

Montenegro: Market Profile

Major Economic Indicators

	2015	2016	2017**
Population (000)	622	623 [#]	623
GDP (US\$ bn)	4.022	4.126 [#]	4.185
Real growth (%)	3.4	2.4 [#]	3.3
GDP per capita (US\$)	6,465	6,629 [#]	6,718
Inflation – CPI index	1.2%	-0.4%	2.1%
Unemployment rate	17.6%	17.7%	17.4% ^{###}
Exports (US\$ bn)	0.352	0.361	N.A.
YoY growth (%)	-20.2	2.5	N.A.
Imports (US\$ bn)	2.039	2.283	N.A.
YoY growth (%)	-13.9	11.9	N.A.
Average exchange rate (Euro per US\$)	0.902	0.904	0.916 ^{##}

Note: # estimate, ## Jan-Jul 2017, ### 1st quarter 2017, ** forecast
 Montenegro started to adopt the Euro since 2002
 Source: IMF, WTO, MONSTAT

- Montenegro is situated at the centre of the Balkan Peninsula in Southern Europe. Its southern coastline lies on the Adriatic Sea, while borders are shared with Albania, Serbia, Bosnia-Herzegovina and Croatia. With access to the Mediterranean Sea, and having the Port of Bar as its most important south Adriatic port, Montenegro serves as a link between Southern Europe and Africa, the Middle East, India, Russia and Asia.
- It is the youngest nation of the 21st century, having declared independence from the State Union of Serbia and Montenegro in 2006 and having applied for EU membership in 2008. Alongside the ongoing EU accession negotiations that began in June 2012, Montenegro has concluded free trade agreements with the EU, the European Free Trade Association (EFTA), the Central European countries (CEFTA) and Russia.
- In terms of industry, manufacturing remains the dominant sector in Montenegro, including the production of basic metals, food and beverages, tobacco and chemical industries. On the back of Montenegro's fertile and unpolluted land and pure water quality, agriculture has become an increasingly strategic area of the country's economic development.
- Since adopting the German mark in November 1999, and subsequently the euro in



February 2002, Montenegro has had significant success in creating a favourable business climate for foreign investment, particularly in the tourism, banking and energy sectors.

- To facilitate foreign investment in the key sectors, the Montenegrin government has put in place a range of investment incentives including tax credits up to 25% of the amount invested in fixed assets, and incentives for investment projects in non-developed areas such as the northern part of the country and customs tariff relief for raw materials and equipment. More information can be found at the [Montenegrin Investment Promotion Agency \(MIPA\)](#).
- The inflows of foreign direct investment (FDI) to Montenegro amounted to US\$699 million in 2015. As of the end of 2015, China’s total stock of FDI to Montenegro totalled US\$0.32 million. Hong Kong’s investment in Montenegro is, however, far from significant.

Hong Kong’s Trade with Montenegro

(US\$ million)	2015		2016		Jan-Jun 2017	
	Value	Growth	Value	Growth	Value	Growth
Total Exports	5.720	-27.0	7.011	+22.6	2.458	-28.0
Domestic exports	0.537	-67.0	1.078	+100.7	0.322	+26.0
Re-exports	5.183	-16.5	5.933	+14.5	2.135	-32.3
Imports	0.267	-21.7	0.582	+117.6	0.067	-77.8
Total Trade	5.988	-26.8	7.593	+26.8	2.525	-32.0

Source: Hong Kong Trade Statistics, Census & Statistics Department

More Information

More information on the Belt and Road countries’ economic and investment environment, tax and other subjects that are important in considering investment and doing business are available in [The Belt and Road Initiative: Country Business Guides](#).

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