RELEASE *38/2023*

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Number and structure business entities in Montenegro

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2022

The number of business entities in Montenegro in 2022 was 45 675 which compared to 2021 when there were 39 682, which expressed as a percentage represents an increase of 15.1%.

The largest number of active business entities in 2022 is in Podgorica 15 860 which represents 34.7% of the total number, and the smallest is in municipality of Gusinje 35, or 0.1% of the total number.

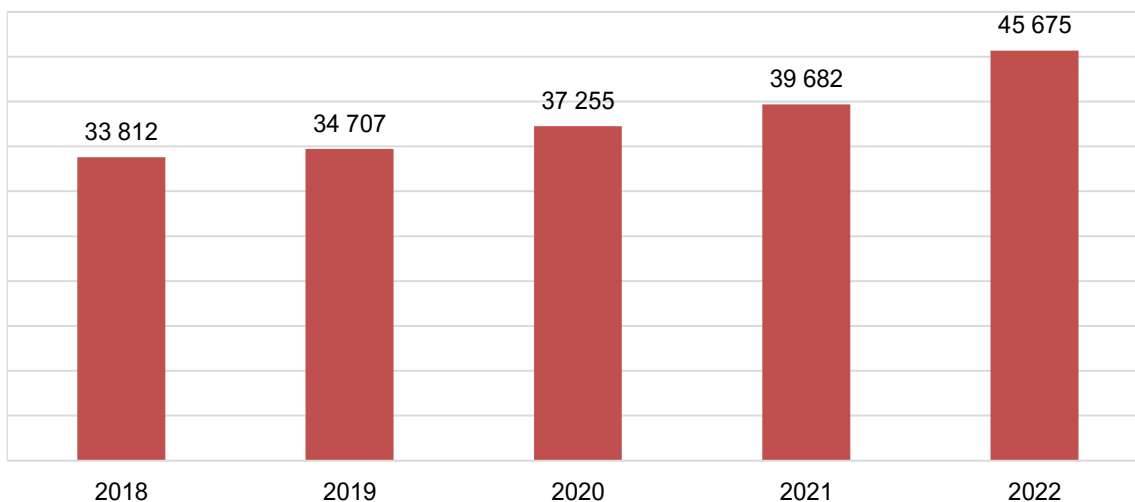**Graph 1.** Active business entities by years, 2018 – 2022 year

Table 1. Active business entities by municipalities, 2020 – 2022 year

Municipality	2020		2021		2022	
	total	in %	total	in %	total	in %
Andrijevica	71	0.2	74	0.2	80	0.2
Bar	3 440	9.2	3 684	9.3	4 497	9.8
Berane	582	1.6	604	1.5	649	1.4
Bijelo Polje	1 290	3.5	1 349	3.4	1 432	3.1
Budva	5 768	15.5	6 438	16.2	8 206	18.0
Cetinje	768	2.1	802	2.0	872	1.9
Danilovgrad	639	1.7	674	1.7	712	1.6
Gusinje	31	0.1	35	0.1	35	0.1
Herceg Novi	2 780	7.5	2 974	7.5	3 614	7.9
Kolašin	244	0.7	264	0.7	279	0.6
Kotor	1 420	3.8	1 462	3.7	1 599	3.5
Mojkovac	164	0.4	168	0.4	175	0.4
Nikšić	1 979	5.3	2 065	5.2	2 169	4.8
Petnjica	30	0.1	31	0.1	38	0.1
Plav	128	0.3	130	0.3	135	0.3
Pljevlja	615	1.7	635	1.6	636	1.4
Plužine	32	0.1	35	0.1	41	0.1
Podgorica	13 419	36.0	14 145	35.6	15 860	34.7
Rožaje	646	1.7	681	1.7	724	1.6
Šavnik	38	0.1	40	0.1	45	0.1
Tivat	1 754	4.7	1 894	4.8	2 223	4.9
Tuzi	83	0.2	118	0.3	162	0.3
Ulcinj	1 193	3.2	1 240	3.1	1 348	2.9
Žabljak	141	0.4	140	0.4	144	0.3
Ukupno	**37 255**	**100.0**	**39 682**	**100.0**	**45 675**	**100.0**

STRUCTURE BUSINESS ENTITIES

The structure of business entities can be observed on several bases: by form of ownership, by sectors of activity and by size class.

By type of ownership

The Statistical Business Register used for this analysis recognized three forms of ownership: private, two or more forms of ownership and state ownership. According to the form of ownership, out of the total number of business entities in Montenegro over 99% is privately owned. The same situation was recorded in the previous year.

Table 2. The division of active business entities by type of ownership

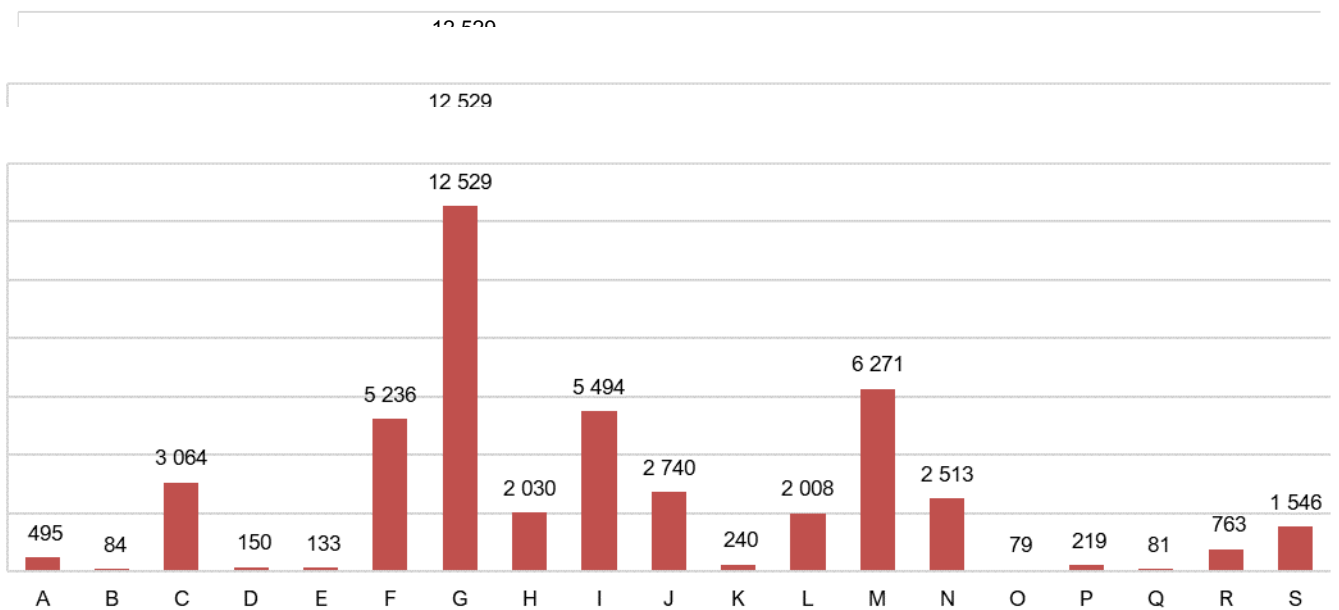| Form of ownership	2020		2021		2022	
	Total	in %	Total	in %	Total	in %
Private ownership	37 026	99.4	39 452	99.5	45 442	99.5
Two or more forms of ownership	56	0.2	56	0.1	55	0.1
State ownership	173	0.5	174	0.4	178	0.3
Total	**37 255**	**100.0**	**39 682**	**100.0**	**45 675**	**100.0**

By sections

The division of active business entities by sector of activity is in accordance with the Classification of Activities KD 2010 which fully corresponds to the Classification of Activities NACE Rev2 used in EU countries.

Table 3. Division of active business entities by sectors of activity in Montenegro

Code	Sector name	2020		2021		2022	
		Total	in %	Total	in %	Total	in %
A	Agriculture. forestry and fishing	430	1.2	458	1.2	495	1.1
B	Mining and quarrying	83	0.2	82	0.2	84	0.2
C	Manufacturing	2 647	7.1	2 787	7.0	3 064	6.7
D	Electricity supply	118	0.3	121	0.3	150	0.3
E	Water supply	119	0.3	130	0.3	133	0.3
F	Construction	4 304	11.6	4 674	11.8	5 236	11.5
G	Wholesale and retail trade. repair of motor vehicles and	11 141	29.9	11 426	28.8	12 529	27.4
H	motorcycles	1 719	4.6	1 838	4.6	2 030	4.4
I	Transportation and storage	4 632	12.4	4 988	12.6	5 494	12.0
J	Accommodation and food service activities	1 399	3.8	1 655	4.2	2 740	6.0
K	Information and communication	239	0.6	240	0.6	240	0.5
L	Financial and insurance activities	1 531	4.1	1 642	4.1	2 008	4.4
M	Real estate activities	4 946	13.3	5 278	13.3	6 271	13.7
N	Professional. scientific and technical activities	1 955	5.2	2 130	5.4	2 513	5.5
O	Administrative and support service activities	80	0.2	78	0.2	79	0.2
P	Public administration and defense; compulsory social	127	0.3	155	0.4	219	0.5
Q	security	79	0.2	82	0.2	81	0.2
R	Education	593	1.6	642	1.6	763	1.7
S	Human health and social work activities	1 111	3.0	1 274	3.2	1 546	3.4
T	Arts. entertainment and recreation	-	-	-	-	-	-
U	Other service activities	-	-	-	-	-	-
	Total		100.0	39 682	100.0	45 675	100.0

The largest number of active business entities in 2022 is in „Wholesale and retail trade. repair of motor vehicles and motorcycles" 12 529 which represents 27.4% of the total number.

According to the Low on Official Statistics and the system of official statistics ("Official gazette of Montenegro" 18/12 and 47/19) in the Sectors "Activities of households as employers" and "Activities of exterritorial organizations and bodies". data were not presented due to indirect identification of enterprises.

Graph 2. Active business entities by sectors of activity in Montenegro 2022

By size class

To classify a business entity by size, the annual cross-section of employment is used, not employment on a specific date.

Table 4. Division of active business entities by size class in Montenegro

Class designation	Number of employees	2020		2021		2022	
		Total	in %	Total	in %	Total	in %
Small enterprises	<50	36 988	99.3	39 331	99.1	45 310	99,2
Medium-sized enterprises	>49 <250	229	0.6	297	0.7	308	0,7
Large enterprises	250+	38	0.1	54	0.1	57	0,1
Total		**37 255**	**100.0**	**39 682**	**100.0**	**45 675**	**100.0**

Table 4 shows the number of small. medium and large enterprises in 2020, 2021 and 2022. In Montenegro, small companies are the most represented, accounting for over 99% of the total number of active business entities in all three years.

METHODOLOGICAL NOTES

Importance and demands for Statistical Business Register (SBR)

Importance and demands for Statistical Business Register (SBR) The Decree of Government of the Republic of Montenegro No. 02-164 (Official Gazette of the Republic of Montenegro 4/01) created preconditions for the introduction of SBR in the statistical system of our country. and in accordance with the demand for harmonization of our country statistical system with statistical systems of the EU member countries. since SBR is an important segment in the system of statistical surveys (to achieve the satisfying level of statistical compliance and comparability. it is necessary to have a certain register standard. and thus the Council Regulation (EEC) No 2186/93 of 22 July 1993 on Community coordination in drawing up business registers for statistical purposes was adopted).

Statistical business register is a reliable data source on business population and demography. It serves as a sample frame for all surveys on business statistics within national statistical system; it provides a base from which the address data are used for sending statistical survey questionnaires. etc. As such. the register is considered as a system for the transfer of data from administrative sources into the data appropriate for statistical use. Another importance of SBR is reflected in the fact that SBR is an updated dossier covering any statistical unit active in Montenegro which achieves turnover. and possesses relevant statistical and administrative attributes.

SBR objectives

Main objectives of existence of SBR are to cover national economic activities as much as possible. to help in improving the efficiency of national statistical system. and to serve as the main data source for a large number of statistical surveys within national statistical system.

SBR principles

According to established objectives. SBR is projected on the basis of main principles of confidentiality. coherence. timeliness and cost-effectiveness.

SBR sources

Data sources for updating SBR are divided in external and internal sources. External sources are administrative (Tax Administration. Central Register of Business Entities. Central Bank. and business and professional associations). while internal sources are statistical surveys used for both updating this register. and comparable analyses with administrative data. Size class is defined on the basis of three criteria:

- Number of employees.
- Turnover. and
- Assets.

Legal units with two of three criteria lower than the lowest criteria referred to in paragraph 2 of Article 3. are classified in small legal units. and legal units with two of three criteria higher than the highest criteria referred to in paragraph 2 of the same Article. are classified in large legal units.

When using the data. state:
"Data source: Statistical Office - MONSTAT

*More data. as well as detailed methodological notes can be found in the section: **Business register***

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