

# The national airline is of invaluable importance for Montenegro

■ Developing tourism as a strategic economic branch is impossible without relying on a strong and stable national airliner

**MARK ANŽUR**  
Air Montenegro, CEO

and maximum effort invested by our employees, with the support of the Government of Montenegro.

Also, during that period, there were numerous restrictions on travel due to the Covid-19 pandemic, which made business even more difficult, so we are one of the few airlines that were founded in Europe and the world in the year of the global crisis.

During our first year of business, we had only one plane in the fleet, the E95, with 116 seats, and about 110,000 passengers were transported to 5 destinations during regular flights, i.e., to Belgrade from Podgorica and Tivat, Banja Luka, Ljubljana, Frankfurt, and Istanbul. A series of charter flights to Yerevan and numerous ad hoc charter flights have been carried out too.

The following year (2022), we had two E95 airplanes for the whole year, with an additional lease of an A320 aircraft with 180 seats for 6 months during the summer season when around 360,000 passengers in total were transported. We regularly flew to 11 destinations. In addition to the flights to the destinations from 2021, we introduced six new flights - Zurich, Paris, Nantes, Lyon, Copenhagen, and Prague, and a series of charter flights.

This year, i.e., two years after the airliner was launched, we are flying to 14 destinations plus all destinations from the previous year and have charter flights to eight destinations.

Namely, this year, the national air carrier Air Montenegro regularly flies to Belgrade, Ljubljana,

Banja Luka, Frankfurt, Zurich, Paris, Lyon, Nantes, Copenhagen, Prague, and Istanbul, just like previous year, and for the first time, we are also flying to Bratislava, Brno, and Sarajevo.

In addition to new charter flights to the Baltic countries (Riga, Vilnius, and Tallinn), which operate from Tivat Airport, we have new charter flights from Podgorica to Rzeszów in Poland. Just like in previous years, we also have charter flights to Yerevan, Cairo, and Katowice from June to September, while charter flights from Tel Aviv were launched in March, and we will fly to this destination until October of the current year.

Dynamic growth and development are characteristics of the previous and certainly future periods of the company's operations.

**How important is it for Montenegro to have its own national airline?**

In short, it is of invaluable importance, and let me explain why.

Our country's size, a geographical position as a distinct aviation destination of dominant seasonality, and the influx of capital are only some of the reasons why Montenegro must have a national airline.

The existing infrastructure and rail and road traffic in Montenegro require that the state should, first and foremost, rely on the market/commercial business policy of domestic airlines instead of foreign ones, which cannot provide stable support for the country's economy, especially in the off-season.

TO Montenegro's Board of Directors will propose a development strategy in accordance with the supervision of the company's operations and its duties and responsibilities. An adequate investment plan will define the marketing and commercial strategy following market requirements.

Also, the state tourism policy is such that it focuses on making Montenegro a year-round, rather than a seasonal, tourist destination which, in turn, supports the strategy that my team and I will, after it has been given the green light, apply to Air Montenegro's operations.

Bearing in mind that tourism's share in Montenegro's GDP is about 25%, we are confident that the action plan, which will be an

integral part of the Strategy, and its implementation will bring multiple economic benefits to the state, economy, and citizens alike. I am also sure that developing tourism as a strategic economic branch is impossible without relying on a strong and stable national airliner.

**How important are flights to Serbia, and how do you view the**

an average load factor of 66.5% last year, while Air Serbia's was 76%. From Montenegro, Air Serbia flies almost exclusively the very popular and sought-after route to Belgrade. In addition to the route to Belgrade, Air Montenegro also regularly flew to Western Europe last year and developed the now-established and successful route Tivat-Istanbul, which inevitably had to be reflected in a

Company, has two aircraft, Embraer 195 (registrations AOA and AOB) and leased Embraer 190 (registration UR-EMA) from Windrose, as well as Airbus 320 (registration LYFJI) rented from Heston Airlines.

The strategy, which I previously discussed with the Board of Directors, will include, among other things, so-called "self-standing" operations to occupy a significant



**duopoly? Is Air Serbia a competitor or a partner? Is there room for a third carrier there?**

Since the suspension of Montenegro Airlines' flights in late 2020, Air Serbia has become the most dominant airline at Montenegrin airports, with the largest share in

somewhat lower average load factor compared to Air Serbia.

Air Serbia is our partner, especially considering that a larger number of flights, especially to Tivat airport, are operated by their connected flights from other European destinations via Belgrade,

market position, achieving good financial and operational indicators, financial profitability, and commercial viability in the aviation business.

TO Montenegro's strategic development and commercial policy implies dynamic development in the future, which, among other things, includes the acquisition of new aircraft and the expansion of both the flight network and the base of stable clients/passengers.

Air Montenegro must have a fleet that must and can service the Montenegrin market and should be a priority for any government.

We also need to have well-trained, experienced staff and educate and invest in new staff who can lead a commercially stable and operational company based on optimal principles.

However, as I said earlier, while appreciating the Government's strategic determination to make Montenegro a year-round tourist destination based on economic profitability, we will also work on expanding the flight network and increasing the traveller base, i.e., the users of our services and Montenegro's integral tourism product. ●

Numerous controversies followed the formation of the new Montenegrin national airline Air Montenegro. But putting it back on its feet, practically from scratch, also meant a break from the period of bad management and losses that the national flag carrier amassed. We spoke with Air Montenegro's CEO, Mark Anžur, about what the new airline means to Montenegro and in which way it fights global challenges and deals with stiff competition.

**Could you evaluate the airline's operations two years after its establishment? Have the set goals been met?**

Based on the previous analysis of the situation, and since I have been the head of the TO Montenegro Company, the company, and the national airliner Air Montenegro have had stable operations based on periodic financial

reports and monitoring of cash flows, the technical condition of passenger cabin occupancy of 65% in regular traffic. The company

## AIR MONTENEGRO LAUNCHED REGULAR FLIGHTS ON JUNE 10, 2021.

the aircraft, satisfactory current liquidity, booking status and capacity occupancy.

The company is financially viable, the capitalization is satisfactory, and the current operational and financial indicators for the period from January 1 to the end of June this year are better than the previous year.

Since its establishment, i.e., since the first commercial flight on the Podgorica-Belgrade route on June 10, 2021, until late June this year, Air Montenegro has had almost 8,100 flights, transporting over 660,000 passengers with average

ny also generated 57 million euros in total revenue.

**What challenges does a young airline face, and how do you respond to the post-pandemic problems?**

After a six-month-long break and suspension of flights of the previous national airline at the end of 2020, Air Montenegro launched regular traffic on June 10, 2021.

In the previous period, establishing trust among passengers and partners was rather challenging and demanding but still possible thanks to the professionalism