



Ministry of Foreign
Affairs of Montenegro

MONTENEGRO

in Foreign Affairs

No.1

1st Edition
Newsletter of the Ministry
of Foreign Affairs of Montenegro





Dear reader,

We are pleased to introduce you with the first edition of the Ministry of Foreign Affairs of Montenegro Newsletter.

With support of our colleagues from the Ministry of Economy and the Ministry of Culture, we created this short form of communication which will be shared with you through our Diplomatic network.

Our aim is to inform you accurately and briefly about political and economic outlooks of our country as well as to bring closer to you part of our rich traditional and contemporary culture. We will do that continuously, on a quarterly basis, expecting to intrigue your interest, not only in what Montenegro was, but moreover what Montenegro represents today.

*Ambassador Veljko Milonjić, acting director general
Directorate General for Economic and Cultural Diplomacy*

**1st Edition Newsletter of the Ministry
of Foreign Affairs of Montenegro**

Published by:

Ministry of Foreign Affairs of Montenegro,
Directorate General for Economic
and Cultural Diplomacy

Contacts:

economic.diplomacy@mfa.gov.me
+382 20 416 322

Photo copyright:

© National Tourism Organization of Montenegro



Address of the Minister
of Foreign Affairs Prof. Dr. Srđan Darmanović

Montenegro - a country of clear foreign policy priorities and visions of socio - economic model of society

The eventful history of Montenegro and its statehood has witnessed momentous movements of people and cultures, persistent struggle for freedom and self-preservation, along with the enduring process of national awakening and building of distinctive identity. In addition to numerous remarkable dates that impacted the course of Montenegrin history, one stands particularly important for the fulfillment of centuries-long aspiration of our people. Namely, on 21 May 2006 Montenegro regained its independence on the referendum that was organized in line with the highest democratic standards. Furthermore, it is important to acknowledge that the manner in which Montenegro regained its independence represents a democratic precedent in the convoluted history of the Balkans. Therefore, we are proud that Montenegro's path towards renewed independence stands as an example of peaceful and democratic strive for state sovereignty.

In thirteen years of its renewed independence, Montenegro has achieved a remarkable success in terms of achieving foreign policy objectives, socio-economic progress and implementation of liberal public policies.

As a multiethnic and multicultural country, Montenegro has clear foreign policy goals and vision of socio-economic model of society that is based

on the rule of law, efficient judiciary, respect for human rights and functional market economy. It is important to address three pillars of our foreign policy, due to which, among other, Montenegro has been recognized as a credible and reliable partner in the region, Europe and wider international community.

In June 2017 we have fulfilled one of our foreign policy priorities by becoming the 29th member of NATO. Providing the best guarantee of territorial integrity, inviolability of borders, internal security and stability, our membership to NATO has also significantly contributed to the credibility of Montenegro on the world stage. For the first time in history, we sealed our path towards the Western system of values and partnership with the most developed liberal democracies in the world. At the same time, our NATO membership was an important precondition for faster economic development and stronger presence of foreign direct investments.

“

Providing the best guarantee of territorial integrity, inviolability of borders, internal security and stability, our membership to NATO has significantly contributed to the credibility of Montenegro on the world stage

”



Our aim is to further strengthen trust and connectivity in the Western Balkans, as well as to secure stability, security and socio-economic prosperity of all countries in the region.



Namely, the inflow of direct investments from the NATO member states only in first six months of 2018 has increased 2.5 times, while the number of tourists from those countries rose for 25%. Having in mind a positive impact of NATO membership on our stability, security and economy, we remain a firm advocate of the open door policy and swifter integration of countries that aspire to join the Alliance.

Our top foreign policy priority remains the process of European integration. With 32 open and three temporarily closed chapters, we successfully lead the process of integration of the region into the family of European countries. We are convinced that in the upcoming period we will continue to advance on our EU agenda, by implementing reforms and standards that will significantly contribute to the further democratization of our society. In this direction, we will continue with the implementation of the requirements and particularly address issues concerning the rule of law, as well as areas of economic management and strengthening of administrative capacities, in order to become the next new member state of the European Union.

A close regional cooperation and continuous development of good neighborly relations represents one of cornerstones of our foreign policy. Hence, with our neighbors we cherish relations based on mutual respect and support for internal reform activities. In that vein, we maintain a frequent political dialogue with all neighboring countries

and take active role in more than thirty regional organisations and initiatives. With the open and constructive approach, our aim is to further strengthen trust and connectivity in the Western Balkans, as well as to secure stability, security and socio-economic prosperity of all countries in the region.

Along with our regional, European and Euro-Atlantic activities, we are building bridges of trust and cooperation through our 37 diplomatic missions, 55 honorary consulates and a very vibrant diaspora. In addition, we continue to expand our diplomatic network, in line with our foreign policy priorities. Hence, Montenegro will further develop bilateral and multilateral relations within the international community, on the basis of our strategic national interests in terms of sustainable economic development, long-term stability, strengthening our role in the international community and affirmation of Montenegrin culture and identity through close cooperation with our diaspora.

I believe that in times to come this form of our communication will bring Montenegrin political and economic actualities, as well as our national and cultural heritage, closer to you. At the end, I take this opportunity to invite you to come to Montenegro, explore its natural and cultural diversity, acquire firsthand information on investment potentials and establish contacts that could result in fruitful and gainful cooperation.





Minister of Economy
Dragica Sekulić

Montenegro - a country with successful economic transition towards high competitiveness

“Competitiveness of the Montenegrin economy is boosted through the implementation of ten different programmes with the goal of ensuring European quality of life of all citizens of our country.”

Thirteen years since Montenegro regained its independence, we made a big step forward in terms of our country's economy. Definitely, our path was an upwards one only, as confirmed by implemented and launched projects from this field in the period from 2006 to date.

It took Montenegro more than a decade to become a member of the WTO, thus achieving one of our most important foreign policy priorities. Since 2007, our country has begun to enforce the Agreement on Amendment of and Accession to the Central European Free Trade Agreement (CEFTA), which implied abolishment of customs duties on trade in the CEFTA region, while trade in agricultural products has been completely liberalized.

In order to improve international and regional economic cooperation, sixteen (16) economic cooperation agreements and ten (10) agreements on the mutual promotion and protection of investments have been signed with the aim to expand mutually beneficial cooperation between countries, thus establishing an adequate legal framework for strengthening the state in the field of investments.

Competitiveness of the Montenegrin economy is boosted through the implementation of ten (10) different programmes in the field of economy.

All implemented projects of the Ministry of Economy, as well as those that will be implemented,

are directed towards one goal - economic development and European quality of life of all citizens of our country.

We continuously monitor and work on improving entrepreneurial competences, knowledge and skills in the implementation of entrepreneurial education cycles, as an important prerequisite for a better understanding of the market functioning and the rules the market sets out, thus emphasising the importance of lifelong entrepreneurial learning.

Transition of the economy from the centrally planned economy to the market one also brought about the establishment of new grounds for the regional development policy of Montenegro, since 2010, when the Law on Regional Development was adopted and a strategic framework of this policy established. The new regional development policy underlined, among other things, strategic development planning from the local level, which is a special segment of the regional development policy coordinated by the Ministry.

Since 2012, the Ministry has strategically conceptualised the cluster development policy as a mechanism for overcoming regional differences by strengthening the competitiveness of the economy.



Sixteen economic cooperation and ten mutual promotion and protection of investment agreements have been signed with the aim to expand mutually beneficial cooperation between Montenegro and its key regional and international partners.

In this context, several technical and financial support programmes for cluster development have been implemented.

In the said period, Montenegro has made significant progress in the field of energy. In accordance with the Treaty establishing the Energy Community, Montenegro became a fully fledged member of the Energy Community in 2006. This is the first formal agreement signed by Montenegro on a multilateral, internationally binding basis with the European Community and other countries of the region. The main objective of Energy Community's establishment is the setting up of a single regional electricity and natural gas market, which is a key step towards integration into the European energy market.

In accordance with the Law Ratifying the Statute of the International Renewable Energy Agency (IRENA), Montenegro became a member of this international organisation in 2010. On the basis of the Law Ratifying the Energy Charter Treaty, Montenegro became a member of the World Energy Charter Organization in 2015.

In accordance with the Energy Policy of Montenegro until 2030 (adopted in 2011) and the Energy Development Strategy of Montenegro until 2030 (adopted in 2014), in the previous period we intensively worked on the implementation of a number of projects in the field of electric energy. These include both projects related to building new facilities, as well as to revitalising and modernising the existing electricity generation, transmission and distribution facilities.

We are working hard on the implementation of energy projects. Previous year was marked, in particular, by the construction project of an undersea cable between Montenegro and Italy and related infrastructure in Montenegro. Hydrocarbons exploration and production in the Montenegrin undersea aimed at finding oil, which started in the last quarter of the previous year and continues to date, and concessions for solid mineral raw materials exploration and production are also worth mentioning. Wind farm construction and commissioning was completed at the site Krnovo, while the commissioning of the wind farm on Možura is expected during the first quarter of this year. In the previous period, a number of small hydro-power plants were built. In December 2018, a land lease agreement was signed for the construction of a solar power plant at the Briska Gora site.

Not long after regaining independence, Montenegro also received its digital and communication identity.

Namely, in 2006, Montenegro received a set of international telecommunication codes and a new dialing code +382. State Internet domain with the extension ".me" was established in 2007. In a very short time, it became the fastest growing state domain in terms of the number of registrations globally.



“ Creative Montenegro Programme interconnects government and artists, with the aim of establishing a platform for international presentation and sale of artwork. ”

Minister of Culture.
Aleksandar Bogdanović

Creative Montenegro - artwork as a new brand of the country


Built on powerful historical background, reinforced by its multi-confessional character, Montenegro is nowadays a country with great chances in the fields of culture and arts. One of the main goals of our work is to make culture a remarkable resource for a wider promotion of Montenegro. History has shown that numerous artists from our country achieved significant successes on regional and European scene.

Given that various civilizations inhabited our region during centuries, modern Montenegro is a country of great cultural diversity, which represents one of the greatest treasures of our cultural heritage.

Thus, the most important questions about our culture today are - how to make Montenegrin art more visible, how to use artwork as a brand of Montenegro and how can our artists enjoy benefits from that process?

In order to achieve our strategic goals, we started numerous projects: we believe that Creative Montenegro Programme is the most ambitious one. Newly developed concept of the programme interconnects government and artists, with the aim of establishing a platform for international presentation and sale of artwork. According to the first results, we have a large group of interested, mostly younger artists, who were motivated and eager to get involved in the Creative Montenegro campaign.

Owing to our programme, artwork is a new brand of Montenegro. During the next months, artists will be presented at international markets and their products will be distributed as unique tourist souvenirs during the season. Additionally, the focus of Creative Montenegro is to provide ateliers for the future works of artists. This will ensure creation of a sustainable system for young authors as they will be provided with their own art spaces, placement of their products and income.



“ Given that various civilizations inhabited our region during centuries, modern Montenegro is a country of great cultural diversity, which represents of the greatest treasures of our cultural heritage. ”

CRNA GORA EKONOMSKA LIČNA KARTA

Vlada Crne Gore/Ministarstvo Vanjskih
poslova Crne Gore
www.gov.me www.mvp.gov.me

Crna Gora koristi euro (€) kao zvaničnu valutu, iako
nije članica eurozone

Prosječna zarada 2018. godine:
766 eura(bruto) / 511 eura (neto)

BDP 2018 (3. kvartal): 1.525 miliona eura
Realna stopa rasta BDP-a: 5%

BDP (paritet kupovne moći):
46% prosjeka EU

Projekcije rasta BDP:
EK: 2,8% u 2019, 3,1% u 2020.
SB: 2,5% u 2019, 2,5% u 2020.
MMF: 2,5% u 2019, 3,0% u 2020.

Udio u BDP, po sektorima: Industrija: 11,6%;
Poljoprivreda: 6,8%;
Usluge i turizam: 21,0%

Budžet Crne Gore za 2019. godinu iznosi 2,38
milijardi eura

Stopa nezaposlenosti u 2019:
16,61% (u 2017: 22,4%)
Zaposlenost 2018: 188.687
(u 2017: 177.900 zaposlenih)

Neto priliv stranih direktnih investicija u 2018. godini
iznosio je 843 miliona eura.

SDI po zemljama – 10 najvećih u 2018: Italija, Ruska
Federacija, Srbija, Mađarska, Turska, Velika Britanija,
Švajcarska, Ujedinjeni Arapski Emirati, Malta, Belgija.

Strani investitori uživaju nacionalni tretman,
uključujući pravo kupovine nepokretnosti pod
uslovima pod kojima to čine i domaća lica

-Porez na dobit pravnih lica: 9%
-Porez na dohodak fizičkih lica: 9%, odnosno 11% za
lična mjesečna primanja iznad 720 € (bruto)
-PDV: standardna stopa od 21% i snižena 7%
-Porez na promet nepokretnosti: 3% od poreske
osnove, proporcionalna

Rangiranje zemalja: Svjetski ekonomski forum -
Indeks konkurentnosti (2018.): 71 / 140
Svjetska banka – Izvještaj o lakoći poslovanja 2018:
50 / 190
Forbes-ova lista najboljih zemalja za biznis: 68 / 153
-Indeks ekonomskih sloboda američke Fondacije
Heritidž 2018: 71 / 140



MONTENEGRO ECONOMIC I.D.

Government of Montenegro/Ministry of Foreign
Affairs of Montenegro
www.gov.me/en/ www.mvp.gov.me/en

Montenegro uses euro (€) as its currency, however,
it is not an official member of the euro zone

Average monthly salary in 2018:
€766 (gross) / €511 (net)

GDP 2018 (Q3): € 1,525 million
GDP real growth rate: 5

GDP (purchasing power parity):
46% of the EU average

GDP growth forecast:
EC: 2,9% in 2019, 3,1% in 2020.
WB: 2,5% in 2019, 2,5% in 2020.
IMF: 2,4% in 2019, 3,0% in 2020

GDP composition, by sector of origin: Industry: cc
11,6%; Agriculture: 6,8%; Services incl. Tourism:
21,0%

2019 Budget of Montenegro:
€ 2,38 billion

Unemployment rate 2019: 16.61% (2017: 22.4%)
Employed persons 2018: 188.687 (2017: 177.900)

Net inflow of FDI in 2018 amounted to € 843 million.

Top 10 FDI in 2018 by country of origin: Italy, Russian
Federation, Serbia, Hungary, Turkey, Great Britain,
Switzerland, UAE, Malta, Belgium

Foreign investors enjoy national treatment, including
the right to purchase real estate under same terms
as Montenegrin nationals

- Corporate Income Tax: 9%
- Personal Income Tax: 9% i.e. 11% on gross monthly
wages higher than €720
- VAT: 21% standard rate and 7% reduced rate
- Real Estate Transfer Tax: 3% of the tax base,
proportional

Country rankings: World Economic Forum - Global
Competitiveness Index (2018): 71 / 140
World Bank – Doing Business Report 2017: 50 / 190
Forbes List of Best Countries for Business: 68 / 153
2018 Heritage Foundation Index of Economic
Freedom: 71 / 140
acije Heritidž 2018: 71 / 140