

Number and structure of foreign owned business entities in Montenegro 2019

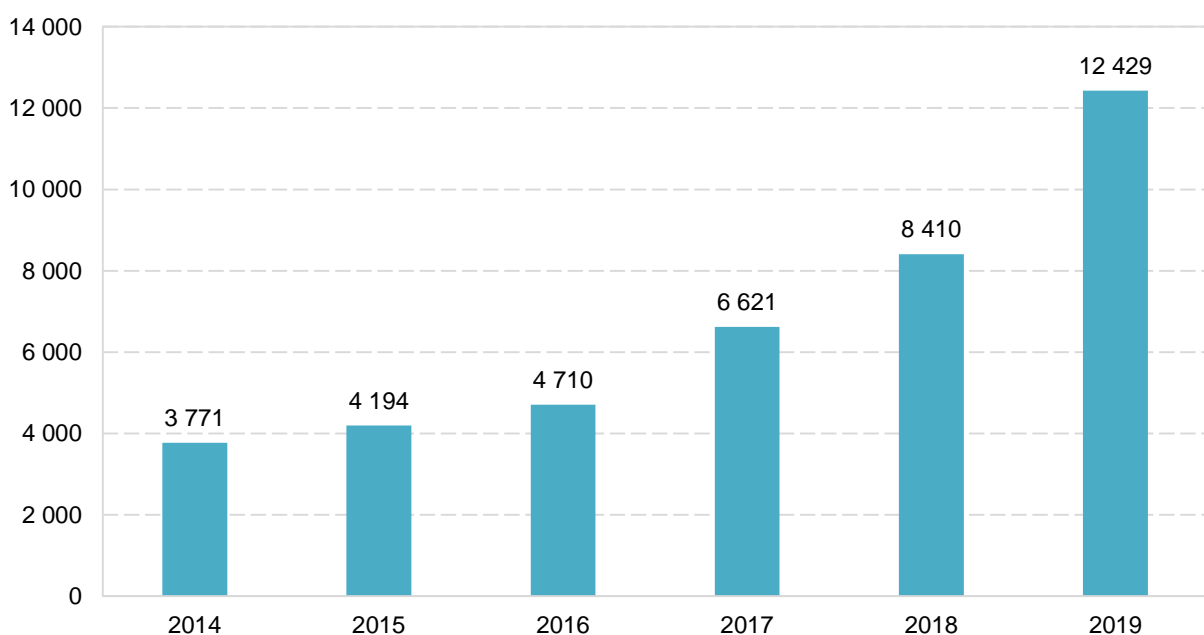
Number of foreign owned business entities in Montenegro in 2019 is 12 429, which compared with 2018 represents an increase of 47.8%.

The highest share of foreign owned business entities by owner's country of origin has Turkey 3 652, i.e. 29.4%; Russia 2 217 business entities, i.e. 17.8%; Serbia 1 627, i.e. 13.1%; and Ukraine 711 business entities, i.e. 5.7%.

Observing the year 2019, the highest number of foreign owned business entities is recorded in: Podgorica 3 806 (i.e. 30.6%); Budva 3 655 (i.e. 29.4%); and Bar 1 467 (i.e. 11.8%).

By sector of activity, the highest share of foreign owned business entities is in sectors: *Wholesale and retail trade, repair of motor vehicles and motorcycles* 23.9%; then *Professional, scientific and technical activities* 20.7%; and *Construction* 14.0%.

**Figure 1. Number of foreign owned business entities in Montenegro
2014 - 2019**



The table 1 presents a percentage share of foreign owned business entities, observed by municipalities, in the total number of foreign owned business entities.

Table 1. Share of foreign owned business entities by municipalities, in %

Municipality	2014	2015	2016	2017	2018	2019
Andrijevica	0.1	0.1	0.1	0.1	0.1	0.1
Bar	20.1	19.4	17.0	13.6	11.5	11.8
Berane	0.6	0.6	0.6	0.5	0.4	0.3
Bijelo Polje	1.0	0.7	0.8	0.9	0.9	0.8
Budva	23.1	21.8	21.2	20.7	27.4	29.4
Cetinje	0.9	1.0	1.1	0.9	0.7	0.6
Danilovgrad	0.8	0.9	0.8	0.8	0.6	0.6
Gusinje	-	0.0	0.0	0.0	0.0	0.0
Herceg Novi	11.3	12.0	11.1	9.2	8.0	8.1
Kolasin	0.4	0.4	0.4	0.4	0.3	0.2
Kotor	4.9	4.8	4.4	4.4	3.7	3.9
Mojkovac	0.1	0.1	0.2	0.1	0.1	0.1
Niksic	1.5	1.4	1.5	1.5	1.3	1.2
Petnjica	-	0.0	0.0	0.0	0.0	0.0
Plav	0.1	0.1	0.1	0.1	0.1	0.1
Pluzine	0.0	0.0	0.0	0.0	0.0	0.0
Pljevlja	0.3	0.3	0.4	0.3	0.3	0.2
Podgorica	23.8	25.8	29.3	35.0	33.4	30.,6
Rozaje	0.9	0.9	0.8	0.9	0.8	0.9
Savnik	0.1	0.0	0.0	0.0	0.0	0.0
Tivat	7.2	7.1	7.2	7.7	7.8	8.2
Tuzi	-	-	-	-	-	0.1
Ulcinj	2.7	2.5	2.9	2.8	2.5	2.7
Zabljak	0.1	0.1	0.1	0.1	0.1	0.1
Ukupno	100.0	100.0	100.0	100.0	100.0	100.0

The table 2 presents a percentage share of foreign owned business entities performing their activity at the territory of Montenegro, observed by owner or founder's (both natural and legal persons) country of origin.

According to the percentage share, the most are enterprises whose owners – founders are by origin from Turkey, Russia, and Serbia. It can be observed from the mentioned is that from year to year it appears a significant percentage increase among enterprises owned by natural and legal persons with origin from Turkey.

Table 2. Share of foreign owned business entities by owner's country of origin

Country	2014	2015	2016	2017	2018	2019
Austria	0.5	0.6	0.7	0.9	0.5	0.4
Bosnia and Herzegovina	4.8	4.9	5.3	4.7	3.9	3.1
Croatia	2.7	2.8	2.7	2.7	2.0	1.7
Italy	4.8	5.2	6.2	5.6	4.6	5.3
China	1.4	1.3	1.2	1.1	0.9	1.2
Macedonia	1.6	1.7	1.7	1.7	1.4	1.3
Germany	2.1	2.2	2.1	2.0	1.9	2.0
Russia	38.1	32.0	26.7	20.2	16.4	17.8
SAD	0.8	0.7	0.9	0.6	0.5	0.8
Slovenia	1.7	1.4	1.4	1.7	1.2	0.9
Serbia	17.0	18.7	20.3	19.1	17.5	13.1
Turkey	1.5	1.8	3.1	8.7	24.4	29.4
Ukraine	7.7	10.6	9.0	6.7	5.6	5.7
United Kingdom	1.4	1.0	1.2	2.1	2.3	1.3

The table 3 presents a percentage share of foreign owned business entities which perform their activities at the territory of Montenegro, observing by sector of activity.

Table 3. Share of foreign owned business entities, by sector of activity, 2014 – 2019

Sector code	Name of sector	2014	2015	2016	2017	2018	2019
A	Agriculture, forestry and fishing	0.9	0.8	0.9	0.8	0.7	0.9
B	Mining and quarrying	0.1	0.1	0.1	0.2	0.2	0.2
C	Manufacturing	5.0	5.0	5.6	5.3	4.7	3.7
D	Electricity, gas, steam and air conditioning supply	0.8	0.5	0.5	0.7	0.5	0.5
E	Water supply; sewerage; waste management and remediation activities	0.4	0.3	0.4	0.5	0.4	0.3
F	Construction	14.4	14.3	14.9	14.6	13.8	14.0
G	Wholesale and retail trade; repair of motor Vehicles and motorcycles	23.3	22.6	23.5	23.1	22.5	23.9
H	Transporting and storage	2.6	2.5	2.5	2.8	2.6	2.4
I	Accommodation and food service activities	8.5	8.8	8.9	8.3	8.1	9.0
J	Information and communication	6.1	7.5	6.6	6.7	6.6	5.6
K	Financial and insurance activities	0.6	0.6	0.7	1.1	1.1	0.6
L	Real estate activities	8.8	8.0	7.5	7.5	7.3	7.3
M	Professional, scientific, and technical activities	14.6	15.3	14.9	16.3	20.8	20.7
N	Administrative and support service activities	8.0	7.6	7.0	6.7	6.0	6.2
O	Public administration and defence; compulsory social security	0.0	0.0	0.0	0.0	0.0	0.0
P	Education	0.6	0.6	0.6	0.4	0.5	0.5
Q	Human health and social work activities	0.3	0.3	0.2	0.3	0.2	0.2
R	Arts, entertainment and recreation	2.2	2.4	2.4	2.1	1.8	1.7
S	Other service activities	2.8	2.8	2.8	2.3	2.2	2.3
T	Activities of households as employers; producing activities Undifferentiated goods – and services Producing activities of households for own use	0.0	0.0	0.0	0.0	0.0	0.0
U	Activities of extraterritorial organizations and bodies	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

METHODOLOGICAL NOTES

Foreign owned business entity is defined as an entity whose owners (natural and/or legal persons) originates from a foreign country. These entities are recognised by type of origin of capital.

A subject of this analysis are active business entities. **Active business entities** are those performing an economic activity, possessing employed workers and achieved a turnover in the observed year.

Data sources used for this analysis are:

- External sources (administrative source- Central Register of business entities - Tax Administration)
- Internal source- Statistical business register only used for statistical purposes.

Statistical Business Register is a reliable data source on business population and demography. It serves as a sample frame for all business statistics surveys within the national statistical system; it ensures a database from which addresses are taken for sending statistical survey questionnaires, etc. Such a register is considered to be a system for converting the administrative data in data of suitable form for the statistical use. The importance of statistical business register is also that it represents an updated documented dossier containing all statistical units active at the territory of Montenegro, which achieve income, and which possess relevant statistical and administrative attributes.

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