

# Trade and Competitiveness Monitoring Note

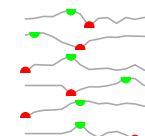


## Montenegro

| GDP (US\$ billions) (2016) | Population (millions) (2016) | Income per capita (current US\$) (2016) | Poverty rate (2013) | Unemployment rate (2014) |
|----------------------------|------------------------------|---|---------------------|--------------------------|
| 4.20                       | 0.62                         | 6,748.25                                | 1.69                | 19.10                    |

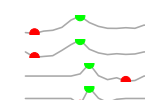
### Macro Indicators

|   | Avg 2002-2011 | 2012      | 2013      | 2014      | 2015      | 2016      |
|---|---------------|-----------|-----------|-----------|-----------|-----------|
| GDP growth (annual %)                       | 3.661.4       | -2.545.8  | 3.337.5   | 1.525.2   | 3.374.7   | 2.868.3   |
| Current account balance                     | -20.327.2     | -18.662.2 | -14.627.3 | -15.374.3 | -15.981.0 | -16.418.1 |
| Fiscal balance (% of GDP)                   | -2.205.4      | -5.890.7  | -4.822.5  | -1.362.1  | -5.853.4  | -5.466.1  |
| Remittances, received (% of GDP) [1]        | 6.820.9       | 8.136.8   | 9.484.2   | 9.400.1   | —         | —         |
| Real Effective Exchange Rate (2010=100)     | 87.195.4      | 97.438.4  | 101.054.1 | 99.700.3  | 95.241.2  | 95.760.1  |
| Consumer Price Index, annual percent change | 3.933.7       | 4.145.2   | 2.205.9   | -0.710.5  | -0.002.4  | —         |



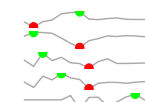
### Investment indicators

|   | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|------|------|------|------|------|
| Gross domestic investment (% GDP)                               | 27            | 26   | 27   | 26   | 33   | 31   |
| Gross domestic investment, of w: Private investment (% GDP) [1] | 24            | 21   | 20   | 20   | —    | —    |
| Inward FDI (% of GDP) [2]                                       | 22            | 15   | 10   | 11   | —    | —    |
| Inward FDI, % of private investment [2]                         | 87            | 83   | NA   | —    | —    | —    |



### Trade Indicators

|   | Avg 2002-2011 | 2012   | 2013   | 2014   | 2015   | 2016   |
|---|---------------|--------|--------|--------|--------|--------|
| Total Trade in Goods and Services (% of GDP, real terms)        | 146.94        | 159.46 | 150.58 | 149.45 | 149.43 | 144.48 |
| Trade balance (% GDP, real terms)                               | -39.38        | -36.83 | -33.46 | -34.59 | -37.58 | -34.06 |
| Exports, Goods and Services, annual percent change (real terms) | 9.93          | -1.21  | -1.30  | -0.44  | 0.67   | 1.55   |
| Imports, Goods and Services, annual percent change (real terms) | 12.84         | 0.94   | -3.11  | 1.52   | 5.04   | -1.79  |
| Total reserves in months of imports [1]                         | 1.98          | 1.89   | 2.39   | 2.65   | —      | —      |

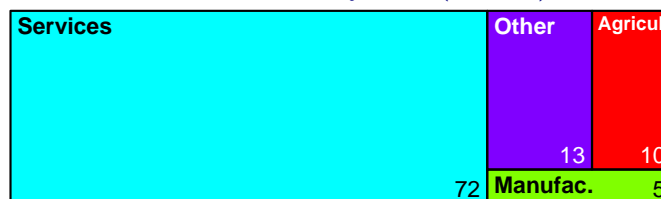


Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

### Goods Export and Import volume growth, 2012-2015

Data not available

### Gross Value Added by Economic Activity 2013 (% GDP)



Source: Development Prospects Group (DECPG)

Source: World Development Indicators (WDI)

### Top 5 Exports by % of Total Value, NA

Data not available

### Doing Business 2015 Ranks (among all countries)

|                                   | DB 2015 Rank | DB 2016 Rank | Change in Rank |
|-----------------------------------|--------------|--------------|----------------|
| Dealing with Construction Permits | 102          | 91           | 11             |
| Ease of Doing Business Rank       | 47           | 46           | 1              |
| Enforcing Contracts               | 43           | 43           | 0              |
| Getting Credit                    | 6            | 7            | -1             |
| Getting Electricity               | 162          | 163          | -1             |
| Paying Taxes                      | 97           | 64           | 33             |
| Protecting Minority Investors     | 33           | 36           | -3             |
| Registering Property              | 77           | 79           | -2             |
| Resolving Insolvency              | 33           | 36           | -3             |
| Starting a Business               | 55           | 59           | -4             |
| Trading Across Borders            | 42           | 42           | 0              |

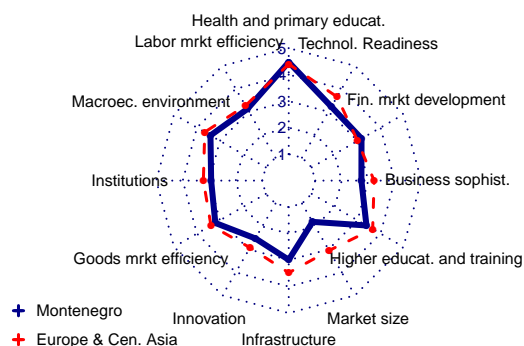
### Imports Categories by % of Total Value, NA

Data not available

Source: World Integrated Trade Solution (WITS)

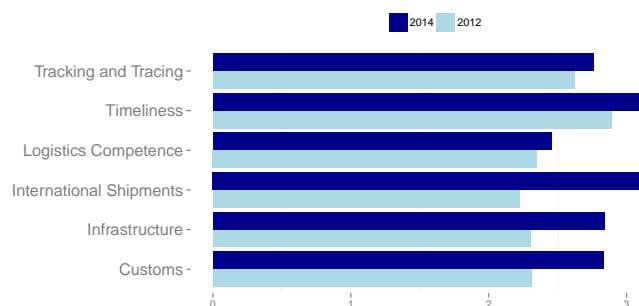
Source: Doing Business Report 2015

## WEF Competitiveness Indicators (Scale 1-5, 5=best)



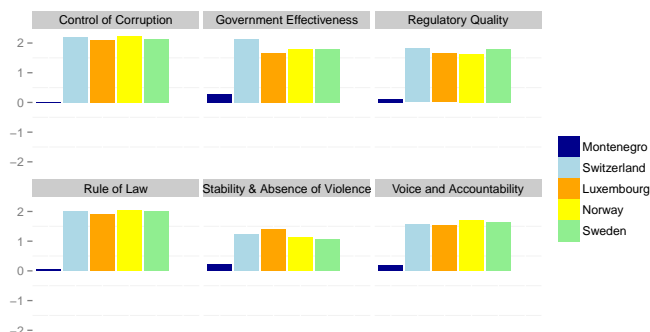
Source: WEF Global Competitiveness Report 2015

## Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

## World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

## Trade Policy

|  | 2010 | 2014 |
|--|------|------|
| Applied Tariff (Incl. Prefers. and Trade-Weighted) | 3.4  | 2    |
| Dispersion (Standard Deviation)                    | 16.8 | 7.6  |
| Import duties collected [1]                        | —    | —    |
| MFN Tariff (Agriculture)                           | 13.3 | 10   |
| MFN Tariff (Non-Agriculture)                       | 3.9  | 2.8  |
| MFN Tariff (Simple Average)                        | 5.2  | 3.9  |
| Services sectors with GATS commitments [1]         | —    | 132  |

Sources: WITS, [1] WTO Trade Profiles

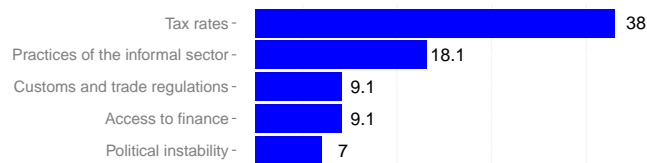
## Private Sector's Views

### Enterprise Survey 2013

|   | Montenegro | Europe and Central Asia | All Countries |
|---|------------|-------------------------|---------------|
| Number of electrical outages in a typical month   | 2.60       | 2                       | 6.30          |
| Percent of firms with a bank loan/line of credit  | 54.90      | —                       | 34.30         |
| Proportion of investment financed by banks (%)  | 16.60      | —                       | 14.30         |
| Proportion of investment financed internally (%)  | 54.80      | —                       | 71.80         |
| Senior management time spent dealing with the requirements of government regulation (%) | 9.60       | —                       | 9.90          |

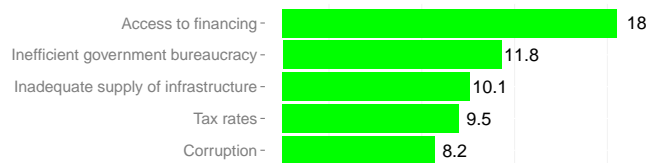
Source: Enterprise Survey 2013

### Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

### Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015