RELEASE *42/2024*

Release date: 29 March 2024
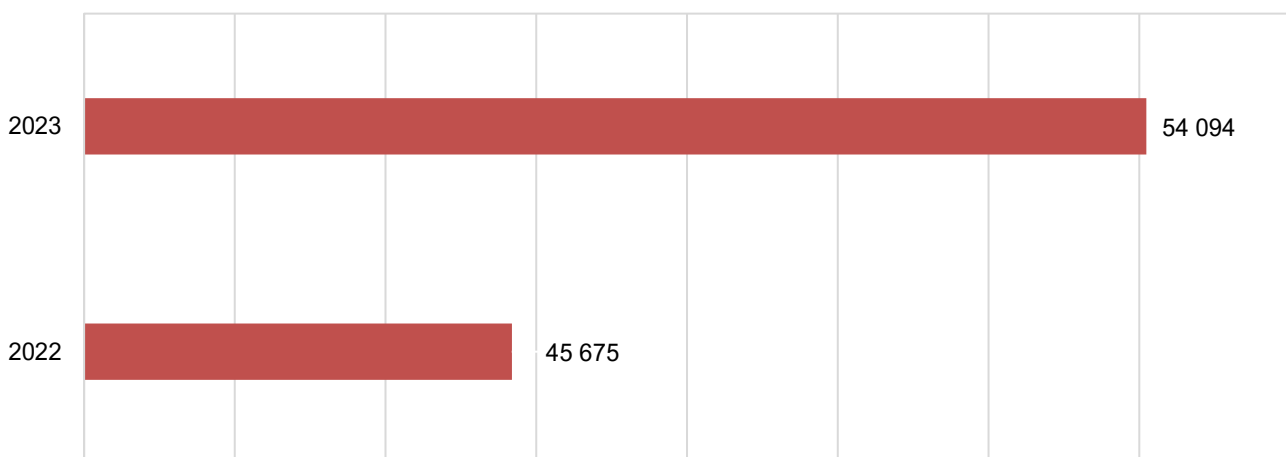
Number and structure of business entities in Montenegro

2023

The number of business entities in Montenegro in 2023 was 54 094, which compared to 2022 when there were 45 675, expressed in percentage, represents an increase of 18.4%.

The largest number of active business entities in 2023 is in Podgorica 18 593, which represents 34.4% of the total number, and the smallest is in municipality of Gusinje 40 or 0.1% of the total number of active business entities.

Graph 1. Active business entities by years, 2022 and 2023

2023 — 54 094

2022 — 45 675

Table 1. Active business entities by municipalities, 2022 and 2023

Municipality	2022		2023	
	Total	in %	Total	in %
Andrijevica	80	0.2	86	0.2
Bar	4 497	9.8	5 452	10.1
Berane	649	1.4	685	1.3
Bijelo Polje	1 432	3.1	1 533	2.8
Budva	8 206	18.0	10 793	20.0
Cetinje	872	1.9	1 010	1.9
Danilovgrad	712	1.6	757	1.4
Gusinje	35	0.1	40	0.1
Herceg Novi	3 614	7.9	4 310	8.0
Kolašin	279	0.6	301	0.6
Kotor	1 599	3.5	1 849	3.4
Mojkovac	175	0.4	179	0.3
Nikšić	2 169	4.8	2 320	4.3
Petnjica	38	0.1	43	0.1
Plav	135	0.3	143	0.3
Pljevlja	636	1.4	652	1.2
Plužine	41	0.1	42	0.1
Podgorica	15 860	34.7	18 593	34.4
Rožaje	724	1.6	760	1.4
Šavnik	45	0.1	45	0.1
Tivat	2 223	4.9	2 593	4.8
Tuzi	162	0.3	210	0.4
Ulcinj	1 348	2.9	1 458	2.7
Zeta	-	-	87	0.2
Žabljak	144	0.3	153	0.3
Total	**45 675**	**100.0**	**54 094**	**100.0**

STRUCTURE OF BUSINESS ENTITIES

The structure of business entities can be observed on several bases, by type of ownership, section, and size class.

By type of ownership

The Statistical Business Register used for this analysis recognized three type of ownership: private, two or more type of ownership and state ownership. According to the type of ownership, out of the total number of business entities in Montenegro, 99.5% is privately owned. The same situation was recorded in the previous year.

Table 2. The division of active business entities by type of ownership, 2022 and 2023

Type of ownership	2022		2023	
	Total	in %	Total	in %
Private ownership	45 442	99.5	53 838	99.5
Two or more type of ownership	55	0.1	54	0.1
State ownership	178	0.4	202	0.4
Total	**45 675**	**100.0**	**54 094**	**100.0**

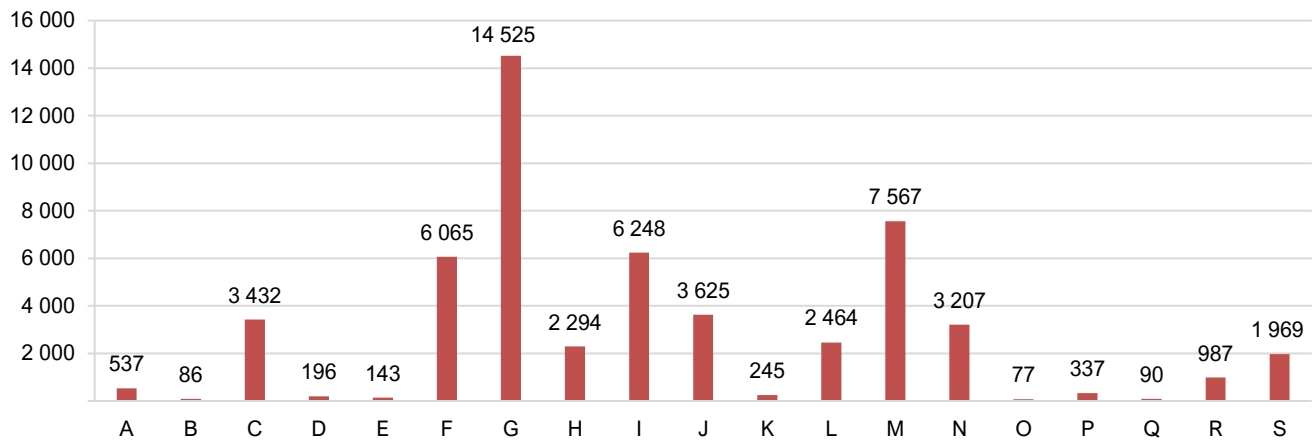### By sections

The division of active business entities by section is in accordance with the Classification of Activities KD 2010 which fully corresponds to the Classification of Activities NACE Rev. 2 used in the EU countries.

Table 3. Division of active business entities by sections in Montenegro

Code	Section name	2022		2023	
		Total	in %	Total	in %
A	Agriculture, forestry and fishing	495	1.1	537	1.0
B	Mining and quarrying	84	0.2	86	0.2
C	Manufacturing	3 064	6.7	3 432	6.3
D	Electricity supply	150	0.3	196	0.4
E	Water supply	133	0.3	143	0.3
F	Construction	5 236	11.5	6 065	11.2
G	Wholesale and retail trade, repair of motor vehicles and motorcycles	12 529	27.4	14 525	26.9
H	Transportation and storage	2 030	4.4	2 294	4.2
I	Accommodation and food service activities	5 494	12.0	6 248	11.6
J	Information and communication	2 740	6.0	3 625	6.7
K	Financial and insurance activities	240	0.5	245	0.5
L	Real estate activities	2 008	4.4	2 464	4.6
M	Professional. scientific and technical activities	6 271	13.7	7 567	14.0
N	Administrative and support service activities	2 513	5.5	3 207	5.9
O	Public administration and defence; compulsory social security	79	0.2	77	0.1
P	Education	219	0.5	337	0.6
Q	Human health and social work activities	81	0.2	90	0.2
R	Arts, entertainment and recreation	763	1.7	987	1.8
S	Other service activities	1 546	3.4	1 969	3.6
	Total	**45 675**	**100.0**	**54 094**	**100.0**

The largest number of active business entities in 2023 is in „Wholesale and retail trade, repair of motor vehicles and motorcycles" 14 525 which represents 26.9% of the total number.

Graph 2. Active business entities by sections of activity in Montenegro, 2023

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	2022		2023	
		Total	in %	Total	in %
Small enterprises	<50	45 310	99.2	53 707	99.3
Medium sized enterprises	>49 <250	308	0.7	328	0.6
Large enterprises	250+	57	0.1	59	0.1
Total		**45 675**	**100.0**	**54 094**	**100.0**

Table 4 shows the number of small, medium, and large enterprises in 2022 and 2023. In Montenegro, small companies are the most represented, accounting 99.3 % of the total number of active business entities in 2023.

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.

Subject of SBR

The subject of this register are active business entities that in the observed year, perfom a specific activity, have employees and achieve a certain turnover.

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 entities, in terms of the Law on Accounting and Auditing (Official Gazette of Montenegro No 052/16 of 09.08.2016), are classified into small, medium and large, depending on the average number of employees, total annual income level, and total assets.

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***

Prepared by: Marijana POPOVIC – RONCEVIC, MSc
Department: Department for Statistical Registers and Classifications
contact@monstat.org