

# Why Montenegro?

## Low corporate profit tax

- 9% - from 0 € to 100.000€
- 12% - from 100.000€ to 1.500.000 €
- 15% - over 1.500.000€

## Easy business start up

- Company registration in 10 business days
- Minimum initial capital for opening a LLC is 1 €
- Low company maintenance costs

## Residence permit

- No restrictions
- Issued in 15 days

## Buy a property in Montenegro

- 3% - the real estate purchase tax
- 0.25% - 1% - annual real estate tax
- Get a residence permit based on property ownership

## National treatment of foreign investors

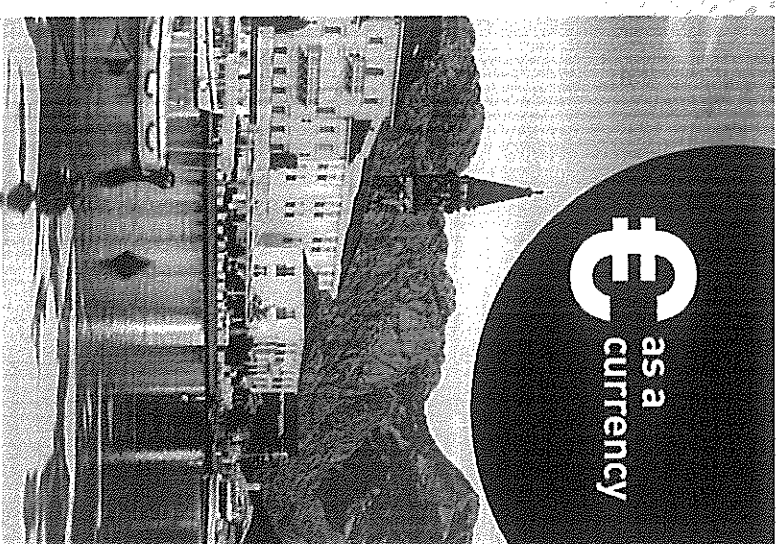
Foreign Investent Law guarantees the principle of national treatment, which means that foreign investors have the equal rights as domestic ones.

## Stable banking system

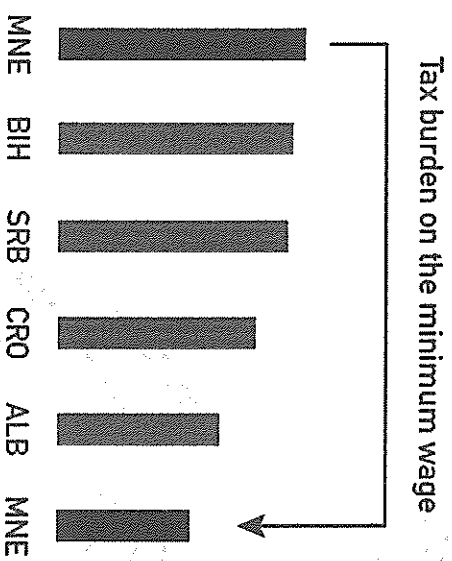
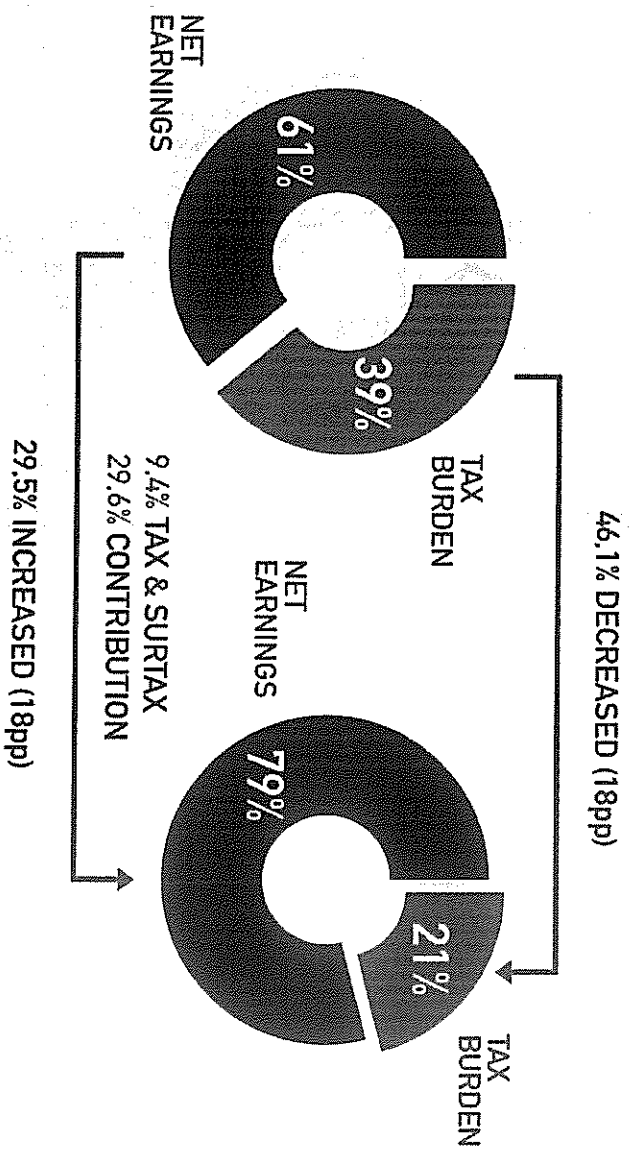
Foreigners living or working in Montenegro can choose from a wide numbers of Montenegro banks. At the end of 2021, the banking sector consisted of 11 banks, mostly foreign ones.

## Great connectivity

Well airport connectivity, the possibility of transport by land, air and sea guarantees unique access to markets and delivery of all products on time.



# NEW FISCAL POLICY

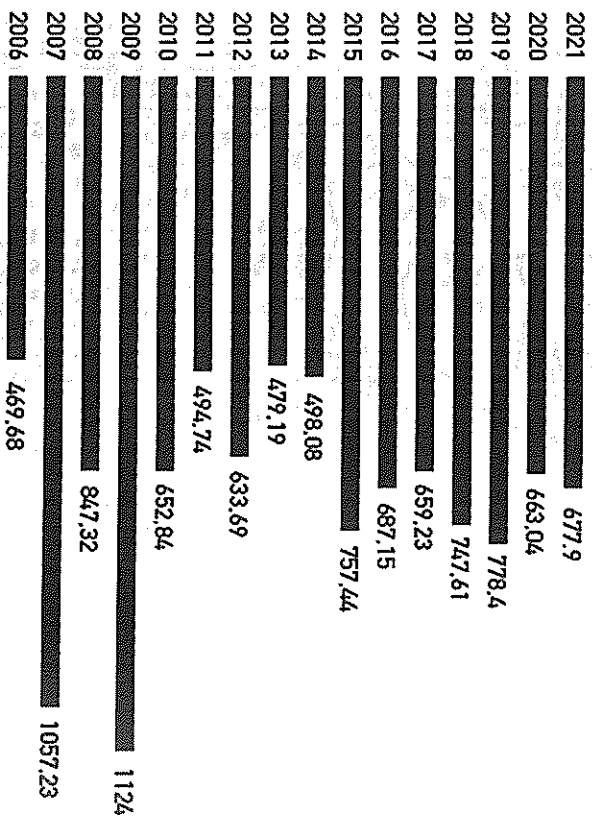


# NEW FISCAL POLICY

NET SALARY BEFORE 31.12.2021.	GROSS SALARY BEFORE 31.12.2021.	NET SALARY AFTER 31.12.2021.	GROSS SALARY AFTER 31.12.2021.
450,00€	740,96€	450,00€	568,07€
500,00€	823,25€	500,00€	631,18€
550,00€	905,61€	550,00€	694,29€

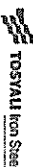
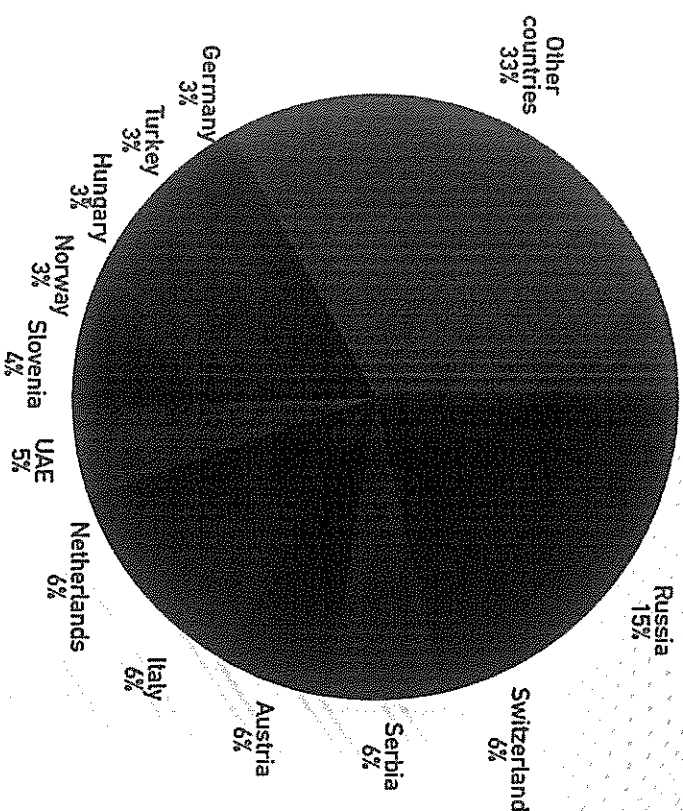
# FDI Inflow 2006-2021

mil. EUR)

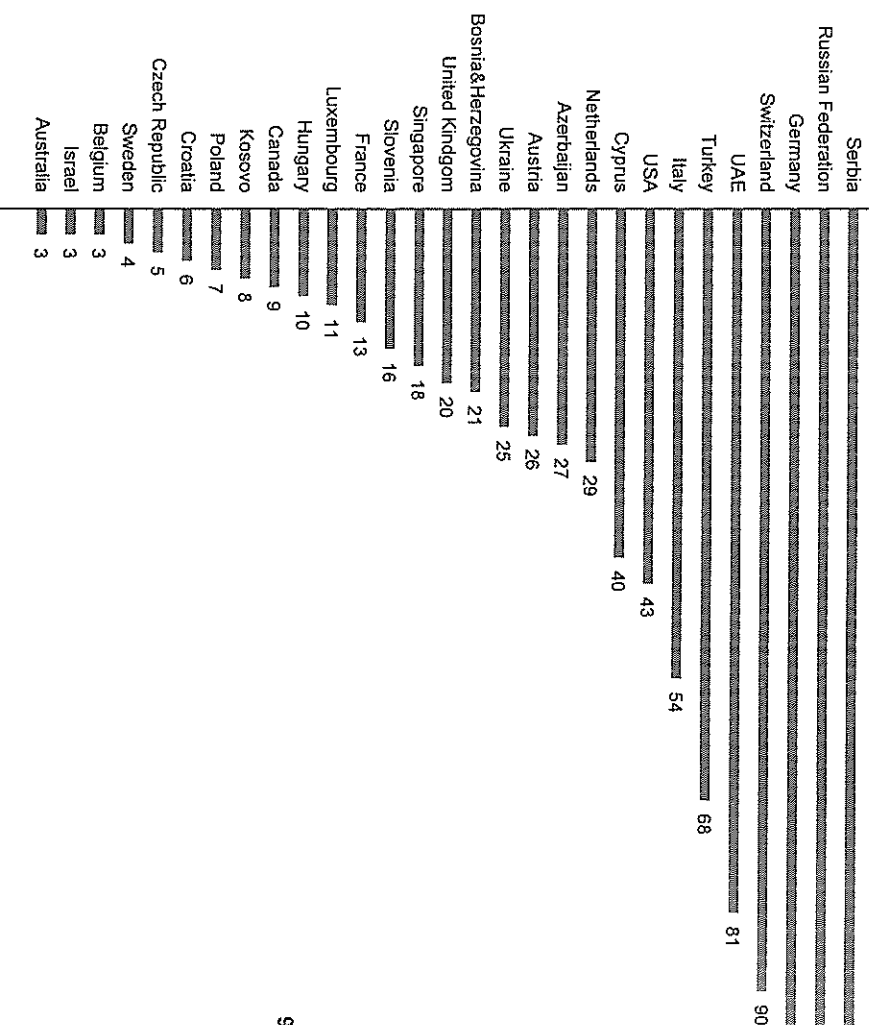


# FDI Inflows 2010-2020

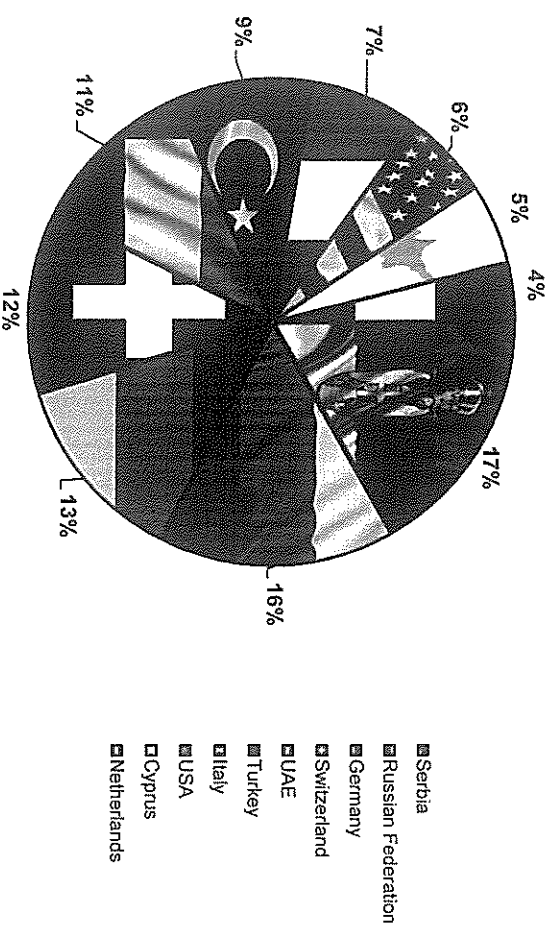
by countries (%)



## FDI Inflows in Montenegro in 2022 by countries (mil. EUR)



Top 10 countries invested from in 2022 (% of total inflow)



German investors are the top investors in real estate sector in Montenegro in 2022, with total investments of 57 million EUR out of total 370 million EUR invested in real estate sector in 2022.

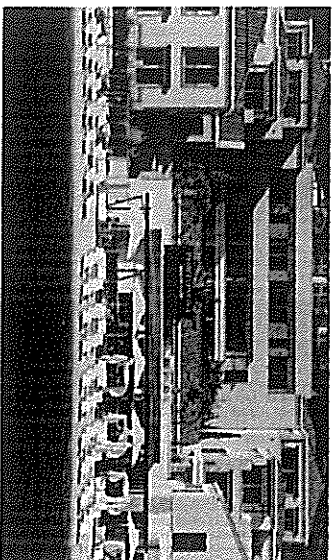


# **SECTORAL INVESTMENT OPPORTUNITIES**

**TOURISM ENERGY ICT SECTOR AGRICULTURE**

# SUCCESS STORIES

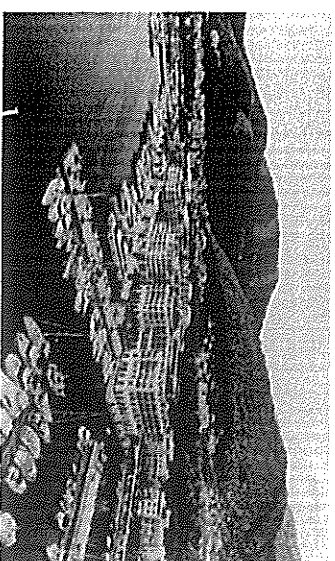
The most significant realized investments  
in the tourism sector



## **Porto Novi**

Investor: Azmont Investments

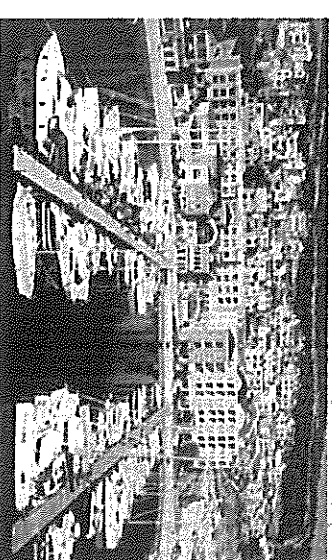
**737,4 million € investment**  
**350 new employees**



## **Porto Montenegro**

Investor: Investment Corporation of Dubai

**702,1 million € investment**  
**378 new employees**

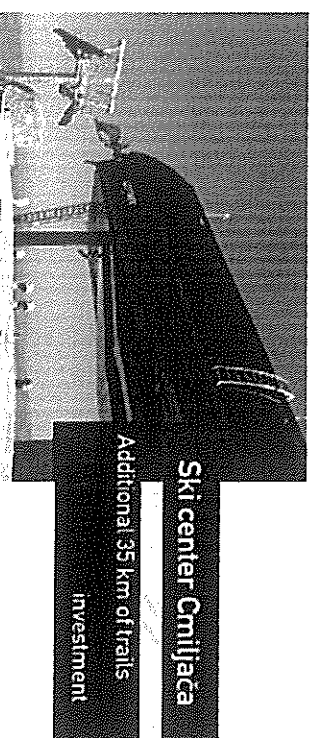
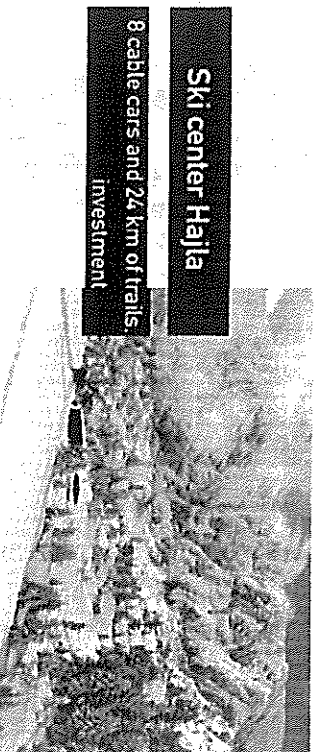
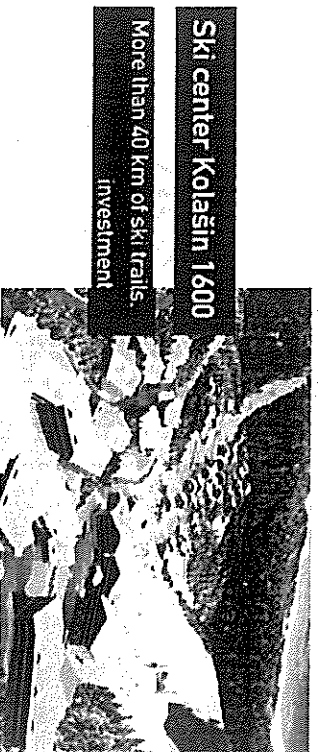


## **Luštica Bay**

Investor: Orascom

**266 million € investment**  
**280 new employees**

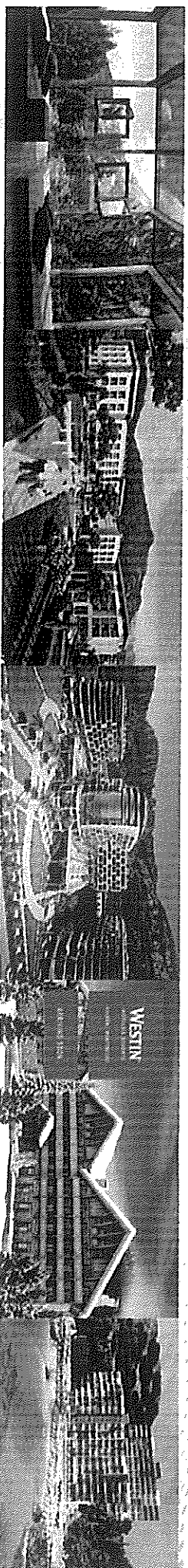
# Significant state investments in Ski infrastructure





# Montenegro – the biggest tourist construction site in the region

## Ongoing projects

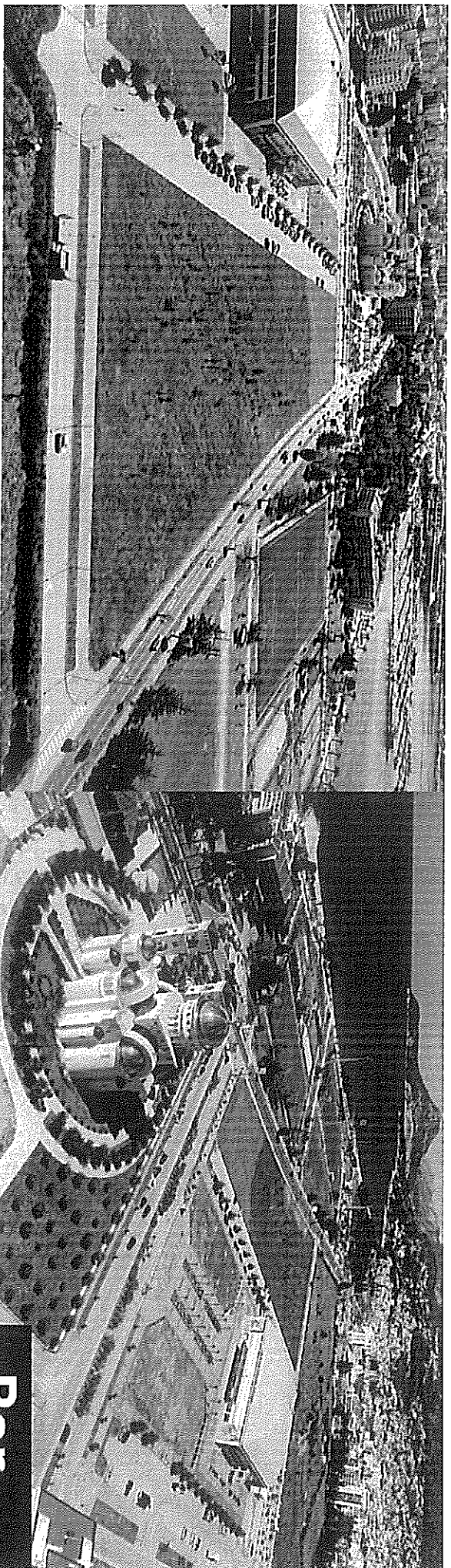


### 16 hotels under construction at this moment

- |                                      |                         |  |                                   |
|--------------------------------------|-------------------------|--|-----------------------------------|
| „Breza“ Hotel, Kolasin               | „Cruiser“ Hotel, Budva  | „Boka Place“ Hotel, Tivat              | „President“ Hotel, Budva          |
| „Durmitor Hotel and Villas“, Zabljak | „Liko Soho“ Hotel, Bar  | „D“ Hotel, Kolasin                     | „Tivat“ hotel complex, Tivat      |
| „Bjelasica 1450“ Hotel, Kolasin      | „Magnum“ Hotel, Kolasin | „Montis hotel&resort“ complex, Kolasin | „Kolasin Resort and Spa“, Kolasin |
| „K16“ Hotel, Kolasin                 | „B“ Hotel, Kolasin      | „Amma Resort“                          | „R“ Hotel, Kolasin                |

**444 million EUR** ongoing projects in tourism sector

2764 new high category accommodation units



Location name:

## **UP2 Block 2 Zone A Dup Topolica 3**

Cadastral parcel: 4957/6, 4957/4, 4957/3, 4953/1, 4953/4, 4953/2, 4952/3, 4952/2, 4952/1 and parts of others, KO Novi Bar

Total land area (m2): 17767

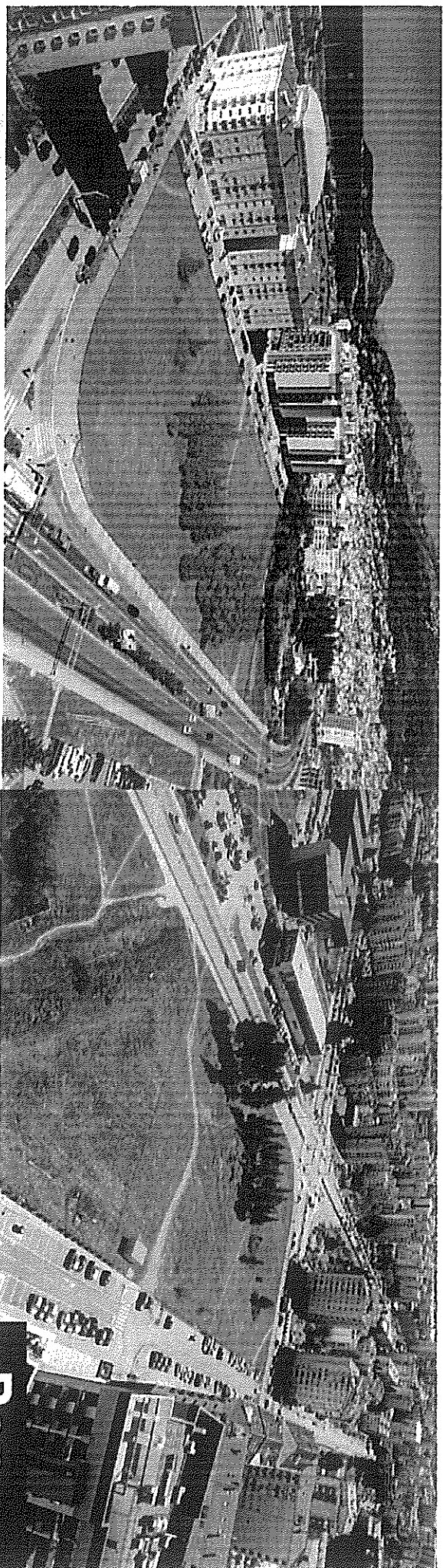
Total surface of all buildings (m2): without buildings

Ownership status: Municipality of Bar and Government of Montenegro, no encumbrances or restrictions

Planning document: DUP Topolica 3, amendments to the DUP are being drafted

Form of transfer of rights: The subject of the transfer of rights is the entire plot through a public tender - auction

Location description: The location is located near the sea, in the area intended for the construction of high category hotels. The construction of the hotel building max GBA 62184 m2 is planned. The plot has a connection to the city water supply, sewerage and electricity network. The location is infrastructurally equipped.



**Bar**

Location name:

## **UP 44 block 8 zone B DUP Topolica 3**

Cadastral parcel: KP 4976/11, 4977/5, 4978/2, 4977/14 KO Novi Bar

Total land area (m2): 17430

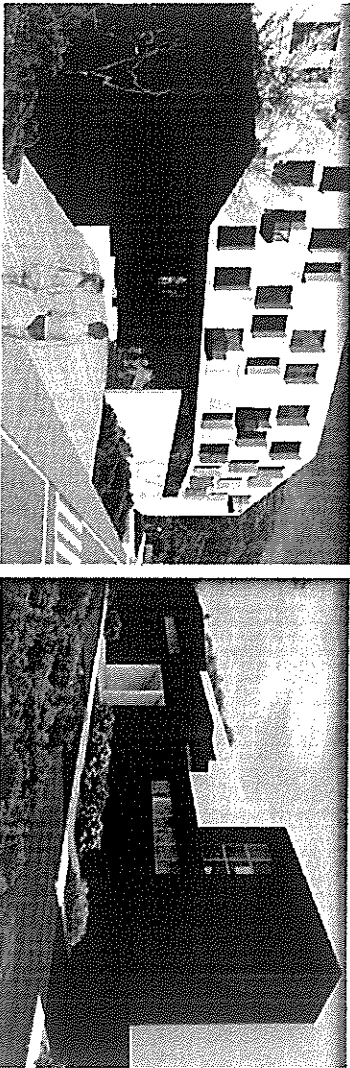
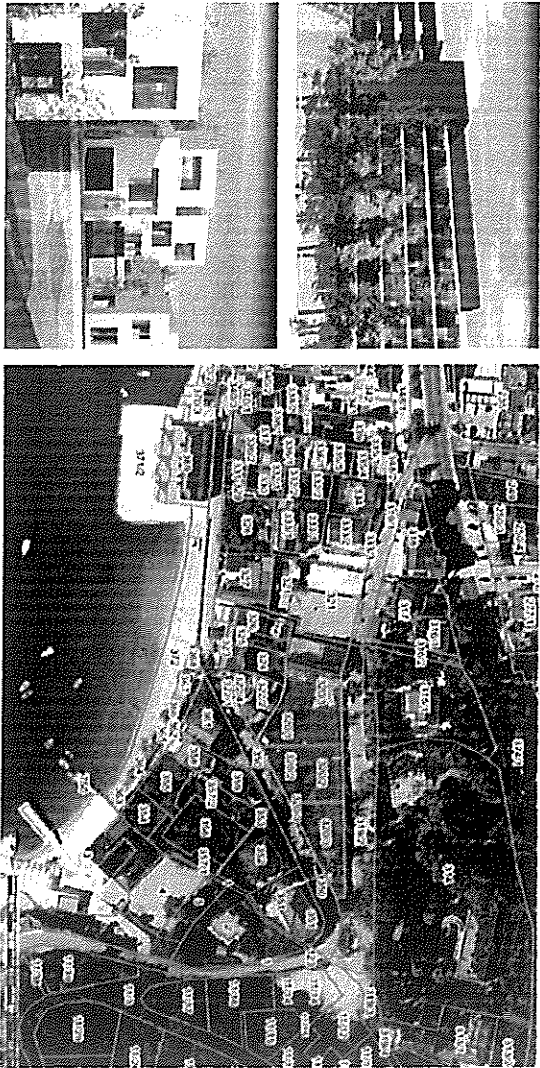
Total surface of all buildings (m2): no buildings built

Ownership status: Municipality of Bar and Government of Montenegro, no encumbrances or restrictions

Planning document: DUP Topolica 3, changes to the DUP are underway

Form of transfer of rights: The subject of the transfer of rights is the entire plot through a public tender - auction

# HERCEG NOVI



Location name:

## Mixed-use Building in Meljine

Location: Cadastral plot number 320/1 (part without LC), 320/2 i 320/3 K.

O. Podi

Land area: cca 2400 m<sup>2</sup>

Land use: Mixed-used complex with various social contents, including parking lots. max lp = 0,4, max li = 1,5, max floor of facilities in the complex is S + P + 3 (basement + ground floor + three floors)

Land use plan: Valid plan: DUP Meljine ("Sl. list CG o. p." br. 26/12): UP 47



# BAR-BOLJARE Highway

The largest infrastructure project being implemented in Montenegro

The first section of the Bar-Boljare motorway (Smokovac - Mateševci) opened 13th July 2022 it is about 41,5 km long, it has 29 bridges, ten overpasses, and sixteen double-tube tunnels

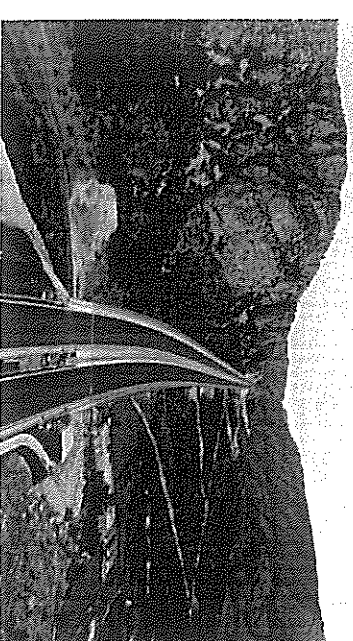
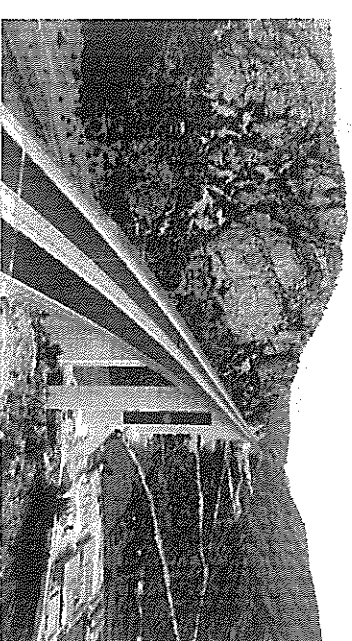
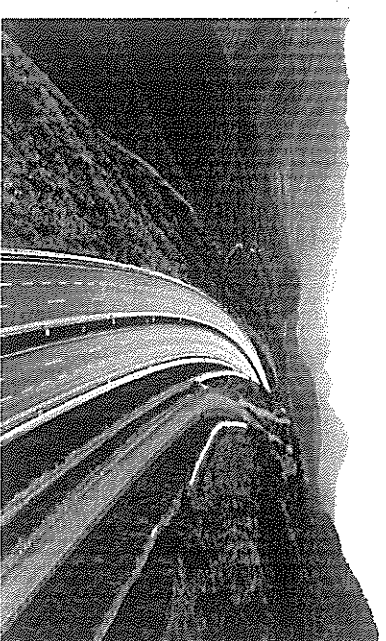
Coming next

Section	Length (km)	Construction costs (€)	Expropriation costs (€)	Total costs* according to Bids (€)	Documentation Status
Durmani - Farmaci	35,11	288.964.190	20.347.695	309.311.885	Conceptual Design
Farmaci - Smokovac (bypass around Podgorica)	17,10	196.307.250	7.880.250	204.187.500	Preliminary Design under preparation (expected to be completed in early 2023)
Mateševci - Andrijevica	23,06	398.084.559	13.500.000	411.584.559	Preliminary Design under preparation (expected to be completed in early 2023)
Andrijevica - Boljare	55,08	410.928.723	36.427.502	780.779.519,24	Conceptual Design
<b>TOTAL</b>	<b>130,35</b>	<b>1.294.284.721</b>	<b>78.155.447</b>	<b>1.372.440.168</b>	

Note: The costs in the table have been estimated at the beginning of 2022, with the significant rise of the construction material the costs are expected to be higher

Adriatic – Ionian highway coastal variant:

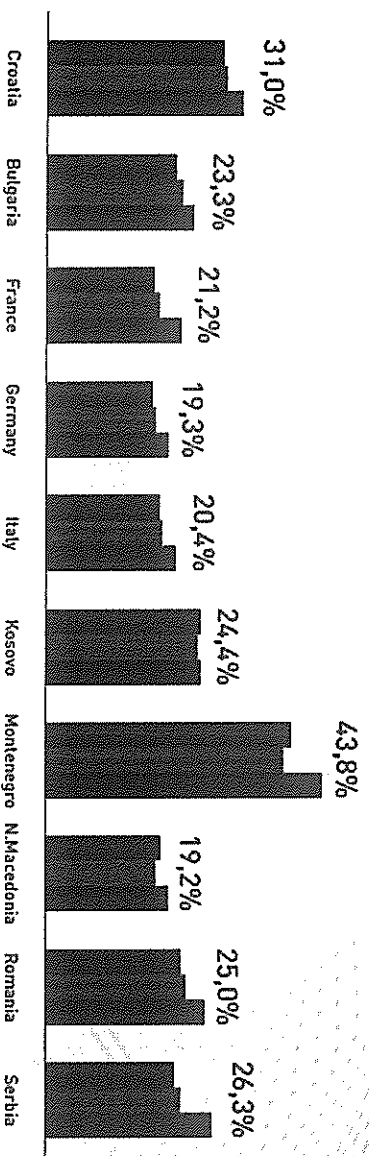
- The Feasibility study done
- 110 km length, estimated costs around 13.2 million per km, 1.45 billion EUR total
- PPP model as an option
- 42.09 million EUR provided by the EU for the co-financing of the bypass around Budva



# SUSTAINABLE ENERGY SECTOR

The largest share in the production of energy from renewable sources

Share of electricity production from renewables (%)

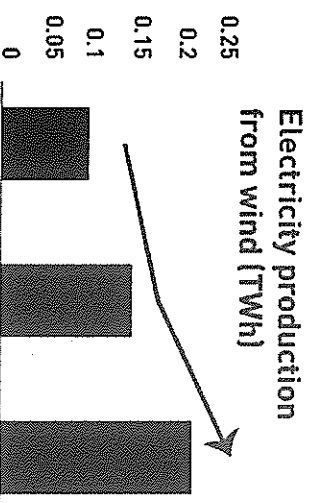


HYDRO

WIND

SOLAR

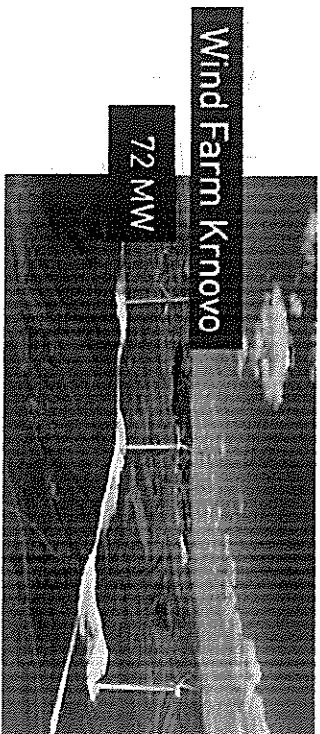
2021



Electricity production from wind (TWh)

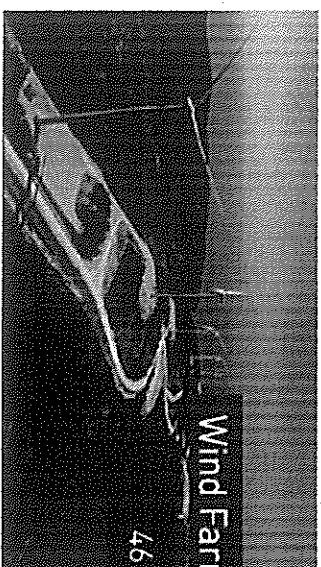
Electricity production in Montenegro (2021)	
	GWh
HPP Perućica & HPP Piva	1.827,49
TPP Pijevlja	1.332,61
SmatK HPPs	1.54
	%
HPP Perućica & HPP Piva	57,8
TPP Pijevlja	42,15
SmatK HPPs	0,05

## Implemented projects



Wind Farm Krnovo

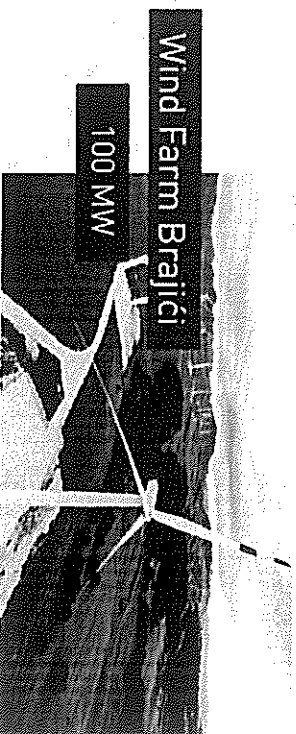
72 MW



Wind Farm Možura

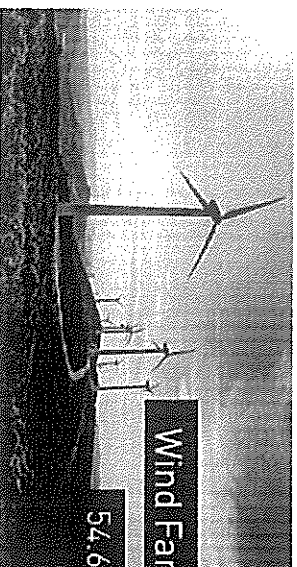
46 MW

## Upcoming projects



Wind Farm Brajići

100 MW

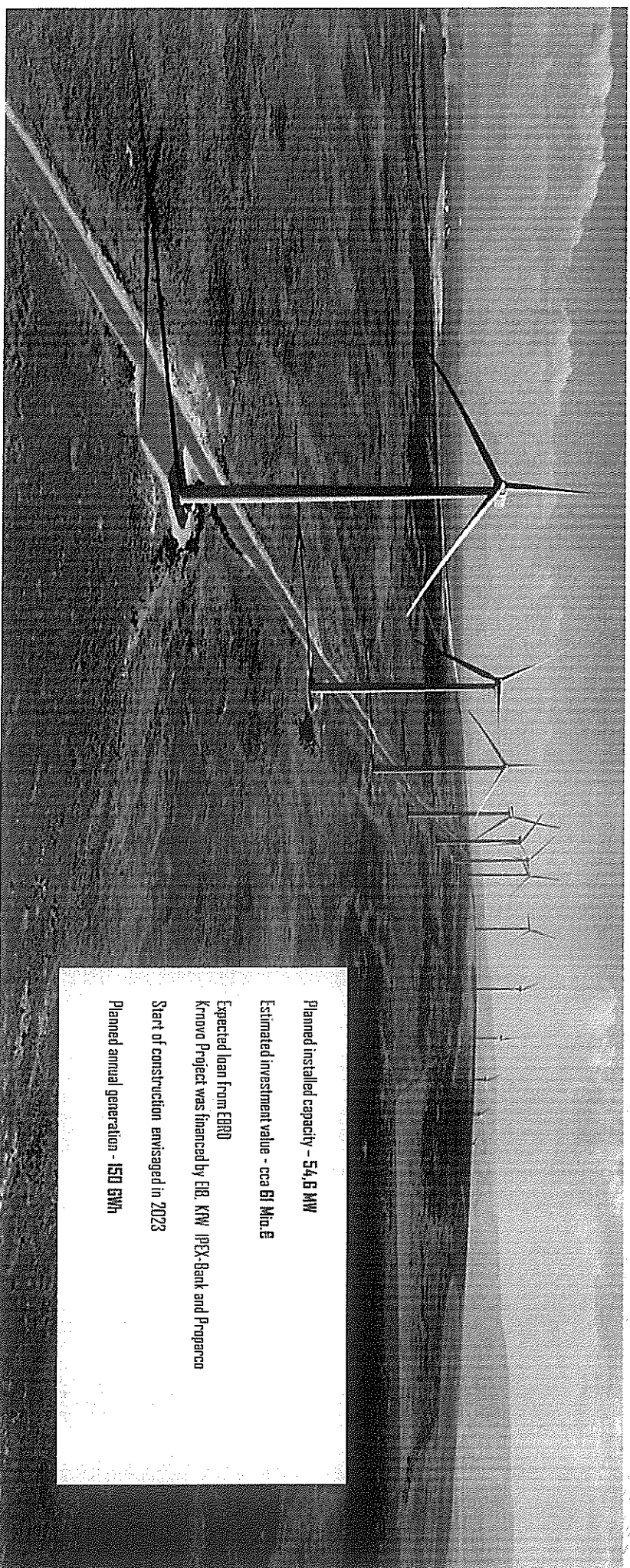


Wind Farm Gvozđ

54.6 MW

# PROJECT GVOZD

## Construction of new Wind Farm



Planned installed capacity - 54,5 MW

Estimated investment value - oca 61 Mio.€

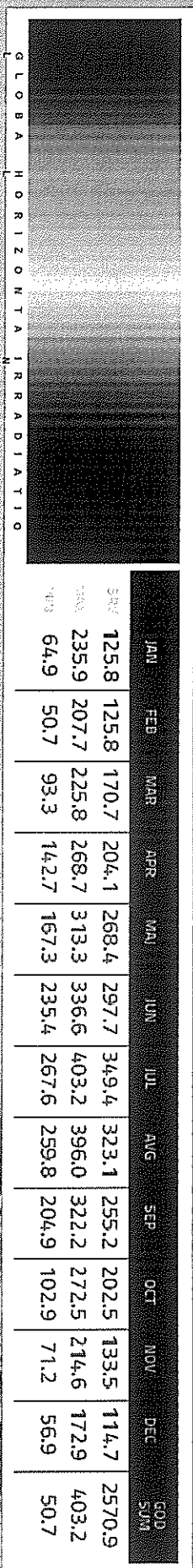
Expected loan from EBRD  
Krnova Project was financed by EIB, KfW, IPEX-Bank and Progarco

Start of construction envisaged in 2023

Planned annual generation - 150 GWh



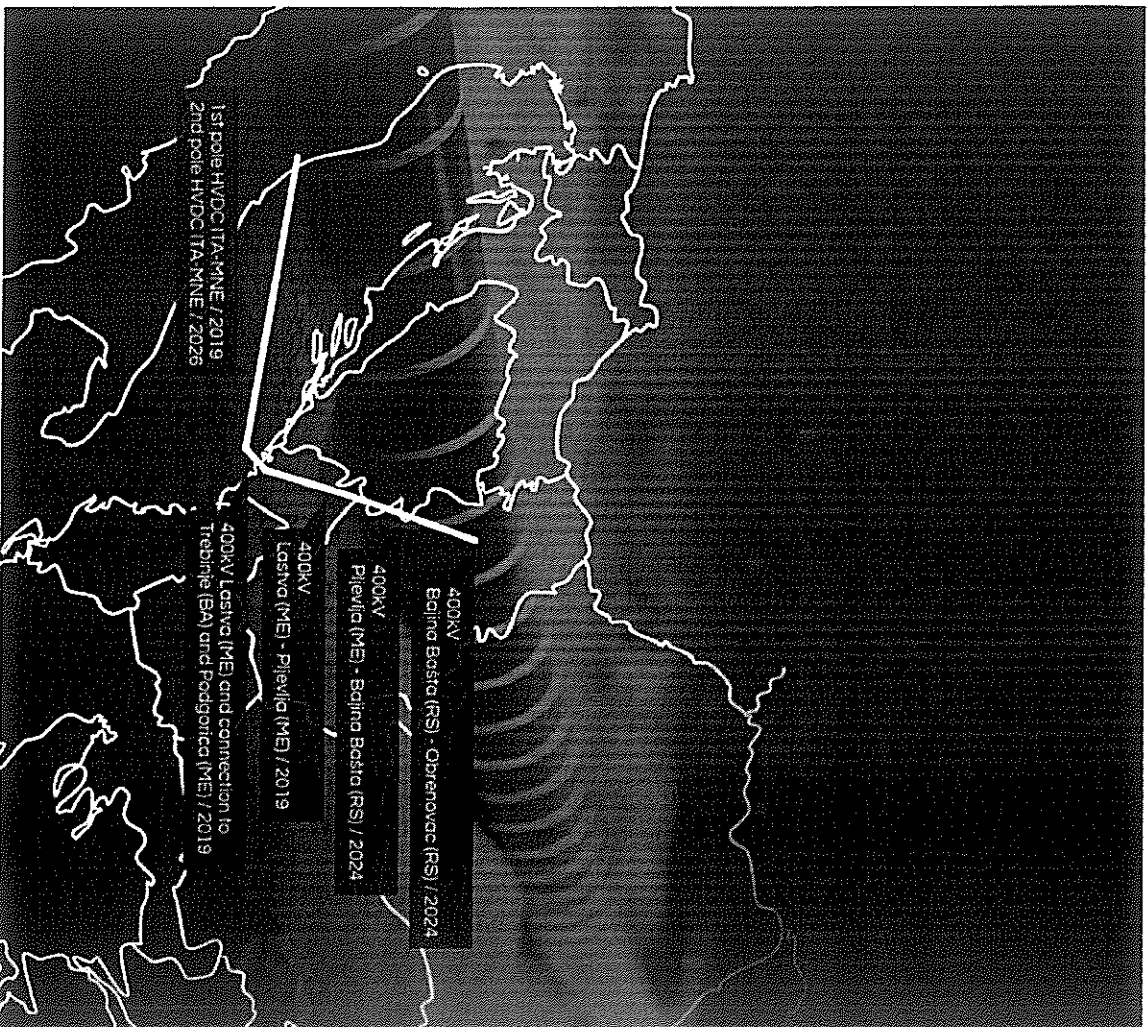
# SOLAR POTENTIAL IN MONTENEGRO



- Montenegro has good conditions for using of the solar systems due to the fact that there are more than 2,000 sunshine hours per year for the most of the Montenegrin territory and more than 2,500 hours per year along the coast
- The brighter period of the year lasts from May to August and darker period of the year lasts from October to February.

# Overview of new Solar projects in Montenegro

	Installed Capacity (MW)	Annual generation (GWh/y)	Year of commissioning
SPP Briska Gora	50+200	90+360	2023/2026
SPP Velje Brdo	50+100	80+160	2024/2006
SPP Vilusi I	30	45	2024
SPP Dragalj / Vilusi II	80	140	2026
SPP Čevo	100	160	2025
Floating solar Slano Lake	34	70	2023
Total	644	1105	



# Undersea Cable between Italy and Montenegro

the largest development project in the energy sector in history of Montenegro

Regional hub for the electricity export to the EU market

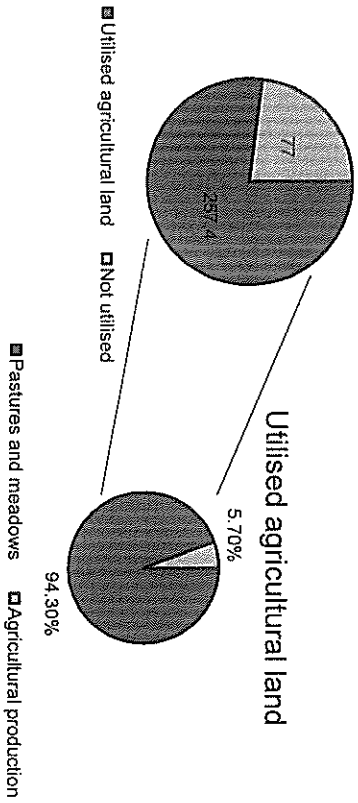
A huge boost for the implementation of the new projects in the energy sector of Montenegro

600 MW capacity (total 1200 once the 2nd phase is implemented)

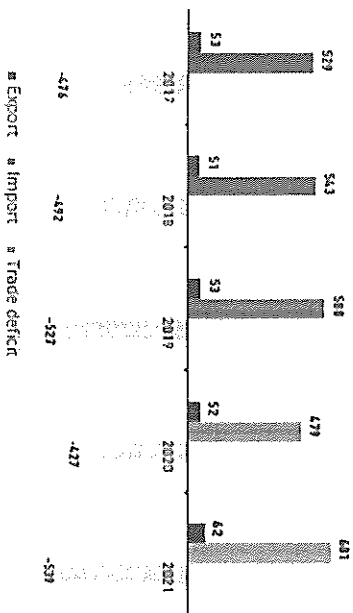
1.2 billion EUR total investment

# Agriculture

## Agricultural land in thousands ha



Foreign trade in agri-food products (in millions EUR)

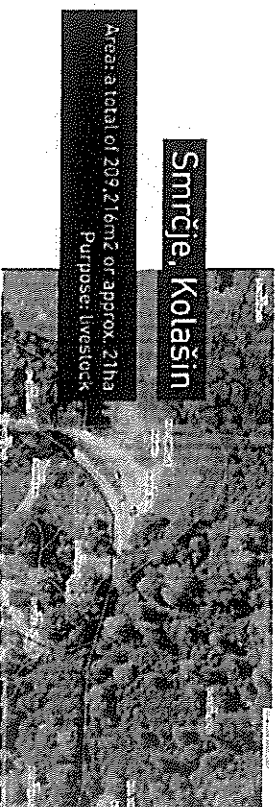


Imported vegetables in 2019	million €	Imported fruits in 2019	million €
Tomato	5.7	Apples, pears and melons	3.8
Potato	3.5	Cherries, apricots and peaches	3.5
Onion	2.5	Grapes	2.4
Carrot	1.3	Other products	2
Cucumber	1	Eggs	13.7
Cabbage	0.9	Milk	10
Frozen vegetables	2.3	Water	
Dried fruits	1.8		
Imported meat	million €		
Pork	52		
Beef	19		
Chicken	16		

## EU FUNDS AVAILABLE:

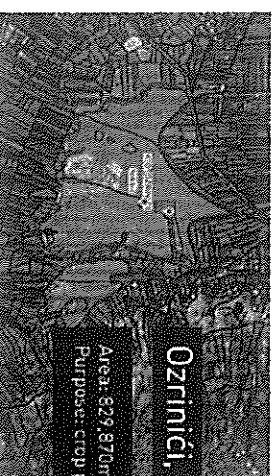
- IPARD III adopted
- 63 million € available 2021 – 2027
- IPARD II supported 250 investment projects

# Available locations for investments in agricultural production



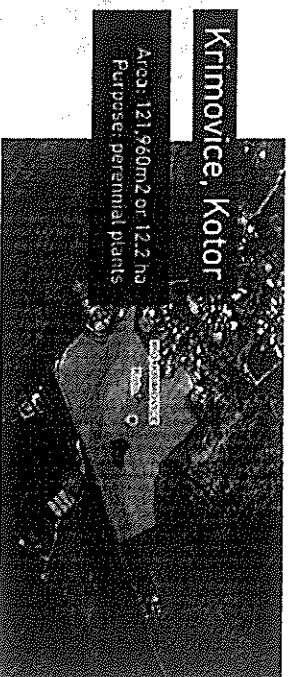
**Smrčje, Kolašin**

Area: a total of 209,216m<sup>2</sup> or approx. 21ha  
Purpose: livestock



**Ozrinici, Nikšić**

Area: 829,870m<sup>2</sup> or 82,99ha  
Purpose: crop production / mixed



**Krimovice, Kotor**

Area: 121,960m<sup>2</sup> or 12,2 ha  
Purpose: perennial plants

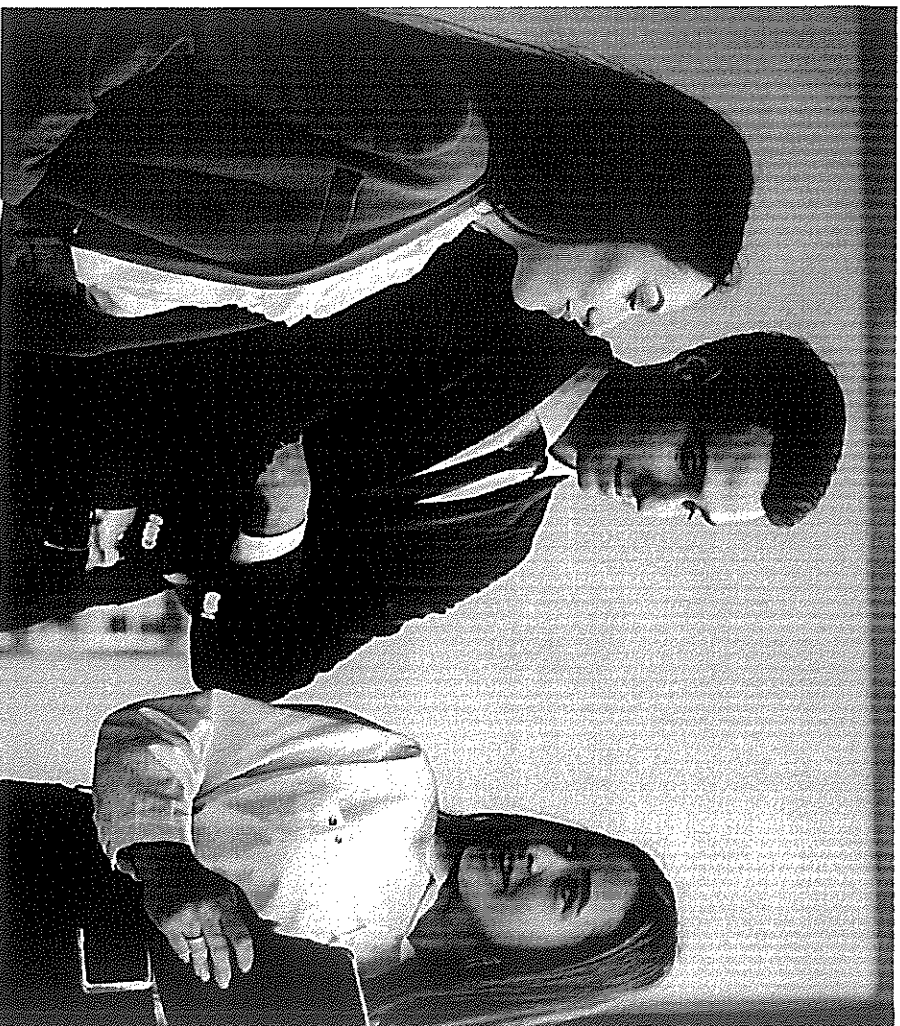


**Zoganje, Ulcinj**

Area: 264,190m<sup>2</sup> or 26,4 ha  
Purpose: mixed use (perennial plantations,  
field and vegetable production)







 **amplitudo**     **coinis**     **datadesign**     **ovykos**     **logate**  
 **ALICORN**     **fleka**     **sst**     **obitstudio**     **one**

# BUSINESS SERVICES SECTOR ON A RISE

Due to time proximity, good infrastructure and multilingual capabilities, Montenegro is becoming a next-wave location for delivery of voice and non-voice business process services and IT

## ICT SECTOR

The ICT sector in Montenegro has been recognized as one of the most important sectors for the future economic development of Montenegro

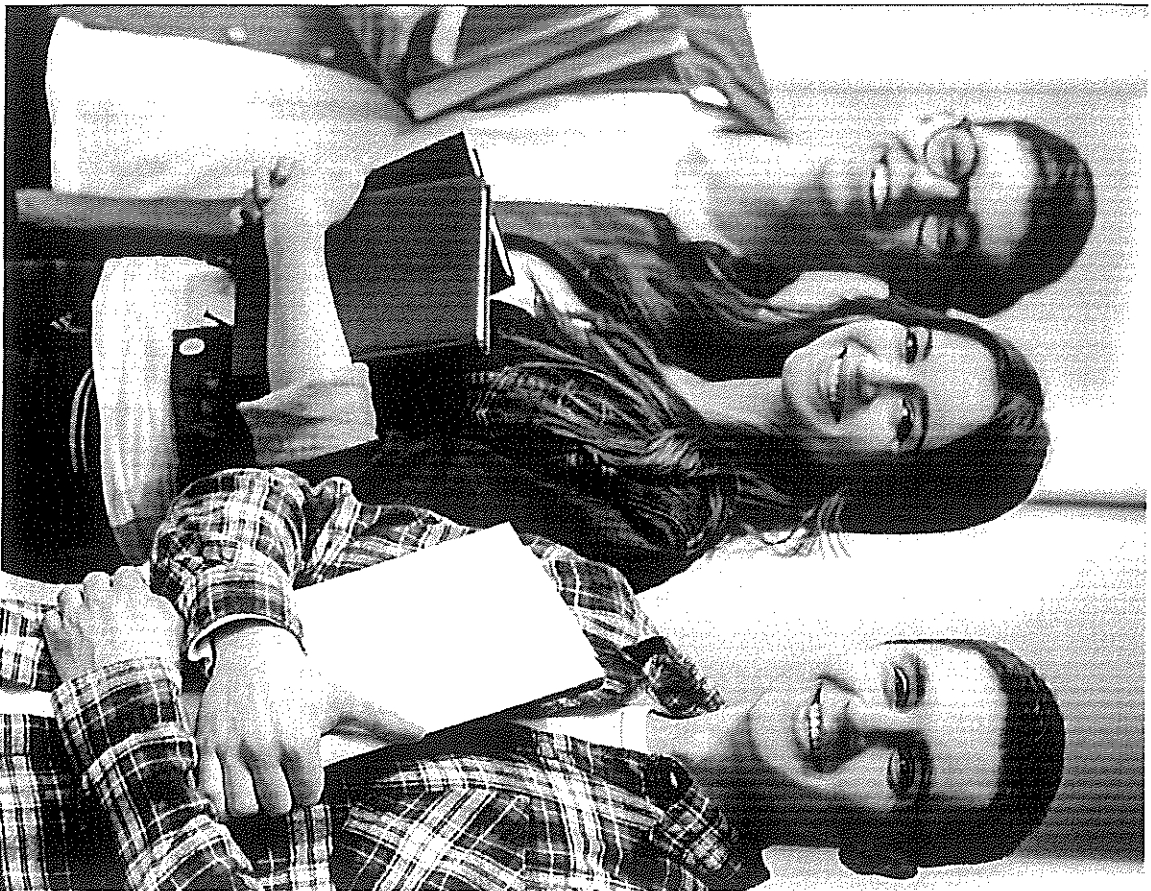
57th place in the Global Competitiveness Report 2019

then it comes to ICT adoption

56,3 million € turnover in IT sector in 2020

25% revenue growth

12,2 million € export in 2020




# GRADUATES 2011-2021

For a period of 10 years, 6776 Montenegrins graduated from University with a degree in electrical engineering sciences, civil engineering and information technology

## Number of university graduates

 **UCC** University of Montenegro

 **UDG** University of Donja Gorica

Faculty of Electrical Engineering

Bachelor: 1945

Specialist academic studies: 1277

Masters: 106

Doctoral studies (Phd): 13

Faculty of Civil Engineering

Bachelor: 876

Specialist academic studies: 645

Masters: 55

Doctoral studies (Phd): 12

Faculty of Information Systems and Technologies

Bachelor: 140

Specialist academic studies: 27

Masters: 22


Faculty of Natural Sciences and Mathematics

Bachelor: 702

Specialist academic studies: 489

Masters: 96

Doctoral studies (Phd): 15

 **Mediterranean University**

Faculty of Information Technology

Bachelor: 209

Specialist academic studies: 139

Masters: 8

## Graduates from all fields (2011-2021)

Specialist academic studies: 16.607

Masters: 2315

Doctoral studies (PhD): 183

Other facts about education  
in Montenegro

Literacy rate **98.8%**

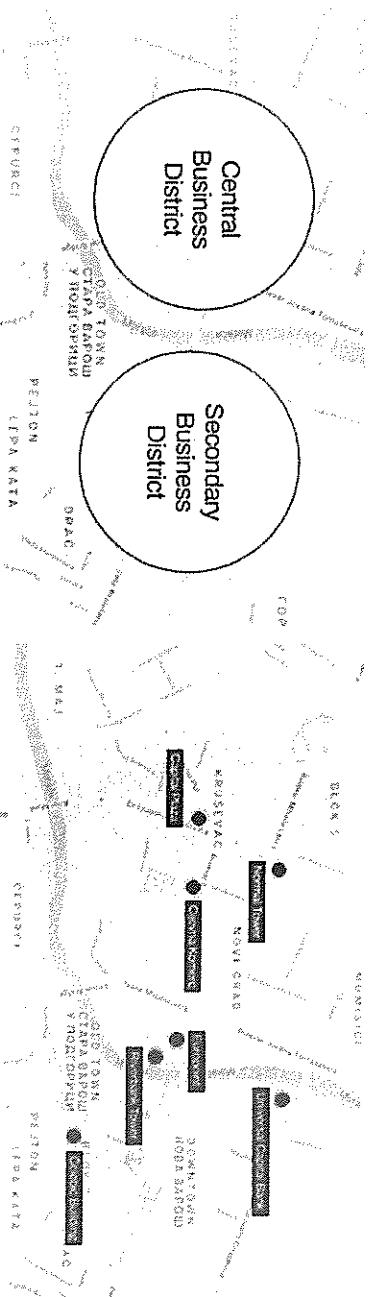
Population with  
secondary education **61.2%**

# OFFICE MARKET

The core of business activity is located in Podgorica, and therefore represents the main business hub of Montenegro.

Demand is driven by new companies, expansion of those already present on the market, as well as companies currently occupying lower standard offices. The majority of demand will continue to come from international and local companies that are actively looking to relocate from older and lower standard office buildings to newer and modern buildings.

The majority of office space demand is broken down into 4 main sectors: companies specializing in IT products and services (35%), banking, investment and insurance services (20%), health industry (15%) and media (5%).



RENTAL PRICE €/m <sup>2</sup> /month				
10-17	13-17	13-16	10-17	10-17
The Capital Plaza	Normal Tower	Europejski	Central Building	Central Tower

Rental levels for modern office space in Podgorica range between 12.50 – 20 €/m<sup>2</sup>/month. Class A office buildings on good locations can be rented at 17 €/m<sup>2</sup>/month. Lower quality office space price varies between 8 and 13 €/m<sup>2</sup>/month.

The following table shows a breakdown of office rental prices in Class A office buildings in Podgorica. These prices represent range of rental prices, and do not include any additional service or marketing charges.

PROJECT	DISTRICT	GLA
Ex Hypo Alpe Bank	Central	4,500
Kraling	Central	3,000
Building between THB	Central	4,500
Professors' Building	Central	3,000
Cijevna Komer	Central	5,500
Normal Tower	Central	6,515
Europejski	Central	8,895
Capital Plaza	Central	7,480
Riverbank Tower	Central	11,033
Jugopetrol	Secondary	5,765
Hidromot	Secondary	6,000
Palada	Secondary	3,000
Šofranac	Secondary	1,000
Celebić	Secondary	1,100
<b>Total</b>		<b>77,338</b>





# INTERNET PROVIDERS IN MONTENEGRO



Prices vary from 1.66€ to 37.99€ a month depending on the packet, speed up to 200 Mbps  
Test 5G networks have already been installed in Montenegro.

## Worldwide broadband speed league 2020

Country	Average download speed (Mbps)
Montenegro	25.07
Serbia	24.76
Bosnia and Herzegovina	19.64
Cyprus	19.47
Georgia	13.72
Albania	12.75
North Macedonia	11.48

## Worldwide cost of a fixed line broadband (per month)

Country	Cost (per month)
Montenegro	27.215
Montenegro	27.865
Albania	28.995
North Macedonia	29.795
Slovenia	34.415
Austria	42.695
Cyprus	48.795

## Electricity cost (per kWh) 2020

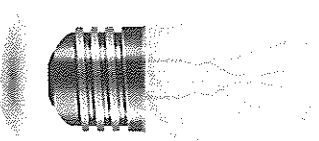
Country	Cost (per kWh)
Montenegro	9.88
Hungary	10.31
Croatia	13.01
Slovenia	14.68
Romania	14.99
Slovenia	16.86
Czech Republic	19.41

# THE INNOVATION FOND OF MONTENEGRO

The establishment of the Fund shows Montenegro's clear commitment to orient itself even more strongly towards a society based on **knowledge and innovation.**

Incentives for the development of research and innovation are provided in a form of exemption or relief in relation to:

- Personal income tax and surtax on tax;
- Contributions for compulsory social insurance;
- Corporate income tax
- Fees for communal equipment of building land
- Use of real estate and / or land owned by the state
- Real estate tax.

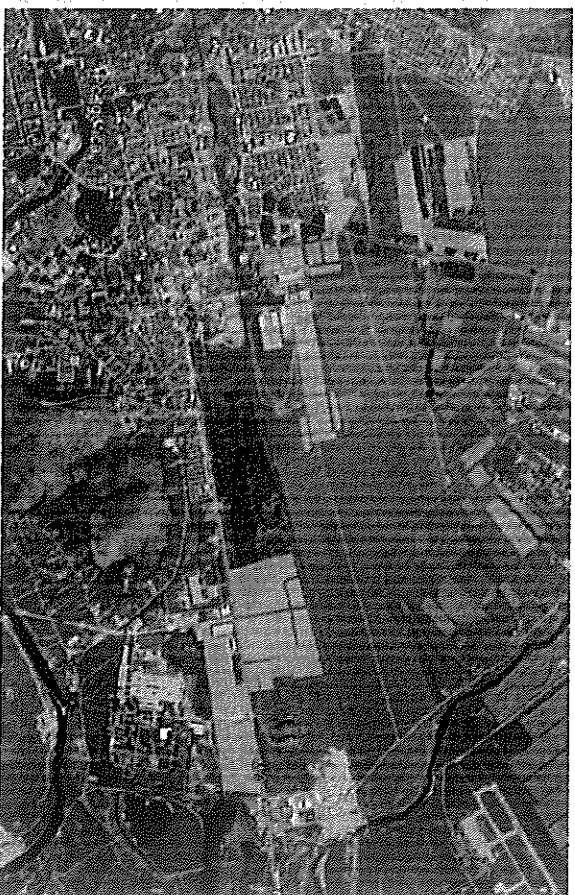


Innovation Fund is fueled by  
the Economic Citizenship Program

# BUSINESS ZONES

Business zones currently exist in the following municipalities:  
Berane, Bijelo Polje, Cetinje, Kolasin, Mojkovac, Niksic, Podgorica and Ulcinj.

The industrial zone in the municipality of Kotor is also a strategic location for industrial development, offered to the credible investors.



Podgorica, The Capital

**10 zones**      **0,01 €/m<sup>2</sup>**  
**257 hectares**      **30 years lease**

- Investors shall be provided with incentives at both, the state and local levels. Incentives at the local level relate to the following:
- reduction of utility or other fees;
  - favorable price of renting / buying space within the business zone;
  - reduction or exemption from payment of surtax on personal income tax;
  - reduction of real estate tax rate;
  - the possibility of defining a favorable model of private-public partnership;
  - infrastructural equipping in areas where it does not exist.

## **8 years**

corporate income tax (CIT) exemptions for the newly established manufacturing plants operating in economically underdeveloped municipalities

## **8 years**

personal income tax (PIT) exemptions for the employees of the newly established manufacturing plants operating in economically underdeveloped municipalities

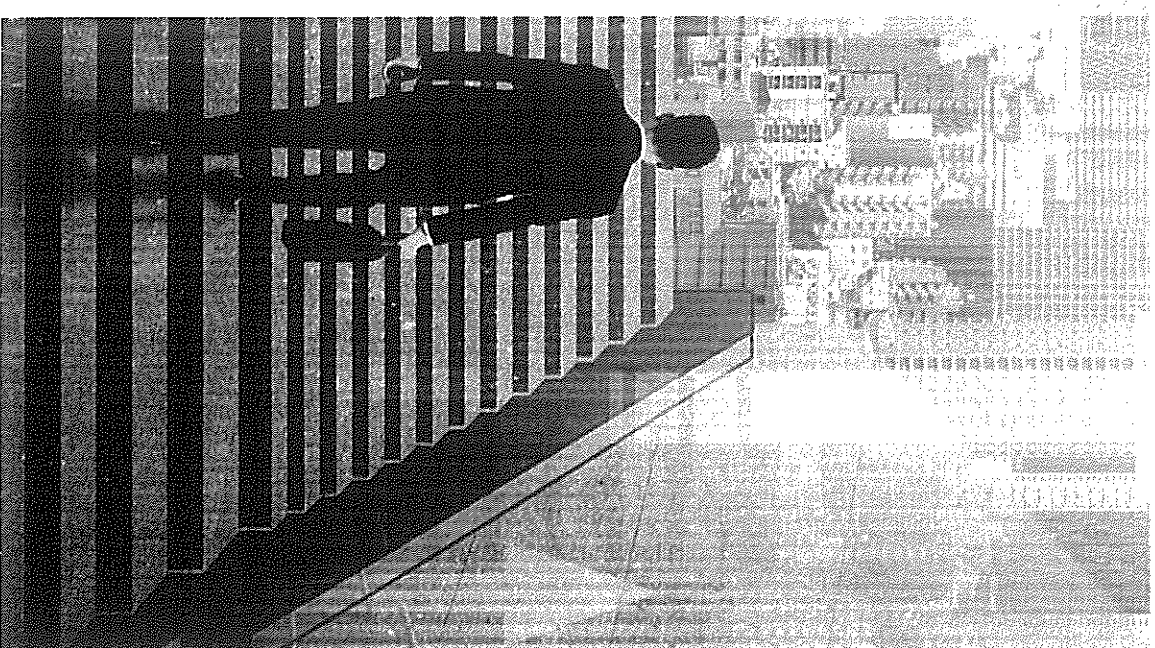
## **0% VAT rate**

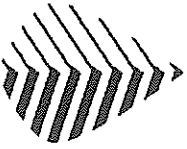
for the supply of goods and services for the purposes of construction and equipment of four or five stars hotels

# Program for improving the competitiveness of the economy

The Program for Improving the Competitiveness of the Economy for 2022 has a total budget of €3 million and consists of 5 financial and two non-financial program lines, which include activities and measures for the realization of financial and non-financial support for potential and existing entrepreneurs, micro, small and medium-sized enterprises.

1. Program line for the modernization of production processes. Budget - €1,000,000
2. Program line for the support of small-scale investments by entrepreneurs (in focus - women, young people in business, and craftspeople). Budget - €1,000,000
3. Program line for the introduction of international standards. Budget - €250,000
4. Program line for digitalization support. Budget - €400,000
5. Program line for fostering a circular economy. Budget - €200,000





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Montenegro Investment Agency offers professional and dynamic guidance throughout the decision-making process by providing expert and timely services.

## Business Development



### Information

- General statistics and data about business-operating costs
- Sector researches

### Communication

- Access to Government at all levels
- Connection to local partners (consulting, education, real estate)

### Facilitation

- Assistance in location selection
- Organization of site visits

### Aftercare

- Support in further expansion
- Constant feedback

*Thank you*  
for your attention



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