

ISSUE ELEVEN
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The Superyacht

TRUTH • OPINION KNOWLEDGE • IDEAS & SUPERYACHT OWNER INSIGHT



OWNER

ALESSANDRO FALCIAI
Enjoying the last of the summer wine with the owner of *Adamas II*.

EMERAUDE
Eric Merlin's unique journey to build a replica of a 1900s paddleboat using an old postcard.

THE FULL MONTE
Part of a new wave of marina communities, Porto Montenegro is more than just a place to berth.

QUANTIFYING QUALITY
Should we do more to quantify a yacht's true value before it goes on the market?



COURTESY OF PORTO MONTENEGRO

THE GOLDEN TOUCH

– WORDS BY ELLIE BRADE

The driving force behind the hugely successful development of Porto Montenegro, Peter Munk is a superyacht industry veteran, having chartered superyachts for nearly 40 years before buying his own 43m motoryacht *Golden Eagle* in 2009. Unsurprisingly the yacht's home port is Montenegro, where Munk uses it as both a business base and a family cruising yacht. Ellie Brade learns more about the man behind one of Europe's blossoming yachting hubs.



When it comes to business there is not much that Peter Munk hasn't turned his hand to. Having arrived in Canada after he and his family were some of the last Jews to escape Hungary in the Second World War, he graduated in electrical engineering from the University of Toronto and so began a long career as a successful businessman. Founder and currently chairman of the world's biggest gold-trading business Barrick Gold (at the end of last year he announced that he will be retiring from this position in spring) other business endeavours have included electronics and a large hospitality chain throughout Australasia, and he is also an active philanthropist. "So many things have been written about me. I can only tell you that I have been in business now for sixty-five years, and that's a long time to be in business," he tells us. "There will inevitably be ups and downs."

Throughout his career a work-life balance was always important to Munk and a family-oriented yacht charter became an annual tradition. "In the holidays my five kids would all want to do different things," he recalls. "My wife and I decided we would put them on a yacht and so every summer for twenty or thirty years we chartered the same yacht [32.6m *Lady Ecosse*] and that way we got the family all together."

As a businessman with such a long history of chartering yachts, it was almost inevitable that he would eventually fall into a yacht-related project. And what a project Porto Montenegro turned out to be. Since opening in 2009 the marina development (which is the subject of a full-length feature on page 36), has been an undeniable success. "I've got an active business mind and when you sit on a boat you have plenty of time to think," he says. Having worked in the hospitality industry Munk well understood how capital intensive hotel ownership can be and how a greater occupancy necessitates further investment to keep the offering at the required high standard. "I realised that the same docks in Porto Cervo that I first went to in 1972 had undergone no change and yet what used to cost three dollars per metre for a night now costs thirty dollars a metre," he tells us. "To me it seemed like a very exciting business prospect."

Having been advised that Montenegro could make for an interesting development project, Munk met with officials and ministers from the country, which at the time was still in the final stages of becoming independent. With a bold vision for the country to become the 'Monaco of the Baltic', thereby raising living standards of the average inhabitant, the team of Montenegro officials were looking for a backer to support them. "I said, 'Well, that would require a rich fool,'" laughs Munk. "A poor fool wouldn't do and a rich brilliant man wouldn't invest

in Montenegro when he could go to New York or London." Munk is clearly no fool, but despite his initial reservations went on to learn more about the country. "I was astounded seeing on the one hand the fjords, old walled-in Venetian towns, snow on the peaks and national heritage sites, and then on the other this unbelievable naval base."

Seeking the advice of George Nicholson, a long-time industry friend, Munk was assured by him that Montenegro was what he describes as 'the most protected and the finest inland bay on the whole of the Adriatic' and that it held huge potential as a superyacht destination. At that time it must have taken vision to see what the abandoned communist naval base could become. Sold on the idea, Munk brought together a group of fellow investors, himself the majority shareholder, and so work began. The rest, as they say, is history.

It was the Porto Montenegro project itself that saw Munk make the step into ownership after so many years of chartering. "George [Nicholson] saw the boat for sale and said to me 'this is your boat'. So I went to the boat show straight away and I bought it!" he remembers. Built in 1990 by Picchiotti, 43m *Golden Eagle* served as a floating office and hosting space in the early stages of the project. Today she is more of a family yacht, and Munk usually spends around six weeks a year cruising on board, continuing that long tradition of family time afloat. A favourite cruising ground is the Dalmatian Islands and the coastline. "Compared with how it was ten years ago it's much busier now," he says. "But there is magnificent water, a huge number of islands and little old restaurants and fisherman – all the things you dream about when you think of yachting."

For Munk the dividends of the lifestyle that yachting provides are well worth the investment a yacht demands. "From my perspective I never confuse a commercial investment with an investment to look after my family, whether it's my home or my health care or a holiday," he tells us. "I think confusing the two means you are confusing your objective. If you have to buy a holiday home as an investment, my God, you must be pretty short of investment advisors." Tellingly, when asked, Munk can think of no downsides to owning a yacht. He says that he believes a good part of ensuring a happy yacht experience is the team you have on board. "Always hire the right captain," he stresses. "The captain is your partner who is in charge of a significant investment, from running the boat to overseeing repairs. Like everything else you invest in, whether a building, a business or yacht, one of the keys is the person who is in charge."

It is Munk's love of his precious time on the water that so exactly sums up why yachts continue to be built and demand



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– PETER MUNK, OWNER OF

Opening page: *Golden Eagle* is based out of the beautiful Porto Montenegro.

Top right: Peter Munk on board *Golden Eagle*.

Bottom right: Munk uses *Golden Eagle* as a family yacht and business base.



for quality marinas like Porto Montenegro is on the rise. “Yachting is unparalleled. It is the ultimate exercise of freedom which, in today’s world, is increasingly becoming one of the most important luxuries,” he explains. “As the number of wealthy people grow, so the popular high-end hotels and beaches are increasingly crowded, and you’ve got to be able to have the luxury of privacy.”

In creating Porto Montenegro the goal was to create somewhere that was both beautiful and safe and where captains want to be. “I think we created a perfect location to suit that,” says Munk earnestly. “In the meantime, look what we’ve done for Montenegro; it’s a tiny country and we employ over 1,200 people in a high-quality job. It’s fun, it’s really satisfactory from an achievement point of view and doing the right thing by investors and the country. My family is thrilled and I’m thrilled.” □



COURTESY OF GOLDEN EAGLE



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