

Country Overview

➤ MONTENEGRO



General information

Capital:	Podgorica
Population:	622.303
Land area:	13.812 km ²
Official language:	Montenegrin
Currency:	Euro (EUR)



Politics

Government type:

Unitary parliamentary republic

Legislature:

Unicameral Assembly or Skupstina

Head of state:

Milo Đukanović

Head of Government:

Duško Marković

- When Yugoslavia dissolved in 1992, Montenegro and Serbia created the **Federal Republic of Yugoslavia**. In 2003, they shifted to a looser **State Union of Serbia and Montenegro**.
- In May 2006 Montenegro hold a referendum on independence from the two-state union. The vote for severing ties with Serbia barely exceeded 55% - still allowing **Montenegro to restore its independence**.
- In 2017 Montenegro joined NATO and is currently completing its EU accession process, having officially applied to join the EU in December 2008.
- Unicameral Assembly has 81 seats; members directly elected; members serve 4-year terms.

Economic indicators

	2012	2013	2014	2015	2016	2017
Nominal GDP (EURm)	3.181	3.362	3.458	3.655	3.954	4.237
Real GDP growth (%)	-2,7	3,5	1,8	3,4	2,9	4,4
Annual inflation (%)	4,1	2,2	-0,7	1,5	-0,3	2,4
Unemployment rate (%)	19,7	19,5	18,0	17,6	17,7	16,1
Fiscal Balance (% of GDP)	-5,8	-4,5	-0,7	-6,2	-6,1	-7,1
Current account balance (% of GDP)	-18,5	-14,5	-15,2	-13,2	-18,1	-18,9

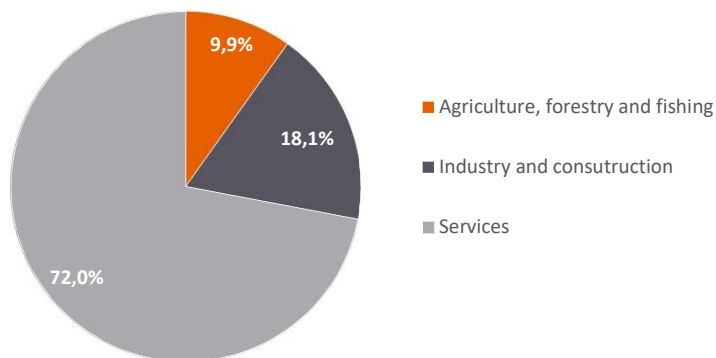
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- Montenegro's economy is transitioning to a market system. **Tourism, which accounts for more than 20% of Montenegro's GDP, brings in three times as many visitors as Montenegro's total population every year.** In addition to tourism, **energy and agriculture** are considered two distinct pillars of the economy. Montenegro uses the **euro as its domestic currency**, though it is not member of the euro zone. Net FDI in 2017 reached \$848 million and investment per capita is one of the highest in Europe, due to a low corporate tax rate.
- In 2014, the Government selected **two Chinese companies to construct a 41 km-long section of the country's highway system.** Cheaper borrowing costs have stimulated Montenegro's growing debt with a forecast to increase further once the repayment to China's Ex/Im Bank of a €800 million highway loan begins in 2019.
- Montenegro first instituted VAT in April 2003, and introduced differentiated VAT rates of 17% and 7% (for tourism) in January 2006. **Government increased the non-tourism VAT rate to 21% as of January 2018.**

Share of GDP (2017)



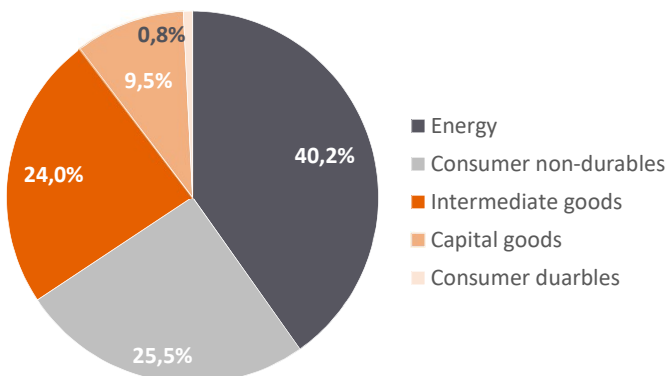
Ease of doing business (2018)

Rank (best 1, worst 190)

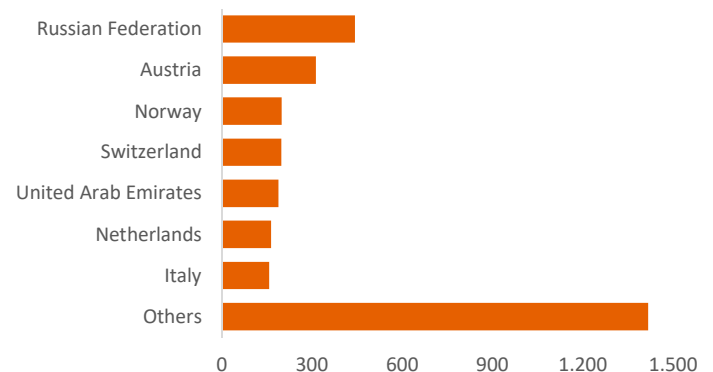
Ease of doing Business	42
<i>Starting a business</i>	60
<i>Dealing with construction permits</i>	78
<i>Getting electricity</i>	127
<i>Getting credit</i>	12
<i>Paying taxes</i>	70
<i>Trading across border</i>	44
<i>Enforcing contracts</i>	42
<i>Resolving insolvency</i>	37

Industry, trade and investments

Industry share by MIGs (% , 2017)



Investment inflow by the country of origin (2013-2017, EURm)



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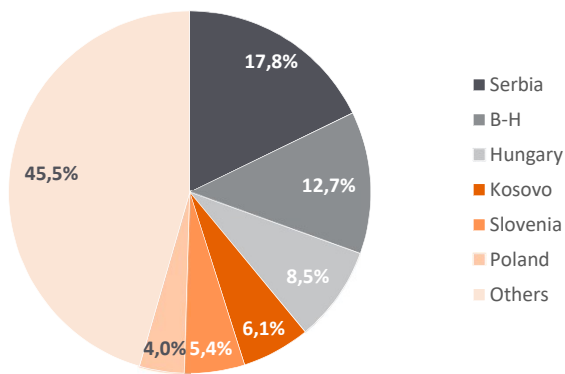
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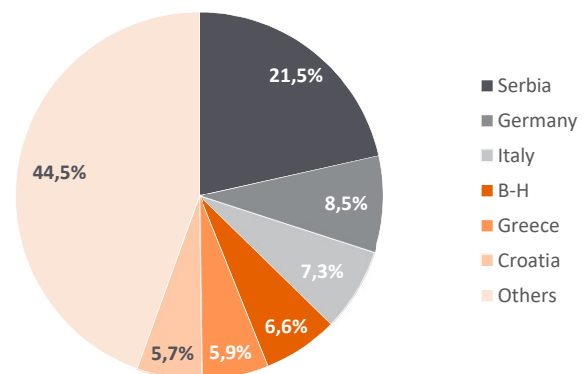
Foreign trade

EURm	2012	2013	2014	2015	2016	2017
Exports	367	376	333	317	326	371
Imports	1.820	1.773	1.784	1.842	2.062	2.303
Trade deficit	-1.454	-1.398	-1.451	-1.524	-1.736	-1.932
Import Coverage (%)	20,1	21,2	18,7	17,2	15,8	16,1

Main export partners (% , 2017)



Main import partners (% , 2017)



Major Exports Products (2017)

	EUR (000)	% of total
Non-ferrous metals	71.883	19,4
Metalliferous ores	66.697	18,0
Cork and wood	28.893	7,8
Food	26.325	7,1
Electric energy	23.274	6,3

Major Import Products (2017)

	EUR (000)	% of total
Food	402.903	17,5
Petroleum and derivatives	171.559	7,5
Road vehicles	162.684	7,1
Electrical machinery	127.675	5,5
Fabricated metals	115.556	5,0

Credit rating

B+ / stable outlook

Standard & Poors

October 06, 2017

B1 / stable outlook

Moody's

September 29, 2017