

Montenegro Investment Opportunities

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WHY INVEST IN MONTENEGRO

- ✓ Political and economic stability and good neighbourly relations and regional cooperation
- ✓ Business-friendly environment (ranked 42nd out of 190 countries in the 2018 World Bank Doing Business Report – improved by 9 places compared to the 2017 ranking)
- ✓ Foreign companies have the same rights as national companies
- ✓ Foreign investors may invest in any industry and are free to transfer funds, assets and other goods, including profit or dividend
- ✓ The tax system is one of the most competitive in Europe (general corporate profit tax and personal income tax is 9%)
- ✓ Incentives and tax reliefs for investment on both national and local levels, including in purposefully established Business and Free Trade Zones
- ✓ Montenegro has signed Double Taxation Avoidance Treaty with over 40 countries
- ✓ The Euro is the national currency
- ✓ Access to a market of around 800 million consumers thanks to Montenegro's WTO membership and free trade agreements with EU (Stabilization and Association Agreement), CEFTA, EFTA, Russia, Turkey and Ukraine
- ✓ Simple procedure for creating a company (four days and founding capital of one Euro)
- ✓ Quality banking sector, with 15 private banks (no commercial state banks)
- ✓ A stable democratic, multicultural and multi-religious country
- ✓ The workforce is qualified and wages are relatively low
- ✓ Its climate and topography are conducive to a good quality "Mediterranean" lifestyle
- ✓ Geographical location with good accessibility - all year round and seasonal flights with most European capitals and towns and increasing number of flight connections with different regions and countries of the world, road, ports and railway connections
- ✓ Open country with fairly liberal visa regime
- ✓ Investment destination for investors from over 100 countries around the world

MAIN CONTACTS AND BROCHURES

Ministry of Foreign Affairs of Montenegro:

www.mvp.gov.me

- Economic Diplomacy: <http://www.mvp.gov.me/rubrike/ED/Ekonomska-diplomatija/>

- Embassies and Consulates of Montenegro:

<http://www.mvp.gov.me/en/sections/Missions/Embassies-and-consulates-of-Montenegro/>

Montenegro Investment Promotion Agency:

www.mipa.co.me

- Why Invest in Montenegro Brochures: <http://www.mipa.co.me/en/publications/>

Secretariat for Development Projects:

www.srp.gov.me

- Investment Climate in Montenegro: <http://www.srp.gov.me/en/home>

(downloadable from the right-hand side banner)

I SINGLE PROJECT PIPELINE – THE GOVERNMENT LIST OF PRIORITY INFRASTRUCTURE PROJECTS

Contact: Secretariat for Development Projects
Website: www.srp.gov.me
Contact person: Ms Maja Vukovic, acting Secretary of the Secretariat for Development Projects: maja.vukovic@srp.gov.me
Telephone: +382 (0)20 220 270

On June 30, 2017, the Government of Montenegro adopted an updated list of priority infrastructure projects, the so-called “Single Project Pipeline”. The list contains **57 projects from five sectors** (consisting of **134 individual segments/projects**) in the areas of **energy, transport, environmental protection, social services and other infrastructure** (science, sports, culture, public administration and competitiveness).

Estimated value of the projects, which are expected to be implemented in the period 2017-2025, is around **€5 billion**.

The aim is to provide a significant amount of funds for the implementation of projects through the West Balkan Investment Framework (WBIF)*, with the support of international financial institutions for co-financing infrastructural investments for the identified priority projects through various models.

** West Balkan Investment Framework (WBIF): <https://www.wbif.eu/> is a regional blending facility supporting EU enlargement and socio-economic development in Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro, and Serbia. The WBIF was established in 2009 as a joint initiative of the European Commission, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, and several bilateral donors. The World Bank Group and the KfW Development Bank subsequently joined the Framework. In June 2017, the KfW became partner organisation to the WBIF. The WBIF provides financing and technical assistance to strategic investments in the energy, environment, social, and transport sectors. It also supports private sector development initiatives.*

The Single Project Pipeline list can be downloaded from this link:
<http://www.srp.gov.me/en/news/174425/The-Single-Project-Pipeline-adopted.html>

II BUSINESS STIMULATING PROGRAMS

In June 2017, the Ministry of Economy published a brochure “Business Stimulating Programs”. The brochure contains useful detailed information on available economic programs with incentives for direct investment, such as:

- Decree on promoting direct investment
- Business zones development project
- Cluster development fostering program in Montenegro
- The 2017-2020 regional and local competitiveness increasing program through alignment with the requirements of international standards of operations
- Processing industry modernization support program
- Innovation enhancing in SMEs program
- Mentoring for small and medium-sized enterprises (SMEs)
- Entrepreneurship development support program
- Technical support for the development of strategic development plans of local government units (LGUs).

All relevant contact details are also listed for all the above mentioned programs.

The brochure can be downloaded from this link: <http://www.biznizszone.me/en/ministry-of-economy-of-montenegro-published-brochure-business-stimulating-programs/>

INVESTMENT LOCATIONS IN MONTENEGRO

The website www.investmentlocations.me provides detailed specific information on the investment opportunities for the specific locations on the local level in all 23 municipalities in Montenegro.

The website also contains information about the overall investment environment and incentives and financial reliefs available to investors and relevant contacts.

BUSINESS ZONES

Contact: Ministry of Economy of Montenegro, Directorate for Transformation and Investment
Website: www.mek.gov.me
Contact person: Mr Boris Rebic: boris.rebic@mek.gov.me
Telephone: +382 20 482 213; 482 230
Contact persons in Business Zones: www.biznizszone.me/en/contact/

The website www.biznizszone.me provides detailed information about the locations declared as Business Zones in Montenegro, including their real estate and infrastructure potential and incentives offered to prospective businesses.

III TRANSPORT

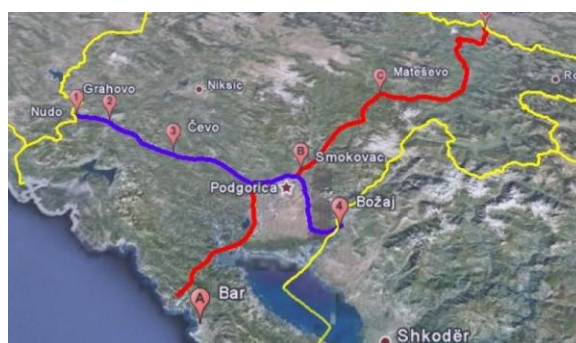
Investment in road and railway networks, bridges, airports and port facilities are the absolute priority for the Government of Montenegro, as preconditions for a more dynamic overall economic development.

STATE ROADS

Contact: Ministry of Transport and Maritime Affairs - Directorate for State Roads
 Contact person: Mr. Mirsad Ibrahimovic, Director General:
mirsad.ibrahimovic@msp.gov.me

Current investment opportunities:

1. Construction of Highway Bar – Boljare



The highway Bar – Boljare (SEETO Road Route 4) – marked in red in the map – is a project of supreme strategic importance for Montenegro. It will connect Montenegro's strategic Port of Bar on the Adriatic coast, via the Capital City Podgorica, to the border with Serbia, and further to Eastern and Central Europe.

The Project includes construction of 5 sections, total length of 170 km: Djurmani (Bar) - Farmaci; Bypass around Podgorica (Smokovac - Tološi - Farmaci); Smokovac - Uvac - Matesevo; Matesevo - Andrijevisa, and last section Andrijevisa-Boljare. The priority section Smokovac - Uvac - Matesevo (41km) – is currently under construction. Contracted costs of this section for design and construction – €809,6 million. Total estimated budget for the entire project is **€1.699.761.951**.

DESCRIPTION	Matesevo-Andrijevisa	Smokovac-Tološi-Farmaci (by-pass road Podgorica)	Andrijevisa-Boljare	Djurmani-Farmaci	TOTAL
Length (km)	21	18	56	34	129
Construction period (year)	3	3	5	4	
Budget (EUR) – estimate*	294.840.000,00	233.121.951,72	731.160.000,00	440.640.000,00	1.699.761.951,72

*The shown assessment does not cover the costs of land acquisition. All so far prepared technical documentations are mainly at the level of Conceptual Design.

Accompanying public facilities along the highway also represent an opportunity for investment: planned future construction of motels, gas stations, R&R facilities with shops, restaurants, etc.

2. Construction of Expressway along the Montenegrin coast



The Adriatic-Ionian Expressway will include approximately 108 kilometres (with 4 X 3.25 m traffic lanes and calculated speed of 80 km/h) that will connect Croatia, Montenegro and Albania. A Western Balkans Investment Framework (WBIF) grant of € 3,5 million (of which 1 million € for Feasibility study for Montenegro) has already been approved for this project. Approximate costs of construction is **10,5 million €/km**.

Possible financing models: PPP/concessions/hybrid model.

Accompanying public facilities along the expressway will also represent an opportunity for investment. However, more details on the specific investment opportunities in this regard will be known at a later stage.

AIRPORTS

Contact: Ministry of Transport and Maritime Affairs - Directorate for Civil Aviation
 Website: www.msp.gov.me
 Contact person: Mr. Zoran Kostić, Director General: zoran.kostic@msp.gov.me

Current investment opportunities:

1. Development of Airport Tivat

Tivat Airport (IATA: TIV; ICAO: LYTV) is an international airport located 4 km (2 miles) from the center of Tivat, the Kotor Bay. The main passenger terminal underwent an extension and refurbishment in 2006. The airport is expected to be expanded and equipped for night landings. The project includes reconstruction and expansion of the manoeuvring area and apron at Tivat Airport (Constriction of new Terminal Building and Reconstruction of the existing Control Tower). Preliminary design is done by SPEA Engineering with the EBRD grant. A grant of €200.000 for the supervision of works has also been provided. The estimated investment value of the project is **€55 million**.

The Government of Montenegro is in the process of considering the best model for the economic valorisation of this airport.

2. The Projects at the Podgorica International Airport

Podgorica Airport (IATA: TGD; ICAO: LYPG) is an international airport located in Golubovci, approximately 12 km (8 miles) south of Montenegro's capital. It has eight departure and two arrival gates, and can handle up to one million passengers per year. Construction of a cargo terminal at the Podgorica Airport, along with construction of a fuel depot and an airport hotel are all planned by the Government.

The Government's intention is to publish two tenders at the same time for detailed project and for construction.

RAIL INFRASTRUCTURE

Contact: Ministry of Transport and Maritime Affairs - Directorate for Railway Traffic
Contact person: Mr. Milan Banković, Director General: milan.bankovic@misp.gov.me
Telephone: +382 20 482 156

Current investment opportunities:

1. Construction of the railway Nikšić – border with Bosnia and Herzegovina – Trebinje – Čapljina

The purpose of the project is to connect the existing rail network of Montenegro with the part of South-east Europe Transport Observatory (SEETO) Network – Route 4 and other relevant corridors, and also to provide a connection with the Adriatic and Ionian Expressway.

The project is prepared at the preliminary level. The next step in its realization is preparing planning documentation and designs.

Total investment is estimated at **€200 million**.

2. Route 2: Reconstruction and Modernization Railway Line Podgorica – Tuzi – Border Crossing with Albania

This project is included in the latest SEETO Multi-annual plan. Total investment is estimated at **€35 million** and involves: preparation of technical documentation; reconstruction of the rail track and modernization of structural facilities; modernization and reconstruction of signalling - interlocking devices and contact line; and reconstruction and adaptation of station buildings and border crossing point.

IV ENERGY

Energy Sector

Contact: Ministry of Economy of Montenegro, Directorate for Energy
 Website: www.mek.gov.me
 Renewable Energy Sources: www.oie-res.me
 Telephone: (+382)20 482 251 ; 482 295;
 Contact person: Mr. Anton Ljucovic: anton.ljucovic@mek.gov.me

Energy sector is probably the best prospect industry sector in Montenegro with investment opportunities especially in the sector of renewable energy (wind farms, small hydro plants, solar energy, biomass, oil and gas, etc). Montenegro has substantial potential to develop hydro and thermal power plants, given the abundance of rivers and streams.

Notwithstanding relatively small size of Montenegro's energy market of only 285,000 customers (electricity production in Montenegro in 2016 was approximately 2,873 GWh), Montenegro has ambition to become **an energy hub** of the Balkans. With the impending completion of the Montenegro – Italy project of construction of electricity transmission system of a one-way underwater energy cable, Montenegro will be able to export electricity to Italy, from its own sources and also from the countries of the region.

Current investment opportunities:

1. Hydro Power Plants on Morača River

Basic Technical Design envisaging construction of 4 hydro-power plants with total installed power of 238 MW and an average annual generated electric power of 694 GWh.

2. Hydro Power Plant on Komarnica River

Possibilities for investment in two power generators of 168 MW, with annual production of 232 GWh. Total investment is around € 178 million in 7 years.

3. Small Hydropower Plants

34 concession contracts have been signed for the construction of 53 small hydro power plants to date. For 2018, **€47 million** worth investment it is planned for the construction of small hydropower plants, and **€22.7 million** in 2019.

Small hydropower streams

Planned	Contracted	Remained
120,9M W	94 MW	26,9 MW

4. Other renewable energy sources potentials

Biomass potential

Planned	Contracted	Remaining
39 MW	none	39 MW

Solar potential

Planned	Contracted	Remaining
31,5 MW	6 MW	25,5 MW

Wind potential

Planned	Contracted	Remaining
189 MW	118 MW	71 MW

Investment in Oil and Gas

Contact: Montenegro Hydrocarbons Administration
 Website: <http://www.mha.gov.me/en/contact>
 Phone: +382 20 675 976
 E-mail: mha@mha.gov.me

1. Oil and Gas Exploration and Production

According to the studies conducted both onshore and offshore, there are indications of the existence of conditions for the formation of hydrocarbons. The offshore exploration territory of Montenegro is divided into blocks (grid-based system) having the size of 12 arcminutes East-West and 10 arcminutes North-South.

In late 2013, Montenegro invited international oil and gas companies to bid on licenses to explore its offshore. In the first Bid Round for award of the Hydrocarbons Production Concession Contracts for offshore Montenegro, Montenegro offered 13 blocks/parts of blocks in the offshore area with sufficient level of available exploration data. Concession contracts were signed with two groups of concessionaires: the Italian-Russian consortium Eni/Novatek for four blocks and the Greek company - Energean oil & gas for two blocks. Seismic surveys for both concession contracts are planned in early 2018, followed by exploration drilling activities in late 2019 for one of the concession contracts. Exploration works planned under both contracts are **in excess of 100 million euro** over 4-year period.

In 2018, the Government of Montenegro is planning to launch a reconnaissance license bid round for selected block surrounding currently awarded blocks.

2. Ionian-Adriatic Pipeline (IAP)

The Energy Development Strategy of Montenegro until 2030 (2014) recognizes IAP as a leading option for gasification of Montenegro and as a possibility to market its own gas, as a result of the construction of the gas infrastructure and being closer to significant gas market. The 530km long IAP, planned to connect Fier (Albania) to Split (Croatia), is expected to pass through the territory of Montenegro - 94km along the coast. IAP is planned to connect to the Trans Adriatic Pipeline (TAP) in Fier and allow transportation of the gas from the Caspian Sea. Montenegro has produced, with EU/WBIF funding, the Gas Master Development Plan with Priority Project Portfolio, and is currently in process of developing the IAP Preliminary Design for Montenegro and Albania sections of IAP.

The Energy Development Strategy, also estimates that by 2030 up to 7 billion barrels of oil and 425 billion cubic meters of natural gas could be discovered along the coast. Currently, Montenegro does not yet have any system or necessary technology for distribution of natural gas, which may represent opportunity for FDI.

V PROCESSING INDUSTRY

Contact:	Ministry of Economy of Montenegro – Directorate for Industry and Entrepreneurship Contact person: Ms. Renata Milutinović: renata.milutinovic@mek.gov.me Telephone: +382 20 482 157
Contact:	Ministry of Agriculture and Rural Development – Directorate General for Forestry; Wood Processing Industry and Hunting Contact Person: Mr. Adem Fetić, Director General: adem.fetic@mpr.gov.me Telephone: +382 20 482-275
Contact:	The Government of Montenegro Council for Privatisation Address: ul. Karađorđeva bb, 81000 Podgorica, Montenegro Telephone: +382 20 48 28 93 Website: www.savjetzaprivatizaciju.me/en/ E-mail: savjetzaprivatizaciju@gsv.gov.me

Montenegro's industrial production is divided in two categories: heavy industry – which includes energy, mining, metal processing industry and chemical industry, and light industry – which includes food processing industry, textile industry, wood processing industry, graphic industry and construction materials industry.

In 2016 the Government of Montenegro adopted a strategic document called “Industrial Policy of Montenegro until 2020”: <http://www.minekon.gov.me/en/organization/industry/163074/Industrial-Policy-of-Montenegro-until-2020-and-Multi-Annual-Action-Plan-for-the-Implementation-of-Industrial-Policy-of-Montenegr.html>

According to the document, priority sectors identified with strong growth and export potential include: Manufacturing industry – agro-food, wood processing, metal and pharmaceuticals; Energy and Tourism. (The energy and tourism sector opportunities have been presented separately in this overview.)

Abundance of natural resources, cheap and good-quality domestic raw materials, relatively cheap and qualified work force, investment-friendly environment, favourable geographical position with good maritime transport connectivity (strategic location Port of Bar), with free trade access to a market of around 800 million consumers thanks to the Stabilisation and Association Agreement with the EU, as well as CEFTA agreement, and FTAs with EFTA, Turkey, Ukraine and Russia – all represent Montenegro's competitive advantages in this area.

As for the other categories of Montenegro's industrial production, mining and metal processing industry have significant potential for further development. Attracting reputable foreign investments in further development of the mining and metal processing sector, namely those with high environmental protection standards and practices, remains one of key priorities of Montenegro.

Metal Processing Industry

The metal processing industry - production of primary metals and metal products (non-ferrous metals, steel and iron) - is the most significant sector of manufacturing industry in Montenegro. Aluminium sector alone represents the largest export sector by value within Montenegro.

The largest companies in the industry are the Aluminium Plant (KAP) and the Steel Mill Nikšić-Toščelik Alloyed Engineering Steel Nikšić. This sector has been recognized as an attractive export industry.

Global trends within the aluminium industry suggest a need to re-orient focus towards re-processing and recycling of aluminium, and development of other metal working sub-sectors, based on existing workforce skills within the metal sector, and research capacity in materials science, as well as expansion of metal products for use in the construction industry.

Opportunities in the metal processing sector:

1. Institute of Ferrous Metallurgy JSC Nikšić

Institute of Ferrous Metallurgy JSC Nikšić is a joint stock company and a licensed scientific and research institution that deals with research and development activities in the field of technical and technological sciences, laboratory-field testing and thorough characterization of metallic and non-metallic materials, process equipment and market oriented production of steel castings, gray iron castings, steel products, semi-finished steel products and non-ferrous metals and their related alloys for aluminium and steel and mining industry, power plants, chemical industry, construction industry etc.

According to the 2017 Privatization plan, a public tender for privatization will be opened for the sale of 51.1159% of the capital of the Ferrous Metallurgy Institute JSC, and/or capital increase after restructuring, expressed through 326.992 shares. The total registered capital is in the nominal amount of €5.220.145 and the nominal value of each share amounts to €8,16.

2. Electrodes Factory "Piva", Plužine

The main activity of Electrodes Factory "Piva" was the production of electrodes and welding wires. The projected capacity of the company (with two shifts) was about 5,000 tons. The factory used to produce over 60 types of electrodes in several dimensions. The quality of all products was certified by the world's most important attestation societies. This factory was an export-oriented company, and 80% of the production was mainly marketed in the countries of the former Yugoslavia.

The production ceased in May 2014 and bankruptcy was introduced in February 2015. The sale of the assets of the bankruptcy debtor is in progress. The total estimated value of immovable and movable property is €4.728.688,87. The advertisement is advertised on the principle of free sale, which means that the property in question will be sold to the bidder offering the highest purchase price.

Wood Processing Sector

Wood industry is an important segment of the economy of Montenegro and its development is based on the use of local natural resources and it is traditionally export-oriented. Raw material resources and capacities represent a good basis for much higher level of production, as well as a significant share in total GDP, export and employment. The structure of today's wood industry production consists of:

1. Primary production (production of lumber and elements),
2. Secondary production (pallets and elements for pallets with the production of briquettes),

3. Final production (production of furniture, parquet flooring, prefabricated wooden houses, latex strips, joinery (doors and windows)).

Today's wood industry sector is made up of 90% of primary and secondary production and 10% of the final production, which represents opportunity for FDI.

Investment opportunities in the Wood Processing Sector:

1. Joint-stock company "DEKOR" ROZAJE

The main activity of "Dekor" Rozaje is production of decorative paper and cardboard products. In the last few years, after production took place with minimal use of capacity, it completely abandoned due to lack of working capital and poor overall financial situation in the company caused by many years of business problems. According to the Government of Montenegro Privatization Plan for 2017, for the sale of shares of this company are planned in the stock market (22.6% share capital).

The company owns the total area of a plot in the real estate cadastre: 43,918 m². The total area of the facilities is: 4,488 m².

Textile Processing

The textile sector is one of the traditional sectors in Montenegro. Besides the opening of the new factories, the potential for new investment can be found in the factories which ceased the production, especially having in mind the existing facilities, qualified existing staff and available incentives for stimulating this industry sector.

Investment opportunities in the textile sector:

1. "Castello Montenegro" Pljevlja

"Castello Montenegro" Pljevlja - This company, with 10 employees, used to specialize in the production of socks and production of light confectionery. However, the company has not had organized production for the last two years. The Government owns 87% of shares of this company.

Due to the significant investment required for relaunching of production, the company has had to shift its business operations towards services, like leasing business premises, charging tax for the trucks customs terminal, weighing trucks, etc. Thanks to a significant business space for lease, the company has been able to cover its financial dues.

According to Government of Montenegro Privatization Plan for 2017, a public tender will be announced for the sale of share of ownership in the form of share capital. The main goal is to find a strategic partner employ existing workers and available capacities.

2. "KONI Konfekcija" Nikšić

"Koni Konfekcija" was once one of the most important business entities in the town of Niksic in the field of textile industry producing quality Health and Safety work wear. Bankruptcy was introduced in December 2012. Recently, a tender for the sale of the company's property was declared as unsuccessful, because of no expressed interested. A new tender, containing more favourable terms, is expected to be announced shortly. The property is to be sold partially at the total price of €252,000.

VI MINING

Contact: Ministry of Economy – Directorate for Mining and Geological Researches
Contact person: Ms. Ljiljana Maksimović: ljiljana.maksimovic@mek.gov.me
Telephone: +382 20 48 23 00

Mineral resources

Mineral raw materials are natural resources which are owed by the State. However, all mining companies are privately owned, except for two biggest mining companies in which the State still has a percentage of shares.

The most significant mineral deposits of Montenegro are coal, red bauxite, lead and zinc. On the basis of exploitation of minerals such coal, red bauxite, sea salt, etc. Montenegro has developed other processing industries (construction of thermal power plant, aluminium factory, salt processing plant), and therefore completed the reproduction chain.

So far, 26 types of mineral resources have been found in the territory of Montenegro. Today, based on concessions, 6 are exploited (lignite coal, brown coal, red bauxite ore, lead and zinc ores, architectural or decorative stone and technical-construction stone), and in the previous period, 9 (cement raw materials, marl and tuff - Pljevlja, ore barite - Pljevlja, clay for brick and cement - Pljevlja, Berane, Bijelo Polje, Kolašin, Danilovgrad and Tivat, bentonite - Bar (Crmnica), tuff - Savnik, white bauxite ore - Cetinje's capital, gravel and sand of glacial origin - Žabljak and the sea salt - Ulcinj), while 10 types of mineral raw materials were not in exploitation (peat, oil and gas, ore mines, chromium ores and titanium ores, iron ores, copper ore, dolomites, quartz sand, chert and gypsum).

Geological explorations have determined the reserves of available mineral resources at different levels, potential and exploitable. Except for four mineral resources (sea salt, mineral waters, groundwater and gravel and sands from the watercourse), which are part of the renewable, they remain non-renewable.

Montenegro also has a significant number of groundwater reservoirs, among which are mineral waters, which are under the authority of the Water Directorate.

VII TOURISM

Contact: Privatisation and Capital Investment Council
Tender Committee for Valorisation of Tourism Locations
Karađorđeva bb, 81000 Podgorica, Montenegro
Contact person: Ms. Nada Mihailović Pavićević: nada.mihailovic@mrt.gov.me
Telephone: +382 20 446 386
Website: <http://www.savjetzaprivatizaciju.me/en/valorization-of-tourist-sites/>

Tourism is the most dynamic sector in Montenegro with investment opportunities in the construction and operation of high-end hotels, congress centers, resorts, golf courses, upscale shopping centers, entertainment facilities, etc.

Montenegro is among the fastest growing tourist destinations in the world and the only Mediterranean destination with a constant turnover growing trend. It holds the leading position in the region when it comes to the amount of foreign investment "per capita". According to World Travel and Tourism Council (WTTTC) long-term forecast, an average annual growth rate in tourism revenues of 6% is expected in the following 10 years.

As part of its re-branding as a “**best kept secret**” luxury destination, Montenegro has successfully attracted world-wide reputable brands from the industry, such as *Regent Hotels – Porto Montenegro*, *Aman Resorts – Sveti Stefan*, *One & Only Resorts*, *Espace Chenot Health Wellness Spa – Portonovi*, *Chedi Hotels – Luštica Bay*, *Nobu Restaurant*, etc.

Benefits for investors in the Tourism sector in Montenegro - To enhance utilization of major resources and bring in new investments, the tax reform policy introduced fiscal incentives for the investments in the following sectors: **high-end tourism – hotels with 5 or more stars; food production, except primary agricultural production, and capital investments in the energy sector.**

The Law on VAT stipulates zero VAT rate on the delivery of products and services for the construction and furnishing of any hospitality establishment with 5 or more stars, construction of energy-generation facilities with more than 10 MW installed capacity or of food production plants categorized within sector C group 10 under the Law on Business Activity Classification, if the investment exceeds €500,000.

With the aim to eliminate business barriers and incentivize high-end tourism, the Law Amending the Law on Real Estate Tax allows local governments to lower the tax rate for the hospitality establishments that operate throughout the year by up to 30% for the 4-star ones and up to 70% for those with more than 4 stars.

The tax system for foreign investors is the same as for local business entities - Corporate income tax amounts to 9%, while the tax rate on personal income is 9% i.e. 11% on gross wages higher than € 720. Upon payment of corporate income tax, business entities operating in Montenegro have the possibility to transfer funds to their accounts abroad at the end of the year.

Two positive VAT rates are applied, namely the standard rate of 19% and the reduced rate of 7% for, among other, some services, such as: accommodation; food and beverage services in the hotels with at least 4 stars in the northern region and at least 5 stars in the central or coastal regions (becomes effective as of 1 Jan 2018); public passenger transport, etc.

Current investment opportunities:

1. Tourism valorisation of the site of Ada Bojana - Ulcinj

PROJECT DESCRIPTION: The size of the island is 520 hectares. Valorisation of approx. 100 hectares is planned, with granting of the right to develop and manage a unique, high-quality tourist resort that offers a range of activities for rest and recreation. It is envisaged that the resort will have at least one or more hotels with four plus and five stars.

PLANNING DOCUMENTS: The site is in the scope of the Spatial Plan for Special Purpose for the Coastal Zone (tourism valorisation of 100 ha of the total of 520ha is envisaged), as well as in the scope of the Spatial Urban Plan of the Municipality of Ulcinj and the Spatial Plan for Special Purpose for the Coastal Area that is in a draft phase. A detailed elaboration for this space is indispensable, since the aforementioned plans only provide general guidance on capacities (recommendations from 2200 to 3600 beds).

INVESTMENT VALUE: Approx. **€200 million**

2. Kraljičina Plaža (Dubovica I), municipalities of Bar and Budva

PROJECT DESCRIPTION: The site "Kraljičina Plaža" is situated in the location of Dubovica, and includes parts of territories of two municipalities - Bar and Budva. The site includes cadastral parcels in the municipalities of Bar and Budva, as follows: Municipality Bar, part of cadastral parcel number 1278/7, surface 188.779 m², registered in TD number 273 CM Mišići and Municipality Budva, cadastral parcel 1276/13, surface 234.994 m², registered in the Title Deed 234 CM Buljarica 2. The location is not infrastructurally equipped and equipped with utilities, and the current spatial plans of the municipalities define the purpose of land for tourism. Development of planning documents of a lower rank is foreseen in order to define in detail the purpose of space. The investment plan is to include purchase of land owned by the municipalities of Budva and Bar, as well as long-term lease of the coastal zone area with the beach Kraljičina Plaža (beach Perčin) with its pertaining aquatorium.

PLANNING DOCUMENTS: For this location three planning documents are being prepared and a call for a tender for the marina: LLS Dubovica-Budva is being prepared and the UP Dubovica Bar is in the final stage of development. Preparation is progress of the State Location Study "Part of Sector 50", i.e. the coastal area of the Stolac cove and cape Stolac, which is in the scope of the Spatial Plan for Special Purpose for the Coastal Zone.

INVESTMENT VALUE: approximately **€185 million**.

3. Location "Buljarica", municipalities of Bar and Budva

PROJECT DESCRIPTION: Buljarica with its hinterland represents one of the biggest tourist potentials of Montenegro and at the same time, spatial and functionally the largest resource of the Municipality of Budva. Beach Buljarica is, after Velika Plaža in Ulcinj, the longest beach on the Montenegrin coast. It is embedded in the land between the hills of Resovo and Dubovica and is located about 18 km from both Budva and Bar. The length of the beach is about 2,500 meters and the width is about 30 meters.

The entire scope of the Buljarica site covers an area of approximately 17,000,000 m². The size, position and attractiveness of Buljarica allows it to be valorised with the aim of building a unique and recognisable resort and an urban mixed-use complex, with high-end tourism facilities that would

include a marina, hotels, exclusive villas and apartments, but also urban area town character facilities (commercial, service, health, communication, administrative and other necessary public facilities). It is envisaged that all year-round tourism will be the main function of this area, while other facilities would be developed as an accompanying or complementary activity.

The subject of long-term lease includes land in the coastal zone area with the total surface of 533,956 m² registered in TD No.790, 791, 792, 805, Buljarica I and TD 353, 354, 363 Buljarica II and an aquatorium of about 585,772 m².

PLANNING DOCUMENTS: Buljarica site is located in the scope of the Draft Spatial Plan for Special Purpose for the Coastal Area of Montenegro and the Draft Detailed Urban Plan of Buljarica I, according to which the construction of a unique mixed-use resort is planned, with high-end tourism facilities that would include a marina, hotels, exclusive villas and apartments, but also town character facilities (commercial, service, administrative and other necessary public facilities).

3. Former Military Resort „Mediteran“, Žabljak

PROJECT DESCRIPTION: The site of the former military resort “Mediteran” in Žabljak covers the land with a surface area of 13.951 m², and it includes a total of 20 structures with a gross surface area of 487 m². The site is located at the altitude of 1456 masl, in the most attractive zone of Durmitor National Park.

The MR “Mediteran” is situated in the settlement Otoka, at a distance of around 2 km from Žabljak, on a gentle slope that borders the road from Žabljak to the Black Lake. Up until now, it has been used as a recreational centre for armed forces. In the vicinity of the site, there is a ski jumping hill which had been in operation some fifty years ago, which shows that this region has a long ski tradition.

The land which is the subject of tourist valorisation is situated on the cadastral plot no. 2235, with the surface area of 13.951 m² registered in the Real Estate Folio 1113 of the Cadastral Municipality Žabljak I, Žabljak Municipality, and it is the property owned by the State of Montenegro.

PROPERTY RELATIONS: Property of the State of Montenegro.

PLANNING DOCUMENTS: The site of the military resort „Mediteran“ is covered by the Special Purpose Spatial Plan for the Durmitor area, which has been subject to a detailed elaboration, according to which the purpose of the former military resort „Mediteran“ is tourism, i.e. the Plan provides for construction of a 4 star tourist resort, as minimum. The Plan provides for the demolition of the existing buildings and construction of a new tourist resort in the place of the existing one. The resort is also to incorporate a central building including a reception desk, café, restaurant, service and other tourist amenities, as well as the accommodation capacities of 40 beds. Other planned buildings are T1 and T2 type bungalows, with 2-4 beds, with the total capacity of 80 beds (120 beds in total).

INVESTMENT VALUE: Estimated investment value from the planning solution amounts to **€6.5 million**.

The public call for purchase of Tender documentation was closed on October 30th 2017.

4. Tourist Valorisation of Bjelasica and Komovi Area

Having recognized the potential of the Northern Region, in particular the potential of Bjelasica and Komovi Mountains (B&K), the Parliament of Montenegro adopted the Special Purpose Spatial Plan for B&K, in December 2010, creating preconditions for valorisation of potentials of this region. The Plan covers around 8% of the territory of Montenegro, encompassing the area of 6 municipalities: Podgorica, Kolašin, Mojkovac, Bijelo Polje, Berane and Andrijevica.

The Spatial Plan includes a detailed spatial and planning elaboration for eight sites in this region, among which 7 are ski resorts and the eighth site is the Eco-Adventure Park “Komovi”.

The 7 ski resorts are: Kolašin 1600, Žarski, Cmiljača, Torine, Kolašin 1450, Jelovica, Komovi and the Eco-Adventure Park Komovi.

Rough investment amounts (projections from the Plan):

HOTELS	EUR	250 to 300 millions
SKI CENTERS	EUR	200 to 250 millions
REAL ESTATE	EUR	300 to 350 millions
COMMERCIAL SPACE	EUR	30 to 50 millions
OTHER	EUR	25 to 40 millions
TOTAL:	EUR	800 to 1,000 millions

- Kolašin 1600

For the project **Kolašin 1600**, an international call for public tender was cast for construction of the base settlement, on the basis of a public-private partnership – a long-term lease. Preparations for negotiations with the selected bidder are under way.

At the same time, the Privatization plan for 2017 provides for preparation of the tender documentation for a long-term lease of Žarski and Cmiljača sites, for the purpose of construction of planned ski resorts.

- Ski resort Žarski

Ski resort Žarski - It is situated in the northern part of the Bjelasica area on the territory of Mojkovac and Bijelo Polje municipalities. The surface area of the ski resort amounts to 1,550 ha. The base settlement would include the following zones:

- the zone with buildings of the Central settlement including hotels, apartments, reception area and public amenities,
- the zone of special groups with buildings with single-family and multi-family accommodation units,
- the area of the starting point of the ski lifts,
- the parking area at the entrance.

A network of pedestrian walkways is planned within the base settlement. There is a possibility for building a *Gondola* lift connecting Mojkovac with the base settlement. The ski trail zone is integrated in the base settlement zone in a way to ensure maximum accessibility for skiers. Landscaping of the terrain also includes squares, green areas and sports fields (ice skating rink etc.).

- Base settlement Cmiljača

Base settlement Cmiljača - It is situated in the north-eastern part of the area of the ski resort Žarski – to the north of the ski trails, on the territory of Bijelo Polje municipality, at the altitude of 1,620

masl. It has a surface area of 7.5 ha. It includes a zone with 4 hotels and 22 bungalows and an area of the starting point of the ski lifts. It is planned to build a traffic road towards Žarski on the route of the existing, macadam road, to connect base settlements Žarski and Cmiljača.

A network of pedestrian walkways is planned within the base settlement. The ski trail zone is integrated in the base settlement zone in a way to ensure maximum accessibility for skiers. Landscaping of the terrain also includes water areas and green areas.

- Ski resort Torine

Ski resort Torine – The zone of the ski resort Torine, with the surface area of 1,399 ha, is situated in the north-eastern part of the Bjelasica area, on the territory of Bijelo Polje Municipality. The base settlement zone is situated in the north-eastern part of the ski resort, at the altitude between 1,450 and 1,660 masl and its surface area amounts to 110.54 ha. It consists of:

- the zone with buildings of the Central settlement including hotels, apartments, reception area and public amenities,
- the zone of special groups with buildings with single-family and multi-family accommodation units,
- the area for the starting point of the ski lifts,
- the parking area.

A network of pedestrian walkways is planned within the base settlement. The ski trail zone is integrated in the base settlement zone in a way to ensure maximum accessibility for skiers. Landscaping of the terrain also includes water areas and green areas. Landscaping of the terrain also includes squares, green areas and sports fields.

- Ski resort Jelovica

Ski resort Jelovica – It is situated in the southern part of the Bjelasica area on the territory of Andrijevica and Berane municipalities. It has a surface area of 1,022ha and it is situated below the natural forest line. The base settlement zone is situated in the northern part of the ski resort below the Jelovica River at the altitude of 1,330 masl, to the north of ski trails. It has a surface area of 139.61 ha. It consists of:

- the zone with buildings of the Central settlement including hotels, apartments, reception area and public amenities, the zone of special groups with buildings with single-family accommodation units
- the area of the starting point of the ski lifts and the golf zone
- the parking area in the central part

A network of pedestrian walkways is planned within the base settlement. The ski trail zone is integrated in the base settlement zone in a way to ensure maximum accessibility for skiers. Landscaping of the terrain also includes water areas and green areas.

- Ski resort Komovi

Ski resort Komovi – The zone of the ski resort Komovi and the Eco Adventure Park is situated in the central part of the Komovi area on the territory of Kolašin and Andrijevica municipalities. Mountain peaks of Komovi are too steep for commercial skiing, but they are suitable for extreme sports. The surface area of the zone of coverage of the ski resort and the Eco Adventure Park amounts to 3,204 ha.

VIII AGRICULTURE

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Montenegro has optimal conditions for **honey production**, a rich tradition in **viticulture** (wine is the most important export product of the food processing industry), olive growing and **olive oil production**, remarkable potential for **fruits and vegetables processing**, organic productions of **natural herbs** (over 5000 herb species, over 200 endemic for Montenegro), untapped potential for **natural spring water** bottling business, **fisheries** (both saltwater and freshwater), **livestock farming**, and **wood processing** (almost 60% of Montenegrin land is covered with woods and 99% of forest potential is of natural origin).

There is extraordinary potential for investment in the sector of processing of agricultural produce - food processing (canning, fish processing, fruit and vegetable processing, dairy processing, food packaging plants, etc).

There is a significant potential for productivity increase, as well as linking agriculture (especially organic food and traditional specialties production) with growing high-end tourism offer.

Wood processing, categorized as part of agriculture sector, has significant opportunity, especially when considering the booming real-estate and tourism industry in Montenegro (quality furniture manufacturing, for hotels and residencies).

Possible investment areas:

Organic Production

Montenegro's organic production potential has particular relevance in the context of its ever-growing high-end tourism sector. Significant opportunities for FDI are found in organic agriculture and production of products that have either protected designation of origin (PDO) or protected geographical indication (PGI). There were total 72 certified organic producers in Montenegro in 2016.

Key livestock sector organic products are traditional meat products, eggs and dairy. Key organic farming sectors with significant production potential are: medicinal and aromatic herbs, vegetable farming, as well as sheep and goat farming.

Fruit and Vegetable

Due to preserved soil and favorable, diverse Mediterranean and continental climate, Montenegro has excellent potential for growing various types of fruits (citrus fruits, melons, berries, pits and core) and vegetables (tomatoes, potatoes, cucumbers, early season vegetables, microgreens, tobacco, etc). However, the fruit and vegetable sector is fragmented, with a large number of small producers - mostly unspecialized households with underdeveloped agricultural technologies, inadequate

processing capacities, and little experience in branding. Precisely these challenges represent exceptional opportunities for FDI.

Olive Processing

Olive tree (*Olea europea L.*) is the oldest subtropical crop on the Montenegrin coast. Mediterranean climate is favourable for the cultivation of tasty olives and high-quality olive oil with its extraordinary flavour. There are currently no large olive processing companies in Montenegro which would buy olives from small local producers. This represents a unique opportunity for FDI.

Animal Waste Management

Montenegro currently does not have facilities for animal waste management. A new set of regulations in the area of animal waste disposal is currently being drafted in order to create attractive environment for investment opportunity.

Fisheries

Montenegro's fisheries potentials are abundant and insufficiently exploited, considering the fact that Montenegro has at its disposal vast volumes of fish from both the Adriatic Sea and the Skadar Lake, the largest lake in Southeast Europe. There is a concrete opportunity for investing in an existing Fish processing and canning factory in order to resume production and export.

Fish Factory "Ribarstvo" in Rijeka Crnojevica: The factory was founded in 1947 and has a long tradition in fish processing. Once modern and successful company with 300 workers, it went into administration in 2013. It specialized in processing both saltwater fish (sardines, mackerel, anchovy, tuna...) and freshwater fish (carp, trout...) from Skadar Lake, the largest lake in Southeast Europe. Production capacity: 32,000 – 40,000 cans / day. The property of the factory consists of a factory, land and property outside the factory (4 buildings of 16.000 m²), as well as a structure of 7.000 m².

There is significant potential for profit from exporting anchovy and sardines, due to growing demand for this type of fish. Only three licenses for catching these fish species were issued in Montenegro, which is an opportunity to expand the plant's operations. At present, there are no fish factories in Montenegro that meet the conditions for exporting fish and fish products.

Natural Spring Water

Montenegro's untapped potentials for the production of bottled spring water from the natural mountain springs of with total **annual capacity of 350 million litres** represent an excellent investment opportunity.

Forestry

59,5% of the total territory of Montenegro, or 826,782 ha, is covered with woods, while barren forest land makes additional 9.7%. Montenegrin forests are among the most natural forests in Europe. Almost 99% of forest potential is of natural origin. The total standing volume of all of the forests is 133 million cubic meters of wood, 104 million of which belong to the forests available for wood supply. Possible projects: timber and pellet production, furniture, laminates and panel production; timber biomass, etc.

IX ENVIRONMENT

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On September 20th 1991 Montenegrin MPs signed a historical “Declaration of ecological state of Montenegro”, whereby they urged for the establishment of a relationship of the State with the Nature, and committed all generations to refer to Nature as to the source of health and inspiration for freedom. They also urged the Montenegrins to be vigorous about the Nature’s preservation “for the sake of their own survival and that of their descendants.” The document was presented at the Rio de Janeiro 1992 UN Conference on environment and development.

Montenegro relies heavily on its ecological environment as a backdrop and backbone to all other sectors of economy, especially tourism, agriculture, energy, processing industry, etc.

In order to be able to keep up with the rising demands of the development, Montenegro will need to invest in its environment infrastructure.

It is estimated that approx. **€ 1,400 million** of investments is needed in the process of reaching EU standards, for which details can be downloaded from the following link:

<http://www.mrt.gov.me/en/news/164797/National-Strategy-with-Action-Plan-for-transposition-implementation-and-enforcement-of-the-EU-acquis-on-Environment-and-Climate.html>

Besides the need for expert assistance in the process of harmonisation with the EU legislation in this area, the preparation of the planned documentation and construction of concrete projects is also expected in the following areas: waste management, air quality, water quality, nature protection, industrial pollution, chemicals, noise, climate change, etc.

X THE HEALTHCARE SECTOR

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 Telephone: +382 20 482 333

General data

Montenegro population size: 620,029 (MONSTAT Official Census 2011), 622,303 (MONSTAT estimate January 2016). Life expectancy: men 74,2; women 79 (2016 MONSTAT). Child mortality: 3,8 (The mortality rate of children under five years in the 2016). Health expenditure, total 6,4% of GDP (Source: The World Bank); GDP per capita: US\$ 6,701 (2016) (Source: The World Bank); Health expenditure per capita (current US\$) 2014: 458 (Source: The World Bank).

The organization of healthcare services in Montenegro is similar to that of most European countries. Health care is provided at the primary, secondary and tertiary level. There are approximately 7476 employees in the public health institutions (including public pharmacies Montefarm). About 78,28% of total number of employees is health care workers, while 21,72% are non-medical staff. Providers of health care in the health system are doctors and nurses. Indicated number of doctors per number of citizens is important tool for the assessment of health care in the certain country. The indicator for Montenegro is 2,2 doctors per 1000 inhabitants (2014), and is currently lower than the indicator in the EU - 3,2, (<http://data.euro.who.inf/hfadbf>). The public healthcare system in Montenegro (2015) employs 142 general practitioner, 1044 medical specialists, 305 specializing doctors, 29 dentists and 109 pharmacists.

There is 1 Clinical Centre in Montenegro, 7 General hospitals, 3 Special hospitals, 18 Health centres. There is also an Institute for Public Health, 55 public pharmacies – Montefarm, an Institute for health emergency and an Institute for blood transfusion. Current bed capacities: total 2394 beds (2015), or more specifically: 1087 in general hospitals, 96 in stationary health centers; 504 beds in special hospitals and 707 beds in Clinical Center of Montenegro (KCCG). Overall, Montenegro has 3,85 beds / 1000, while the EU average is: 5,22 beds/ 1000.

Investment Opportunities in Healthcare Facilities

1. Building of a Psychiatric Clinic in Podgorica

The purpose of the infrastructure project is to provide comprehensive, accessible, safe, quality and timely health care for its users. Planned Gross surface = 3,600 m² (Lower ground floor + Ground floor + 2 floors). Ongoing activities: designing of the main project.

2. Clinic for Infectious Diseases and Clinic for Dermatovenerology in Podgorica

The purpose of the infrastructure project is to provide comprehensive, accessible, safe, quality and timely health care for its users. Planned Gross surface = 5600 m² (Lower ground floor + Ground floor + 2 floors). Ongoing activities: designing of the main project.

3. Building of a general hospital facility in Pljevlja

The purpose of the infrastructure project is to provide comprehensive, accessible, safe, quality and timely health care for the inhabitants of Pljevlja Municipality. Planned Gross surface = 4,617 m² (Lower ground floor + Ground floor + 2 floors). The building location has been determined. The planned activities: designing of the main project and carrying out the works.

4. Internal Medicine Clinic of General Hospital Bijelo Polje

Total cost estimation: **€4,078,560.00**. The purpose of the infrastructure project is to provide comprehensive, accessible, safe, quality and timely health care for its users. Planned Gross surface = 4,944 m² (Ground floor + 2). Status: the main project has been finished.

Investment Opportunities - Single Project Pipeline (SPP)

http://www.srp.gov.me/en/home/nik/NIK/Responsibilities_of_Secretariat?alphabet=lat

1. Treatment of medical waste water in Clinic Center of Montenegro Health

- Total cost estimate: **€1,548,000.00**
- The purpose of the infrastructure project is to provide treatment of medical waste water and safe disposal through the sewerage system of the city of Podgorica.

2. Use of renewable energy sources in electricity supply, preparation of hot sanitary water and cooling system of the Clinical Centre of Montenegro

- Total cost estimate: **€1,090,000.00**
- The purpose of this infrastructure project is to use renewable energy sources for electricity generation and domestic hot water system via solar energy and cooling the main building of the Clinic center by using groundwater.

Investment Opportunities - Medical Tourism

1. Institute "Dr Simo Milošević"- Igalo, Herceg Novi

Institute "Dr Simo Milošević" Igalo is the largest and most important medical center for multidisciplinary spa treatment in Montenegro. The Institute is located at the entrance at the Bay of Kotor, 23km from the international airport Tivat (Montenegro) and 25 km from the international airport Dubrovnik (Croatia). It is located in close proximity to the seafront and is surrounded with pine trees. The Institute was established in 1949 as a spa and climatic health resort. It is considered the originator of the modern physical and preventive medicine, rehabilitation, wellness and thalassotherapy and of the major international centers for the rehabilitation of children, adults and elderly. Most patients/service users come by referral from Montenegro Health State Fund (around 80,000 overnights per year), but also from the Kingdom of Norway (State program, since 1976), the Netherlands (since 1986), and the Russian Federation (since 1996).

2. Private health facility general hospital - Meljine, Herceg Novi

Meljine Hospital complex is located in the Boka Bay with direct access to the sea in the length of 500m. The waterfront park area of 50 000 m² with 19 separate facilities in the area of 20,000 m². The hospital location was chosen more than 100 years ago due to its exceptional microclimate. Capacity: 92 beds in a hospital ward and 150 in the Rehabilitation section. The hospital has modern medical equipment for diagnosis, treatment and rehabilitation, as well as competent and professional medical staff. Medical Specialties: Surgery, Internal medicine, Cardiology, Endocrinology, Rheumatology, Gynecology and Obstetrics, ENT, Ophthalmology, Rheumatology with Ultrasound and CT diagnostics, Hyperbaric and underwater medicine, Physical therapy and rehabilitation, Psychiatry, Microbiology, Transfusion medicine, Biochemistry.

XI THE ICT SECTOR

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ICT sector in Montenegro has been recognized as one of the most important sectors for future economic development of Montenegro. The ICT sector has an overreaching influence on the national economy and global competitiveness since it supports all other sectors of the economy. Montenegro holds the 51st place in the World Economic Forum Report on ICT competitiveness for 2016. The ICT sector in Montenegro is in an early phase of development and, even though well-developed and competitive on the regional level, it has a lot of potential for further improvement.

The ICT-related legislation has been largely brought in line with the respective EU legislation. The Government of Montenegro's 2016 Strategy for the Development of Information Society Until 2020 defines key sectors for further development in this area. The document recognizes very important sectors such as: broadband access, information safety, human capital, e-commerce, e-education, e-health, e-connectivity, e-government, and research and development and innovation. Another very important strategy of the Government of Montenegro is the Strategy for Cyber Security of Montenegro 2013-2017, which has special relevance also in the context of recent membership of Montenegro in NATO (as of June 5th, 2017).

ICT sector in Montenegro has been recognized as one of the most important sectors for future economic development. Therefore, the plan is to increase the current share of ICT sector in GDP of 4,2% to 6% share by 2020. The telecommunication sector alone has seen significant foreign investment in the past decade. Annual turnover in this sector is around €300 million. There are currently over 400 companies in ICT sector in Montenegro. As of July 2017, there have been 40 registered operators in Montenegro: 4 operators of fixed/landline telephony, 3 operators of mobile telephony, 16 internet service providers and 7 AVM distribution service operators. Some of the biggest IT companies are present on the Montenegrin market, for example, Microsoft, Telenor, Deutsche Telekom (DT Group though Hrvatski Telekom), Ericsson i Huawei, S&T, Saga, as well as Telekom Serbia, Com Trade and United Group, including Montenegro's own Čikom and Digit Montenegro.

DoME Ltd is a Montenegrin joint venture founded in 2008 by Afiliis Limited, GoDaddy.com and ME-net, Ltd that does business as a .ME Registry. The company was chosen by Montenegrin Government to operate the .ME ccTLD of Montenegro. Even though .ME is ccTLD, it soon opened its doors for worldwide registrations and quickly achieved worldwide success. In March 2016, .me surpassed one million domain name registrations. Domain.ME is the organiser of one of the most carefully curated business/internet conferences in Southeast Europe - Spark.me. The conference has been organized annually since 2013 in the Montenegrin seaside resort of Budva. The next Spark.me conference is planned for May 26-27, 2018.

Innovation and Entrepreneurship Center Tehnopolis (<http://www.tehnopolis.me>) in Nikšić was opened in September 2016 as a part of the Science and Technology Park and another central science and technology park is planned in Podgorica, along with regional innovation and entrepreneurship centers in the towns Nikšić, Bar and Pljevlja.

XII CULTURE POTENTIALS AND EMERGING INDUSTRIES

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Potentials of Montenegrin Cultural Heritage Sites

A number of Montenegro's cultural heritage sites have been identified as possible investment project with the goal of their restoration, preservation and commercial valorisation. They have been listed in a brochure prepared by the Ministry of Culture of Montenegro.

The brochure about 30 Montenegrin cultural heritage sites, with significant potential for various future investment possibilities, is available at the website of the Ministry of Culture: <http://www.mku.gov.me/rubrike/SektorKB> (left-hand side banner, document saved as bilingual "Publikacija Potencijali kulturne baštine Crne Gore").

Properties inscribed on the **UN World Heritage List** (UNESCO) are:

Cultural: 1. Natural and Culturo-Historical Region of Kotor (1979)
2. Stećci Medieval Tombstones Graveyards (2016)
3. Venetian Works of Defence between the 16th and 17th Centuries: Stato da Terra – Western Stato da Mar (2017)

Natural: 1. Durmitor National Park (1980,2005)

Sites on the Tentative List (an inventory of those properties which each State Party intends to consider for nomination) are:

1. Cetinje Historic Core (2010)
2. Old Town of Bar (2010)
3. Doclea (2010)
4. 'Biogradska gora' National Park (2010)

UNESCO: <http://whc.unesco.org/en/statesparties/me>, <http://www.unescomontenegro.com>

Creative and Emerging Industries

The creative industry sector in Montenegro (culture, art, design, architecture, TV, radio, etc.) is becoming one of more dynamic sectors in Montenegro. Four Emerging Industries have particular relevance and potential for further commercial development in Montenegro:

- **experience industries** (related to tourism, culture),
- **maritime industry** (especially yachting and recreational craft sector intended for leisure or sport)
- **creative industries** (culture, art, design, architecture, TV, radio, etc) and

- **eco industries.**

These industries are characterised by high growth rates and market potential, and are usually based on new products, services, technologies or ideas.

Filming in Montenegro

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Website: www.fccg.me

Film industry is one area with significant potential – primarily thanks to Montenegro's incredible diversity of landscape and topography in a relatively small area (total country area: 13,812 km² / 5,333 sq mi). The film productions have at their disposal the magnificent settings of the Adriatic coast, the Skadar Lake (largest lake in Southeast Europe), the mountains and rivers, the urban and rural settings, etc.

The Film Centre of Montenegro, which was established in 2016, has a key role in the promotion of Montenegrin cinema and its potential for international productions. The Film Centre of Montenegro has been established as a public institution with the aim of creating a stimulating environment for Montenegrin film community and its international promotion. Its main activities include: the management of the film fund; the support of the new film productions; the promotion of Montenegrin cinema and its potential for international productions; training programmes for film professionals directed towards raising the level of their professional skills; as well as the series of activities around film festivals and film literacy.

In July of 2017 Montenegro has introduced **the 20% cash rebate** on eligible costs for feature films and documentaries and TV series. The minimum spending is €100.000.

XIII THE PRIVATISATION PLAN

Contact: The Government of Montenegro Council for Privatisation and Capital Projects
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E-mail: savjetzaprivatizaciju@gsv.gov.me

The Government of Montenegro Council for Privatisation and Capital Projects was established in accordance with the Law on the Privatisation of Economy with the goal of implementing and managing the process of privatisation of State owned companies, as well as proposing and coordinating the realisation of capital projects in Montenegro.

The Government of Montenegro Privatisation Plan for 2017 identifies main privatisation objectives and other aspects of this process, methods and manner of privatisation, together with a defined list of companies and the percentage of their share capital to be privatised.

The Privatisation Plan is based on privatisation methods and manners according to the free market demands, and is planned to be implemented by:

- Sale of shares and property by public tenders;
- Valorisation of tourism locations or companies through public-private partnership;
- Sale of shares at the stock exchange;
- Sale of shares and property by public auction

The Privatisation Plan can be downloaded from the following link:

<http://www.savjetzaprivatizaciju.me/en/privatization-plan/>

USEFUL LINKS:

- The Government of Montenegro: www.gov.me
- Official Travel & Tourism Website: www.montenegro.travel
- Ministry of Foreign Affairs of Montenegro Economic and Cultural Diplomacy: www.mvp.gov.me, contact e-mail: economic.diplomacy@mfa.gov.me
- Visa regime for Foreign Citizens: <http://www.mvp.gov.me/en/sections/consular-affairs/visa-regimes-for-foreign-citizens>, contact e-mail: visa@mfa.gov.me
- The Government of Montenegro list of priority infrastructure projects: “Single Project Pipeline” (adopted on June 30, 2017): <http://www.srp.gov.me/en/news/174425/The-Single-Project-Pipeline-adopted.html>
- Montenegro Investment Promotion Agency: www.mipa.co.me, e-mail: info@mipa.co.me
- The Law on Foreign Investment:
http://www.mipa.co.me/dcs/THE_FOREIGN_INVESTMENT_LAW.pdf
- Investment locations in Montenegro: www.investmentlocations.me
- Business Zones: <http://www.biznizszone.me/en>
- Decree on fostering direct investment: http://www.srp.gov.me/EN/home/direct_investments
- How to register a company in Montenegro: <http://www.biznizszone.me/en/company-registration-in-montenegro/>
- Chamber of Economy of Montenegro: www.privrednakomora.me/en, e-mail: pkcg@pkcg.org
- Renewable Energy: www.oie-res.me
- Projects in the Tourism Sector: <http://www.savjetzaprivatizaciju.me/en/valorization-of-tourist-sites/>
- Council for Privatisation – Public calls: www.savjetzaprivatizaciju.me/en/
- Public announcements for the sale of property of bankrupt companies: www.stecaj.co.me
- Monstat – National Office for Statistics – www.monstat.org
- Montenegro Foreign Trade statistics: <http://www.monstat.org/eng/page.php?id=32&pageid=32>
- Montenegro Tourism statistics: <http://www.monstat.org/eng/page.php?id=44&pageid=44>
- Central Bank of Montenegro: www.cb-cg.org, e-mail: info@cbcg.me
- Montenegrin Foreign Investors Council: www.mfic.me
- Association of Banks in Montenegro - <http://ubcg.info/en/>
- Port of Bar – www.lukabar.me, Free Zone of the Port of Bar – e-mail: deda.djelovic@lukabar.me
- Adriatic Fair Budva (organizers of specialized fair events): www.jadranskisajam.co.me/en/