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OLD ROYAL CAPITAL CETINJE

**INVEST IN CETINJE**

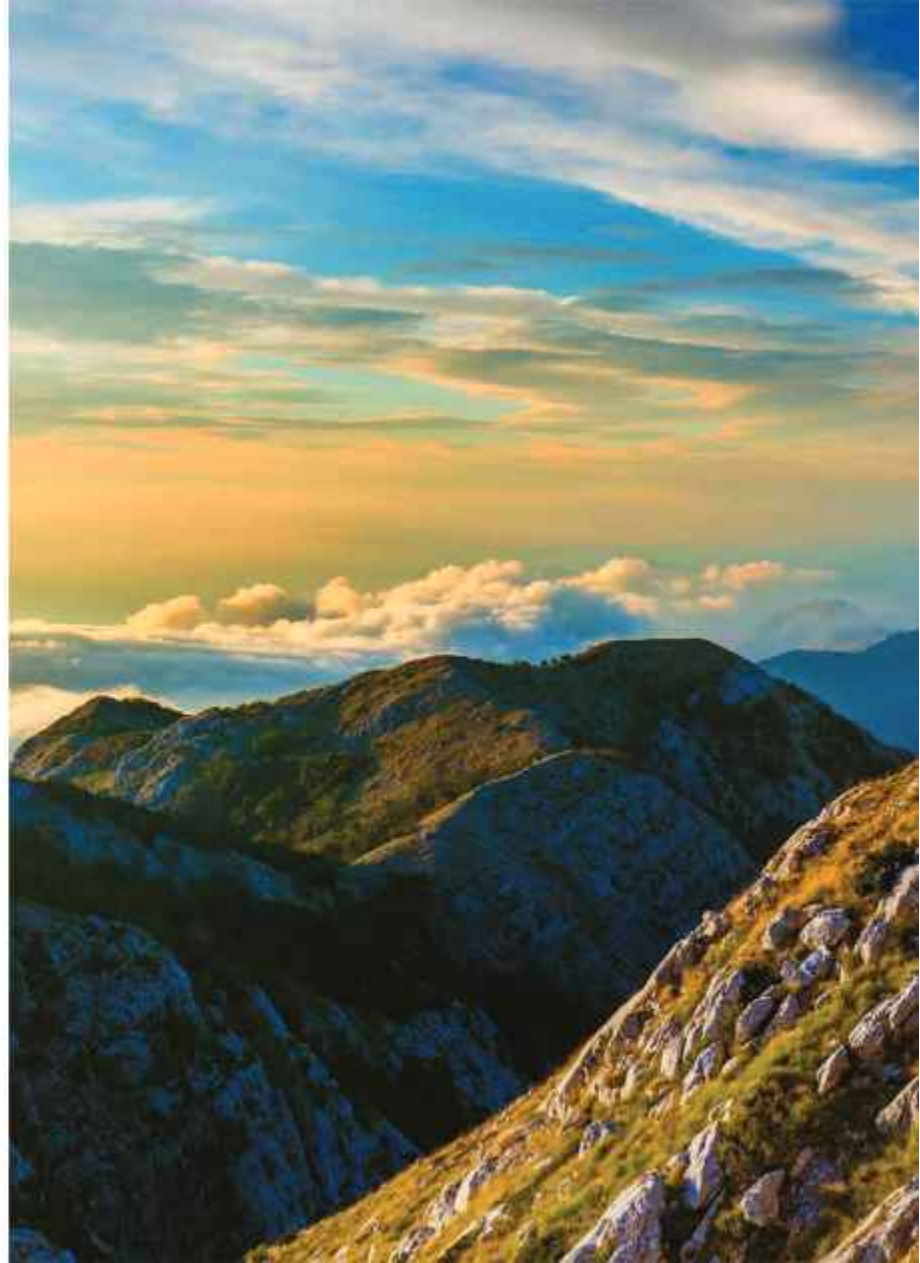
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# OLD ROYAL CAPITAL CETINJE

When we talk about Montenegro, Cetinje is at the heart of the story about its duration. The centuries-old center of the Montenegrin kingdom, the former capital, today is the cultural, spiritual and historical Royal Capital of Montenegro.

For the last five centuries, Cetinje has been the cultural and educational seat of Montenegro and the core of the nation's existence, thus inheriting a huge literary, museum and archival heritage, which is mostly preserved through five state institutions: the National Museum of Montenegro, the State Archives of Montenegro, the National Library of Montenegro "Đurađ Crnojević", the Royal Theatre "Zetski dom", and the Republic Institute for the Protection of Cultural Monuments.

**A very practical and wise advice is rooted here: if you want to learn anything about Montenegro, you should go on a trip to Cetinje, because 70 percent of the movable heritage of the entire country is located here.**





However, Cetinje is not only known for its buildings and historical monuments, but also for its centuries-long printing tradition, rich libraries, as well as for its artists - this city has produced and hosted a significant number of writers and painters during its existence, so it is not surprising that there are three academies in this city - the Faculty of Fine Arts, the Faculty of Dramatic Arts, and the Music Academy.

Cetinje is a rare example of a city in which in such a small area there are so many historical, cultural and spiritual, but also natural contents, that it can easily stand alongside leading European cities of similar size and historical heritage.

## Territory and population

The territory of the Old Royal Capital Cetinje covers an area of 910 km<sup>2</sup>, or 6.6% of the entire area of Montenegro. When it comes to the city itself, it is located on an area of 6 km<sup>2</sup>. According to the size of its territory, Cetinje is among the larger local self-government units in Montenegro.

The borders of the territory of the Old Royal Capital Cetinje include, among other things, two national parks ("Lovćen" and "Skadar Lake"). Cetinje is the administrative center of the Old Royal Capital Cetinje. According to the 2011 census, 16,757 inhabitants live on the territory of the Old Royal Capital Cetinje. The city itself has 13,991 inhabitants.

An aerial photograph of Cetinje, Montenegro, showing a mix of traditional stone buildings and modern structures, surrounded by lush green trees. A winding road or path is visible through the landscape. The infographic text is overlaid on the right side of the image.

910 km<sup>2</sup>

is the area covered by  
the Old Royal Capital

6,6 %

of the entire area of  
Montenegro is the territory of the Old  
Royal Capital

6 km<sup>2</sup>

is the area  
of the city itself



# Position

Cetinje is located in Southeast Europe, at 42°23' 27" north latitude and 18°55'45" east longitude. It is located in the karst Cetinje field, the area of which is nearly seven square kilometers. Cetinje field is further divided into Bajica field, Umčko field, Bogdan's place, Lower place and Lower field - Gruda.

Cetinje is one of the cities with the best communication and geographical position in the entire country. Cetinje is located 37 kilometers from the Capital of Montenegro, Podgorica. From the most important tourist center, Budva, Cetinje is 29 kilometers away.



**Cetinje is 37 kilometers from the airport in Podgorica, 49 kilometers from the airport in Tivat, and 67 kilometers from the Port of Bar.**

## Territorial connection of Cetinje



30 minutes from the Capital  
City of Podgorica



30 minutes from  
the Adriatic coasts



40 kilometers from the  
two airports



67 kilometers from  
the Port of Bar

# Business environment

Considering the current economic situation in Montenegro, as well as at the international level, the Old Royal Capital Cetinje started creating new public policies aimed at valorization of potential and more dynamic economic growth and development. The first step on that path was to create an attractive business environment for potential investors. Through adoption of a package of incentive measures, preparation of planning documentation, resolution of property and legal relations and establishment of business zones for business development, as well as through formation of efficient local administration, an attractive business environment has been established that makes Cetinje a recognizable and attractive destination for investment and creation of new jobs.





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**Aware of the fact that only investments can stimulate the dynamic growth and development of the city, we are dedicated to identifying development opportunities and realizing investments that will provide better conditions for the lives of our citizens.**

# “OBOD” BUSINESS ZONE


When we talk about infrastructure and traffic connections, the “Obod” business zone is located right next to the main road Podgorica - Cetinje - Njeguši - Kotor, which opens it up to both the Montenegrin coast and the interior of the country. The Obod business zone is located 30 km from the Capital of Montenegro, Podgorica. The zone is 30 km away from the tourist center of Montenegro, Budva.

It is 37 km from the airport in Podgorica, 49 km from the airport in Tivat, and 67 km from the Port of Bar. Construction of the main road Cetinje - Čevo - Nikšić is underway, with the completion of which the distance between the Old Royal Capital Cetinje and this business zone from Nikšić will be about 45 km. The above implies that from the “Obod” Business Zone to the most important locations and destinations in Montenegro, it takes on average between half an hour and an hour by car.



 POSITION OF THE COMPLEX

 BOSNIA AND HERZEGOVINA 72km

 NIKSIC 45km


 CROATIA 85km

 CITY CENTER

 SERBIA 186km

 PODGORICA 30km

 ALBANIA 60 km

 BUDVA 30km

 BAR 67km

**Access to the Business Zone is possible along the entire real estate, which concretely means that access to the complex and the buildings within it can be provided functionally and organizationally independently.**

There is a road infrastructure within the complex itself, i.e. there is a road and access to all facilities is provided individually. The business zone is located outside the densely populated part of the city, that is, it adjoins the urban part of the city.

It is located in the immediate vicinity of the urban settlements of Humci and Bajice, in an area where 1/3 of the total population of the Old Royal Capital urban area lives. In the immediate vicinity, at only 200m, there are all secondary educational institutions in the territory of the Old Royal Capital - Gymnasium, Secondary Vocational School, Secondary Art School "Petar Lubarda". The Old Royal Capital's planning documents define a wide range of activities that can be developed and performed in this locality (central and complementary activities, including tourism, hotels, catering, small and medium-sized production facilities, business facilities, shopping centers).



The business zone is fully equipped with infrastructure. Development of the Main Design of water supply installations from Sandin vrh (elevation above the Business Zone complex) to inside the Business Zone has been completed, which will enable this complex, in addition to regular electricity supply, to have a regular water supply 24 hours a day, independent of the city.

The project documentation provides for the possibility of installing and using solar panels in accordance with the principles of energy efficiency improvement.

**In the immediate vicinity of the “Obod” business zone, the “Business Development and Support Agency” of Cetinje was formed as a body that provides support to all entities interested in starting new businesses on the territory of the Old Royal Capital Cetinje.**

All of this entails analyzing and providing information about the labor market, potential sources of financing, available information for business development in our city, organizing business meetings, providing assistance in administrative procedures at all levels, free development of business plans, and a whole series of other services that are in the function of realizing the investment.





**132.561,88 m<sup>2</sup>**

is the area of the complex



**29**

buildings with a total area of  
47.255 m<sup>2</sup> are located on the plot







# “ZAGRABLJE” BUSINESS ZONE

The Zagrablje business zone is located right next to the main road Cetinje - Budva, at a distance of 4.2 km from the city center, on the right side of the main road at the very exit from the city towards Budva. It occupies an area of 2,294,195.00 m<sup>2</sup>. The final phase of construction of the access road to the property itself is in progress, which will connect this plot in terms of infrastructure with the main road Podgorica - Cetinje - Budva. The Zagrablje business zone, just like the Obod business zone, is characterized by excellent traffic connections with the central and southern cities of Montenegro.

The business zone is located 35 km from the Capital of Montenegro, Podgorica. The zone is 25 km away from the tourist center of Montenegro, Budva. It is 35 km from the airport in Podgorica, 45km from the airport in Tivat, and 63 km from the Port of Bar.

**The Zagrablje business zone, just like the Obod business zone, is suitable for a wide range of activities that can be developed and performed in this locality (central and complementary activities).**



**2.294.195,00 m<sup>2</sup>**

is the area occupied  
by the complex

**BOSNIA AND HERZEGOVINA 72km**

**NIKSIC 45km**

**CROATIA 85km**



**"ZAGRABLJE" BUSINESS ZONE**

MAIN ROAD CETINJE – BUDVA

**BUDVA 30km**

**BAR 67km**

**SERBIA 186km**

**PODGORICA 30km**

**CETINJE CENTER 4,2 km**

**ALBANIA 60 km**

# Incentives for business development

Through the adoption of a package of incentive measures, development of complete planning documentation, identification of locations for business development, and what is especially important, establishment of an efficient local administration, we managed to establish an attractive business environment that makes Cetinje a recognizable and attractive destination for investments and creation of new jobs.

That is why the Old Royal Capital Cetinje, with the intention of establishing a high-quality legal and administrative framework for investment, conceived a set of incentives for creating optimal conditions for investment, whereby we put the emphasis on investments in the unused capacities of former economic entities in the business zones "Obod" and "Zagrablje". In this regard, we have created a quality environment to support investors, through the following key activities:

- *Incentive program for investments in business zones and outside them (Incentives for implementation of brownfield investment and incentives for implementation of greenfield investments);*
- *Incentive programs for tourism development;*
- *Incentive program for development of agriculture;*
- *State-Level Incentive Program.*

Through the incentive program for investments in the business zones of Obod and Zagrablje, as well as outside them, regardless of whether it is a completely new business or investments in already existing infrastructure capacities (regardless of whether it is a greenfield or brownfield investment), depending on the type of investment, the amount of the investment and the number of newly created jobs, potential investors can realize the following benefits:

- *leasing land for up to 30 years with the payment of an annual rent of 0.01 euro (1 cent) per square meter;*
- *the possibility of purchasing land by the user at the estimated value with the possibility of repayment in 60 monthly installments, with the prior consent of the Government of Montenegro;*
- *reduction of the fee for communal equipment of construction land by 100%;*
- *exemption from payment of fees for the use of municipal roads for a period of 10 years;*
- *reduction of real estate tax up to 90% (for agricultural producers);*
- *free development of business plans.*



According to the Decision on the Method and Procedure for Leasing Business Premises owned by the Old Royal Capital Cetinje, all potential investors are provided with the opportunity to lease real estate, especially business premises or their parts which do not meet technical standards, contain such deficiencies that their use is hindered or prevented or require significant investment for their utilization, at a minimum price of 0,01€ per m<sup>2</sup>, in order to realize projects or conduct activities significant for the development of the Old Royal Capital Cetinje.

In this case, the lease agreement will stipulate the investment dynamics and employment plan, which will entail the lessee's obligation to invest the following minimum amounts and employ personnel for the purpose of project realization or business activities within the leased property, with the respective surface areas:

- *for surfaces up to 1.000 m<sup>2</sup>, invest a minimum amount of 100.000,00€ and employ a minimum of 5 individuals;*
- *for surfaces from 1.000 m<sup>2</sup> to 3.000 m<sup>2</sup>, invest a minimum amount of 150.000,00€ and employ a minimum of 10 individuals;*
- *for surfaces from 3.000 m<sup>2</sup> to 8.000 m<sup>2</sup>, invest a minimum amount of 500.000,00€ and employ a minimum of 20 individuals;*
- *for surfaces from 8.000 m<sup>2</sup> to 15.000 m<sup>2</sup>, invest a minimum amount of 1.000.000,00€ and employ a minimum of 40 individuals;*
- *for properties exceeding 15.000 m<sup>2</sup>, the Assembly of the Old Royal Capital Cetinje will make a separate decision.*

# Incentives for tourism development

Along with the development of small and medium-sized industries and the creation of new jobs, another key priority of our city administration is tourism development. Not counting the cities on the coast that are oriented towards mass summer tourism, Cetinje is the leading city in terms of tourist visits in Montenegro.

The Old Royal Capital has the potential to develop as a tourist destination and to be recognizable on the tourist market, as evidenced by the increase in the number of visitors and overnight stays.

**COMPARISON OF THE NUMBER OF TOURISTS**

MONTH	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
JAN	55	0	268	57	1040	7	151	199	100	2	22	19
FEB	0	56	196	252	317	82	82	478	863	73	40	
MAR	994	1066	1117	1294	3264	3236	3362	2554	282	77	1324	
APR	3637	5560	6059	7316	5873	6792	10332	11445	0	161	5132	
MAY	10961	17885	13809	14003	15101	13775	23635	25933	0	1707	15989	
JUNE	11556	18938	18007	17815	15125	22211	24044	26618	1770	4742	14599	
JULY	11626	16233	14877	13276	13149	18338	17944	19924	648	7867	9061	
AUG	11119	16099	14656	16885	16086	19280	18639	22302	1115	8350	11989	
SEPT	15672	24202	24125	24402	28402	29465	29300	34929	1536	9014	17069	
OCT	7829	11110	12471	14704	15941	17531	18615	22773	409	6238	13200	
NOV	346	2425	3955	5387	5054	4874	5749	4268	19	919	1253	
DEC	0	494	2339	3421	3636	3053	2177	1804	4	92	2382	
	<b>73.795</b>	<b>114.068</b>	<b>111.879</b>	<b>118.812</b>	<b>122.988</b>	<b>138.644</b>	<b>154.030</b>	<b>173.227</b>	<b>6.746</b>	<b>39.242</b>	<b>92060</b>	<b>19</b>

**NUMBER OF ACCOMPLISHED ARRIVALS AND OVERNIGHT STAYS**

<b>2020</b>	
Arrivals	505
Overnight stays	16311
<b>2021</b>	
Arrivals	925
Overnight stays	17613
<b>2022</b>	
Arrivals	1538
Overnight stays	24679

Two projects, whose realization is in progress, which will significantly improve the tourist offer of the city are:

## CONSTRUCTION OF THE CABLE CAR KOTOR - LOVČEN

The Kotor-Lovćen cable car construction project, whose construction is underway and will be put into operation in 2023, is one of the most important and challenging projects from the aspect of improving the tourist offer, but also of measurable economic benefits for the public and private sector. Namely, the project foresees the construction of a cable car with gondolas, which will be unique in the world both because of its length and because of the fact that it is the first cable car connecting two cities. It will connect the two most historically important cities in the country - Cetinje and Kotor. Above all, in a 20-minute ride, the cable car will offer tourists an exceptional atmosphere - to enjoy the motifs of the Lovćen mountain from the Adriatic coast, from one of the world's most beautiful bays - Boka Kotorska and then visit Cetinje.

## CONSTRUCTION OF THE HOTEL "LOKANDA" AND RECONSTRUCTION OF THE STUDENT SQUARE

All the necessary prerequisites for construction of the "Lokanda" hotel and the Student Square have been created by the city administration. The complete spatial planning documentation was prepared, the conceptual design for construction of the Lokanda hotel was prepared, and the main design for reconstruction of the Student Square from the second floor of the underground garages. Pursuant to the Law on Public-Private Partnership, development of an Analysis of the Justification of a Public-Private Partnership is in progress, after which the Old Royal Capital will launch a tender procedure for selection of a private partner. This is an extremely important investment, because the Lokanda has historical and cultural significance for Cetinje, which is confirmed by the fact that it is classified as a cultural monument. In addition, putting the hotel into operation will create a significant number of jobs, which will undoubtedly have positive effects on the local economy. No less important, the Old Royal Capital will increase the number of accommodation capacities in the city by building the Lokanda hotel.

Incentives for tourism development that can be granted are determined according to the number of new high-category accommodation capacities.

An investor who realizes an investment in the territory of the Old Royal Capital Cetinje, depending on the number of accommodation capacities of category 3, 4 and over 4 stars, within the catering facilities for providing accommodation services, may be granted incentives, as follows:

For the construction of new accommodation capacities of the 3-star category, with a capacity of 20 to 40 beds:

- *Reduction of real estate tax for the first three years after construction by 15%;*

For the construction of new accommodation capacities of the 3-star category, with a capacity of over 41 beds:

- *Reduction of real estate tax for the first five years after construction by 15%.*

For the reconstruction of existing accommodation capacities into the 3-star accommodation capacities, with a capacity from 20 to 40 beds:

- *Reduction of real estate tax for the first three years after construction by 15%;*

For the reconstruction of existing accommodation capacities into the 3-star accommodation capacities, with a capacity of at least 41 bed:

- *Reduction of real estate tax for the first five years after construction by 15%.*

For the construction of new accommodation capacities of the 4-star category, with a capacity from 20 to 40 beds:

- *Reduction of real estate tax for the first three years after construction by 30%;*



For the construction of new accommodation capacities of the 3-star category, with a capacity of 20 to 40 beds:

- *Reduction of real estate tax for the first three years after construction by 15%;*

For the construction of new accommodation capacities of the 3-star category, with a capacity of over 41 beds:

- *Reduction of real estate tax for the first five years after construction by 15%.*

For the reconstruction of existing accommodation capacities into the 3-star accommodation capacities, with a capacity from 20 to 40 beds:

- *Reduction of real estate tax for the first three years after construction by 15%;*

For the reconstruction of existing accommodation capacities into the 3-star accommodation capacities, with a capacity of at least 41 beds:

- *Reduction of real estate tax for the first three years after construction by 30%.*

For the construction of new accommodation capacities of the 4-star category, with a capacity from 20 to 40 beds:

- *Reduction of real estate tax for the first three years after construction by 30%;*

For the construction of new accommodation capacities of the category over 4 stars, with a capacity of over 41 beds:

- *Reduction of real estate tax for the first five years after construction by 70%.*

For the reconstruction of existing accommodation capacities into the 4-star accommodation capacities, with a capacity from 20 to 40 beds:

- *Reduction of real estate tax for the first three years after construction by 70%;*

For the reconstruction of existing accommodation capacities into accommodation capacities over 4 stars, with a capacity of at least 41 beds:

- *Reduction of real estate tax for the first five years after construction by 30%.*

# Incentives for agriculture development

A farmer who realizes an investment in the territory of the Old Royal Capital Cetinje (regardless of the ownership structure of the real estate on which the investment is realized), depending on the amount of the investment and the number of newly created jobs, can realize the following incentives:

- **100%** reduction in the fee for communal equipment for investments that involve the creation of at least 10 new jobs;
- Reduction of real estate tax by up to **90%** for a user who is registered in the register of agricultural producers, a legal entity and an entrepreneur engaged in the production, finishing, packaging or processing of agricultural products produced in Montenegro, if the real estate is used for performance of this activity, for the first 5 year of operation, after which compensation is calculated in accordance with the law, for investments that imply the opening of at least 3 new jobs;
- Exemption from paying the fee for the use of Municipal roads for the first 5 years of operation, after which the fee is calculated in accordance with the law, for investments that imply the opening of at least 3 new jobs;
- Free development of business plans for investments in the territory of the Old Royal Capital.

# State-Level Incentive Program

The Government of Montenegro and the Ministry of Economic Development and Tourism, responsible for crafting and implementing policies supporting the micro, small and medium-sized enterprises and entrepreneurs, are fully dedicated to further strengthening and developing this sector, which stands as one of the key pillars of accelerated economic growth.

Through the Economic Competitiveness Enhancement Program proposed by the relevant ministry and annually enacted by the Government, an average amount of 3,000,000.00 euros is allocated. The aim is to further empower economic activities by providing stronger incentives for investments, including the acquisition of both large and small-scale equipment, digital transformation of businesses, transitioning from linear to circular business models, enhancing the export potentials of business entities, and supporting new entrepreneurs with mandatory mentoring assistance. This comprehensive approach is designed to best meet the needs of Montenegrin economy.

- Regarding tax incentives, Article 32 of the Personal Income Tax Law stipulates: *"A taxpayer who commences activities in economically underdeveloped municipalities shall have their tax reduced by **100%** for the first eight years."*
- *The total amount of tax exemption under this article for the eight-year period cannot exceed 200,000.00 euros.*
- *Similarly, in accordance with Article 31 of the Corporate Income Tax Law: "A newly established legal entity conducting activities in economically underdeveloped municipalities shall have its corporate income tax reduced by **100%** for the first eight years."*



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