

Introduction

Montenegro is a country located in Southeastern Europe. It has a coast on the Adriatic Sea and is bordered by Croatia, Bosnia and Herzegovina, Serbia, Kosovo, and Albania. The geography of Montenegro is varied from mountain ranges along Serbia and Albania to a narrow Adriatic coastal plain. The government system is a parliamentary republic; the chief of state is the president, and the head of government is the prime minister. Montenegro has a service-based market economy in which the prices of goods and services are determined in a free price system. Montenegro is a member of the Central European Free Trade Agreement (CEFTA).



Location: Southern Europe

Capital City: Podgorica (+1 GMT)

Chief of State: President Jakov Milatovic

Head of Govt.: Prime Minister Milojko Spajic

Currency: Euro (EUR)

Major Languages: <p>Serbian 42.9%, Montenegrin (official) 37%, Bosnian 5.3%, Albanian 5.3%, Serbo-Croat 2%, other 3.5%, unspecified 4%</p>

Primary Religions: <p>Orthodox 72.1%, Muslim 19.1%, Catholic 3.4%, atheist 1.2%, other 1.5%, unspecified 2.6%</p>

Calling Code: 382

Voltage: 220

Key Websites

Main Government Page: gov.me

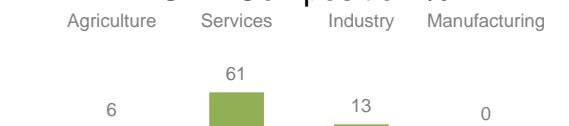
Commerce Ministry: gov.me

Investment Promotion Agency: mia.gov.me

Key Economic Facts

| | |
|--|----------------------------|
| Income Level (by per capita GNI): | Upper Middle Income |
| Level of Development: | In Transition |
| GDP, PPP (current international \$): | \$16.63 billion (2022) |
| GDP growth (annual %): | 6.09% (2022) |
| GDP per capita, PPP (current international \$): | \$26,984.07 (2022) |
| External debt stocks, total (DOD, current US\$): | \$10,552,323,759.10 (2021) |
| Manufacturing, value added (% of GDP): | 3.85% (2021) |
| Current account balance (BoP, current US\$): | -\$0.83 billion (2022) |
| Inflation, consumer prices (annual %): | 13.04% (2022) |
| Labor force, total: | 285,554 (2022) |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 15.40% (2022) |
| Imports of goods and services (current US\$): | \$4.63 billion (2022) |
| Exports of goods and services (current US\$): | \$3.21 billion (2022) |

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

| Index | Rank |
|---|----------|
| Corruption Perceptions Index | 63 / 178 |
| Global Competitiveness Index | 73 / 141 |
| Global Enabling Trade Index | 62 / 136 |
| Index of Economic Freedom | 77 / 176 |
| International Logistics Performance Index (LPI) | 77 / 160 |
| KOF Index of Globalization | 63 / 185 |
| Networked Readiness Index (NRI) | 51 / 139 |

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- Thriving tourism sector
- European Union candidacy supported by economic reforms (Europe Now programme)
- Use of the euro preventing exchange rate crises

Weaknesses

- Small, undiversified economy with a weak export base and dependence on tourism
- Structural current account deficit burdened by a large trade deficit, leading to high external debt
- Corruption, informal economy, emigration and unemployment
- Use of the euro may result in asymmetric shocks, with no credible near-term prospect of participating in European economic and monetary governance.

U.S. Embassy

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