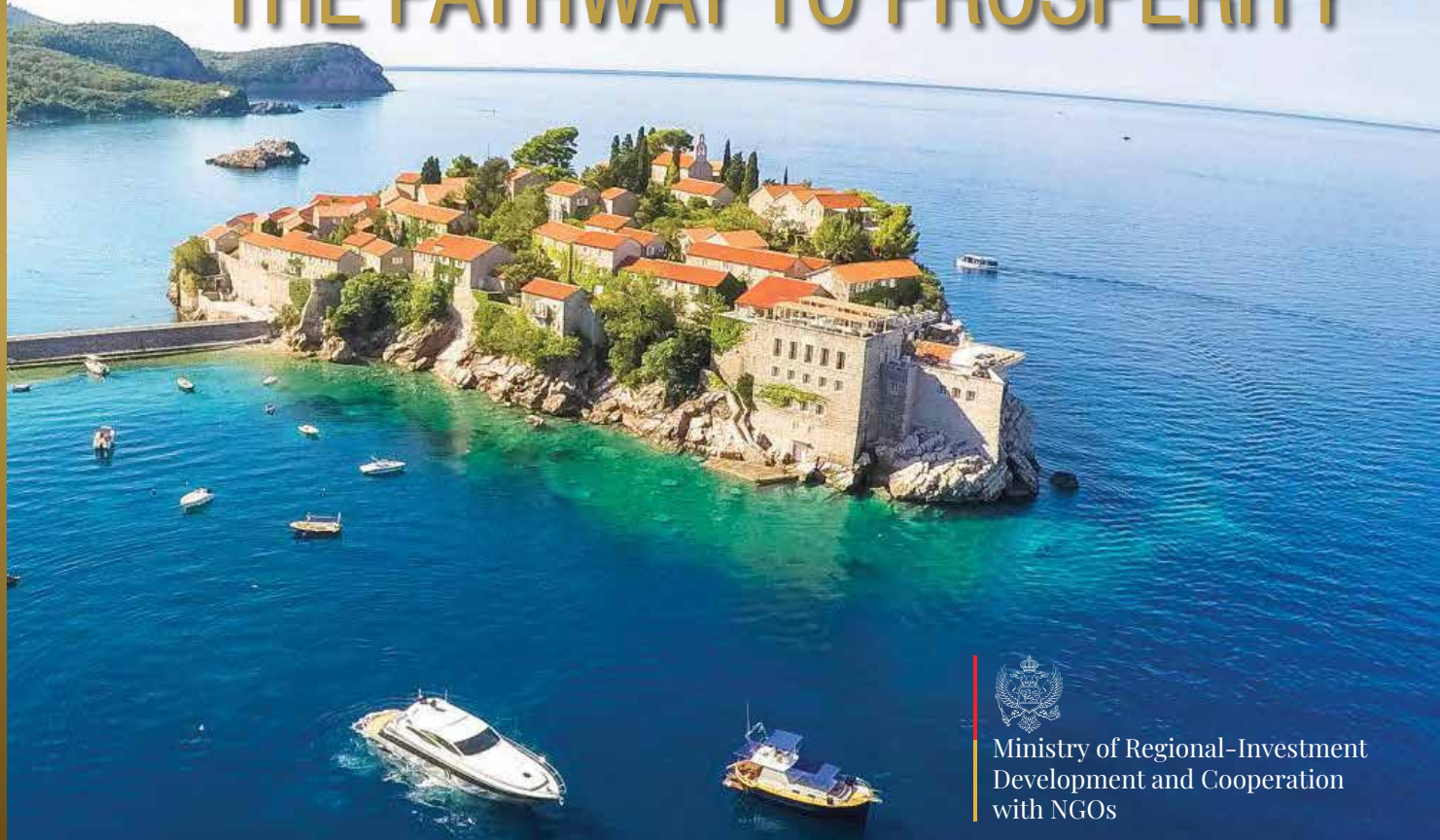


MONTENEGRO

THE PATHWAY TO PROSPERITY



Ministry of Regional-Investment
Development and Cooperation
with NGOs



FAST FACTS

| | |
|---------------------------------|--|
| Area: | 13.812 km ² (360 km ² of sea) |
| Administrative division: | 25 municipalities |
| Capital: | Podgorica |
| Old royal capital: | Cetinje |
| Population: | 623.633 (census 2024) |
| Income category: | Upper middle income |
| Political system: | Parliamentary democracy |
| Official language: | Montenegrin |
| Official currency: | Euro € (not part of the Eurozone) |
| Airports: | Podgorica, Tivat |
| Sea ports: | Bar, Tivat, Kotor, Zelenika |
| Montenegro: | The first ecological state in the world (since 1991) |
| Climate: | Mediterranean, with average of 270 sunny days |
| Bathing season: | 180 days |
| Podgorica: | Europe's sunniest capital. |



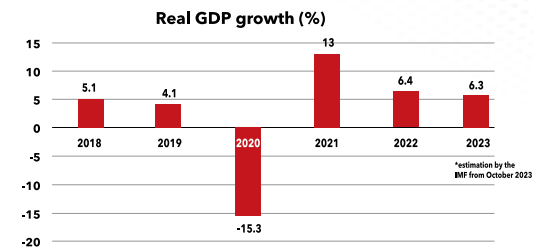
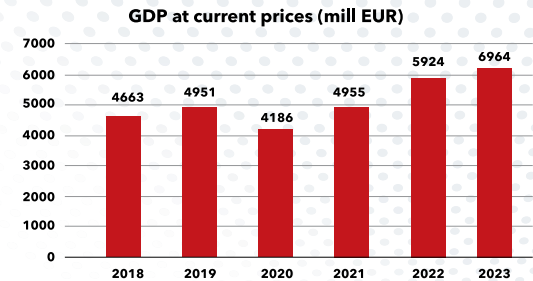
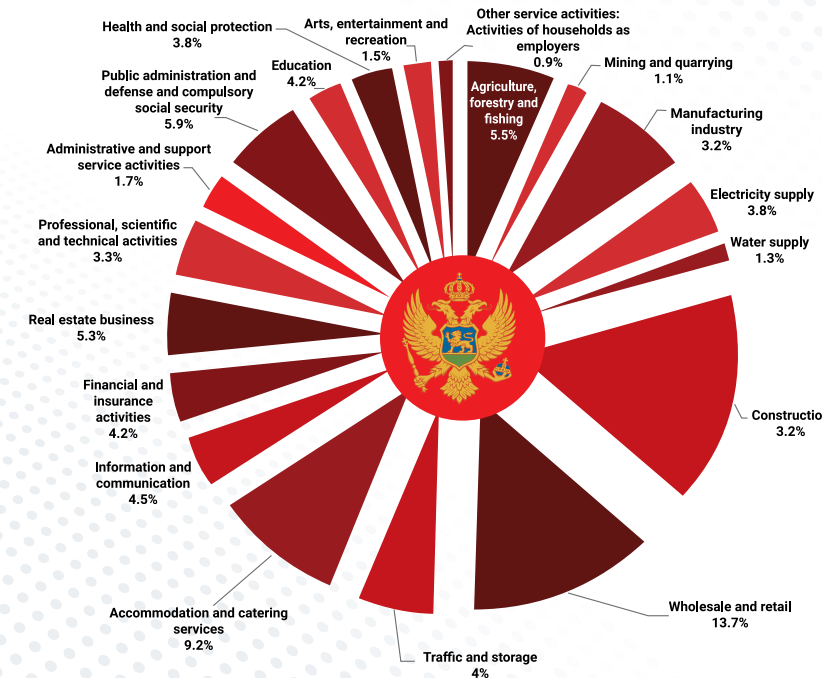
FAST FACTS

- GDP:** (2022) 5.924 million €; (2023) 6.964 million €
- GDP growth rate:** (2022) 6,4%; (2023) 6,3%
- Net salary:** (2022) 886€; (2023) 995€
- GNI Per Capita:** 34,1 GINI Coefficient (2019)
- GDP (purchasing power parity):** 48% of the EU average
- The Budget for 2024:** 3.47 billion €
- Net inflow of FDI:** (2023) 857 million €
- Income from tourism:** 997 million €
- Inflation rate (consumer prices):** 6,4% (2023)
- Unemployment:** 17,4% (2023)
- Life Expectancy at birth, years:** (2022) 76.2
- 5th:** fastest growing tourist destination in the world
- UNESCO Heritage sites per country:** Montenegro ranks as the 7th in the world
- Montenegro:** Has one of the highest biodiversity indexes in the world



FAST FACTS MACROECONOMIC DATA

SHARE OF ECONOMICS SECTORS IN GDP IN MONTENEGRO 2023



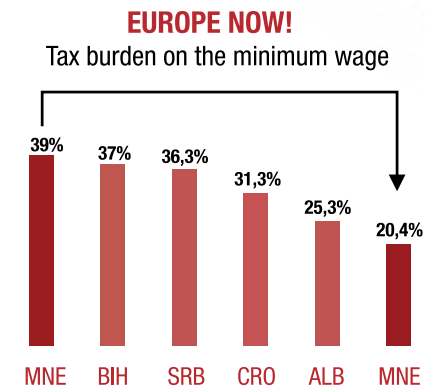
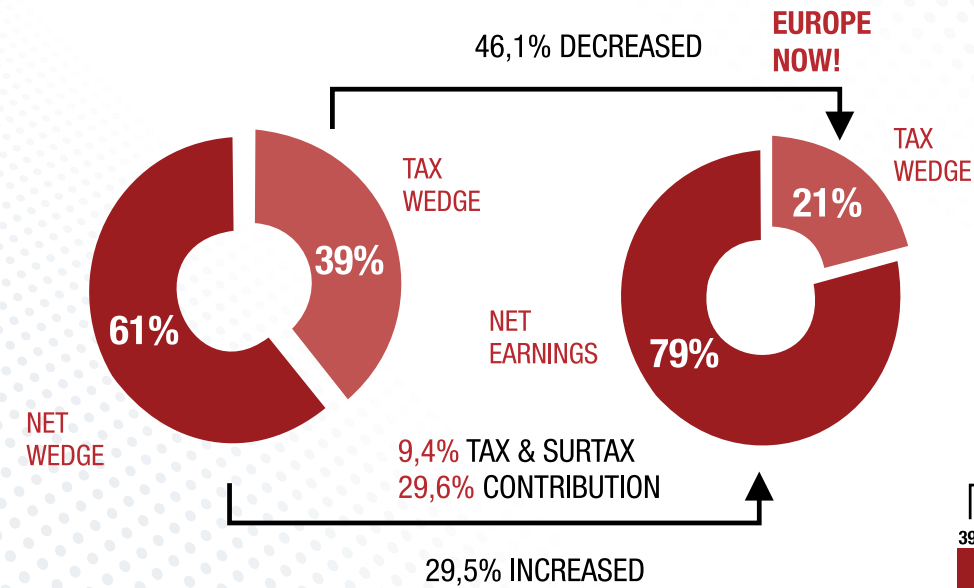
WHY TO INVEST IN MONTENEGRO?

- ❖ Economically and politically stable country;
- ❖ EU candidate (in the EU accession process);
- ❖ NATO member;
- ❖ WTO member;
- ❖ Investors from more than 90 countries;
- ❖ Highest FDI per capita in the region (Result of unique investment opportunities, positive experience of existing investors and favorable business environment);
- ❖ Total net inflow of FDI, in Montenegro, in 2023, was 857 million €;
- ❖ Lowest tax rates in the region;
- ❖ VAT refund;
- ❖ Signed free trade agreements with EU, CEFTA, EFTA, Turkiye, Ukraine;
- ❖ State and local tax and administrative incentives within business zones;
- ❖ Financial incentives for direct investments;
- ❖ Exemption from custom duties;
- ❖ Major investors are from: Netherlands, Norway, Turkiye, Russia, Austria, Germany, Italy, Switzerland, Azerbaijan, Serbia, Slovenia, Greece, Cyprus, Hungary, Great Britain, France, Middle East, etc.



NEW FISCAL POLICY

Substituting health insurance contributions with other government financing Introduction of a non-taxable part of wage Introduction of progressive income taxation



WHY TO INVEST IN MONTENEGRO?

- ❖ **Smooth company registration;**
- ❖ **Corporate profit tax:** from **9% to 15%**;
- ❖ **VAT: 21%** which applies to sales of goods and imports, **7%** basic products, books, medicines and medical devices, computer equipment and other and **0%** for export of goods;
- ❖ **Personal income tax:** from **9% to 15%**;
- ❖ **Real estate transfer tax:** it is progressive and amounts from **3% to 6%** of the tax base value of immovable property;
- ❖ **Annual property tax:** ranging between **0.1% - 1%** of the immovable property's market value;
- ❖ **No limit in terms of invested capital** - foreign investors are allowed to invest in any branch of industry and freely transfer financial and other resources, including profits and dividend after tax;
- ❖ **15%** - withholding tax on dividends, interest, royalties and fees for consulting services, market research services and audit services, as well as tax on income of non-resident legal entities arising from capital gains and lease of movable and immovable property;



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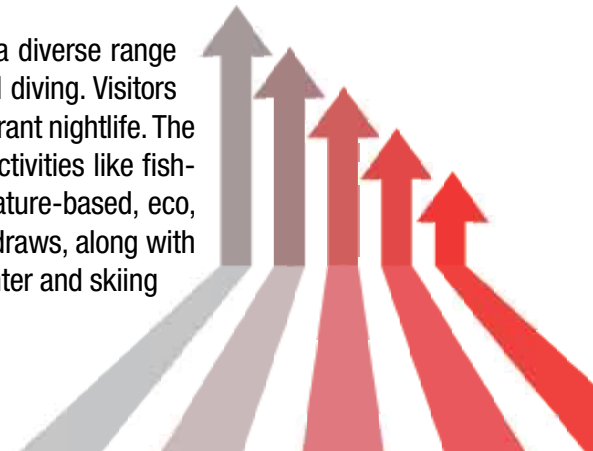
- ❖ **NATIONAL TREATMENT** - A foreign investor in Montenegro has the same rights as local nationals when it comes to establishing a company or investing in an existing one, following the same procedures and conditions. The country also offers a highly attractive investment climate, including low corporate taxes, a favorable visa regime, and a streamlined process for purchasing and owning property. Additionally, opening a Montenegro-based business is made easy through business-friendly regulations aimed at encouraging foreign investment;
- ❖ **ACCESSIBILITY** – The country is perfectly located in the centre of Southeastern Europe. Montenegro is within a three-hour flight from most European capitals, with the country's two international airports (TIV and TGD) and Dubrovnik airport located just 21km from the Montenegrin border. The country is NATO's youngest member, the national currency is the Euro, and Montenegro is aspiring to become the next EU member;
- ❖ **STRATEGIC ORIENTATION** – The country's government insists on reputable developers in different sectors of the economy, as well as developing high-end tourism to ensure the quality of the real estate and hospitality offerings. These and many other factors, have been incremental in quickly positioning Montenegro as young, high-end tourism destination and a country with great investment opportunities and investment ambient.

INVESTMENT OPPORTUNITIES



Ministry of Regional-Investment Development and Cooperation with NGOs

- ❖ **ENERGY SECTOR:** 1) Solar plant „Velje Brdo“ 50-250MW - Public call expected; 2) Solar plant „Briska Gora“ 50-250MW; 3) Solar plant „Čevo“ 25MW; 4) Hydro power plant „Komarnica“ 172MW; 5) Hydro power plant „Kruševo“ 120MW; 6) Wind farm „Brajčići“ 101MW;
- ❖ **AGRICULTURAL SECTOR:** 1) Wood processing - Out of the total territory of Montenegro 1,388,581 ha, 59.5% (826,782 ha) is covered with woods, while barren forest land makes additional 9.7%; 2) Water potential - Given that 95% of Montenegrin watercourses are formed within the country, it could be said that water is Montenegro's biggest natural resource; 3) Viticulture - Montenegro has a significant and traditional viticulture and winemaking production, but it has insufficiently used potential that could significantly contribute to improved standards of living of people in rural wine-growing areas and promotion of Montenegro as a wine country;
- ❖ **TOURISM SECTOR:** Montenegro's main tourism offerings include a diverse range of experiences such as swimming, nautical activities, cruising, and diving. Visitors can enjoy cultural events, including festivals, fairs, concerts, and vibrant nightlife. The country also promotes rural, sports, and adventure tourism, with activities like fishing, hunting, rafting, zip lining, camping, hiking, and canyoning. Nature-based, eco, and ethno tourism, as well as family-friendly experiences, are key draws, along with Montenegro's rich cultural heritage and landmarks. Additionally, winter and skiing tourism round out the year-round appeal of this destination.



REPUTABLE INVESTMENT EXAMPLES



THE KRNOVO WIND FARM (NIKŠIĆ)

- **Investors:** Akuo Energy & Masdar (Fra/UAE);
- **Investment value:** cca 150 million €;
- **26 GE** wind turbines;
- Total capacity of **72 MW**;
- Producing est. **200 GW annually**;
- Displacing **80.000** tonnes of CO2 per year;
- **Powering 45.000 households.**

JUGOPETROL A.D.

- est. 1947 is the largest petroleum products company in Montenegro
- In 2002 Jugopetrol became a member of the **Helleniq Group**;
 - Has **46** EKO branded service stations, supplies **3** yacht facilities, **2** airports and has greatest fleet of tank trucks in the country;
 - The EKO retail networks offer different fuel, avio diesel and gas range;
 - EKO retail network has **2 EV** charging stations.



REPUTABLE INVESTMENT EXAMPLES

TREBJESA BREWERY NIKŠIĆ

- **Investor:** Molson Coors Beverage Company, USA-Canada
- The past years were followed by a large investment activity, modernization of production line, new products, market expansion, strengthening of social programs and supporting local employment.



TERNA: ITALY-MONTENEGRO Interconnection

1.2 billion € investment

- Terna electrical bridge of 445 km between Italy and Montenegro;
- Electricity transmission cable and hub;
- A record-breaking infrastructure in terms of technology and innovation, of strategic importance for the safety of the two electrical systems and for the integration of renewable sources.



DAIDO METAL CO., LTD. NAGOYA – JAPAN

- Investment value: over 150 million €;
- Production of sliding sleeves for internal combustion engines;
- Manufacture of tools and metal constructions; etc.;
- 11.500 m² of workshops, 2.500 m² of offices at the area of 70.000 m².



PORTO MONTENEGRO

Investor: Investment Corporation of Dubai, Adriatic Marines Ltd. Canada/Montenegro and PM Securities (Barbados).

- Investment value: 923,4 million €
- Regent Hotel and Resort over 58.8 million €;
- Around 450 secure berths ranging from 12 to 250 meters in length.

AMAN RESORT

- **Investor:** Adriatic Properties, Greece/Montenegro
- **Investment value:** cca 60 millions €
- Villa Miločer suites overlook the bay or the forests surrounding the beachside villa.



PORTONOVI – One&Only

- **Investor:** SOCAR, Azerbaijan Azmont Investments Montenegro;
- **Investment value:** 835 million €;
- First European location of the luxury hotel „One&Only“;
- Chenot Espace wellness center.

REPUTABLE INVESTMENT EXAMPLES

THE KOTOR CABLE CAR PROJECT (Kotor-Cetinje)

- Investor: **Leitner** (Ropeways) Italy – **HTI Group**;
- Investment value: **cca 20 million €**;
- **Gondolas** with breathtaking sight overlooking the sea and mountains - connecting Bay of Kotor and Lovćen mountain (Njeguši);
- **48 gondolas, 360°** panoramic view, length of the cable car route: **3.9 km**, maximum speed of **6 m/s, 11 minutes** ride, **10 passengers** gondolas and altitude difference of **1.3 km**.



THE MOŽURA WIND FARM (Ulcinj)

- Investor: **Enemalta & Shanghai Electric** (Malta & PR China);
- Investment value: **90 million €**;
- **23 turbines** with installed capacity of **46 MWh**;
- Annual production: **120 GWh**;
- Long-term lease contract **expires in 2035** when the wind farm will go into ownership of the Montenegrin government.



BAR-BOLJARE HIGHWAY

- The **Montenegro Highway**, specifically the Bar-Boljare section, is a major infrastructure project aimed at connecting the coastal region with the northern part of the country;
- **Investor: The project is primarily financed by a loan from the Export-Import Bank of China (Exim Bank), with China Road and Bridge Corporation (CRBC) being the main contractor for construction.**
- This highway is a crucial part of the country's infrastructure development, aiming to improve connectivity, boost economic growth, and enhance regional trade;
- **Investment value:** The total cost is estimated on **\$1.7 billion** and cost of the first section (Smokovac to Mateševu) is approximately **\$1.1 billion. This is one of the largest infrastructure investments in Montenegro's history.**
- **Length:** The first section, Smokovac-Mateševu, covers about **41 kilometers**. Once completed, the entire highway from Bar to Boljare will span **approximately 165 kilometers**.
- **Features:** The highway includes numerous tunnels and bridges due to Montenegro's mountainous terrain, making it a highly complex engineering project. The first section alone has over **20 bridges** and **16 tunnels**.

LUŠTICA BAY – Orascom Development Holding

- **Total investment planned: over 1.5 billion €;**
- **Total investment to date (2024): cca 450 million €;**
- Land area of the project is 7 km²;
- Luštica Bay current neighbourhoods: Marina Village, Centrale, The Peaks;
- First Golf course (designed by Gary Player) with 18 holes and sea view;
- Luštica Bay is the first and largest greenfield development in Montenegro with an estimated investment of over EUR 1.5 billion including a network of new build modern infrastructure valued at over EUR 150 million;
- Home to 400 families of over 40 nationalities with approximately 600 constructed residences to date;
- The elegant marina with the capacity for 115 berths for boats up to 45m long;
- 4 beaches.



MAMULA ISLAND HOTEL – Orascom Holding Mamula MNE

- Original fort was built mid 19th century;
- Nowadays **5 stars island hotel** in Boka Bay;
- Investment value: **cca 20 million €;**
- **UNESCO world heritage site;**
- 32 rooms, holistic spa, beach, 3 pools, 3 restaurants and 4 bars;
- The island/hotel can be reached by boat from the nearby coast.



INFO AND USEFUL LINKS

THE MINISTRY OF REGIONAL-INVESTMENT DEVELOPMENT AND COOPERATION WITH NGOs of Montenegro plays a crucial role in shaping and implementing economic policies, strategies, and initiatives aimed at fostering sustainable economic growth and regional development within the country. Some of the key roles and responsibilities of the Ministry may include:

ECONOMIC POLICY FORMULATION: Developing and implementing policies that promote economic stability, investments, competitiveness, and innovation within Montenegro.

INVESTMENT PROMOTION: Attracting domestic and foreign investments by creating an attractive investment climate, offering incentives, and supporting investment projects that contribute to economic development.

SECTORAL DEVELOPMENT: Performs administrative tasks related to the preparation and monitoring of regulations in the field of regional development; Identifying proposals and implementing strategies for the development of Montenegro; Cooperation with local self-government units and other regional development policy makers in the preparation and implementation of development programs and projects.

INFRASTRUCTURE DEVELOPMENT: Planning and coordinating projects that are critical for economic development, investments, regional development and cooperation with NGOs.

COOPERATION WITH NGOs: Preparation of draft regulations relating to the establishment and operation of non-governmental organizations and political parties; Activities related to the programming and management of EU funds intended for non-governmental organizations based in Montenegro.

INFO AND USEFUL LINKS

MINISTRY OF REGIONAL-INVESTMENT DEVELOPMENT AND COOPERATION WITH NGOS

www.gov.me/mirn

MINISTRY OF ECONOMIC DEVELOPMENT

www.gov.me/mek

PORTAL FOR SUPPORT TO THE MSME SECTOR

biznis.gov.me

MINISTRY OF ENERGY

www.gov.me/men

MINISTRY OF EDUCATION, SCIENCE AND INNOVATION

www.gov.me/mps

MINISTRY OF AGRICULTURE, FORESTRY AND WATER MANAGEMENT

www.gov.me/mpsv

MINISTRY OF TOURISM

www.gov.me/mt

MINISTRY OF SPATIAL PLANNING, URBAN PLANNING AND STATE PROPERTY

www.gov.me/mdup

MIA – MONTENEGRIN INVESTMENTS AGENCY

mia.gov.me

INNOVATION FUND OF MONTENEGRO

fondzainovacije.me

THE ECO-FUND

eko-fond.co.me





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