

Bijela

Adriatic Shipyard

Newsletter N° 4 • December 2001

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AT THE END OF 2001

The stabilization of economic and political circumstances enabled Adriatic Shipyard Bijela to sail under full canvas and to return where it was through the previous decades - to the very top of ship repairing business.

This company intrudes itself to the world market with quality of services, honoring stipulated terms and competitive prices.

Side by side with its come back and conquest of new markets, Adriatic Shipyard has conducted a line of measures aiming increase of quality and productivity. The equipment is for the most part modernized, new tools have been bought, workers have gone through training and specialization.

Achieving the certificate ISO 9002, the shipyard became a member of numerous international family where the quality is basic omen of work and efficiency. The brokers net has been developed worldwide and representatives of shipyard are present at all international meetings and fairs of maritime economy. This being the case, during 2001, production capacities of the shipyard were well employed and good results were achieved. But ambitions of the management are wider and further development of this company through starting development projects and programs is planned for the next year, which will result a higher profit. The target of management is to make Adriatic Shipyard a recognizable company in the sphere of quality repair work and also to be recognized by its capability to meet world standards and requests of shipyards clients, as the shipyard has all predispositions to fulfill such claims and is ready to face world market requests and become a leader in repair business in this part of Adriatic.



SHIPYARD AS A WINNER OF EUROPEAN AWARD FOR QUALITY

Adriatic Shipyard Bijela, within November, has won another very significant recognition - EUROPEAN AWARD FOR QUALITY IN 2001 (NEW MILLENIUM AWARD) granted by the TRADE LEADERS CLUB from Madrid. The international Award for Quality was established 15 years ago by EDITORIAL OFFICE as a part of the Trade Leaders Club program for promotion of international connections and contacts between businessmen all over the world. The scope of this award is to point out companies dedicated to improve the quality of their products or services, and also to promote commercial contracts between companies from all countries within the European Union.



STANKO ZLOKOVIĆ RE-ELECTED AS GENERAL MANAGER

Mr. Stanko Zloković was re-elected last month by unanimous decision of Managing Board as a General Manager of Adriatic Shipyard.

In accordance to the statement of the president of Managing Board, Mr. Vladimir Vukmirović, a decision to re-elect Mr. Stanko Zloković as a general Manager is above all motivated by results of his previous work, as well as by his vision of further prospect of the Shipyard representing a guarantee for further successful work.

Mr. Vukmirović also stressed out that Mr. Zloković by his works has created business policy and did not allow to be driven by the circumstances.

By his work, Mr. Zloković, beside a short term orientation, perceives also a long term vision which is needed by the enterprise and the same is the best guarantee for Managing Board that his election for the position of General Manager is a right solution.

Interview with Mr. Stanko Zloković, the General Manager of Adriatic Shipyard Bijela

BIJELA - LEADER OF SHIPREPAIR BUSINESS IN THE REGION

I consider the satisfaction of our clients as our greatest success. Present activities, ship repairs and manufacturing steel constructions, from now on will be our priorities to improve and to perfect. Our aim is to become one of the leading repairing shipyards in this region. We plan to enrich our offer by developing new production activities, and I think, above all, by rebuild and reconstruction of ships as well as construction of ships in steel with smaller dimensions (tugs, steel yachts etc). Within the coming period we will focus on opening of consignment stocks of major world companies in order to make our offer for ship repair more complete to our clients.

EXPECTED SHIPS

Shipbuilders from Bijela will have a lot of work in the coming period. According to the statement of Mr. Petar Huter, Sales and Marketing Manager, the arrival of 3 ships is in prospect till the end of this year, and a great number of offers, which are in considering procedure, announce the arrival of several ships just after the New Years holidays. The good employment of production capacities Adriatic Shipyard attained by a new breakthrough on the world market with its services being competitive in quality, prices and terms.

In addition to aforementioned goes a fact that repair works on all ships being in the Shipyard in the previous period, were carried out within the agreed terms and under set standards, so that clients had no remarks on the quality of executed works and were very satisfied with the same.



RENEWED COOPERATION WITH RUSSIA AND UKRAINE

General Manager of Adriatic Shipyard Mr. Stanko Zloković, President of the Managing Board, Mr. Vladimir Vukmirović and Mr. Đorđe Pestorić, Deputy Sales Manager were visiting Ukraine during November. In Ukrainian Ministry of Transport they have met the Head of Maritime Transport Department and they have been acquainted with the situation in Ukrainian shipping companies. Within talks with leading persons from the company "Ukrreclot", they presented possibilities of Adriatic Shipyard. On the occasion, the guests from Montenegro were convinced that their company will continue the collaboration with the Shipyard on the level as it used to be twenty years ago.

The talks were also held with representatives of Ukraine Danube Company (UDP), which was the business partner of the Shipyard from Bijela in the past three years, and there was made an agreement to activate this program.

The meeting with representatives of the company "Sovkomflot" was particularly successful, as the Shipyard was cooperating with this company for more than 20 years. It is agreed with the Manager of this company to repair four of their ships in Bijela within next year.

FULL EMPLOYMENT

The full employment of the Shipyard's production capacities in November has also continued in December. During this month two RO-RO ships "Undtransfer" and "Undransporter" are on repair, and they are going to stay in the Shipyard premises for 25 days. Their previous owner is from Turkey and the new one is from Italy, so that in the Shipyard their hand-over is expected.

At the beginning of December the vessel "Manamaria", from the Greek company "Taskos", has come for overhauling, and on 10th of December the ship "Armela" from "Dabinovic" company, Monaco has also sailed into the Shipyard. As per previous agreement, within December should arrive also a ship from Italian company "Bogazzi" which was a good business partner of the Shipyard in the past years.

But the largest repair works are taking place on Greek ship "Akti A" and it is going to stay in the Shipyard till the end of December.



SUCCESSFUL TALKS IN LONDON

The Sales and Marketing Manager of Adriatic Shipyard Bijela. Mr. Petar Huter, has been recently in London in order to renew cooperation of the Shipyard with British partners.

On that occasion was organized a number of meetings with representatives of 17 companies from London and Newcastle, whereby were presented possibilities of Adriatic Shipyard with special attention to the quality, terms and price of services.

This successful visit was also used for engagement of professional and very influential agent for needs of the Shipyard who guarantees that after the New Year, British ships will start to come for repair purposes.

BIJELA - LEADER OF SHIPREPAIR BUSINESS IN THE REGION

We will continue on education and training of our personnel but the special attention will be drawn on upgrading personnel from the production for sub specializations. We are approaching modernization and revitalization of capital assets and equipment through credit arrangements, additional capitalization and privatization. The Shipyard has finished with ownership transformation and employees are owners of 24,44% of capital assets. The process of mass voucher privatization is in due course, and within this process will be privatized 13,36% of Shipyards' capital assets, which means that in the private property will totally be 37,95% of the capital. The remaining part of 62,05% of Shipyards' capital is planned to be sold to strategic investor through international public tender within next two years.

Management Board of the Shipyard Bijela last month has elected you for the second time on the position of General Manager. How do you evaluate present position of the Shipyard relating to the world market and is there a difference in connection to positions four years ago?

— Four years ago, when I was elected for the first time as the General Manager we had strategic determination to dispose our services on the western market as at that time the market of eastern countries was out of our interest due to numerous economical and political problems their companies were going through.

Nowadays the situation in these countries is completely different and there are growth and development of maritime companies, so our efforts in the next period will be that ships from that market come again in the Shipyard. The same strategy is related to the North European Market. The business philosophy of Adriatic Shipyard is that repairing quality become the most important determination and our greatest reference to attract business partners.

Positions of the Shipyard are now much better than four years ago as these regions have finally come to economical and political stabilization and our clients can bring their ships without fear to our Shipyard for repair.

Within past four years a great number of assets have been invested in updating and modernization of our equipment and tools which makes our offer more complete and more qualitative, and being like this, we can satisfy the most demanding clients.

What could be, according to your opinion, considered as your greatest success and what are your plans for the next four years?

— A part from a great number of difficulties in the past period, we have succeed to impose ISO 9002 and by this to coordinate our and international stan-

dards. We have also carried out partial modernization and revitalization of significant capacities. For the purpose of more qualitative and effective repairing, we have supported the development of sub-contractor firms in our surroundings and they have more improved our offers in regard to the quality and terms. The particular attention was paid on personnel training of all profiles.

We have succeeded to get back previous clients and also to achieve new ones. Due to extraordinary engagement we have organized a wide net of brokers, all over the world.

Of course, as our success, I also consider the satisfaction of our clients due to quality and prompt repair of almost all ships being in our Shipyard for overhauling purposes.

As far as our plans for the next period are concerned, our development will be performed in several strategic directions.

Present activities, overhauling of ships and manufacturing of steel constructions will continue to be our priorities to improve and to specialize. Our aim is to become one of the leading repair shipyards in this region.

We also plan to renew our offer introducing new activities, I think above all, business modifications, ship reconstruction and also construction of ships in steel with smaller dimensions (tugs, steel yachts etc).

In the coming period we will focus on opening of consignment stocks of major world companies in order to make our offer for ship repair more complete to our clients.

We will continue on education and training of our personnel but the special attention will be drawn on upgrading personnel from the production for sub specialization.

What will be the priority in the next period?

Profitable business operations tending to increase profit and general reconstruction of the Shipyard. We are approaching modernization and revitalization of capital assets and equipment through credit arrangements, additional capitalization and privatization. Increasing productivity and profitability through improvement of applied ISO standards by implementation ISO 9001 – 2000 and ISO 14000.

Enabling us to realize set targets, it is above all necessary to employ production capacities and to effect production tasks. The keen competition will be overcome by active and adaptable price policy, increased quality and general reliable access and execution of contractual obligations to the satisfaction of clients.

I am sure that, by applying world standards in business operations, the Shipyard will realize set targets, and in itself will enable development and better standard of employees and shareholders.

What are the following phases for privatization of the Shipyard?

The Shipyard has finished with ownership transformation and employees are owners of 24,44% of capital assets. The process of mass voucher privatization is in due course, and within this process will be privatized 13,36% of Shipyards' capital assets, which means that in the private property will totally be 37,95% of the capital. The remaining part of 62,05% of Shipyards' capital is planned to be sold to strategic investor through international public tender within next two years. The aim of privatization

must be to obtain additional assets for developing programs and employment of the Shipyard.

At the end, I would also like to point out the fact, illustrating the profitability of the firm: the Shipyard is on the third range in Montenegro considering the number of invested vouchers, showing the trust of citizens in this company.



Priorities in the next period - Profitable business operations tending to increase profit and general reconstruction of the Shipyard.

REFERENCE LIST OF VESSELS REPAIRED IN THE YEAR 2001

(THE LIST HAS BEEN COMPLETED ON NOVEMBER 23)

Vessel name	Dwt	Type	Owner / Operator	Note
Sentinel	1590 grt	Fishing ship	Diamar SPA – Italy	
Boka Star	925 grt	RO-RO cargo ship	ShipStar Shipping Service – Honduras	
Capo Marina	1707	LPG tanker	EGM Genoa – Italy	
Saint	17475	Bulk carrier	Alcon Holding – Greece	
Santa Barbara	23720	General cargo	Croatia Line – Croatia	
Capo Cervo	3537	LPG tanker	EMG Genoa – Italy	
Big Wave	69346	Bulk carrier	Teo Shipping – Germany	
Benedetta	602 grt	Floating dock	Gradni Lavori Finacosit – Italy	
Capo Manuela	2448	LPG tanker	EGM Genoa – Italy	
Orjen	72050	Bulk carrier	Jugooceanija - Yugoslavia	
Four Springs	84970	Tanker / crude	Reederei Ernst Jacob – Germany	
W.S. Berber	32175	Tanker	Eltokxween int. Shipping – Malta	
W.S. Nile	47658	Tanker	Eltokxween int. Shipping – Malta	
MSC Melbourne	21370	Container carrier	Fenban Shipping – Cyprus	
Cielo di Spagna	19345	General cargo	Docendale Shipping – Bahamas	
Lepetane	26711	Bulk carrier	Dabinovic – Monaco	
Panamax Ride	62657	Bulk carrier	Cyprus Maritime – Cyprus	
Capo Cervo	3537	LPG tanker	EMG Genoa – Italy	Second time in for repair
Kotor	30435	Bulk carrier	Dabinovic – Monaco	
Reborn	8480	General cargo	Mediterranean S&T – Malta	
Nomadic Pollux	17160	General cargo	Mathilda Shipping AS – Norway	
Tramper	8438	Bulk carrier	Graig Shipping Management – UK	
Bearing Sea	89999	Oil carrier	Tanker Pacific Manag. – Singapore	
Solin	24374	General cargo	Salona Maritime Ltd – Malta	
Makarov	30960	General cargo	Unicom – Cyprus	
Kamenari	131.94 grt	Ferry	Pomorski saobraćaj - Yugoslavia	
Canmo	5210	General cargo	Mayer Ship AS – Norway	
Milenium Majestic	17154	General cargo	Millenium Maritime Services Co.- GR	
Kapitan Sviridov	19240	Bulk carrier	Murmansk Shipping Co. - Russia	
Grant Carrier	30850	Multipurpose	Jugooceanija – Yugoslavia	
Grant Mariner	34800	Multipurpose	Jugooceanija – Yugoslavia	
Lepetane	131.94 grt	Ferry	Pomorski saobraćaj - Yugoslavia	
Arkaim II	5210	General cargo	Mayer Ship AS – Norway	
Vigsnes	6105	Bulk carrier	Storesund Management – Norway	
Dolisie	29538	Bulk carrier	Dockendale – Bahamas	
Spring Delight	12783 grt	Reefer	Jacob E. – Germany	
Kamenari	131.94 grt	Ferry	Pomorski saobraćaj – Yugoslavia	
Tiburon	268 grt	Fishing vessel	Brockton Ficheries SA – Greece	
Blue Caribe	1492 grt	Chemical tanker	Stargas – Italy	
Italica	6080	General cargo	Diamar Spa – Italy	
Novi	28972	Bulk carrier	Jugooceanija – Yugoslavia	
Grootsand	2175	Reefer	Riga Transport – Latvia	
Borgfeld	4190	Bulk carrier	Beluga Shipping – Germany	
Gargantua	4250 grt	Barge	Augustea Imprese Maritime – Italy	
Anja C	3650	General cargo	Dovanko Marine – Greece	
Chembulk Trader	22305	Chemical/Oil tank.	Jacob E. – Germany	
Hope I	30900	Bulk carrier	Jadroplov - Croatia	
Sun Emilia	6565	General cargo	Norbulk shipping - UK	
Gerasimos K	4368	General cargo	Meganisi Shipping – Greece	
Orjen	72050	Bulk carrier	Jugooceanija – Yugoslavia	
Tazerbo	3210	LPG	G.N.M.T.C. - Libya	
Norgas Voyager	8700	LPG	Norwegian Gas Carriers – Norway	
Akti A	26771	Product tanker	Ancora Investment Trust - Greece	
Dania – Carina	7196	General cargo	Reederei Uwe Suhr – Germany	
Armelle	26771	Bulk carrier	Dabinovic – Monaco	
Reborn	8480	General cargo	Mediterranean S&T – Malta	Second time in for repair
UND Transfer	6476	Ro-Ro	Und Ro-Ro Isletmeri – Turkey	
UND Transporter	9750	Ro-Ro	Und Ro-Ro Isletmeri – Turkey	

58 SHIPS REPAIRED IN 11 MONTHS

Nevertheless all business parameters for 2001 are not known yet, it could be already concluded that, within this year, the Shipyard has realized all planned tasks. The achieved success is even greater knowing that the plan for this year was for 40% higher than the last years one.

The considerable growth of business results is above all caused by continuous employment of production capacities, quality repair works, competitive prices and short terms.

In the period from January to December 2001 in the Shipyard premises 58 objects were repaired among which 95% were from western market.

The realized results are reason for a satisfaction, but ambitions of the Administration are even bigger and achievement of higher profit rate is in prospect for the next year which is going to be achieved by modernization and revitalization of capital objects and also by reaching competitive advantages.

For the next year, beside the basic repair business, the start of a new program related to conversion of ships is planned, which will make a considerable influence on final results of the business operations of the Shipyard.

COOPERATION WITH SIEMENS

The Adriatic Shipyard Bijela and SIEMENS AG company are in intensive negotiations for several months, concerning realization of the Project on integral information system of the Shipyard.

The assets for this Project will be appropriated from earmarked funds, given as an aid for Serbia and Montenegro, and will be realized through SIEMENS AG.

In accordance with the agreement reached in Vienna, on the meeting held between representatives of SIEMENS AG and the Shipyard, SIEMENS AG will have responsibility for leading and realization of the Project and they will also engage their experts on the same. Modeling and documentation of business processes will be done by the team from the Shipyard, while on development of the software in new technology and on MANAGER concept, mixed team under surveillance of SIEMENS experts will be engaged. Experts from SIEMENS will make a revision of preliminary design of computer network and they will also give a final solution for the same.



Building of International Training Center for sailors in Bijela TRAINING OF SAILORS FROM THE NEXT SCHOOL YEAR

Construction works on training center for education of sailors within the premises of the Shipyard are proceeding in accordance with planned schedule. The point in question is a Project agreed between Japanese Company MITSUI represented by the Dutch firm Azalea from Rotterdam, the Ministry of Maritime and Transport Affairs of Montenegro and the Adriatic Shipyard Bijela.

The Training Center is thought to be finished at the beginning of next year.

As it is stipulated, the Training Center will provide modern education and schooling of sailors. i.e. pupils and students who accomplished education in maritime under International Acts and Conventions.

In accordance with reached agreement, the Japanese company MITSUI will furnish the Training Center with latest equipment in value of USD 1,0 million. The furnishing of the Center will commence in June 2002 and soon after will start training for Captains and Chief instructors. Pupils and students will start their training in September next year.

Yard's Manager, Mr. Stanko Zloković said that Training Center would meet all conditions and standards provided by international acts, i.e. all requests of international maritime organizations.

Due to the need for permanent specialization of sailors, which introduce modern maritime equipment and technology - this Center will be a benefit for all sailors requested for additional training beside regular education - said Mr. Zloković adding that he has regular meetings with foreign partners in this respect and that the realization of obligations is mutually monitored.

The importance of construction of this Center is to achieve new knowledge and technology which will influence on quality improvement in ship repair services. On completed training, sailors will get official certificates acknowledged by all domestic and foreign companies.

RESTRUCTURING PROGRAM OF THE SHIPYARD BIJELA

The expert team, represented by Ph.D. Prof. Anđelko S. Lojpur, and Adriatic Shipyard, have signed a contract on making a Project under name of "Restructuring Program of the Shipyard".

The justification for making such Project is seen in a need to continue already started activities, which means that, considering activities carried out so far as well as specifics of the Shipyard, it is necessary to think out valuable strategy for complex restructuring of the enterprise. Bearing in mind, above all, economic aspect of restructuring, this for sure will understand certain changes on the filed of production and program orientation, organization, employment and managing in the owner's structure.

In this research, the accent should be given on the work out of the strategy and modalities for finishing the privatization of enterprises and to a great extent it would improve motivation of all employees and administration comparing to a present situation and, according to organization and owners transformation, will make the Shipyard similar to other competitive enterprises.

From the fair „MARITIME CYPRUS 2001“ in Limassol

PROMOTION OF „ADRIADOCKS“

Representatives of Adriatic Shipyard Bijela and „Eurodocks“ for the first time this year, have participated, under the common name of newly founded company „Adriadocks“, on the fair and conference „Maritime Cyprus 2001“. It was the first step in promoting and placing in front of maritime public this new joint-venture company on ship repair market.

The seventh biannual exhibition and conference „Maritime Cyprus 2001“ for the first time was completely held in Limassol and up to nowadays represents the biggest event of this kind in Cyprus. Under this occasion Cyprus hosted more than 1200 delegates from different parts of the world, gathered at one place in order, beside the exhibition, to participate in the conference, which was dealing with other matters related to the STCW convention, then „Genova Accord“ and revision of certain ILO regulations, maritime financing, insurance, environmental protection as well as considerations in the field of predicting future conditions on cargo markets.

Concluding by the interest of visitors, promotion of „Adriadocks“ was carried out very successfully. Beside fair marketing and acquisition activities, representatives of „Adriadocks“ have visited several maritime companies placed in Cyprus making a solid base for further business cooperation.



From the fair in Limassol

ACETYLENE STATION CONSTRUCTION

Adriatic Shipyard Bijela, in collaboration with enterprise „Progres“, commence construction of new Acetylene Station of newest world technology having the following certificates:

ISO 9002

R.A.I. (Registro Aeronautico Italiano /Italian Air Registration Board)

LLOYD' S REGISTER

The subject Acetylene Station is constructed under newest and the most rigorous European Unit's regulations concerning ecological acts for environmental protection.

The commissioning of the Acetylene Station will significantly increase productivity of the Shipyard in steel works up to 15 tons per day.

INVESTMENT PROJECTS IN ADRIATIC SHIPYARD

The investment strategy of the Shipyard for the next two years will be related to projects which will make influence on increase of efficiency in all segments.

In accordance with defined investment project, the following activities have been planned: repair of steel floating dock, implementation of information system, supply of process equipment, wharf recover, supply of eco effect equipment, construction of plant for oily waters, purchasing of special protective belt.

The target of this investment project is to obtain and to keep competitive advantage and marketing attraction of the offer in Mediterranean and Black Sea areas.

For the above stated investment activities it is necessary to provide foreign capital through credit arrangements for which real chances already exist. The administration expects signing of favorable financial arrangements in the near future.

GREAT REPAIR WORKS ON GREEK SHIP AKTI A



At the beginning of November in the Shipyard premises sailed a Greek ship

AKTI A with a huge scope of repair works connected with short terms. On the subject ship a great works should be done on anticorrosive protection (blasting and painting), all types of mechanical works and renewal of approximately 200 tons of steel. All professions are working simultaneously and on the ship are present cca 300 workers every day. Owing to a

very good organization and coordination of works, all tasks are going on as it was planned, and in accordance with the statement of Production Manager, the ship will be finished within the agreed term.

TECHNICAL CAPACITIES AND TECHNICAL FACILITIES

Since the foundation in 1927, "Adriatic Shipyard Bijela, the biggest shiprepair yard in the south part of Adriatic, has undergone various development and production project stages. The long-standing tradition in shiprepairs and shipbuilding along with highly-qualified personnel and the latest technological equipment, guarantee successful performance of any shiprepair operation, being the primary activity, and any other subsidiary operation including various steel welded constructions. The Shipyard can repair simultaneously nine ships of the high deadweight. "Adriatic Shipyard" has 812 employees of all specialities among which a great number of constructors and innovators.

"ADRIATIC SHIPYARD BIJELA" DISPOSES OF:

Two steel floating docks:

DOCK-6 – 100000 kN (10000 T) lifting capacity, inside free span 25,5 m with two 70/50 kN crane

DOCK-12 – 330000 kN (33000 T) lifting capacity, inside free span 44,0 m with two 120 kN crane

Wharf of 1300 m total length, with distribution of all types of energy supply and five partial cranes of 250 KN x 4 and 100 KN x 1 lifting capacity

"Adriatic Shipyard Bijela" covers the total area of 120.000 sq m.

Enclosed workshops of 14000 sq m total area comprised of the following divisions:

- Ship mechanics and machining
- Electro-mechanical
- Locksmith-piping
- Steel construction
- Anticorrosive protection
- Maintenance and energetic

Workshops are connected to all energy supplies and equipped with 14 bridge cranes of 25-400 kN lifting capacity.

Outdoor working platforms, total 4600 sq m, are connected to all energy supplies and equipped with 250 kN x 2 portal cranes and 80 x 500 kN auto-cranes

All operating areas, wharfs and docks are equipped with distribution system for energy supply.

Classification societies and agents

"Adriatic Shipyard Bijela" and ship owners may use the services of any Classification Society in the world.

Lloyd's Register of Shipping and RNA have their permanent representatives in "Adriatic Shipyard Bijela".

Yard's own laboratory, which operates within the Technical Control Department deals with any necessary measurement material and/or welded joints testing by methods which imply material destruction.

The laboratory holds the licenses granted by Classification and Register Societies for ultrasonic gauging of plates thickness and steel mechanical features testing, in compliance with the Rules and Regulations of the aforementioned Societies.

SHIPS CONVERSION

Apart from repair works, Adriatic Shipyard is registered for a conversion of ships, even though this activity had no greater importance till now. As situation on the market enables and needs more engagement in finding new jobs, the Administration of Shipyard made a decision



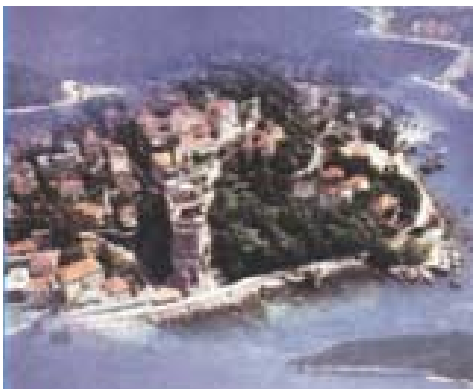
to take certain measures in offering, projecting and making conversion of ships in order to increase their competitive advantages on the market. The realization of the Project in question will start soon, together with the modernization of the Shipyard.

EURO IN MONTENEGRO

Starting from the 1st January 2002, 720.000 citizens of Montenegro will join citizens of 12 European Union countries in having a common currency - EURO.

Montenegro is imposing EURO following its strategic interests and making another big step towards integration in European structures.

By imposing German mark as a hard currency, economic flows in Montenegro were stabilized, and life of citizens and function of economy is made much easier. Along with EURO, behind which is one of the most powerful world economy, Montenegro and its citizens have a very strong currency as important precondition for future economic development.



Mass voucher privatization in Montenegro TARGET - OVERCOMING PRIVATE PROPERTY

Montenegro is under process of mass voucher privatization. The right for vouchers are having all persons of age having residence in Montenegro for more than one year.

Such aspect of privatization intends 25% of evaluated social and governmental capital. If we add the right of workers for free shares, realized in their enterprises under privileged conditions, it could be considered that 40% of total enterprise's capital in Montenegro is belonging to workers and citizens.

This Project is planned to be realized in four phases. By distribution of orders for vouchers to citizens of Montenegro the first phase is accomplished; in the second phase, which lasted three months, vouchers have been changed for shares in Privatization Fund. By transmitting vouchers to members of the family or possibility that citizens themselves deposit their vouchers for shares in enterprises are going to be in the third phase, which is going to last for one month. In the fourth phase results of the auction will be seen by checking and control of eventual remarks or suggestions. This phase is going to last several months. During that time the process

of mass voucher privatization will be realized as the same is one of the most complex projects ever done in Montenegro. The project on mass voucher privatization is significant, as by this, the ownership and managerial structure in enterprises have been considerably transformed, entrepreneur activities are developing and process of privatization is accelerating.

Carrying out mass voucher privatization, the main target is going to be reached; which means that the private property will be prevailing property in Montenegro. This will be the ground for new economic and democratic system in Montenegro. An approximate number of 270 enterprises will be privatized, among which 190 dominantly through mass voucher privatization, 23 through capital selling, 15 through international tenders and the rest of them through auctions, bankruptcy or other methods of privatization.

In Montenegro, so far have been privatized 120 mainly small and medium enterprises, while seven enterprises are in privatization procedure through international tenders.



MONTENEGRO IN FIGURES

Montenegro lies on the Balkan peninsula as one of two federal units of the Federal republic of Yugoslavia.

Montenegro was proclaimed an ecological state in 1991.

Area: 13.812 square kilometers

Number of inhabitants: 620.000

Capital: Podgorica, Governmental seat and economic center, 150.000 inhabitants

Former capital: Cetinje, historical and cultural center

Language: Serbian

Currency: DEM

The length of the coast: 290 km

The length of the beach: 73 km

The longest beach: Ulcinj, 13.000 m

The highest peak: Bobotov kuk (Durmitor), 2.522 m

The biggest lake: The Skadar lake, 391 square kilometers

The deepest canyon: The Tara canyon, 1.300 m

The biggest bay: the bay of Kotor

National parks: Durmitor (39.000 ha),

Lovcen (6.400 ha), Biogradskia Heights (5.400 ha),

The Skadar Lake (40.000 ha)

National rarities and historical monuments protected by UNESCO: Durmitor with the Tara canyon, Old City of Kotor

Traffic connections: International airports

Podgorica and Tivat, Harbor Bar and ferry-boat

Bar-Bari (Italy), railway Bar-Beograd, Adriatic

Highway (Slovenia-Croatia-Montenegro.)

HOTELS

"Delfin", Bijela phone: + 381 88 72 215

"Park", Bijela + 381 88 32 077

"Plaza", Herceg Novi + 381 88 22 151

"Centar", Herceg Novi + 381 88 43 422

"Topla", Herceg Novi + 381 88 43 722

"Igalo", Igalo + 381 88 52 772

"Tamaris", Igalo + 381 88 53 133

"Mediterranski centar", Igalo + 381 88 58 111

NO VISA REQUIRED FOR ENTERING MONTENEGRO

By its location Montenegro belongs to the Middle Mediterranean region, that is to southern Europe. Montenegro borders with Albania in the south-east, in the south it shares the Adriatic Sea with Italy and in the west its neighboring countries are Croatia and Bosnia and Herzegovina.

You can reach Montenegro by air, by sea and by land.

By air

National carrier Montenegro Airlines operates scheduled flights from two international airports Podgorica and Tivat to Budapest, Rome, Frankfurt, Zurich and Ljubljana.

E-mail: booking@mgx.cg.yu

International airport Cilipi (Croatia) is only 20 km away from border crossing with Montenegro, Debeli Brijeg. National carrier Croatia Airlines operates scheduled flights from this airport to almost all destination in the world.

Internet address: www.croatiaairlines.hr

By land

You can reach Montenegro by land through land border crossing: Debeli brijeg (Croatia), Vilusi, Srepan polje, Berkovici (Bosnia and Herzegovina), Bozaj (Albania)

By sea

Montenegro is connected to the rest of the world by the Adriatic sea. There are regular ferries on routes Bar-Bari (Italy)-Bar and Bar-Ancona (Italy)-Bar.

Sea border crossings are: Bar, Budva, Kotor and Zelenika.

Information:

Prekookeanska plovidba, Bar, fax ++ 381 85 311 652

Mercur adriatica, Bar, fax ++ 381 85 313 618

Vectra, Bar, fax ++ 381 85 317 204

Detailed information on

www.visit-montenegro.com

No visa is required when entering Montenegro directly. Visa is required when entering Montenegro through Serbia, that is the international airport Belgrade.

MIMOSA FESTIVAL

(January-March)

Hereg Novi is a town at the entrance of the Gulf of Boka Kotorska, cuddling among two hundred and fifty species of tropical and sub-tropical plants. A town of flowers brought to Herceg Novi not by gardeners but by seafarers. A traditional international event, celebration of the mimosa blossom and the carnival. Member of the European Federation of Carnival Towns (FECC) since 1991. Herceg Novi Music Band, established in 1885. More than 110 years in the service of the town. With its Majorettes and trombonieri sections, it constitutes the essence of the Mimosa Festival.



TEMPERATURES

January	9,2	100
February	9,7	75
March	11,0	159
April	14,2	181
May	18,1	272
June	23,0	288
July	25,6	359
August	24,4	338
September	21,2	240
October	16,9	240
November	13,0	100
December	10,2	93

Average air temperatures on degrees C and annual average and number of sunny days in Boka Kotorska.

CONTACT US

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