

Number and structure of foreign-owned business entities in Montenegro, 2013. year

This release presents data on the number and structure of business entities with foreign ownership in Montenegro in the year 2013. The data source is Central Register of Business Entities.

From the total number of foreign-owned businesses, 9,0 % are owned by foreign legal persons, while the remaining subjects are property of foreign physical persons.

The table below shows the percentage participation of business entities with foreign ownership, viewed in the level of municipalities, compared with the total number of businesses that are foreign-owned.

Table 1. *Percentage participation of businesses with foreign ownership by municipalities*

Municipality	Percentage Participation
ANDRIJEVICA	0,1%
BAR	17,6%
BERANE	0,6%
BIJELO POLJE	1,3%
BUDVA	22,3%
CETINJE	1,1%
DANILOVGRAD	0,9%
HERCEG NOVI	8,6%
KOLAŠIN	0,4%
KOTOR	6,1%
MOJKOVAC	0,2%
NIKŠIĆ	2,1%
PLAV	0,1%
PLUŽINE	0,0%
PLJEVLJA	0,7%
PODGORICA	26,8%
ROŽAJE	1,3%
ŠAVNIK	0,2%
TIVAT	5,6%
ULCINJ	3,8%
ŽABLJAK	0,2%
Total	100,0%

As it can be seen, the largest percentage participation of the observed subjects is in the municipality of Podgorica (26,8 %). Then, a significant number of entities whose founders are not citizens of Montenegro is located in the municipalities of Budva (22,3 %), Bar (17,6 %) and Herceg Novi (8,6 %).

Graph 1. Percentage participation of businesses with foreign ownership by municipalities

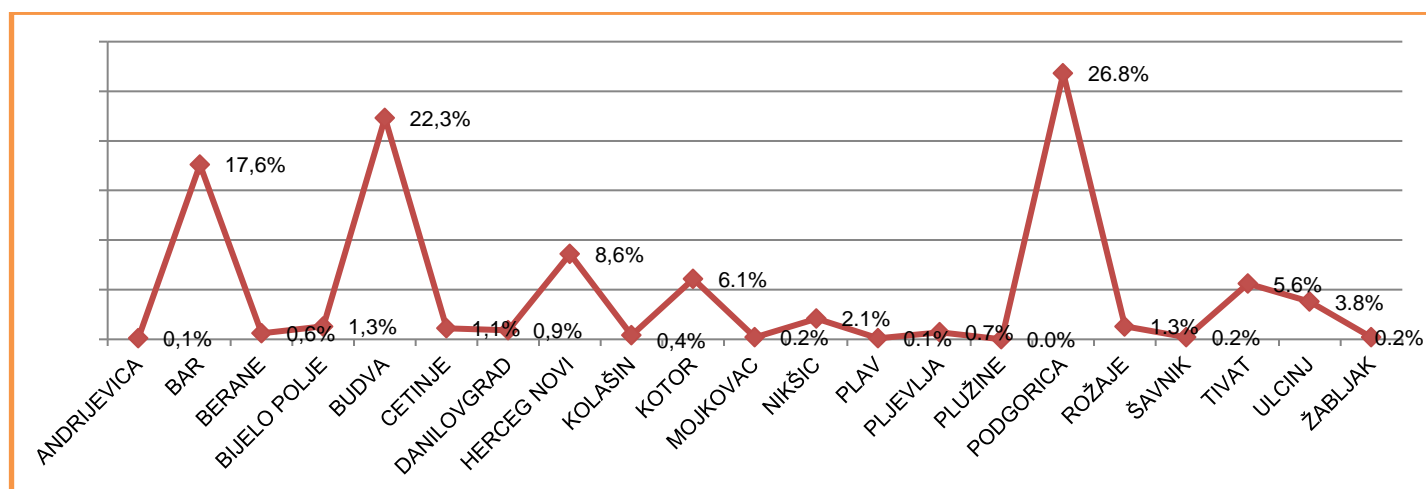


Table 2. The percentage share observed by country of origin of the owner (for randomly selected countries)















	Country	Percentage share observed by country of origin of the owner
	Austria	1,0%
	Bosnia and Herzegovina	4,5%
	Croatia	2,8%
	Italy	3,5%
	China	2,2%
	Cyprus	0,6%
	Macedonia	2,0%
	Germany	1,7%
	Russia	32,4%
	United States of America	0,9%
	Slovenia	2,7%
	Serbia	28,0%
	Ukraine	2,2%
	Great Britain	3,2%

Table No. 2 shows the percentage of participation in ownership of business entities that carry out their activities in the territory of Montenegro, observed by countries of origin of the owner-founders (natural and legal persons).

It can be seen that the percentage share of the lead-owners (founders) originated from Russia (32,4 %), followed by Serbia (28,0 %) and then Bosnia and Herzegovina (4,5 %).

Graph 2. *The percentage share observed by country of origin of the owner*

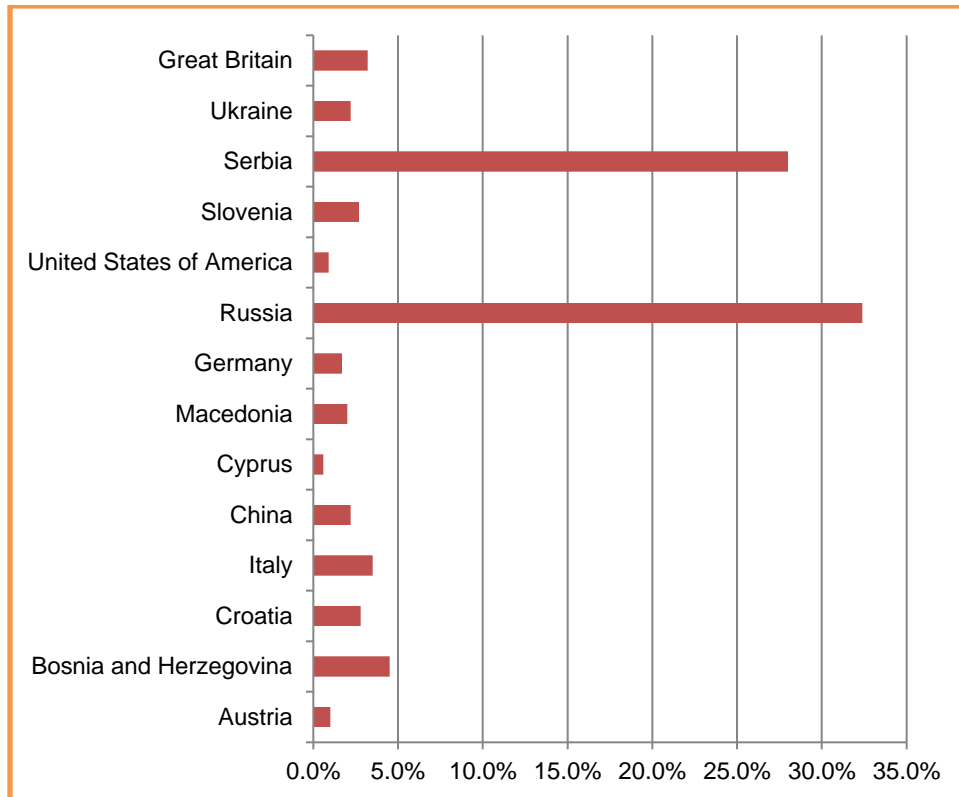


Table No. 3 shows the percentage of participation in ownership of business entities that carry out their activities in the territory of Montenegro, observed by activity sectors.

Table No. 3. *The percentage share observed by activity sectors*

Label	Name	Percentage Participation
A	Agriculture, forestry and fishing	0,7%
B	Mining and quarrying	0,2%
C	Manufacturing	4,9%
D	Electricity supply	0,4%
E	Water supply	0,4%
F	Construction	18,4%
G	Wholesale and retail sale, repair of motor vehicles and motorcycles	25,2%
H	Transportation and storage	3,1%
I	Accommodation and food service activities	8,5%

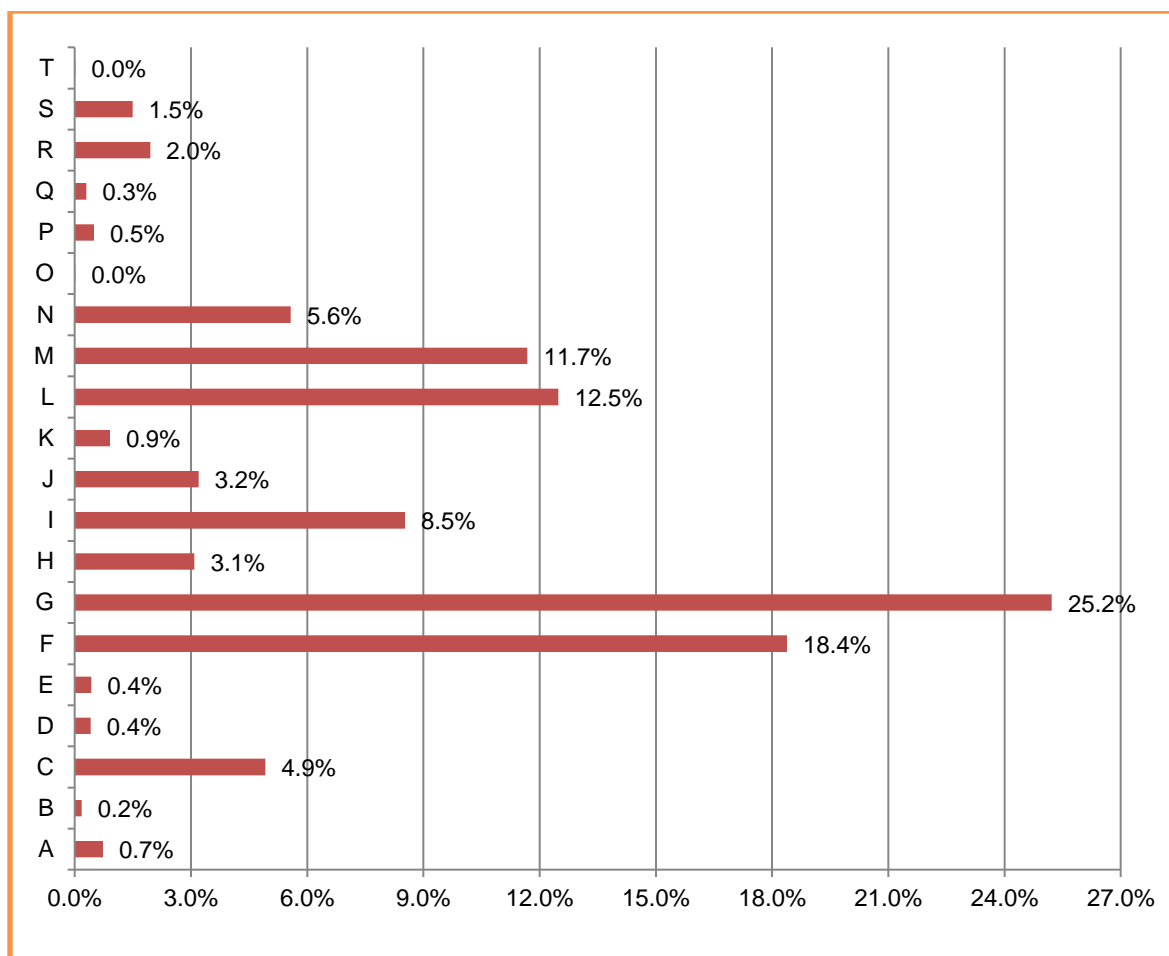
Table No. 3. The percentage share observed by activity sectors

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J	Information and communication	3,2%
K	Financial and insurance activities	0,9%
L	Real estate activities	12,5%
M	Professional, scientific and technical activities	11,7%
N	Administrative and support service activities	5,6%
O	Public administration and defense and compulsory social security	0,0%
P	Education	0,5%
Q	Human health and social work activities	0,3%
R	Art, entertainment and recreation	2,0%
S	Other service activities	1,5%
T	Activities of household as employers	0,0%
U	Activities of extraterritorial organizations and bodies	0,0%
	Total	100,0%

As it can be seen, the largest percentage participation of the observed subjects is in the following activity sectors: wholesale and retail sale, repair of motor vehicles and motorcycles (25,2%), construction (18,4 %) and real estate activities (12,5%).

Graph 3. The percentage share observed by activity sectors



METODOLOGICAL EXPLANATIONS

Business entity with foreign ownership can be defined as an entity whose owners (natural and / or legal persons) coming from certain foreign countries. (We recognize these entities by the type of origin of capital).

Subjects of this analysis are active business entities. **Active business entities** are the ones who performed specific activity during the observed year, had employees and made turnover.

Data sources used for this analysis are: external sources (administrative sources – Public Revenue, Central Register of Business Entities), while Statistical Business Register is an internal source used only for statistical purposes. Statistical business registry is a reliable source of data on population and demography of business subjects. It serves as a frame for taking samples for all statistic surveys that for reporting unit have enterprises, their parts or entrepreneurs. It provides the basis from which are taken address data for sending of questionnaires in statistical surveys. Such a questionnaire is considered the system that turns the data from administrative sources to data suitable for statistical use. Significance of statistical business registry is also in that it is an updated file that contains all the statistical units active on territory of Montenegro, which make incomes and possess relevant statistical administrative attributes.

Size class is determined based on three criteria:

- Number of employed,
- Made turnover and
- Active.

Legal persons, related to this law are divided into small, medium and large, depending on average number of employed, total income on annual level and total assets.

In medium legal persons there are classified legal persons who at the day of composition of financial reports fulfill two of the following criteria:

- that average number of employed in the year that annual report is submitted is from 50 to 250;
- that total income on annual level is from 10 000 000 to 50 000 000 EUR;
- that total assets is from 10 000 000 to 43 000 000 EUR.

Legal persons whose two of three criteria are less from the least criteria from paragraph 2, item 3a are classified into small legal persons and legal persons whose two of three criteria are higher than the highest criteria from paragraph 2 of the same item are classified into large legal persons.

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