quality ratio must be one of the key factors in recognizing Montenegro as a destination for health tourism.

Health tourism can certainly be a potentially leading product in the tourist offer of Montenegro, if the criteria of attractiveness and competitiveness, as well as comparative advantages are taken into account. Comparative advantages include qualified staff and a good reputation of health services, competitive prices, proximity to large emitting markets, natural beauty and favorable climate, security of the country as well as a long tradition in tourism.

Tourism and health are the basic pillars of commitment to sustainable development, and cooperation between the tourism and health sectors in Montenegro enables the achievement of a synergy effect, in order to improve health tourism and the year-round tourist season. Montenegro, with its geographical position, abundance of natural resources, rich cultural heritage and diverse offer in the segment of rehabilitation, prevention and dentistry, has all the conditions to become a recognizable destination for health tourism.

The Health Tourism Development Program envisages the adoption of an Action Plan for the needs of the operational implementation of the Health Tourism Development Program. In principle, the Action Plan should help all bodies, organizations, institutions, individuals and all other stakeholders to achieve the goals defined by the Program. The Action Plan for the period 2021-2023 elaborates the defined operational objectives. For each of the specific goals, priorities have been defined, within which specific activities that will be implemented in the specified period have been singled out. For the identified activities, the Action Plan defines result indicators, institution / institutions responsible for the implementation of identified activities with selected partners, the time frame for the implementation of each of the activities, as well as the value of funds planned for the implementation of individual activities, with funding sources. An action plan has been proposed and coordinated with all relevant institutions.

In the following section, operational objectives and priorities are presented, with defined performance indicators alongside them. Activities have been identified and proposed in order to address issues related to specific priorities, which relate to the improvement of institutional,

legislative, organizational, operational and other aspects of the functioning of the health tourism system in Montenegro.

### Operational objective 1: **Providing a strategic framework for the development of health tourism**

The first operational goal of the Health Tourism Development Program is to provide a strategic framework. Precisely the lack in this part can be considered one of the main causes of the fact that health tourism in Montenegro is not at a high level. The strategic framework consists of key official documents, which define the basic postulates, principles of development and strategic goals, in this case for the sector of health tourism.

The following table shows the performance indicators, set aside for the first operational objective of the Program, with baseline and target values.

**Table 33:**

*Selected performance indicators within the first operational objective*

<b>Performance indicators:</b>	<b>Baseline value</b>	<b>Target value</b>
<i>Number of harmonized laws/bylaws</i>	0	1-3
<i>Number of accepted recommendations in which health tourism is treated</i>	0	2-4
<i>Number of projects included in the list for the Economic-Investment Plan</i>	0	1-2

Within the first operational objective, two priorities have been defined:

#### **Priority 1: Improving the legislative framework of health tourism**

The first priority is to improve the legislative framework, which is the basis for strengthening health tourism in Montenegro. The activities that are within the stated priority can be divided into two parts: Activities related to amendments to laws/bylaws, and activities related to the incorporation of health tourism into strategic documents.

The indicators that determine the stated priority are:

- Established inter-ministerial working group for harmonization, preparation and adoption of innovated laws/bylaws, as well as harmonization of domestic regulations with EU directives, with special emphasis on Directive 2011/24/EU,
- Number of accepted recommendations in which health tourism is treated.

#### **Priority 2: Improving the overall health infrastructure**

Improving the overall health infrastructure includes, above all, investments in health infrastructure, as well as the improvement of existing health institutions. This priority is also

stated in the IMF reports, when defining key reforms in achieving higher economic growth, as well as when creating conditions for progress in individual industries. Activities under the second priority can be classified as those related to improving the working conditions of existing public health institutions, then those related to the renovation of existing and opening of new facilities of private initiatives in health tourism, and activities related to improving the efficiency of EU funds.

The selected indicators under the second priority are:

- An inter-ministerial group, formed to decide on priority projects and the manner of financing them;
- Development of e-catalogs of existing and new health tourism projects.

### Operational objective 2: **Creating qualitative preconditions for international competitiveness**

Assumptions for raising the level of competitiveness are numerous, especially when the Baseline value of the sector is observed at an unenviable level. Increasing competitiveness plays a crucial role in the long-term economic development of both – one branch of the economy and the economy as a whole, but also of its integration and recognition, both in the European and world markets.

The following table also shows the performance indicators, set aside for the second operational objective of the Program, with baseline and target values.

**Table 34:**

*Selected performance indicators within the second operational objective*

<b>Performance indicators:</b>	<b>Baseline value</b>	<b>Target value</b>
<i>List of required accreditations and certifications</i>	0	1
<i>Number of signed protocols with domestic and international health tourism intermediaries</i>	0	2-4
<i>Number of attended fairs and conferences, as well as the number of presentations held</i>	0	3-5
<i>Number of conferences and fairs held in Montenegro</i>	0	2-4

Within the second operational objective, two priorities have been defined:

#### **Priority 1: Accreditation and certification**

In order to better position health tourism in Montenegro in the market, accreditation and certification of institutions is certainly an inevitable initial step. In order to strengthen the competitive position, but also greater market recognition of health tourism providers, it is



necessary to ensure not only that as many of today's hotels and spas are internationally certified, but also that such certification is used as a ticket to one of the internationally known marketing alliances for health tourism services. The activities defined in this part refer to the accreditation and certification of health care institutions, both public and private.

The indicators are as follows:

- List of required accreditations and certificates in health tourism, as well as their implementation through state aid programs;
- Created IDF credit lines for accredited and certified institutions.

### **Priority 2: Positioning, marketing and promotion of health tourism destinations**

This priority refers to the positioning of health tourism on the market, respecting the brand and positioning of Montenegro as a destination. The intention is to increase the awareness of tourists that Montenegro is an exceptional destination for various forms of tourist activities, especially activities related to health tourism. The tasks of the promotion are directed towards creating awareness about the tourist product, ie. service in the market, or in this case towards creating awareness of the complete destination, creating a positive image of the destination (product or service) and their better positioning. In order for Montenegro to be adequately positioned as a destination on the tourism market, the main driver must be quality promotion. The operation of marketing is very important for creating awareness of Montenegro as a destination for health tourism, which is based primarily on a rich tourist offer, with an adequately integrated offer and the health sector. Promotion in tourism is a process of mass communication between providers and users of a tourist product / services, where the subject of communication is perceived through the exchange of information that can encourage the sale of the product or service. Promotion is the basic instrument of the marketing mix of a communicative character and at the same time its most elastic element. The activities are focused on improving the recognizability of Montenegro as a health tourism destination, as well as on improving the promotion of health tourism in Montenegro. The activities are aimed at strengthening competitiveness through product development and strengthening cooperation between key groups of health tourism actors, on the one hand, and improving the recognition of Montenegro as a health tourism destination, as well as improving the promotion of health tourism in Montenegro, on the other.

The indicators that stand out in the second priority are:

- Number of created complementary health and tourism products and the amount of approved loans to producers of medicinal cosmetic products;
- Number of signed agreements on cooperation of key actors at the local and national level, as well as the number of signed agreements with international health tourism facilitators;

- Number of visited international fairs, and number of presentations held at the same fairs, as well as organization of health tourism conferences, fairs and seminars in Montenegro.

**Operational objective 3: Strengthening the capacity of the Dr Simo Milosevic Institute, the system of education and monitoring the implementation of the program**

Based on the defined title, the third operational goal can be divided into three parts, which have a common starting point for capacity building. Capacity building is a general priority, which is often mentioned in numerous reports, both domestic and foreign, with the aim of further strengthening existing frameworks and capacities, so that the system can progress and be improved.

As with the previous two operational objectives, the following table shows the performance indicators, which are related to the third operational objective of the Program, with baseline and target values.

**Table 35:**

*Selected performance indicators within the third operational objective*

<b>Performance indicators:</b>	<b>Baseline value</b>	<b>Target value</b>
<i>Making a decision to stop the sale of state funds</i>	-	Decision made
<i>Making a decision about a new curriculum</i>	-	Decision made

As already mentioned, within the third operational objective, three priorities can be identified:

**Priority 1: Strengthening the capacity of the Dr Simo Milosevic Institute as a carrier of health tourism**

The first association when health tourism in Montenegro is mentioned is the Institute Dr Simo Milosevic in Igalo, which at the same time unites health and tourist facilities, ideal for rest and rehabilitation. The vision, within this Health Tourism Development Program, envisages the Institute as a key carrier of health tourism development in the future, which is the most important segment of the Montenegrin year-round health tourism offer. With this in mind, the activities with the priority of strengthening the capacity of the Institute are related to maintaining the majority ownership of the state, starting the investment cycle, as well as further improving the business.

Indicators that can be singled out as key in this priority are:

- Decision made to stop the sale of state funds;
- Prepared feasibility study for investment cycle and decision made on renovation and investment in facilities.

### **Priority 2: Education and lifelong learning**

Health tourism has a multisectoral character, which is why a stakeholder approach<sup>67</sup> to managing the development of health tourism is necessary. Various stakeholders participate in the decision-making process, as well as in their implementation. The primary goal of the actors (stakeholders) of health tourism, in addition to their identification, is precisely their education, in order to raise the quality of health tourism in Montenegro to a higher level. Through defining activities within this priority, emphasis is placed on adapting educational programs to the needs of health tourism, enabling lifelong acquisition of professional knowledge and skills, educating the population about health tourism, as well as raising the quality and capacity of health tourism management.

The indicators for the second priority are:

- GAP analysis of the existing curriculum, and decision made on the new curriculum, with the inclusion of lifelong learning in the curriculum;
- Developed lifelong learning program.

### **Priority 3: Monitoring the implementation and effects of the program**

In order to enable the achievement of previous specific goals and priorities within them, as well as respect for individual activities arising from them, it is necessary to define the responsibilities of institutions through monitoring the implementation and effects of the program. Activities that will enable better monitoring of the implementation and effects of the program are related to the improvement of interdepartmental cooperation and coordination of reporting, as well as to the market research and statistical monitoring.

Indicators for monitoring the implementation and effects of the program are:

- A developed plan of joint activities of the carriers of the Program implementation and their reporting, as well as a developed plan of research of the domestic and international market.

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<sup>67</sup> The stakeholder approach to management presupposes a modern way of managing the company (in this case the development of health tourism), through which there is a work on understanding all (internal and external) stakeholders/actors, as well as their involvement in the process, in this case, education.

## 18. Activities for the implementation of the operational objectives

In addition to the previously mentioned three specific operational objectives of the Health Tourism Development Program of Montenegro for the period 2021-2023, and the selected priorities within them, below are briefly described and proposed implied activities.

### 18.1. Operational objective 1: Providing a strategic framework for the development of health tourism

In the first priority - *1.1. Improving the legislative framework of health tourism*, the following activities are proposed:

- **Activity 1.1.1.** Established inter-ministerial working group for harmonization, preparation and adoption of innovated laws/bylaws, as well as harmonization of domestic regulations with EU directives, with special emphasis on Directive 2011/24/EU

It is necessary to establish inter-ministerial expert groups to change/harmonize the legislative framework in Montenegro. Members of interdepartmental groups are experts from the tourism and health sectors. In order to ensure the minimum quality of services and reduce the risk for potential users, it is necessary to legally prescribe who and under what conditions may offer/provide health tourism services, as well as define the content of these services. In addition to harmonization with existing laws, it is necessary to make an analysis of best practices, define the minimum necessary technical requirements/standards, and set a mandatory deadline for harmonization with legal provisions. After harmonization and preparation of innovated laws/bylaws, the next step is to propose them to the Parliament of Montenegro. After the proposal, and possible proposals for amendments, the adoption of the proposed acts follows, with or without amendments. Also, it is necessary to harmonize domestic legislation based on the European Union Directive 2011/24/EU, as well as other directives regulating the field of health and tourism, both as separate sectors and as a whole, in order to encourage cooperation between national health care systems. European Union Directive 2011/24/EU determines the conditions under which a patient can travel to another EU country in order to receive the requested health care service, with the costs being covered by the health insurance system in the home country.

*CARRIER:* MED, MH

*PARTNERS:* MFSW, MCI, MESCS, MFA, CEMNE, AMCHAM, HIFMNE, Parliament

*TIME FRAME:* Q4 2021 – Q4 2022

*VALUE:* 2.000 €

*SOURCE OF FINANCE:* Budget

*INDICATORS:* Interdepartmental working group formed; Number of harmonized and innovated acts, number of adopted acts: 1-3; Harmonized regulations.

- **Activity 1.1.2.** Recommendations for incorporating health tourism into the strategic plans of all local self-government units

At the local level, the administrative bodies of municipalities and cities are responsible for the development of health tourism and tourism, and local tourism organizations, as well as administrative

bodies, which indirectly influence the creation of a supportive environment for health tourism development, such as: spatial planning, communal infrastructure, environmental protection and the like. Therefore, it is important to pay attention to health tourism within the strategic plans of cities.

CARRIER: MED

PARTNERS: MH, CM, local self-governments (CM)

TIME FRAME: Q1 2022 – Q4 2023

VALUE: -

SOURCE OF FINANCE: -

INDICATORS: Number of accepted recommendations in which health tourism is treated: 2-4

In the second priority - 1.2. *Improving the overall health infrastructure*, the following activities are proposed:

- ➔ Activity 1.2.1. Establishment of an interdepartmental expert group that should decide on priority projects of public health institutions based on the analysis of development needs of existing public health institutions

In last year's SAI report, *Efficiency of management of projects for construction and reconstruction of health facilities*, it was stated that the Ministry of Health did not have an analysis of the situation or any other analysis that would enable consideration of the real needs of public health institutions, in the construction and reconstruction of facilities. Therefore, during the audit period, the basic conditions for the adoption of a planning document on the basis of which to determine strategic commitments and make decisions on investments in the health sector were not created. The conclusion is clear, it is necessary to form an inter-ministerial group, which will create situational analysis or some other, which would enable the assessment of the real needs of public health institutions, in the part of construction and reconstruction of facilities.

CARRIER: MH

PARTNERS: MED, Public health facilities, MCI, MFSW

TIME FRAME: Q1 2022 – Q4 2022

VALUE: -

SOURCE OF FINANCE: -

INDICATORS: Interdepartmental group formed and analysis performed

- ➔ Activity 1.2.2. Creating a e-catalog of existing and new health tourism projects

The catalog of health tourism projects is intended for potential investors in health tourism, in order to provide information on investment opportunities in investment projects within health tourism. The Ministry of Health should be at the service of all potential investors, to provide information on projects and holders of health tourism projects, to connect investors with other departments and provide information on the possibilities of using support in accordance with legal frameworks, and to connect with owners and directors of special hospitals and others health facilities. Potential investors are able to communicate directly with the owners and directors of institutions, in order to obtain specific information on projects and business models of private capital investment (public-private partnership, joint ventures and others).

CARRIER: MED, MH

PARTNERS: MESPU, MCI, NTO, Investment Agency

TIME FRAME: Q1 2023 – Q4 2023

VALUE: 5.000 €

SOURCE OF FINANCE: Budget

INDICATORS: E-catalog made

➤ **Activity 1.2.3.** Inclusion of the health tourism project in the list of projects for the Economic-Investment Plan to support the region

In October 2020, the EU adopted the Economic and Investment Plan for the WB for the period 2021-2027, worth 9 billion euros, with the aim of encouraging the long-term economic recovery of the region and harmonization of regional economies with the EU economy. It lists 10 leading investment initiatives in key areas for economic development, including healthcare support. Through the work of the National Investment Commission, as well as cooperation with the European Integration Office, it is necessary to include health tourism projects in the mentioned EU Economic and Investment Plan.

*CARRIER:* MH, MED

*PARTNERS:* MESPU, MFSW, PC, NIC, EIO

*TIME FRAME:* Q4 2021 – Q4 2023

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Number of projects included in the list for the Economic-Investment Plan: 1-2

## 18.2. Operational objective 2: Creating qualitative preconditions for international competitiveness

In the first priority - *2.1. Accreditation and certification*, the following Activities are proposed:

➤ **Activity 2.1.1.** Defining the list of required accreditations and certificates in health tourism

The program aims to establish mandatory standardization for institutions that provide health / spa services, and ensure their effective implementation and control. Along with the analysis of good practice in leading countries when it comes to health tourism, in the part of accreditation and certification of health care institutions, it is necessary to single out the list of priority standards required in Montenegrin health/tourism.

*CARRIER:* MH

*PARTNERS:* Cluster, Private sector, ISME, MED, Institute dr Simo

*TIME FRAME:* Q1 2022 – Q4 2022

Milosevic, MESCS, FM UM, FTHM UM

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Determined list of required accreditations and certifications

➤ **Activity 2.1.2.** Implementation of adopted international accreditations and certificates

After the previous, initial step - defining the list of required accreditations and certificates in health tourism, it is important to define the deadlines for the implementation of the selected priority standards, in order to comply with them. After the implementation, it is obligatory to monitor the implementation of the programs.

*CARRIER:* MED, MH

*PARTNERS:* Cluster, Private sector, ISME, Institute dr Simo Milosevic,

*TIME FRAME:* Q1 2023 – Q4 2023

CEMNE

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Implementation report

➤ **Activity 2.1.3.** Creation of specially designed credit lines with favorable conditions at the IDF, for accredited and certified institutions, to raise the quality of health tourism services

In order to increase the number of accredited and certified institutions in Montenegro in the field of health tourism, it is necessary to enable specially designed credit lines, through the cooperation of the Ministry of Economic Development and the IDF.

*CARRIER:* MED, IDF

*PARTNERS:* MFSW, MH, ISME, CEMNE

*TIME FRAME:* Q2 2022 – Q4 2023

*VALUE:* 1.000.000 €

*SOURCE OF FINANCE:* Credit

*INDICATORS:* Amount of approved loans: 1.000.000 EUR

In the second priority - 2.2. *Positioning, marketing and promotion of health tourism destination*, the following activities are highlighted:

➤ **Activity 2.2.1.** Formation of complementary health and tourism products, which can be placed on the health and tourism market

Given that the demand for health tourism will continue to grow rapidly in the future, mainly due to the growing awareness of the need to preserve health (especially in post-pandemic times), as well as demographic trends (aging population in all important emitting areas), Montenegrin health-tourist offer should be more oriented towards the formation of complementary health and tourism products. An example is the basing of the wellness and spa offer on healing natural factors, taking advantage of a long tradition and professional staff. Also, in the context of the aforementioned guidelines, the offer of health tourism must be expanded with the values of other tourist products, and above all it means the combined organization of health tourism with other forms of tourism, among which the most important are cultural tourism, rural tourism, eco tourism. Example - a joint product of mountain tourism and rehabilitation centers in the form of healing programs (which is in the world an increasing basis for the development of health tourism in terms of preserving mental health, connecting with nature and the like). Besides, the offer of health tourism in the period after overcoming the pandemic caused by the Covid-19 virus must create products that have post-pandemic characteristics - an example of physiotherapy and rehabilitation of people who have suffered from infectious Covid-19 disease, because they need to continue treatment, then homeopathic remedies against corona, as well as mental health improvement programs.

*CARRIER:* MED, MH

*PARTNERS:* Institute dr Simo Milosevic, Private sector, Cluster, NTO,

*TIME FRAME:* Q1 2022 – Q4 2023

LTO, MESCS, MF UM, FTHM UM, MESPU

*VALUE:* 5.000 €

*SOURCE OF FINANCE:* Budget

*INDICATORS:* Number of formed health and tourism products: 2-4

➤ Activity 2.2.2. Enhance the development of production of medicinal herbs and peloids (medicinal mud) and support small domestic producers of cosmetic medicinal products, as well as create a special IDF credit line

The production of medicinal herbs has been supported on a couple of occasions by the Ministry of Agriculture, Forestry and Water Management, and in that way its development has been considerably improved, but it is also necessary to continue this trend of assistance. When it comes to peloid (medicinal mud), Ulcinj is a destination that has all the prerequisites for production. Production can be improved by building a center for rehabilitation and treatment with peloid and sand on Velika plaža in Ulcinj. This type of therapy could be carried out throughout the whole year, which would undoubtedly affect the overall development of health tourism in Montenegro. As already mentioned, the Ministry of Agriculture, Forestry and Water Management has on several occasions in the last few years organized non-refundable support for the cultivation of medicinal and aromatic plants. This practice needs to be continued through support to manufacturers of cosmetic medicinal products. Besides, in order to support the production of aromatic herbs, essential oil and similar products in Montenegro, it is necessary to provide specially designed credit lines, through the cooperation of the Ministry of Economic Development and IDF.

*CARRIER:* MAFWM, MED

*PARTNERS:* Institute dr Simo Milosevic, Private sector, Cluster, IDF, NTO, LTO, CM, CEMNE

*TIME FRAME:* Q2 2022 – Q4 2023

*VALUE:* 100.000 €

*SOURCE OF FINANCE:* Credit

*INDICATORS:* Amount of approved loans: 100.000 EUR

➤ Activity 2.2.3. Networking (creating partnerships) of tourism and health at the national as well as local levels, as well as connecting the private and public health and tourism sectors to create added value

Connection of public institutions with health tourism institutions (network of hotels, tourist organizations and relevant ministries). Following the example of networking at the national level, it is necessary to create a network in the local framework, through the creation of various partnerships, direct or indirect actors of health tourism. Connecting the private and public sectors, through public-private partnerships, is a contractual relationship between a public and private partner, based on the division of rights, obligations and risks, in order to perform works that are of public interest. In this way, additional value is created, and within health tourism there is a huge space for improving both partnerships and the execution of works that are of public interest.

*CARRIER:* MED, MH

*PARTNERS:* Cluster, Local self-government units, Private sector, CEMNE, UE, business associations, NTO, LTO

*TIME FRAME:* Q2 2022 – Q4 2023

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Number of signed agreements on cooperation of key actors at the national level: 1-3;

Number of signed cooperation agreements at the local level: 3-5



➤ Activity 2.2.4. Mediation in concluding protocols of cooperation with international agencies, airlines and other intermediaries (facilitators), for trips that are motivated primarily for health tourism services

One of the ways to increase the attraction of international health tourists to Montenegro is to connect with specialized intermediaries / facilitators of international travel, who are primarily health motivated. It is necessary to encourage the process of connecting with facilitators, through the signing of contracts. In that way, by creating a wide partner network, conditions are created for the improvement of health tourism in general, but also conditions for more complete individual offers of health tourism actors.

*CARRIER:* NTO, MED

*PARTNERS:* Cluster, Private sector, CEMNE, LTO, MH

*TIME FRAME:* Q3 2022 – Q4 2023

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Number of signed contracts: 2-4

➤ Activity 2.2.5. Signing a protocol on cooperation with insurance companies

The growth of the number of private health insurance companies in recent times should be used by signing cooperation agreements, in order to create a favorable partnership network.

*CARRIER:* MH

*PARTNERS:* Private sector, Cluster, NTO, LTO, MED, HIFMNE

*TIME FRAME:* Q1 2022 – Q4 2023

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Number of signed contracts: 3-5

➤ Activity 2.2.6. Incorporating health tourism into the marketing strategy of the National Tourism Organization of Montenegro – strengthening the communication system, precise targeting of market segments, grouping attractions, creating a portal for the promotion of health tourism and promoting the Montenegrin national cuisine with an emphasis on organic food

Marketing strategies is one of the initial steps in improving the international recognition of Montenegro. In addition to the analysis of best practices, it is necessary to consider different scenarios of market performance, the possibility of joining certain marketing associations at the national and international level, with of course consideration of the use of specialized health tourism intermediaries services. Existing offline and online communication systems, led by the National Tourism Organization, need to be expanded and strengthened. Segmentation is a major element of marketing and one of its most significant activities. Through market research and segmentation, it is necessary to identify different groups of customers in the market in order to "target" them, ie. provide them with the necessary information about offers of health tourism products and services created especially for them. With the created list of the most attractive health tourism sites, certain attractions should be grouped according to their lesser or greater importance within the complete offer of health tourism in Montenegro. By grouping attractions in health-thematic itineraries, primary tourist attractions are created, and through their definition, marketing and promotion are improved, and of course recognizability of Montenegro as a destination of health tourism. The last activity within the framework of improving the recognizability of Montenegro as a destination for health tourism is the creation of special portals for promotion. It is important to put emphasis extremely diverse national cuisine of Montenegro, which represents great

potential both in the creation of various tourist products and in the promotion. Domestic organic food in the offer of health tourism can be of special importance, because health tourists prefer destinations that offer organic food and clean spring water.

*CARRIER:* NTO

*PARTNERS:* MH, MED, MESPU, MAFWM, MESCS, Cluster, LTO, CEMNE, business associations

*TIME FRAME:* Q4 2021 – Q4 2023

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Defined target markets, incorporated health tourism products into the marketing strategy, conducted digital marketing campaigns

➤ **Activity 2.2.7.** Attendance at international fairs and seminars, and presentation of the offer of health tourism in Montenegro at the same

The promotion of the complete offer of health tourism must be done regularly through attendance at international fairs and seminars, in order to meet with the competition, and certainly present the offer of health tourism in Montenegro.

*CARRIER:* MED, MH

*PARTNERS:* Cluster, Private sector, NTO, LTO, CEMNE, MESCS, FTHM UM, FM UM

*TIME FRAME:* Q1 2022 – Q4 2023

*VALUE:* 30.000 €

*SOURCE OF FINANCE:* Budget

*INDICATORS:* Number of visited fairs and conferences: 3-5; Number of presentations held: 3-5.

➤ **Activity 2.2.6.** Organizing conferences, fairs and educational seminars in Montenegro on the topic of health tourism, as well as affirmation and strengthening of health tourism associations

In order to acquaint the tourism industry and all potential actors with the perspective of health tourism development, it is necessary to organize conferences, fairs and educational seminars, in order to contribute to improving the quality of management and raising the capacity of health tourism. The main goal of these activities is to improve coordination and organization between the health sector and the tourism sector. Clusters, associations and similar associations in the field of health tourism are types of associations whose main goals are the promotion of health tourism products and connecting leading experts in health, tourism and related support activities, to improve the overall offer of health tourism destinations and jointly perform at regional and international market. The goal is to affirm the formation of such associations, through the improvement of cooperation with regional and international partners, as well as through the organization of forums and conferences. In addition to attending international seminars and fairs, the priority is the organization of conferences and fairs in Montenegro, in order to raise the reputation and brand of Montenegro as a health tourist destination.

*CARRIER:* MER, MH, Cluster

*PARTNERS:* MESCS, FTHM UM, FM UM, Institute dr Simo Milosevic, CEMNE

*TIME FRAME:* Q1 2022 – Q4 2023

*VALUE:* 30.000 €

*SOURCE OF FINANCE:* Budget

*INDICATORS:* Number of organized conferences, fairs and seminars of health tourism: 2-4

### 18.3. Operational objective 3: Strengthening the capacity of the dr Simo Milosevic Institute, the system of education and monitoring the implementation of the program

In the first priority - *3.1. Strengthening the capacity of the Institute of dr Simo Milosevic*, the following activities are proposed:

➔ **Activity 3.1.1.** Making a decision to stop the sale of state funds

Given the importance of the Institute of dr Simo Milosevic for health tourism in Montenegro, it is necessary to keep the majority of the ownership of the Institute in the property of the state of Montenegro. To ensure this, it is necessary to make a decision to stop the sale of shares of state funds.

*CARRIER:* Government of Montenegro, MH, MED      *PARTNERS:* Institute SM, HIFMNE, IDF, MCI, PC

*TIME FRAME:* Q1 2022 – Q4 2022

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Decision made

➔ **Activity 3.1.2.** Preparation of a feasibility study for the investment cycle

It is necessary to prepare a feasibility study for the envisaged investment cycle, in order to review the justification for making certain investment decisions, and get answers to the questions of whether a particular project is commercially and financially payable, as well as whether it is organizationally and technically feasible.

*CARRIER:* Insitute SM

*PARTNERS:* MED, MH, Cluster

*TIME FRAME:* Q1 2022 – Q3 2022

*VALUE:* 30.000 €

*SOURCE OF FINANCE:* Budget

*INDICATORS:* Completed feasibility study

In the second priority - *3.2. Education and lifelong learning*, the following activities are suggested:

➔ **Activity 3.2.1.** Review of the existing curriculum related to health tourism through GAP analysis and defining the needs for professional staff in health tourism

In order to improve education, it is necessary to review the adequacy of the existing educational program, from the point of view of health tourism. This needs to be done through GAP analysis (gap analysis), which will identify obstacles in the existing curriculum, and propose the necessary additions and changes, in order to improve the educational program according to the needs of health tourism.

*CARRIER:* MESCS

*PARTNERS:* Institute dr Simo Milosevic, Cluster, Private sector, MH,

*TIME FRAME:* Q1 2022 – Q3 2022

MED

*VALUE:* 3.000 €

*SOURCE OF FINANCE:* Budget

*INDICATORS:* GAP analysis performed, defined need for professional staff

➤ Activity 3.2.2. Deciding about new curriculum

Based on the previous activity, and the definition of new educational programs, it is necessary to make a decision on the implementation of new educational programs.

*CARRIER:* MESCS

*PARTNERS:* MH, MED

*TIME FRAME:* Q3 2022

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Decision made

➤ Activity 3.2.3. Defining new educational programs

In addition to considering the existing educational programs, and their improvement and adaptation, according to the needs of health tourism, the possibility of defining new educational programs in the educational system of Montenegro, and the involvement of domestic experts, should be considered.

*CARRIER:* MESCS

*PARTNERS:* MH, MED

*TIME FRAME:* Q1 2023 – Q4 2023

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Defined number of educational programs

➤ Activity 3.2.4. Develop a lifelong learning program

In the conditions of increasing competition on the health tourism market, constant innovation and / or improvement of the quality level of the health tourism service is a key condition for long-term sustainable market competitiveness. Accordingly, for all providers of health tourism services, it is necessary to prescribe the obligation of lifelong improvement of professional / specialist knowledge and skills, ie. develop a program that will enable the above. In addition to the mentioned maintenance of competitiveness, certainly one of the important reasons for the introduction of lifelong acquisition of knowledge and skills of employees, is to enable faster development of health tourism in Montenegro. Briefly explained, lifelong learning is defined as an activity of learning throughout life, aimed at improving knowledge, skills and abilities within a personal, civic, social and business perspective.

*CARRIER:* MESCS

*PARTNERS:* Institute dr Simo Milosevic, Cluster, Private sector, MH, MED

*TIME FRAME:* Q2 2022 – Q4 2023

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Developed program

➤ Activity 3.2.5. Include a lifelong learning program in the curriculum

The previously developed program of lifelong acquisition of professional knowledge and skills of employees, directly involved in the provision of health tourism services, should be included through the education system in Montenegro. For that reason, it is necessary to hire a team of experts, who will work on this issue.

*CARRIER:* MESCS

*PARTNERS:* Institute dr Simo Milosevic, Cluster, Private sector, MH, MED

*TIME FRAME:* Q4 2023

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Program included

In the third priority - *3.3. Monitoring the implementation and effects of the Program*, the following activities are proposed:

- Activity 3.3.1. Determine the content, periodicity, deadlines and list of institutions for providing and publishing annual reports on the situation in the field of health tourism at all levels

In order to improve, coordinate and define the reporting system, it is necessary to determine the content, periodicity and deadlines of reporting, as well as the institution in charge of publishing annual reports on the situation in the field of health tourism at all levels.

*CARRIER:* MED, MH

*PARTNERS:* MFSW, MCI, NTO, LTO, MESPU, MESCS, MONSTAT, ISME,

*TIME FRAME:* Q4 2022 – Q4 2023

Cluster, private sector, CM

*VALUE:* -

*SOURCE OF FINANCE:* -

*INDICATORS:* Created report

## 19. EU programs and funds

### 19.1. Examples of projects in the field of tourism that are implemented within the European Territorial Cooperation Program

- **REDISCOVER**, within the Dunav Transnational Program (DTP), implemented by the Municipality of Kotor. The total budget of the Municipality is 118,898 euros. The project aims to develop modern tourism solutions based on insufficiently researched potentials of the Jewish cultural heritage of the cities of the Dunav region, while meeting the needs of visibility, accessibility and sustainability. Rediscovering the heritage of the Jewish people means that visible elements known to the general public (synagogues, cemeteries, memorial centers, etc.) will be turned into creative attractions, which will include lesser-known, intangible elements;
- **QNEST**, within the Adriatic-Ionian Transnational Program (ADRION), implemented by the Ministry of Economic Development. The total budget of the Montenegrin partner was 140,000 euros. The project aimed to valorize the common characteristics of cultural, traditional and natural heritage in the Adriatic-Ionian region, through the creation and dissemination of QNEST transnational brand, based on quality standards in sustainable tourism. By promoting the development of an innovative concept of sustainable tourism, four tourist routes have been defined, maps and promotional publications containing information on wine, honey and prosciutto producers, as well as on issuers of private accommodation in the area of Skadar Lake and the Old Town Capital Cetinje, were created;
- **Due Mari**, thematic project within the trilateral IT-ALB-CG, development of tourism for new generations. The aim of the project is to synchronize tourism economic development, taking into account the advantages that the program area has, through the use of smart technologies and better presentation of local and regional tourism offers. Concrete contribution for Montenegro: collecting data from 300 tourist sites in Montenegro, placing data on a virtual platform, exchanging experiences and modernizing the tourist offer, creating a new tourist offer. Montenegrin PARTNERS on the project are the Ministry of Sustainable Development and Tourism (now the Ministry of Ecology, Spatial Planning and Urbanism), the National Tourism Organization and the Ministry of Culture (as an associate partner). The total budget for Montenegrin partners is 1,020,728 euros;
- **ADRIATIC CANYONING**, within the first call of the project of the trilateral HR-BIH-CG. The budget of the Agency for Construction and Development of Herceg Novi was 304,111 euros. The project aimed to develop and expand the tourist offer in the Adriatic

hinterland, through cross-border approaches, in order to enable better management and sustainable use of natural and cultural heritage. An Adventure Park was built in Montenegro on Vrbanj, on Orjen. Agency for Construction and Development of Herceg Novi, as a partner, implemented the project in cooperation with partners from Croatia (City of Obrovac, City of Drnis, Agency for Development of Zadar County ZADRA NOVA) and Bosnia and Herzegovina (City of Siroki Brijeg - leading partner, Municipality of Grude);

- **WRECKS4ALL**, within the second Call of the Trilateral HR-BIH-CG. The project started with the realization on 15.08.2020. The budget of the University of Montenegro is 334,737 euros, while the budget of the Tourist Organization of the Municipality of Bar is 102,649 euros. The main goal of the project is to valorize the underwater cultural heritage of the eastern Adriatic in order to create a more diverse tourist offer and sustainable use of the cultural heritage of the cross-border area. Thanks to the funds allocated through this project, the University of Montenegro will develop a mobile application for the promotion and exchange of information on diving tourism activities, and will equip a center for training in diving and photogrammetry. The images of underwater objects will be presented in the exhibition space using augmented reality technology, for the purpose of which the space in the building of the Faculty of Maritime Studies in Kotor will be adapted. The Tourist Organization of the Municipality of Bar will conduct a photogrammetric scan of three wrecks in the Montenegrin seabed, create virtual maps of underwater heritage and two videos. The University of Montenegro, as a leading partner, is implementing the project in cooperation with TO Bar, the Tourist Board of the Herzegovina - Neretva Canton, the University of Split - Faculty of Maritime Studies and the Croatian Maritime Museum in Split;
- **ePATH**, within the second Call of the Trilateral HR-BIH-CG. The project started with the realization on November 1, 2020. The budget of the Public Enterprise for Marine Asset Management of Montenegro is 422,329 euros. The main goal of the project is to improve the tourist offer and preserve the natural and cultural heritage of the cross-border area by developing new natural and cultural trails. At the entrance to the nature reserve Solila near Tivat, a ground floor prefabricated building with a gross area of 100m<sup>2</sup> will be set up, with a roof terrace and an observation post. The facility will serve as an info and interpretation center, which will house a multifunctional hall that will serve as an exhibition space and space for the presentation of the reserve, and the holding of educational workshops. The interpretation center will be equipped with modern multimedia and interactive equipment to present the natural and cultural values of the reserve. Visitors to Solil will have at their disposal bird-watching equipment, which includes binoculars, optical stands, binoculars and audio headphones. The project is implemented by the PE for the management of marine assets of

Montenegro, as a partner, in cooperation with the Public Company "Nature Park Hutovo blato" ltd. from Capljina and the company Makarski komunalac ltd;

- **EXChAngE**, within the second Call of the Trilateral HR-BIH-CG. The project started with the realization on August 15, 2020. The budget of the University of Montenegro, the Institute of Marine Biology is 504,859 euros, and the Tourist Organization of Kotor 169,524 euros. The main goal of the project is to develop the tourist offer by researching the biological diversity of waters of the cross-border area, in order to ensure better management and sustainable use of cultural and natural heritage. The existing aquarium at the Institute of Marine Biology in Kotor will be expanded and the "wet laboratory", the main room in the aquarium, and the existing room for turtles will be reconstructed, and new tanks with accompanying equipment will be installed. Montenegrin institutions, as partners, are implementing this project in cooperation with partners from Croatia (University of Dubrovnik - leading partner) and BiH (Tourist Board of Herzegovina-Neretva Canton, Public Company "Nature Park Hutovo Blato" ltd. Capljina);
- **ĆIRO II**, within the second Call of the Trilateral HR-BIH-CG. The project started with the realization on 01.09.2020. The budget of the Agency for Construction and Development of Herceg Novi is 589,906 euros. The main goal of the project is to strengthen the offer of the neighboring areas of Herzegovina, Dubrovnik-Neretva County and the Bay of Kotor, and make it more diverse through the tourist development of the old narrow gauge railway "ĆIRO". In Montenegro, a part of the bicycle path on the route Sutorina - Njivice will be reconstructed, as well as the road to the old railway station Sutorina. Construction works will be performed on the bicycle and pedestrian path, public lighting will be installed on the path of 1,500 m along the main road Sutorina, and additional works and repairs of the old railway from the motel "Pavlovic" to the old railway station Sutorina will be performed. Along the trail, additional facilities will be built and installed (info boards, lookout, signalization, prefabricated building 30m<sup>2</sup>, mountain bike park, wooden benches, lighting). The project is implemented by the Agency for Construction and Development of Herceg Novi, in the capacity of a partner, in cooperation with partners from BiH (Municipality of Ravno - the leading partner) and Croatia (Municipality of Konavle);
- **HeritageREVIVED**, within the second Call of the Trilateral HR-BIH-CG. The project started with the realization on 15.08.2020. The budget of the Municipality of Ulcinj is 300,017 euros. The project aims to promote and create a more diverse tourist offer of the cross-border area through revitalization and sustainable use of neglected cultural heritage. Benches, waste bins, info boards, as well as an interactive tourist info point will be set up at the site of the Svač archeological site, which will enable visitors to get more information about the site and the project. The Ulcinj City Museum will be



reconstructed and adapted to the needs of modern visitors. The planned works include the renovation and replacement of the entrance gate and casemates, the restoration of the toilets and the Balsica tower, as well as the ethnographic part of the museum. The permanent exhibition of the City Museum will be modernized to include multimedia content (30 VR glasses). In addition to the Svac site, an informative interactive point will be set up in the Old Town, in order to provide interested parties with information about the project, the Svac site, and the remaining cultural and tourist offer of Ulcinj. The project is implemented by the Municipality of Ulcinj in cooperation with partners from BiH (Public Institution Development Agency of the West Herzegovina County, City of Ljubuski) and Croatia (City of Solin, County Road Administration Split);

- **Hu hu project** (In the footsteps of owls and other wild species), within the Serbia-Montenegro Cross-Border Cooperation Program. In addition to the NGO Center for the Protection and Study of Birds, Podgorica, the project partners are the NGO Sjeverna zemlja, Berane, the Regional Tourist Organization of Sandzak, Novi Pazar and the NGO Jadovnik from Prijepolje. The project started on February 1, 2021. The total budget of the project is 262,028 euros, while 173,537 euros have been allocated for Montenegrin partners. Through this project, the partners plan to develop a new cross-border tourism product that will promote "wildlife" tourism. The development of a new tourist product includes the development of "wildlife" tourist routes, marking and digitization of 50 km of trails for bird and other wildlife, construction of wildlife observatories, establishment of a promotional website, development of promotional publications and videos, organization of regional camps and thematic tourist events such as "Owl Night", as well as training for local tourist guides;
- **Increasing cooperation - from Christian antiques to improved tourism**, within the IPA Cross-border Cooperation Program Montenegro - Albania. The total budget of the project is 578,807 euros (EU contribution 491,986 euros). The project is implemented by the Eparchy of Budva-Niksic as a leading partner and the Polim Museum from Montenegro in cooperation with the Organization for Support of Albanian Communities and the Institute of Archeology - Center for Albanian Studies from Albania. The project aims to improve cross-border links in both geographical (Albania and Montenegro) and sectoral approaches (culture, tourism and archeological science). It also aims at the integrated preservation of cultural heritage and its use for tourist purposes and the development of tourist potentials of this area through the joint promotion and valorization of Christian archaeological heritage. Through this project, archeological excavations were carried out in Donja Rzanica near Berane, and the remains of the so-called Tumba town were discovered, with invaluable archeological treasures. On the other hand, in the town of Hoti in Malesia (Albania), a church that is more than 1,500 years old has been excavated and preserved;

- **Local gastronomy as a tourist offer of the cross-border region**, within the IPA Cross-border Cooperation Program Montenegro - Albania. The total budget of the project is 439,179 euros (EU contribution 373,258 euros). The project was implemented by the Regional Development Agency for Bjelasica, Komovi and Prokletije, as a leading partner and the National Tourism Organization of Montenegro in cooperation with the organization Eco-Partners for Sustainable Development and the municipality of Puke from Albania. The project aimed to support the development of the tourism sector through the economic valorization of cultural and natural heritage. Specifically, the project dealt with local cuisine as a tourist offer in the municipalities of Berane, Andrijevica, Plav, Gusinje, Petnjica and Rozaje in Montenegro and the municipalities of Puke in Albania. The results of the project are 2,000 guides designed and printed with 50 old, traditional recipes, 2 thematic gastronomic routes created by setting up signage, 20 families were supported in improved conditions to receive guests to taste their products, 40 families were trained to provide quality rural tourism services and created brand "Mountain table" in order to identify companies and families that offer traditional food. The "Gastro Route" included 21 households and 10 catering facilities from the above-mentioned municipalities, which serve traditional dishes from this region. 3 cycles of trainings for restaurant chefs and representatives of rural households were organized, with about 60 participants. The chef published within this project "Mountain table", entered the finals for the selection of the best culinary publication in the world within the Gourmand Cookbook Awards, in two categories - the category of Best among the best and the category of gastro tourism. By entering the finals, the right to use the Best in the World certificate for this publication was acquired. The final results of the competition are expected in July this year. Gastro routes, as well as a chef, are presented on the website: [www.montegastro.me](http://www.montegastro.me) ;
- **Development of ecotourism in the Balkan Alps**, within the IPA Cross-border Cooperation Program Montenegro - Kosovo. The total budget of the project is 443,791 euros (EU contribution 377,222 euros). The project is implemented by the Center for Protection and Study of Birds as a leading partner and the Mountain Rescue Service of Montenegro in cooperation with the Kosovo Advocacy and Development Center - KADC and the Association of Mountaineers and Climbers "Pashtriku". The project aims to improve the offer in the active tourism sector and improve its visibility to international and domestic visitors, as well as to improve the quality of services in active tourism and improve the safety of tourists in the mountains. Through this project, a joint cross-border workshop (44 participants) and a series of interviews (59) were organized, with the aim of establishing a package of cross-border outdoor tourism. A re-evaluation of existing bids has been carried out and a report is being prepared followed by an analysis of best practice and a travel plan. Upgrading and improvement of hiking trails has

started in Kosovo and Montenegro (25km of trails upgraded in Montenegro). In addition, a series of trainings on active tourism services, biodiversity training and bird watching trainings were organized for 107 guides and local tourism service providers. To increase tourist safety, the project will establish a local mountain rescue service in Kosovo and renovate a mountain / rescue center in Montenegro on Prokletije, which will be accompanied by a joint strategy. Medical equipment and a radio communication system, technical and personal equipment and a drone with a thermal camera for the Mountain Rescue Service of Montenegro were procured. Trainings for mountain rescuers were organized with a total of 42 participants. The project has quality media promotion through social networks and travel blogs. Namely, 4 campaigns have been launched in the cross-border area: "Kulla Hopping", "Festival Cultour", the initiative "Beautification of the Cursed Mountains in Montenegro" and "Initiative for the Beautification of the Cursed Mountains in Kosovo";

- **Life on the border of BiH / Montenegro - ancient traces of eternal heritage and tradition**, within the IPA Cross-border Cooperation Program Bosnia and Herzegovina - Montenegro. The total budget of the project is 331,712 euros (EU contribution 281,491 euros). The project was implemented by the Public Institution Cultural Center Trebinje, as a leading partner, and in cooperation with UG Center for Development of Herzegovina, City of Trebinje, UG "Home", PI Cultural Center Pluzine, NGO "Women's Action" (MNE), and NGO Association of Publishers and bookstore of Montenegro.

By encouraging partnerships in culture and tourism and rehabilitating neglected cultural and historical heritage in Trebinje and Bileca (BiH), and in Niksic and Pluzine (Montenegro), the project aims to create and promote joint cross-border tourism products.

Cultural heritage goods - traditional boats (originating from the 19th century) and piers on the rivers Trebisnjica and Zeta are being restored and offered as new tourist products to visitors in the area. Newly developed joint tourist routes are created and offered by tour operators. In addition, 40 valuable sites and cultural and historical heritage sites are mapped and promoted, which are inadequately managed and / or neglected as a common tradition and part of a common offer.

The project also increases the level of sustainable heritage management, creating a joint plan for its protection and establishing a functional management structure. As a result of project interventions, the number of visitors to cross-border locations increases by 7%, reaching the app. 90'000 in 2019/20.

More than 40 sites of cultural / historical / natural heritage have been identified in 4 project municipalities, and the list of sites has been highlighted as a common traditional designation;

The created website is one of the main tools aimed at promoting cultural-historical / natural heritage, the created Tourist Book and 3 new tourist routes / arrangements (itineraries), as well as rehabilitated old docks and traditional boats represent the planned 3 new tourist products with strong potential to significantly affect the promotion of cross-border heritage.

Rehabilitation / reconstruction of old ports on the rivers Trebisnjica (BiH) and Zeta (MNE) has been completed, and 20 traditional boats (10 per country) have been created;

The achievements of the project were widely promoted through a project video that was presented in 2019 for more than 100,000 people. The video about the project was presented on the youtube channel <https://www.youtube.com/user/NebojsaKolak> , and can also be found at the following link: [Život na granici BiH CG - Stare staze bezvremenog nasljeđa i tradicije - YouTube](#) .

## 19.2. Possible sources of funding and support from the EU for the development of health tourism

### 19.2.1. *Western Balkans Investment Framework (WBIF)*

WBIF<sup>68</sup> is a joint initiative of the European Commission, the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development, the European Investment Bank (EIB), bilateral donors and beneficiaries in the Western Balkans, launched in December 2009 to provide financial and technical assistance for strategic investments. The German development bank KfW and the World Bank subsequently joined the platform. In December 2018, the French Development Agency (AFD) became a participant in the WBIF.

WBIF combines grants, loans and user contributions for infrastructure investments in the energy, environmental, social, transport and digital sectors, as well as for private sector development. Together with beneficiaries in the Western Balkans, WBIF is part of a unique partnership that defines priorities and aid packages for strategic investment and institutional reform in the region. WBIF contributes to the European perspective of the Western Balkans by supporting growth-enhancing investments that complement policy measures to foster regional cooperation and connectivity.

The Western Balkans Investment Framework (WBIF) is a unique and successful cooperation platform that brings together beneficiaries, donors and lenders, to improve harmonization and investment cooperation for the socio-economic development of the Western Balkans.

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<sup>68</sup> <https://www.wbif.eu/>

In Montenegro, WBIF also supports private sector competitiveness and innovation that can be used to develop health tourism with combined investments (grants and loans) through the following instruments:

- *Enterprise Development and Innovation Facility in the Western Balkans (WB EDIF)*- WB EDIF provides diverse access to finance for small and medium-sized enterprises (SMEs), through a range of financial instruments, accompanied by advisory services to strengthen investment readiness for SMEs.
- *European Fund for Southeast Europe (EFSE)* - encourages economic development by providing financing to medium-sized Credit Institutions, which lend funds to micro and small enterprises (SMEs), farmers, agro-enterprises and households.
- *Green for Growth Fund (GGF)* - finances renewable energy projects by providing financing to medium-sized credit institutions, which lend funds to MSEs and private households.
- *Regional energy efficiency program (REEP/REEP Plus)* - REEP/REEP provides a combination of financial instruments to municipalities, small and medium enterprises (SMEs) and households, for sustainable energy efficiency projects.

#### *19.2.2. Advising for Small Business - EBRD*

Under the ASB (Advice for Small Business) program, the EBRD organizes local and international consultants who offer support in all aspects of business management, including:

- Accounting and financial reporting,
- Energy efficiency and environmental management,
- Information communication and technology,
- Marketing and sales,
- Strategy and vision,
- Human Resource Management.

The EBRD also holds regular conferences, trainings and workshops to bring together entrepreneurs, consultants and sector specialists, to help develop the economy and provide dedicated support to local businesses.

#### *19.2.3. Western Balkans Chamber Investment Forum (WB6 CIF)*

Western Balkans 6 Chamber Investment Forum (WB6 CIF)<sup>69</sup> is a joint initiative of chambers of commerce and industry from Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia.

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<sup>69</sup> <https://www.wb6cif.eu/>

Chambers established a platform of cooperation in 2017 with the aim to provide a joint voice to the business community in the region and to facilitate inter-business contacts and promote the region as one investment destination. WB6 CIF represents around 350,000 companies, mostly small and medium-sized enterprises in its mission to open new opportunities for stronger networking of business communities within the region by removing the remaining obstacles to the development of the regional economic cooperation and improving business and investment climate in the markets of the WB region.

The main WB6 CIF projects related to health tourism are as follows:

**ADA project: „Implementation of Elements of Dual Vocational Training and Supporting Digital Transformation In the Western Balkan Companies“**

This Project aims at the establishment of unique regionally located services as part of the core WB6 CIF chambers services portfolio, following the best practice from the EU – Republic of Austria in two main areas: Digitalization and VET, and also building the WB6 CIF Chambers capacity.

The Digitalization segment will focus on :

- creating and enhancing a system for supporting WB6 companies in the process of digitalization-network of certified consultants;
- strengthening the capacity of WB6 CIF chambers for transparent, independent and sustainable services offered to companies in the field of digitalization-online and offline WB6 CIF chambers' services to support digitalization of companies;
- raising awareness of the representatives of business community and public authorities on the importance of the digitalization process and the role that WB6 CIF chambers have in this matter.

The Vocational Education Training – VET segment will focus on:

- building up concrete opportunities and procedures for the development and accreditation of new digitalized job profiles;
- developing and strengthening the role of chambers as intermediary institutions representing the interest of companies in VET;
- developing joint digitalised modular VET training offers (virtual regional training academy).

**19.2.5. IPA III**

The proposal of the Instrument for Pre-Accession Assistance (IPA) III envisages a dedicated program framework for the implementation of the Green Agenda and sustainable integration.

According to the draft proposal, IPA beneficiaries will be encouraged to develop energy efficiency and renewable energy sources, and to shift to resource-efficient, secure and sustainable low-carbon economies, in line with the EU's broader goals for climate action and environmental protection.

Through the sustainable use of natural resources, Montenegro in the field of health tourism development can achieve higher standards of environmental protection and human health, increase mitigation and adaptation to climate change. This will not only have a direct benefit for the health and well-being of citizens, but will make our country attractive for investment and tourism, and exploit the significant economic potential of green growth and the circular economy.

#### *19.2.6. Other mechanisms*

- The European Innovation Council (EIC) is the EU's most ambitious initiative for disruptive and penetrating innovation, and fully includes the Western Balkans.
- In addition, Montenegro can also benefit from InnovFin financial instruments under *Horizont 2020*.
- The Western Balkans Guarantee Fund (EFSD +), the successor to the current European Fund for Sustainable Development (EFSD), could be considered useful for attracting private funds to increase green investment in relevant areas, strengthen the region's competitiveness and create new jobs.

The use of these guarantees could be particularly relevant for the implementation of the Green Agenda when it comes to activities such as:

- launching commercial sub-government funding to support WBIF priorities, including environmental protection, recycling, energy efficiency and renewable energy infrastructure investments, as well as small-scale PPP projects where feasible;
- increasing investment in "green entrepreneurship", as well as supporting the transition to a circular economy in innovative and economically cost-effective ways.

#### *19.3. Strengthening the capacity to attract EU funds*

Montenegro participates in several EU programs that encourage entrepreneurship, innovation and technological development such as HORIZON 2020, COSME, EUREKA, where companies can participate independently or as part of a consortium. In order to improve the capacity of beneficiaries to use the instruments of EU programs, which are still insufficient, it is necessary to improve the promotion of the programs and benefits that can be achieved by participating in individual projects by organizing various events such as trainings, analyzes, good practice, in order to transfer the essential knowledge necessary to fill in the demanding applications for

EU funds, as well as to look for partners across the country's borders. In this regard, it is very important to strengthen the administrative capacity of line ministries, especially the role of National Contact Points (NCPs) in H2020, through additional nomination and capacity building of NCPs, to facilitate access to relevant EU programs and funds.

Health tourism is not particularly recognized in EU funds, which focus more on supporting the overall tourism sector.

In October 2020, the European Union adopted the Economic and Investment Plan for the Western Balkans, which envisages the mobilization of up to 9 billion euros for projects of sustainable integration, human capital, competitiveness and inclusive growth, as well as dual green and digital transition.

In parallel with the Economic and Investment Plan to support the region, the EU has adopted guidelines for the implementation of the Green Agenda in the WB, through five pillars:

- climate action, including decarbonisation, energy and mobility,
- circular economy, addressing in particular waste, recycling, sustainable production and efficient use of resources,
- biodiversity, aiming to protect and restore the natural wealth of the region,
- fighting pollution of air, water and soil,
- sustainable food systems and rural areas.

Digitalisation will be a key enabler for the above five pillars in line with the concept of the dual green and digital transition.

In addition, the plan defined ten investment priorities that will support the main road and rail connections in the region, renewable energy and the transition from coal to other energy sources, renovation of public and private facilities to increase energy efficiency and reduce greenhouse gas emissions, waste and wastewater management infrastructure, as well as the introduction of broadband infrastructure. Other investment priorities include higher investment in the private sector, to boost competitiveness and innovation, especially for small and medium-sized enterprises, and guarantees for young people.

In addition to the significant grants that the EU provides for the region, the EU can provide guarantees and thus help reduce the cost of financing both public and private investment, and reduce risks for investors. Support through the new Guarantee Instrument for the Western Balkans, under the EU External Action Guarantee and the European Fund for Sustainable Development Plus, is expected to mobilize potential investments of up to 20 billion euros over the next decade. Therefore, it is important to include health tourism projects in these EU programs.



## 20. Reporting and evaluation

Effective management of the process of health tourism development in Montenegro implies a consensus of local governments and all relevant participants, in the key determinants of health tourism development. In this regard, it is important to establish an organizational structure, ie a bodies, which will be in charge of monitoring the implementation of program measures:

- Establishment of an expert and supervisory body - Working team for monitoring the development of health tourism, which will be in charge of monitoring the planned measures from the Action plan of development of health tourism.

*Coordinators:* Ministry of Health and Ministry of Economic Development

*Coverage time:* It is necessary to form a working team during the planned duration of the Action Plan (Q1 2022 – Q4 2023)

Activities:

- Establishment of an expert body for initiating measures;
- Establishment of a monitoring mechanism for the implementation of program measures;
- Determining the composition of indicators for the implementation of the Program;
- Implement corrective activities as needed.

The report on the implementation of the Action plan will be prepared by the Working Team for monitoring the Health Tourism Development Program, on an annual basis. It is mandatory to send a report for an opinion to the General Secretariat of the Government.

In order to better and more successfully monitor and evaluate the Program, for all measures and activities it is necessary to define both qualitative and quantitative indicators. Based on the defined performance and result indicators, it is necessary to conduct reporting. Evaluation is needed to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact and sustainability. Based on the above, a minimum of the following indicators should be included:

- Number of harmonized laws/bylaws;
- Number of strategic development plans in which health tourism is treated;
- Number of projects included in the list for the Economic and Investment Plan;
- List of required accreditation and certification;
- Number of signed protocols on cooperation with domestic and international health tourism intermediaries;

- Number of visited fairs and conferences, as well as the number of presentations held;
- Number of conferences and fairs held in Montenegro;
- Number of innovated curriculums.

The evaluation will be conducted at the end of the implementation of the Health Tourism Development Program in Montenegro. The evaluation can be performed by a working team that will be appointed by the Ministry of Economic Development and the Ministry of Health.

## 21. Action plan until 31.12.2023. for the implementation of the Program

Operational objective 1: Providing a strategic framework for the development of health tourism							
						Baseline value	Target value
Performance indicator 1	Number of harmonized laws/bylaws					0	1-3
Performance indicator 2	Number of accepted recommendations in which health tourism is treated					0	2-4
Priority	Activities	Carrier	Partners	Time frame	Value	Source of finance	Indicators
1.1. Improving the legislative framework of health tourism	1.1.1. Established inter-ministerial working group for harmonization, preparation and adoption of innovated laws/bylaws, as well as harmonization of domestic regulations with EU directives, with special emphasis on Directive 2011/24/EU	MED, MH	MFSW, MCI, MESCS, MFA, CEMNE, AMCHAM, HIFMNE, Parliament	Q4 2021 – Q4 2022	2.000 €	Budget	Interdepartmental working group formed; Number of harmonized and innovated acts, number of adopted acts: 1-3; Harmonized regulations
	1.1.2. Recommendations for incorporating health tourism into the strategic plans of all local self-government units	MED	MH, CM, local self-governments (CM)	Q1 2022 – Q4 2023	-	-	Number of accepted recommendations in which health tourism is treated: 2-4
1.2. Improving the overall health infrastructure	1.2.1. Establishment of an interdepartmental expert group that should decide on priority projects of public health institutions based on the analysis of development needs of existing public health institutions	MH	MED, Public health facilities, MCI, MFSW	Q1 2022 – Q4 2022	-	-	Interdepartmental group formed and analysis performed
	1.2.2. Creating a e-catalog of existing and new health tourism projects	MED, MH	MESPU, MCI, NTO, Investment Agency	Q1 2023 – Q4 2023	5.000 €	Budget	E-catalog made
	1.2.3. Inclusion of the health tourism project in the list of projects for the Economic-Investment Plan to support the region	MH, MED	MESPU, MFSW, PC, NIC, EIO	Q4 2021 – Q4 2023	-	-	Number of projects included in the list for the Economic-Investment Plan: 1-2

Operational objective 2: Creating qualitative preconditions for international competitiveness							
						Baseline value	Target value
Performance indicator 1	List of required accreditations and certifications					0	1
Performance indicator 2	Number of signed protocols with domestic and international health tourism intermediaries					0	2-4
Performance indicator 3	Number of attended fairs and conferences, as well as the number of presentations held					0	3-5
Performance indicator 4	Number of conferences and fairs held in Montenegro					0	2-4
Priority	Activities	Carrier	Partners	Time frame	Value	Source of finance	Indicators
2.1. Accreditation and certification	2.1.1. Defining the list of required accreditations and certificates in health tourism	MH	Cluster, Private sector, ISME, MED, Institute dr Simo Milosevic, MESCS, FM UM, FTHM UM	Q1 2022 – Q4 2022	-	-	Determined list of required accreditations and certifications
	2.1.2. Implementation of adopted international accreditations and certificates	MED, MH	Cluster, Private sector, ISME, Institute dr Simo Milosevic, CEMNE	Q1 2023 – Q4 2023	-	-	Implementation report
	2.1.3. Creation of specially designed credit lines with favorable conditions at the IDF, for accredited and certified institutions, to raise the quality of health tourism services	MED, IDF	MFSW, MH, ISME, CEMNE	Q2 2022 – Q4 2023	1.000.000 €	Credit	Amount of approved loans: 1.000.000 EUR
	2.2.1. Formation of complementary health and tourism products, which can be placed on the health and tourism market	MED, MH	Institute dr Simo Milosevic, Private sector, Cluster, NTO, LTO, MESCS, MF UM, FTHM UM, MESPU	Q1 2022 – Q4 2023	5.000 €	Budget	Number of formed health and tourism products: 2-4
	2.2.2. Enhance the development of production of medicinal herbs and peloids (medicinal mud) and support small domestic producers of cosmetic medicinal products, as well as create a special IDF credit line	MAFWM, MED	Institute dr Simo Milosevic, Private sector, Cluster, IDF, NTO, LTO, CM, CEMNE	Q2 2022 – Q4 2023	100.000 €	Credit	Amount of approved loans: 100.000 EUR

2.2. Positioning, marketing and promotion of health tourism destination	2.2.3. Networking (creating partnerships) of tourism and health at the national as well as local levels, as well as connecting the private and public health and tourism sectors to create added value	MED, MH	Cluster, Local self-government units, Private sector, CEMNE, UE, business associations, NTO, LTO	Q2 2022 – Q4 2023	-	-	Number of signed agreements on cooperation of key actors at the national level: 1-3; Number of signed cooperation agreements at the local level: 3-5
	2.2.4. Mediation in concluding protocols of cooperation with international agencies, airlines and other intermediaries (facilitators), for trips that are motivated primarily for health tourism services	NTO, MED	Cluster, Private sector, CEMNE, LTO, MH	Q3 2022 – Q4 2023	-	-	Number of signed contracts: 2-4
	2.2.5. Signing a protocol on cooperation with insurance companies	MH	Private sector, Cluster, NTO, LTO, MED, HIFMNE	Q1 2022 – Q4 2023	-	-	Number of signed contracts: 3-5
	2.2.6. Incorporating health tourism into the marketing strategy of the National Tourism Organization of Montenegro – strengthening the communication system, precise targeting of market segments, grouping attractions, creating a portal for the promotion of health tourism and promoting the Montenegrin national cuisine with an emphasis on organic food	NTO	MH, MED, MESPU, MAFWM, MESCS, Cluster, LTO, CEMNE, business associations	Q4 2021 – Q4 2023	-	-	Defined target markets, incorporated health tourism products into the marketing strategy, conducted digital marketing campaigns
	2.2.7. Attendance at international fairs and seminars, and presentation of the offer of health tourism in Montenegro at the same	MED, MH	Cluster, Private sector, NTO, LTO, CEMNE, MESCS, FTHM UM, FM UM	Q1 2022 – Q4 2023	30.000 €	Budget	Number of visited fairs and conferences: 3-5; Number of presentations held: 3-5.
	2.2.8. Organizing conferences, fairs and educational seminars in Montenegro on the topic of health tourism, as well as affirmation and strengthening of health tourism associations	MER, MH, Cluster	MESCS, FTHM UM, FM UM, Institute dr Simo Milosevic, CEMNE	Q1 2022 – Q4 2023	30.000 €	Budget	Number of organized conferences, fairs and seminars of health tourism: 2-4

Operational objective 3: Strengthening the capacity of the Institute dr Simo Milosevic, the system of education and monitoring the implementation of the program							Baseline value	Target value
Performance indicator 1	Making a decision to stop the sale of state funds						-	Decision made
Performance indicator 2	Making a decision about a new curriculum						-	Decision made
Priority	Activities	Carrier	Partners	Time frame	Value	Source of finance	Indicators	
3.1. Strengthening the capacity of the Institute of Dr Simo Milosevic as a carrier of health tourism	3.1.1. Making a decision to stop the sale of state funds	Government of Montenegro, MH, MED	Institute SM, HIFMNE, IDF, MCI, PC	Q1 2022 – Q4 2022	-	-	Decision made	
	3.1.2. Preparation of a feasibility study for the investment cycle	Institute SM	MED, MH, Cluster	Q1 2022 – Q3 2022	30.000 €	Budget	Completed feasibility study	
3.2. Education and lifelong learning	3.2.1. Review of the existing curriculum related to health tourism through GAP analysis and defining the needs for professional staff in health tourism	MESCS	Institute dr Simo Milosevic, Cluster, Private sector, MH, MED	Q1 2022 – Q3 2022	3.000 €	Budget	GAP analysis performed, defined need for professional staff	
	3.2.2. Deciding about new curriculum	MESCS	MH, MED	Q3 2022	-	-	Decision made	
	3.2.3. Defining new educational programs	MESCS	MH, MED	Q1 2023 – Q4 2023	-	-	Defined number of educational programs	
	3.2.4. Develop a lifelong learning program	MESCS	Institute dr Simo Milosevic, Cluster, Private sector, MH, MED	Q4 2021 – Q2 2022	-	-	Developed program	
	3.2.5. Include a lifelong learning program in the curriculum	MESCS	Institute dr Simo Milosevic, Cluster, Private sector, MH, MED	Q4 2023	-	-	Program included	

<p>3.3. Monitoring the implementation and effects of the Program</p>	<p>3.3.1. Determine the content, periodicity, deadlines and list of institutions for providing and publishing annual reports on the situation in the field of health tourism at all levels</p>	<p>MED, MH</p>	<p>MFSW, MCI, NTO, LTO, MESPU, MESCS, MONSTAT, ISME, Cluster, private sector, CM</p>	<p>Q4 2022 – Q4 2023</p>	<p>-</p>	<p>-</p>	<p>Created report</p>
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### 21.1. Structure of funds required for the implementation of the action plan, by source of funding

The implementation of the HTDP Action plan requires EUR 1,205,000, of which EUR 1,100,000 are budget funds, while EUR 105,000 are credit funds.

<b>Structure</b>	<b>Amount</b>	<b>%</b>
Credit	105.000	91,29%
Budget	1.100.000	8,71%
<b>Total</b>	<b>1.205.000</b>	<b>100%</b>

## 22. Information for the public about the objectives and expected effects of the Program, in accordance with the Communication Strategy of the Government of Montenegro

Recognizing the need for public policies to be further affirmed in order to increase the interest of the professional and lay public, and to explain the importance of specific activities and general benefits for the quality of life of citizens, it is necessary to prepare appropriate information for the public about the goals and expected effects of the program. The communication strategy emphasizes the need that communication with citizens be focused on presenting the vision, goals and results that the Government achieves in terms of improving the quality of life in Montenegro, in a way that is easily understood and adapted to the needs and interests of the public.



## 23. Gantt chart

OPERATIONAL OBJECTIVES	PRIORITIES	ACTIVITIES	TIME OF IMPLEMENTATION (years and quarters)																				
			2021.				2022.				2023.												
			I	II	III	IV	I	II	III	IV	I	II	III	IV									
1. PROVIDING A STRATEGIC FRAMEWORK FOR THE DEVELOPMENT OF HEALTH TOURISM	1.1. Improving the legislative framework of health tourism	1.1.1. Established inter-ministerial working group for harmonization, preparation and adoption of innovated laws/bylaws, as well as harmonization of domestic regulations with EU directives, with special emphasis on Directive 2011/24/EU																					
		1.1.2. Recommendations for incorporating health tourism into the strategic plans of all local self-government units																					
	1.2. Improving the overall health infrastructure	1.2.1. Establishment of an interdepartmental expert group that should decide on priority projects of public health institutions based on the analysis of development needs of existing public health institutions																					
		1.2.2. Creating a e-catalog of existing and new health tourism projects																					
		1.2.3. Inclusion of the health tourism project in the list of projects for the Economic-Investment Plan to support the region																					
	2.1. Accreditation and certification	2.1.1. Defining the list of required accreditations and certificates in health tourism																					
2.1.2. Implementation of adopted international accreditations and certificates																							
2.1.3. Creation of specially designed credit lines with favorable conditions at the IDF, for accredited and certified institutions, to raise the quality of health tourism services																							





## 24. Summary

As tourism from year to year increasingly justifies the role of a strategic industry in Montenegro, this leads to the conclusion that health tourism can also play a very important role in the development of the overall tourism product of Montenegro. Successful development of tourism has a multiplier effect on other industries - agriculture, construction, trade, transport and other activities, while the natural resources and environment that Montenegro has are complementary to the development of tourism, and especially the development of health tourism.

The Ministry of Economic Development is in charge of coordinating the preparation of the Health Tourism Development Program. The Health Tourism Development Program 2021-2023, with the Action Plan until 2023, has been developed in accordance with the Methodology for policy development, drafting and monitoring of strategic documents. In this regard, the Program is structurally organized in a way that complies with methodological standards, as well as guidelines within the terms of reference.

In the introductory part of the Program, a review is given on the definition, basics and division of health tourism. In 2017, the UNWTO General Assembly adopted the definition: *„Health tourism includes those types of tourism that have primary motivation, contribution to physical, mental and/or spiritual health, as well as medical and wellness activities that increase the capacity of individuals to meet their own needs and function better as individuals in their environments and society“*. According to the above, it can be concluded that health tourism is the head title for the subtypes of wellness tourism and medical tourism, as the division is shown in the Program.

The value of the health tourism market is extremely difficult to assess, primarily due to methodological problems due to the diversity of definitions of health tourism, which ultimately results in incomparable and therefore unreliable data. Nevertheless, one study within the EU showed that *only 5.80% of all domestic arrivals and only 1.10% of all international arrivals were trips in the health tourism segment. Revenues from health tourism amount to around € 47 billion, representing 4.60% of total tourism revenues and 0.33% of EU28 GDP*. There are no specific statistical data concerning health tourism in Montenegro, except for general data on tourist arrivals and overnight stays published by Monstat, which are presented in detail in Chapter Six. According to available data for 2019, 20.00% more tourists visited Montenegro that year and 11.80% more overnight stays were realized, compared to 2018. Revenues from tourism for 2019 were higher by 9.70% compared to 2018. The growth trend of tourism, and the economy in global, continued from year to year, until the previous year, when a pandemic caused by the Covid-19 virus stepped on the stage. The great reliance of the national economy on tourism, in the new circumstances caused, to put it mildly, slowdown of the economy.

The decline of the Montenegrin economy in 2020, according to preliminary data from the Ministry of Finance and Social Welfare, is 15.30%. This area is described in more detail in Annex I.

The program presents an analysis of the institutional and legislative framework. Also, the strategic framework is analyzed, and a number of measures, restrictions and objectives within them are presented. Special attention is given to the Tourism Development Strategy of Montenegro until 2020, the National Strategy for Sustainable Development until 2030 (NSSD), as well as to Directive 2011/24/EU of the European Parliament and the Council. The Health Tourism Development Program of Montenegro follows the strategic guidelines set out in the above documents, and is complementary to the objectives, as well as the measures that accompany the objectives within the above strategic documents. In addition, as stated in the Smart Specialization Strategy, health tourism can in a relatively short time become one of the leading tourism products, especially taking into account the comparative and competitive advantages of Montenegro as a destination for health tourism.

The fifth chapter contains an analysis of the situation in the field of health tourism in Montenegro, which provides a tabular analysis of the actors (stakeholders) of health tourism in Montenegro. Based on the given analysis, it was shown that there is a certain level of knowledge related to the field of health tourism in Montenegro. However, this level of knowledge is conceived at the individual level and it is necessary to collectively share and disseminate it among all actors who are actively related to the observed area.

The Institute of Physical Medicine, Rehabilitation and Rheumatology "dr Simo Milosevic" Igalo, with 70 years of tradition, is recognized as a leading institution for export-oriented year-round health tourism towards high-paying emitting markets. Based on the data from the management report, the program includes an overview of the Institute's spatial resources, physical business indicators as well as information regarding professional staff, education of the same and planned investments within the Institute. Also, the Program includes an analysis of the existing hotel industry in Montenegro, with an analysis of 4 and 5\* hotels that offer wellness and spa facilities. The analysis showed that only every third hotel in Montenegro has in its offer wellness and spa, which means that certain investments are needed in this area, in order to improve the offer. In order to complete the analysis of the situation in the field of health tourism, in this part a detailed analysis of the health system according to the data of the Ministry of Health is presented, as well as the capacity of the health system according to the Institute of Public Health. In addition, an overview of the business of companies related to health tourism is given.

Within the analysis of key problems and barriers in tourism in Montenegro, the basic characteristics of tourism are highlighted: high seasonality and import dependence of tourism, short summer season, limited supply and low average prices. On the other hand, the following problems were singled out in the field of health tourism in Montenegro: inconsistency of legislation, the existence of only one carrier of health tourism in the form of

Institute dr Simo Milosevic, high amount of budget allocations for treatment outside Montenegro, staffing, insufficient integration and cooperation of key actors in health tourism, weak off-season air connectivity. Also, in the part concerning global trends, and also trends in Montenegro, the following are highlighted: the impact of globalization on health tourism, unhealthy lifestyle, population aging as one of the greatest social transformations, the emergence of new social values and the impact of Covid-19 virus. In addition to these trends, additional success factors include: intermediaries in health tourism, competitive prices, changes in health regulations, marketing destinations and health tourism events, online communities and medical tourism journals, distribution channels, accreditation and certification of health institutions, and other external factors.

In the ninth chapter, a SWOT analysis was prepared at the national level, by priority products of health tourism, as well as a regional SWOT analysis. In the continuation, in the tenth chapter, a PESTEL analysis is prepared - an analysis of various factors that affect, or are expected to affect the consumption and growth of activities related to health tourism, taking into account political, economic, social, technological and environmental factors. The next chapter also presents a comparative analysis of health tourism in competing countries, both regionally and at European and global level. When the previously mentioned analyzes are taken into account, it was stated that at this moment, Montenegrin health tourism is quite unprepared for modern trends in health tourism, ie unprepared for presentation to the wider market. Within the Program, based on the analysis of total data on health tourism, a list of priority products of health tourism was prepared. In addition, target groups in the field of health tourism have been singled out.

The vision of the program defines that, in 2024, health tourism in Montenegro will be the most important segment of the Montenegrin year-round tourist offer, accompanied by specially designed tourist products tailored for health tourists.

In the final part, the operational objectives of the Program are presented, as follows:

- 1 - Providing a strategic framework for the development of health tourism;
- 2 - Creating qualitative preconditions for international competitiveness;
- 3 - Strengthening the capacity of the Institute dr Simo Milosevic, the system of education and monitoring the implementation of the program.

Priorities have been identified within each goal. Activities within the priorities for the implementation of operational objectives are also proposed below. For each of these activities are defined: carrier, partners, time frame, value and source of finance, as well as indicators for monitoring results. After defining the mentioned Activities, a review is given of EU programs and funds related to the field of tourism, and which represent a good basis for the development of tourism in general, but also for the development of health tourism. The already defined operational goals, priorities and activities are presented in a table within Chapter 21 - Action Plan until 31.12.2023. for the implementation of the Program, as well as in the capacity of Gantt chart in Chapter 23.

## Annex I: Impact of COVID-19

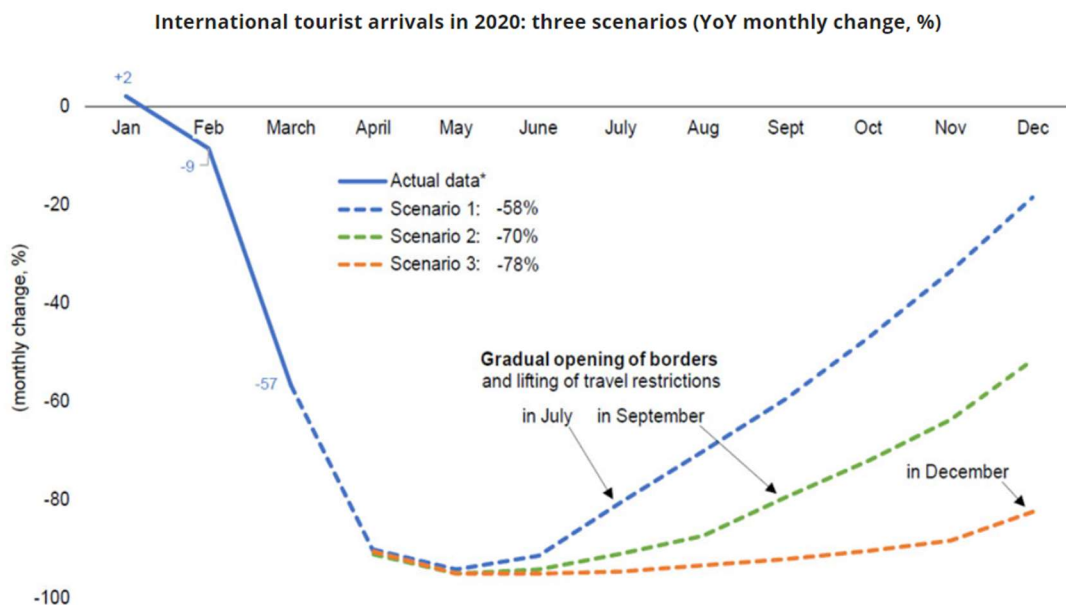
The outbreak of the COVID-19 pandemic around the world has shaken the political, social, economic, religious and financial structures around the world. In most countries of the world, such as the USA, China, Great Britain, Germany, France, Italy, Japan and many others, a large number of companies are on the verge of collapse.

Kristalina Georgieva, the executive director of the IMF, stated that "the recession is at least as bad as during the global financial crisis or worse." In addition, COVID-19 threatens the global economy, because the world is experiencing the most difficult economic situation since World War II.

### COVID-19: Impact on Tourism and Travel <sup>70</sup>

According to the UNWTO, tourism and travel are expected to be reduced by 60-80% globally. Official data confirmed this claim, because in the first half of 2020, the number of tourists globally fell by 65% (UNWTO<sup>71</sup>). The corona virus pandemic is "the worst crisis international tourism has faced since records began (1950)".

According to the UNWTO, there were three scenarios for the recovery of the industry, which depended on when the borders would be opened.



<sup>70</sup> <https://www.weforum.org/agenda/2020/05/tourism-industry-slump-recovery-coronavirus-lockdown> ; <https://www.weforum.org/agenda/2020/09/pandemic-covid19-tourism-sector-tourism/>

<sup>71</sup> <https://www.unwto.org/news/international-tourist-numbers-down-65-in-first-half-of-2020-unwto-reports>

The easiest impact is based on the gradual opening of international borders and the mitigating of travel restrictions in early July. In the estimates at the time, this would have resulted in a reduction in the number of visitors to 58% per year. Releasing the restrictions in early September would lead to a larger drop of -70%. It was estimated that if the restrictions were not relaxed by the beginning of December, it would lead to an industry decline of 78%.

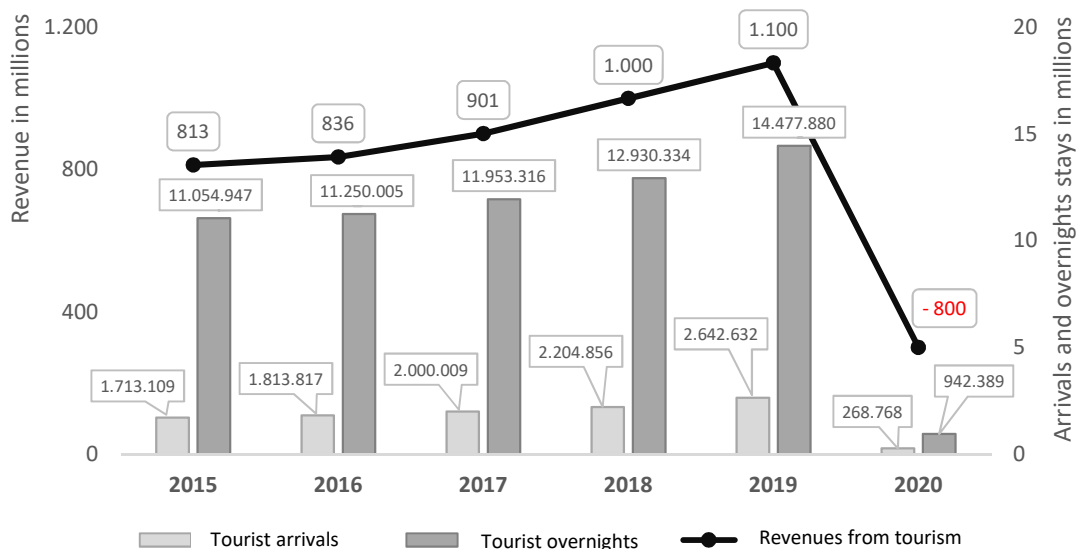
This time span made a difference between a loss of \$ 910 billion or \$ 1.2 trillion in export revenue, and a loss of between \$ 850 million and \$ 1.1 billion of international tourists, which would take the global tourism industry back 20 years.

Globally, in the first 6 months of 2020, there was a decline of 440 million international arrivals and a decline of about 460 billion US dollars in export revenues from international tourism.

When it comes to the impact of the pandemic on the Montenegrin economy, through figures, the following graph<sup>72</sup> best illustrates the impact.

**Graph 16:**

*The impact of the pandemic on the Montenegrin economy*



According to preliminary data from Monstat, the number of tourist arrivals for 2020 is 268,768, which is a decrease of 90% compared to the previous year, while the number of overnight stays is 942,389, which is a decrease of as much as 93.5% compared to 2019. It has been announced that revenues from tourism will be reduced by over 800 million euros compared to 2019.

<sup>72</sup> Graph 1 from part 2.2. *Five-year graphic presentation of tourist arrivals and overnight stays in Montenegro, as well as a presentation of realized revenues from travel-tourism*, has been expanded with data for 2020, source Monstat



## Total economic measures of Montenegro

The impact of Covid 19 on Montenegro is evident:

- Decline in macroeconomic indicators;
- Increased number of unemployed;
- Closing the external borders, and thus the airport;
- A huge drop in tourism revenue, which generates € 1.15 billion in revenue;
- Great uncertainty in business;
- Probable decline in employment and lower wages in 2020 and 2021.

The first case in Montenegro was reported in mid-April 2020. After that first wave of the virus, Montenegro was also a "corona free" destination from the beginning of May until the middle of June, when a new wave of the virus arrived. That wave lasted much longer and spread in the new year (2021), and on a couple of occasions Montenegro was the country with the highest rate of infected population (per 100,000) in Europe.

Since the outbreak of the pandemic, the government has implemented a series of preventive measures, including travel restrictions, border closures, and the closure of schools, restaurants and public transportation, which have been largely in place for the past year. The gradual easing, as well as the intensification of measures, was directly related to the epidemiological situation.

### Fiscal measures (first and second package of measures)

The economic team of the Government, which was formed by the Prime Minister of the state, conceived several packages of measures to help the economy and citizens. **The first set of economic measures** was adopted on March 19, and the goal was to make life easier for citizens and to help the economy during the coronavirus pandemic. This package of measures to help the economy and citizens, which the Government estimated at € 100 million (mainly the new IDF Credit Line), was adopted primarily as liquidity support.

The first package of state aid measures adopted by the government included:

- elimination of excise duties on medical alcohol sold in pharmacies;
- deferral of payment of taxes and social security contributions;
- creation of a new credit line for the Investment Development Fund (IDF) of EUR 120 million to improve the liquidity of entrepreneurs;
- postponement of payment of lease of state-owned real estate;
- advance payments to contractors for capital projects;
- one-time financial assistance to pensioners and low-income social assistance beneficiaries in the amount of EUR 50 each (EUR 1 million allocated);
- an increase in health workers' March salaries by up to 15 percent (0.5m euros allocated).

**The second package of measures** was adopted on April 24 and consists of four groups of measures: subsidies, support for agriculture, economic and social measures and a special regime for electricity costs for tourism companies. The total fiscal effect of the measures from this package amounted to € 75 million in gross amount. Its net worth is € 46 million for a period of three months. The aim of the measures is to contribute to the preservation of jobs and the creation of preconditions for a faster recovery of the economy and the standards of every citizen and his family. At the time of the adoption of the second package of measures, it was anticipated that the measures would apply to over 100,000 employees and thousands of entrepreneurs, micro, small and medium enterprises, as well as over 8,000 unemployed in the records of the Employment Bureau.

This package of measures included:

- subsidies in April and May of 70 percent of the minimum wage for employees in sectors closed due to the pandemic, employees unable to work, caring for children under the age of 11, or people who have to isolate and quarantine themselves;
- a subsidy of 50 percent of the minimum wage for employees in sectors at risk of closure due to a pandemic;
- a subsidy of 70 percent of the gross minimum wage of newly employed workers in small and medium-sized enterprises for six months, if those workers are registered as unemployed;
- state bodies and state-owned companies will introduce a six-month moratorium on the execution of claims for companies that do not operate due to the pandemic;
- energy companies will release a fixed part of electricity bills for companies that have shut down due to a pandemic-related blockade;
- EPCG will double its electricity subsidies for vulnerable households;
- assistance to the agriculture and fisheries sector, including one-off assistance to fishermen and payment of contributions by insured agricultural workers;
- one-time assistance in the amount of EUR 50 for all persons registered as unemployed in the Employment Service of Montenegro and who have not received any reimbursement.

### **Monetary and macro-financial measures**

On March 17, the Central Bank announced a moratorium on the repayment of loans for a period of up to 90 days. The moratorium is available to all debtors, and includes a temporary suspension of all loan payments (principal, interest, default interest, fees, etc.).

On May 20, it was additionally announced that banks could approve a new moratorium for loan users who are facing difficulties due to the pandemic. Banks may, under clearly defined conditions, approve loan restructuring, including unsecured cash loans. The central bank also announced measures to temporarily ban banks from paying dividends to shareholders, except in the form of capital, and to allow banks to increase exposure to a person or group of related parties above the prescribed exposure limits (25 percent of the bank's own funds), with prior central bank approval.

Other measures include a decision to reduce the fee by 50%, which banks have to pay to withdraw required reserve liquidity (announced on May 7), and to reduce the required reserve rate by 2 percentage points (announced on May 12).

### The third package of measures

Unlike the previous two packages of measures, the third package of measures was prepared and announced much longer, in order to identify key sectoral policies in the conditions of the "new reality" (key sectors: IT sector, tourism, agriculture and industry including energy). The government on 23.07.2020. adopted the third package of socio-economic measures, the total value of which is estimated at € 1.22 billion. The following is a tabular presentation of the third package of measures.

#### *The third package of measures*

	2020	2021	2022	2023	2024	Total
<b>SHORT-TERM MEASURES</b>	<b>82,700,000</b>	<b>31,600,000</b>	<b>9,050,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>127,350,000</b>
Support to the tourism sector	50,950,000	26,100,000	6,300,000			83,350,000
Incentives for agriculture, agro-industry and fisheries	750,000	1,500,000	750,000			3,000,000
Program to improve the competitiveness of the economy	10,000,000	2,000,000	2,000,000	2,000,000	2,000,000	18,000,000
Supporting the economy through wage subsidies	4,200,000					4,200,000
One-time support to vulnerable categories of the population	1,800,000					1,800,000
Creating additional fiscal space	15,000,000	2,000,000				17,000,000
<b>MEASURES FOR THE MEDIUM AND LONG TERM</b>	<b>198,527,000</b>	<b>178,254,860</b>	<b>123,495,630</b>	<b>68,483,630</b>	<b>524,969,630</b>	<b>1,093,730,750</b>
Strengthening IT activities	827,000	1,046,815	25,995,630	983,630	969,630	29,822,705
Support to the tourism sector	100,000,000	9,700,000	7,500,000	7,500,000	7,000,000	131,700,000
The concept of rapid breakthroughs in the agriculture and fisheries sectors		44,900,000	35,200,000	8,200,000	1,200,000	89,500,000
Rehabilitation and development economic measures	96,700,000	100,300,000	36,800,000	33,800,000	515,800,000	783,400,000
Traffic support		10,508,045				10,508,045
<b>TOTAL</b>	<b>281,227,000</b>	<b>209,854,860</b>	<b>132,545,630</b>	<b>70,483,630</b>	<b>526,969,630</b>	<b>1,221,080,750</b>

Source: Government of Montenegro

### The fourth package of measures

Despite the implementation of the previous three packages of measures to support the economy, economic activities in Montenegro maintain the same trend (negative macroeconomic trend). The first quarter of the annual business cycle of the economy certainly represents a challenging period in regular business conditions, especially in the conditions of socio-economic crisis, so the new government announced the fourth package of measures to help citizens and the economy.

The estimated total direct and indirect financial impact of the implementation of the measures is around **EUR 163 million**. The goal of the support measures is more intensive support to the economy, in order to preserve its base, as a precondition for further measures of recovery and growth of economic activity. Therefore, the five main objectives of the support measures under the fourth package are as follows:

- support for vulnerable categories of the population;
- support for maintaining employment levels and new employment;
- improving the liquidity of economic entities;
- creating conditions for increasing the number of tourists;
- stability of the agricultural products market.

The following table shows an assessment of the fiscal impact of the fourth package of measures.

*The fourth package of measures*

SUPPORT MEASURE	Fiscal Impact Assessment EUR		
	Subsidies / benefits in the first quarter	Additional subsidies/ benefits at the annual level	Releasing expenses / reliefs
<b>I SUPPORT FOR VULNERABLE CATEGORIES OF THE POPULATION</b>	7,000,000		
<b>II ECONOMIC SUPPORT</b>			
2.1 Support the economy through wage subsidies	22,000,000		
2.2 Postponement and rescheduling of taxes and income contributions			120,000,000
2.3 Support for new employment			It depends on the number of new employees
2.4 One-time support to the economy for the establishment of electronic fiscalization systems	500,000		
2.5 Increasing the turnover limit from EUR 18,000 to EUR 30,000 as a condition for mandatory VAT registration			2,500,000
2.6 Reducing the price of renting state-owned space and postponing the obligation on the same basis			500,000
2.7 Shortening the VAT refund deadline			
<b>III ADDITIONAL SUPPORT MEASURES FOR TOURISM AND HOSPITALITY</b>			
3.1 Reduction of the annual fee for the use of marine property			3,500,000
3.2 Subsidizing tour operators	150,000		
3.3 Tourist vouchers for educators and health workers and support to publishers of private accommodation	5,500,000		
<b>IV ADDITIONAL SUPPORT MEASURES FOR AGRICULTURE AND FISHERIES</b>			
4.1 Program of interventions on the market of agricultural products, fishery products and aquaculture		1,724,000	
4.2 Support for the purchase of domestic products			
4.3 Support for tour guides		75,000	
<b>TOTAL</b>	<b>35,150,000</b>	<b>1,799,000</b>	<b>126,500,000</b>
	<b>163,449,000 EUR</b>		

Source: Government of Montenegro

## Annex II: List of 4 and 5\* hotels with an overview of the wellness and spa offer

**Table 36:***List of 4 and 5\* hotels by cities, with a column of contents (wellness & spa)*

#	Name	Category	Contents
<b>PODGORICA, 23 hotels</b>			
1	Hotel "Hilton Podgorica Crna Gora"	5 *****	Wellness & Spa
2	Small hotel "Hemera" Podgorica	5 *****	Wellness & Spa
3	Boutique hotel "Ziya"	5*****	Wellness & Spa
4	Hotel "voco™ Podgorica" (previously Verde)	5*****	Wellness & Spa
5	Hotel "CentreVille Hotel & Experiences"	4****	Wellness & Spa
6	Hotel "Perla Residence"	4 ****	Wellness & Spa
7	Hotel "Ramada"	4****	Wellness & Spa
8	Garni hotel "Aleksandar Lux"	4****	Wellness & Spa
9	Hotel "Podgorica"	4****	-
10	Garni hotel "Best Western Premier Hotel Montenegro"	4****	-
11	Garni hotel "Kosta's"	4****	-
12	Small hotel "Aria"	4****	-
13	Hotel "Philia"	4****	-
14	Small hotel "Imanje Knjaz"	4****	-
15	Small hotel "New Star"	4****	-
16	Hotel "Union"	4****	-
17	Hotel "M Nikić"	4****	-
18	Hotel "Aurel"	4****	Wellness & Spa
19	Hotel "Oasis" (Tuzi)	4****	-
20	Garni hotel "Resurs"	4****	-
21	Garni hotel "Lazaro"	4****	-
22	Small hotel "Rio Verde"	4****	-
23	Boutique hotel "Boscovich"	4****	-
<b>BUDVA, 72 hotels</b>			
1	Hotel "Aman Sveti Stefan"	5*****	Spa centar
2	Hotel "Splendid"	5*****	Wellness & Spa
3	Small hotel "Villa Miločer"	5*****	Wellness & Spa
4	Hotel "Maestral" Pržno	5 *****	Wellness & Spa
5	Boutique hotel "VISSI D`ARTE"	5*****	-
6	Hotel "AMI" (previously Melia Budva Petrovac)	5*****	Wellness & Spa
7	Hotel "California"	5*****	-
8	Boutique hotel "Villa Geba" with depadans	5*****	Wellness & Spa

9	Small hotel "Ananti"	5*****	Wellness & Spa
10	Small hotel "Infinity Hotel By Dukley" Zavala	5*****	-
11	Hotel "Slavija"	5*****	Wellness & Spa
12	Boutique hotel "Ponta Melagrana" with depadans Kamenovo	5*****	Wellness & Spa
13	Hotel & Resort "Mediteran" Bečići	4****	Wellness & Spa
14	Hotel "Iberostar Bellevue" Bečići	4****	Wellness & Spa
15	Hotel "Falkensteiner Hotel Montenegro" (previously Queen of Montenegro)	4****	Wellness & Spa
16	Hotel "Monte Casa"	4****	Wellness & Spa
17	Hotel "Majestic"	4****	-
18	Hotel "Montenegro"- Bečići	4****	Wellness & Spa
19	Hotel "Budva"	4****	Wellness & Spa
20	Hotel "Šajo"	4****	Spa
21	Hotel "Budva 2019"	4****	-
22	Hotel "Bella Vista" Bečići	4****	-
23	Small hotel "Blue Star"	4****	-
24	Hotel "Rivijera" with depadans, Petrovac	4****	-
25	Hotel "Vile Oliva" Petrovac	4**** PLUS	-
26	Small hotel "Azimut"	4****	Wellness & Spa
27	Small hotel "Max Prestige"	4****	-
28	Small hotel "Romanov" - Sveti Stefan	4****	-
29	Small hotel "Stella di Mare"	4****	-
30	Small hotel "Astoria"	4****	-
31	Garni hotel "DEL MAR" Petrovac	4****	-
32	Hotel "Tara" with depadans	4****	-
33	Small hotel "MONTEBAY VILLA" Buljarica	4****	-
34	Garni hotel "Meridian"	4****	-
35	Garni hotel "ATINA"	4****	-
36	Small hotel "Aleksandar Rafailovići"	4****	Wellness & Spa
37	Hotel "Castellastva" Petrovac	4****	-
38	Garni hotel "Nadežda" Bečići	4****	-
39	Hotel "Palas" Petrovac	4 plus ****	Wellness & Spa
40	Garni hotel "Dušanova kula" Perazića Do	4****	-
41	Garni hotel "Minoris"	4****	-
42	Hotel "Bracera"	4****	Wellness & Spa
43	Hotel "AVALA RESORT & VILLAS"	4****	Wellness & Spa
44	Hotel "Moskva"	4****	-
45	Garni hotel "Butua Residence"	4****	-
46	Small hotel "Adria" (previously Plaza u TQ Plazi)	4****	-
47	Small hotel "Tre Canne"	4****	-
48	Hotel "Riva", Petrovac	4****	-
49	Garni hotel "Ponta Nova" Rafailovići	4****	-
50	Apart hotel "Shine"	4****	-

51	Apart hotel "Anatolia" with depadans	4****	-
52	Small hotel "Zeta"	4****	Wellness & Spa
53	Hotel "AG Harmony"	4****	-
54	Hotel "Kadmo"	4****	-
55	Small hotel "Wow"	4****	-
56	Hotel "Fontana"	4****	-
57	Small hotel "Pozzo"	4****	-
58	Hotel "Eleven" , Petrovac	4****	-
59	Hotel "Lusso Mare"	4****	-
60	Garni hotel "Twelve"	4****	-
61	Hotel "Fagus"	4****	Wellness & Spa
62	Hotel "Admiral"	4****	-
63	Boutique hotel "La Villa"	4****	-
64	Hotel "Harmonija"	4****	-
65	Small hotel "Avanti"	4****	Wellness & Spa
66	Hotel "Kalos" Budva	4****	-
67	Garni hotel "Pierina"	4****	-
68	Small hotel "Princ"	4****	-
69	Hotel "Vivid Blue"	4****	Wellness & Spa
70	Boutique hotel "Tate"	4****	Wellness & Spa
71	Hotel "Aleksandar"	4****	Wellness & Spa
72	Tourist resort "Slovenska plaža Lux"	4****	-
<b>KOTOR, 28 hotels</b>			
1	Hotel "Jadran Iberostar"	5*****	Wellness & Spa
2	Hotel "Huma Kotor Bay" (previously Allure Palazzi)	5*****	-
3	Small hotel "Vila Platamuni" with depadans	5*****	-
4	Small hotel "Forza Terra"	5*****	Wellness & Spa
5	Small hotel "Forza Mare"	5*****	Wellness & Spa
6	Hotel "Blue Kotor Bay" with depadans (previously Vrmac)	5*****	Wellness & Spa
7	Small hotel "Astoria"	5*****	-
8	Small hotel "Vardar"	4****	-
9	Hotel "Splendido"	4****	-
10	Boutique hotel "Cattaro"	4****	-
11	Boutique hotel "Palazzo Radomiri"	4****	-
12	Small hotel "Conte" with depadans	4****	-
13	Small hotel "Leon Coronato"	4****	-
14	Garni hotel "Alkima", Dobrota	4****	-
15	Garni hotel "Villa Duomo"	4****	-
16	Small hotel "Per Astra"	4****	-
17	Boutique hotel "Casa Del Mare Vizura"	4****	-

18	Boutique hotel "Hippocampus"	4****	-
19	Small hotel "Aruba" Lastav Grbaljska	4****	-
20	Small hotel "Monte Cristo"	4****	-
21	Boutique hotel "Casa Del Mare-Pietra"	4****	Wellness & Spa
22	Small hotel "Casa Del Mare-Amfora" Orahovac	4****	Wellness & Spa
23	Small hotel "Admiral M"	4****	-
24	Small hotel "Porto In"	4****	-
25	Small hotel "Libertas"	4****	-
26	Garni hotel "Palazzo del Mare-Essenza"	4****	-
27	Apart hotel "Villa Rossa"	4****	-
28	Small hotel "Nauta"	4****	-
<b>TIVAT, 12 hotels</b>			
1	Boutique hotel "Regent Porto Montenegro"	5*****	Wellness & Spa
2	Hotel "The Chedi Lustica Bay" (with the condo business model)	5*****	Wellness & Spa
3	Boutique hotel "La Roche"	5*****	Wellness & Spa
4	Small hotel "Nikki Beach Montenegro" with depadans (with the condo business model)	5*****	Wellness & Spa
5	Small hotel "Helada"	4****	-
6	Hotel "PINE" Tivat	4****	Wellness & Spa
7	Hotel "Palma"	4****	Wellness & Spa
8	Small hotel "Montenegrino"	4****	-
9	Small hotel "Astoria"	4****	-
10	Hotel "Magnolija"	4****	Wellness & Spa
11	Hotel "Franca -TV" with depadans	4****	-
12	Small hotel "Carrubba" Tivat	4****	-
<b>HERCEG NOVI, 20 hotels</b>			
1	Small hotel "Lazure Hotel & Marina" Meljine	5*****	Wellness & Spa
2	Boutique hotel "Casa del Mare Mediterraneo"	5*****	Wellness & Spa
3	Hotel "Carine Hotel Kumbor"	5*****	Wellness & Spa
4	Hotel "Palmon Bay Hotel & Spa" with depadans, Igalo	4****	Wellness & Spa
5	Hotel "Iberostar Herceg Novi" Njivice	4****	-
6	Boutique hotel "Kredo"	4 plus ****	-
7	Hotel "Perla" Herceg Novi	4****	Wellness & Spa
8	Hotel "Xanadu" Kumbor, Herceg Novi	4****	-
9	Hotel "SUN RESORT"	4****	Wellness & Spa
10	Small hotel "RR" - Meljine	4****	-
11	Small hotel "Capitano" Kamenari	4****	-
12	Small hotel "Bela Roza"	4****	-
13	Hotel "Park" Bijela	4****	-
14	Hotel "DELFIN" with depadans, Bijela	4****	Wellness & Spa
15	Hotel "ACD" Meljine	4****	Wellness & Spa



16	Garni hotel "Art Media" Žanjice, Herceg Novi	4****	-
17	Garni hotel "OLIMPIJA PLUS"	4****	-
18	Small hotel " Maksim", Meljine	4****	-
19	Boutique hotel "Casa Del Mare - Blanche" Bijela	4 ****	Wellness & Spa
20	Apart hotel "Katunjanin" Igalo	4****	-
<b>BAR, 15 hotels</b>			
1	Small hotel "Kalamper Hotel & Spa" Veliki pijesak	4****	Wellness & Spa
2	Hotel "Princess"	4****	Wellness & Spa
3	Hotel "Ruža vjetrova" Bar	4****	-
4	Small hotel "Franca-Br" Bar	4****	-
5	Hotel "SATO" Sutomore	4****	-
6	Apart hotel "Sea Fort" Sutomore	4****	-
7	Small hotel "Porto Sole" Sutomore	4****	-
8	Apart hotel "Nautilus" with depadans	4 ****	-
9	Small hotel "Edem"	4****	-
10	Hotel "Šars"	4****	-
11	Hotel "Del Medio" Sutomore	4****	-
12	Hotel "Guinness" Sutomore	4****	-
13	Hotel "Pearl Beach" with depadans, Čanj	4****	-
14	Small hotel "Love Live" Sutomore	4****	-
15	Hotel "Montenegro 2", depadans "Vila Jelena"	4****	-
<b>ULCINJ, 25 hotels</b>			
1	Hotel "Plaza & Spa"	5*****	-
2	Hotel "Otrant"	4****	-
3	Hotel "Holiday Village Montenegro" with 4 depadans (previously "Bellevue")	4****	Spa
4	Small hotel "Freiburg"	4****	-
5	Hotel "Hotel Grand"	4****	-
6	Hotel "Laguna Safari"	4****	-
7	Hotel "Blue Moon"	4****	-
8	Small hotel "Pirate"	4****	-
9	Hotel "Hills"	4****	-
10	Hotel "Evropa"	4****	-
11	Small hotel "Mediterraneo"	4****	-
12	Hotel "Hoti Il Rizo" with depadans	4****	-
13	Apart hotel "Le Domaine"	4****	-
14	Small hotel "Palata Venezia"	4****	-
15	Garni hotel "Padam"	4****	-
16	Small hotel "Halibas with depadans"	4****	-
17	Garni hotel "Kasmi"	4 ****	Wellness & Spa
18	Hotel "Prova"	4****	-
19	Small hotel "Nobel"	4****	-
20	Small hotel "Continental"	4****	-

21	Hotel "Franca-UI"	4****	-
22	Small hotel "Salina"	4 ****	Spa
23	Hotel "PIO"	4****	-
24	Small hotel "Ambiente Ulcinj", Ulcinj	4****	-
25	Hotel "Montefila & Primafila" with depadans	4 ****	-
<b>NIKSIC, 3 hotels</b>			
1	Garni hotel "Marshal"	4****	-
2	Small hotel "Royal Garden"	4****	-
3	Small hotel "Trebjesa"	4****	-
<b>CETINJE, 3 hotels</b>			
1	Small hotel "Gradska Cetinje"	5*****	-
2	Hotel "Monte Rosa"	4****	-
3	Small hotel "Ivanov konak" with depadans	4****	-
<b>KOLAŠIN, 3 hotels</b>			
1	Hotel "Bianca SPA & Resort"	4 ****	Wellness & Spa
2	Hotel "Four Points By Sheraton" (previously hotel "Lipka")	4****	Wellness & Spa
3	Garni hotel "Dream House"	4****	-
<b>ŽABLJAK, 3 hotels</b>			
1	Small hotel "Ski hotel"	4****	-
2	Hotel "Žabljak"	4****	Wellness & Spa
3	Small hotel "SOA"	4****	Wellness & Spa
<b>BERANE, 2 hotels</b>			
1	Hotel "Berane"	4 ****	-
2	Garni hotel "IL SOLE "	4****	-
<b>PLJEVLJA, 2 hotels</b>			
1	Small hotel "Gold"	4****	-
2	Hotel "Franca"	4****	-
<b>BIJELO POLJE, 1 hotel</b>			
1	Hotel "Franca BP"	4****	-
<b>MOJKOVAC, 2 hotels</b>			
1	Small hotel "Gacka"	4****	Wellness & Spa
2	Small hotel "Serdar"	4 ****	-

Source: MESPU – Categorization of catering facilities, with downloaded data on Wellness & Spa content from [www.booking.com](http://www.booking.com) and [www.tripadvisor.rs](http://www.tripadvisor.rs)

Annex III: OECD data on health <sup>73</sup>**Table 37:***Health Care Revenue (OECD)*

Financing schemes		All financing schemes						
Year		2017						
Revenues of financing schemes		Transfers from government domestic revenue	Transfers distributed by government from foreign origin	Social insurance contributions	Compulsory prepayment (other than FS.3)	Voluntary prepayment	Other domestic revenues n.e.c.	Direct foreign transfers
<b>Country</b>								
Belgium		38,1	..	39,2	0,0	5,1	17,6	..
Canada		71,5	..	1,4	..	10,0	17,1	..
Chile		35,0	..	15,1	9,8	6,3	33,8	..
Colombia		42,2	..	25,6	3,4	10,0	18,8	..
Denmark		84,0	..	..	..	2,2	13,8	..
Estonia		13,2	..	61,5	..	0,3	25,0	0,0
Finland		73,9	0,0	2,8	1,2	1,8	20,2	..
<u>Germany</u>		14,2	..	63,4	6,8	1,4	14,1	..
Hungary		49,9	..	18,8	..	2,0	29,2	..
Iceland		81,8	..	..	..	..	18,2	..
<u>Israel</u>		39,1	..	24,5	..	11,2	23,4	1,8
Korea		16,9	..	40,5	1,5	6,8	34,4	..
Latvia		57,2	..	..	..	0,6	42,1	0,2
Lithuania		25,2	0,1	40,2	..	1,1	33,3	0,1
Luxembourg		37,3	..	47,6	..	3,0	10,8	1,4
Mexico		28,4	..	22,9	..	5,7	43,0	..
Norway		85,5	..	..	..	..	14,5	..

<sup>73</sup> [www.oecd.org](http://www.oecd.org)

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Poland		11,4	0,0	57,6	0,5	5,7	24,9	0,0
Slovenia		5,7	..	66,1	..	14,3	14,0	..
Spain		67,3	..	3,3	..	5,4	23,9	..
Sweden		83,7	..	..	..	0,6	15,7	..
Switzerland		29,2	..	1,2	33,1	6,5	29,9	..
Turkey		37,4	..	40,3	..	..	22,3	..
United Kingdom		79,4	..	..	..	3,1	17,5	0,0
United States		39,9	..	10,3	34,4	4,5	11,0	..
Non-OECD Economies	Russia	34,8	..	22,2	..	2,2	40,8	..

Table 38:

*Capital investments in the health system (OECD)*

<b>Service provider</b>	All domestic service providers								
<b>Type of measure</b>	Gross fixed capital investment								
<b>Unit of measure</b>	% GDP								
<b>Year</b>	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Country</b>									
Australia	..	..	..	..	0,6	0,6	0,7	..	..
Austria	0,7	0,7	0,8	0,7	0,8	0,8	0,7	0,8	0,7
Canada	0,6	0,6	0,6	0,5	0,4	0,4	0,4	0,4	0,6
Chile	..	..	..	0,3	..	..	0,2	0,2	..
Czech Republic	0,2	0,1	0,1	0,1	0,1	0,1	0,1	0,1	..
Denmark	0,5	0,6	0,7	0,6	0,7	0,6	0,6	0,6	..
Estonia	..	..	0,5	0,5	0,2	0,6	0,4	0,2	..
Finland	0,4	0,3	0,4	0,4	0,4	0,4	0,4	0,5	..
France	0,6	0,7	0,7	0,6	0,6	0,6	0,6	0,6	..
Greece	0,2	0,1	0,1	0,1	0,2	0,2	0,2	0,2	..
Hungary	..	..	..	..	..	..	..	0,2	..
Iceland	..	0,1	0,2	0,2	0,2	0,2	0,2	0,2	..
Ireland	0,3	0,4	0,3	0,5	0,5	0,4	0,4	0,4	..
<u>Israel</u>	0,4	0,3	0,3	0,3	0,2	0,3	..	..	..
Latvia	0,5	0,5	0,5	..	..	..	..	..	..
Luxembourg	0,4	..	..	..	..	..	..	..	..
Mexico	0,2	0,1	0,1	0,1	0,1	0,1	0,1	0,1	..
Norway	0,3	0,3	0,4	0,5	0,5	0,5	0,6	0,5	0,5
Poland	0,5	0,5	0,4	..	..	..	..	..	..
Slovak Republic	0,5	0,4	0,3	0,3	..	..	..	..	..
Slovenia	0,3	0,4	0,5	0,4	..	..	..	..	..
Sweden	0,5	0,6	0,6	0,6	0,6	0,6	0,5	0,6	..
Turkey	0,3	0,2	..	..	..	..	0,3	0,3	..
United Kingdom	0,4	0,3	0,3	0,3	0,3	0,3	0,3	0,3	..
United States	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	..

Table 39:

## Patients' costs in local currency (OECD)

Function	Curative care, Total costs, all residents,																									
Unit of measure	in millions of domestic currency																									
Country	Canada					Czech Republic		Finland			Germany				Hungary	Japan			Korea	Netherlands			Slovenia	Sweden	Switzerland	
Year	2004	2005	2006	2007	2008	2009	2011	2008	2009	2010	2002	2004	2006	2008	2006	2008	2009	2010	2009	2003	2005	2007	2011			
Diagnostic Category	i	i	i	i	i	i	i	i	i	i	i	i	i	i						i	i	i	i		i	
Infectious and parasitic diseases																										
Neoplasms	258.17	321.27	376.82	459.29	491.55	1,509.00	1,642.00	119.20	125.40	125.90	1,032.00	1,212.00	1,381.00	1,610.00	6,709.50	248,300.00	236,300.00	265,300.00	470,241.15	208.91	224.36	210.14	222.86	27.70	2,183.90	456.30
Diseases of the blood and blood-forming organs	109.10	116.70	123.10	140.30	144.60	322.80	399.50	27.00	28.80	29.00	419.00	423.00	432.00	468.00	4,448.10	104,800.00	106,300.00	122,900.00	72,516.60	117.40	116.00	105.40	202.40	6.00	558.70	110.50
Endocrine, nutritional and metabolic diseases	365.30	394.00	445.40	477.10	478.30	993.50	1,045.90	70.50	73.60	75.80	1,937.00	1,878.00	1,904.00	1,883.00	10,505.70	511,700.00	475,500.00	505,900.00	225,917.20	326.80	342.50	278.40	267.10	19.30	1,660.40	278.70
Mental and behavioural disorders	980.00	1,006.30	795.30	771.60	794.80	4,718.80	4,822.00	399.50	400.20	439.00	8,002.00	8,385.00	8,774.00	9,444.00	29,783.20	1,325,900.00	1,412,200.00	1,459,300.00	1,097,748.30	2,220.20	2,673.50	4,166.90	5,016.50	54.70	5,324.40	199.00
Diseases of the nervous system	294.20	309.10	341.70	389.40	405.90	1,271.20	1,372.10	164.20	170.60	168.00	2,074.00	2,154.00	2,293.00	2,335.00	14,500.30	676,600.00	737,100.00	805,600.00	472,411.70	1,008.40	1,163.10	1,034.80	1,882.10	21.10	2,180.70	333.10
Diseases of the eye and adnexa	19.20	19.40	19.80	20.70	20.70	529.00	492.90	18.40	17.30	17.10	813.00	696.00	668.00	611.00	15,038.00	232,100.00	225,700.00	246,200.00	507,335.10	...	...	...	...	7.80	293.50	98.80
Diseases of the ear and mastoid process	27.30	27.50	27.30	31.50	30.70	166.00	191.40	9.10	9.50	9.40	445.00	388.00	403.00	369.00	1,997.90	40,800.00	41,100.00	44,200.00	101,232.40	...	...	...	...	1.60	310.10	54.00
Diseases of the circulatory system	2,357.80	2,460.20	2,581.60	2,778.80	2,846.30	9,919.80	12,454.00	662.20	695.10	712.80	11,489.00	11,434.00	12,645.00	13,332.00	106,439.10	2,845,800.00	3,007,100.00	3,159,900.00	2,105,029.70	1,986.70	1,977.40	2,500.70	3,089.70	150.80	12,771.80	1,935.50
Diseases of the respiratory system	1,121.70	1,199.00	1,245.20	1,294.20	1,366.30	3,891.60	3,995.40	207.50	232.50	216.70	3,253.00	3,444.00	3,472.00	3,775.00	32,962.80	725,800.00	773,700.00	855,400.00	1,265,330.10	760.40	765.40	797.30	783.20	58.80	4,572.60	773.20
Diseases of the digestive system	1,145.60	1,217.00	1,330.60	1,466.80	1,496.10	3,663.40	4,570.40	226.50	235.60	241.80	5,211.00	5,704.00	5,645.00	5,826.00	32,435.30	831,100.00	834,000.00	857,900.00	1,129,310.30	1,031.80	1,030.60	1,037.30	991.10	66.20	5,495.20	1,253.10
Diseases of the skin and subcutaneous tissue	127.00	141.60	150.80	177.10	176.30	411.00	471.70	30.60	33.60	35.80	817.00	833.00	798.00	809.00	6,964.00	87,200.00	87,300.00	93,800.00	91,444.10	277.60	346.30	232.60	307.40	8.40	654.60	180.00
Diseases of musculoskeletal system and connective tissue	746.80	867.00	939.30	1,027.10	1,057.90	2,726.30	3,465.60	298.40	291.30	298.20	8,286.00	8,258.00	8,615.00	8,926.00	37,560.10	793,300.00	816,200.00	852,100.00	1,459,320.40	1,258.40	1,502.40	1,525.20	1,507.50	77.90	5,050.00	1,666.90
Diseases of the genitourinary system	528.00	571.10	599.50	660.50	683.90	2,020.20	2,314.40	105.50	114.50	142.20	2,830.00	2,670.00	2,689.00	2,630.00	24,620.10	512,400.00	520,700.00	548,000.00	635,140.50	696.30	808.50	807.60	1,237.50	94.10	2,916.30	624.90
Pregnancy, childbirth and the puerperium	741.00	789.40	869.30	976.90	984.80	1,907.40	1,924.30	49.40	51.20	143.40	2,532.00	2,023.00	1,933.00	1,819.00	19,394.50	147,000.00	155,900.00	180,300.00	450,351.60	650.00	581.40	614.30	902.60	45.90	3,804.10	883.10
Certain conditions originating in the perinatal period	462.60	504.70	535.40	594.70	621.20	1,759.90	1,748.20	61.60	67.30	69.30	861.00	778.00	905.00	956.00	8,264.60	129,000.00	137,300.00	151,500.00	138,367.80	290.30	257.40	304.70	55.20	14.60	1,686.20	261.60



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