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Number and structure of business entities in 2011

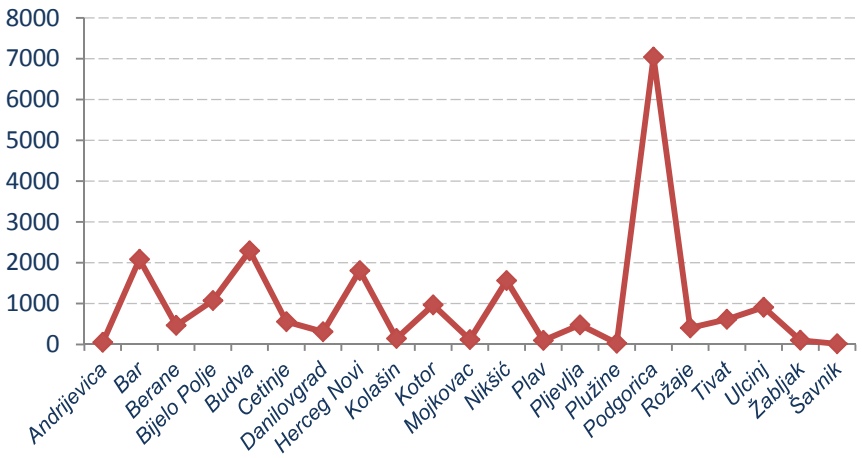
This release publishes data about number and structures of business subjects in Montenegro in 2011 by territory type of establishment and their activities and size of enterprise. Source of data of Statistical business registry and subject of observation are active business entities who do their activities on territory of Montenegro. Active business entities are subjects that in the observed year do a certain activity, have employed workers and make a certain turnover.

Table 1: *Number of business entities by municipalities*

Municipalities	Number of business entities
Andrijevica	50
Bar	2085
Berane	465
BijeloPolje	1073
Budva	2294
Cetinje	558
Danilovgrad	308
Herceg Novi	1808
Kolašin	144
Kotor	967
Mojkovac	119
Nikšić	1563
Plav	98
Pljevlja	479
Plužine	29
Podgorica	7042
Rožaje	404
Šavnik	15
Tivat	614
Ulcinj	911
Žabljak	101
Total	**21127**

The biggest number of business entities is in Podgorica (7.042), which constitutes 33.3% of total number of business subjects. Following are municipality of Budva with 10.8%, municipality of Bar with 9.9%, municipality of Herceg Novi with 8,6% and municipality of BijeloPolje with participation of 5,1%.

Graph 1: *Number of business entities by municipalities*



Types of performing business entities are economic societies and other types determined by law on Economic Societies of state of Montenegro.

Table 2: *Number of business entities by type of performing economic activities in 2011*

ŠIFRA	Type of performing activity	Number of business entities
10	Partnership company	366
11	Limited partnership	41
12	Joint stock company	221
13	One member stock company	3
14	Society with limited responsibility	4 513
15	One member Society with limited responsibility	12 653
17	Public enterprise	13
18	Entrepreneur	2 944
19	Business association	3
31	Bank	12
32	Other financial organization	6
33	Stock exchange	1
34	Stock exchange mediator	21
36	Joint stock company for insurance	12
72	Juridical body	50
73	Local government body	11
81	Political organization	13
90	Other types	244
Total		**21 127**

The largest number of active business entities, observed by form of performing economic activity , work as one member society with limited responsibility and it makes 59.9% from total number of active business entities in territory of Montenegro, while the least number of business entities in the area of business associations in stock exchange.

Analyzing situation by activity sectorsin total number of business entities in 2011sector
"wholesale and retail trade " participates with 42%.

Table 3: *Division of business entities by sectors for 2011*

Label	Name	Number of business entities
A	Agriculture,forestry and fishing	192
B	Mining and quarrying	56
C	Manufacturing	1 709
D	Electricity supply	25
E	Water supply	37
F	Construction	1 854
G	Wholesale and retail sale,repair of motor vehicles and motorcycles	8 880
H	Transportation and storage	1 456
I	Accommodation and food service activities	2 241
J	Information and communication	450
K	Financial and insurance activities	137
L	Real estate activities	788
M	Professional,scientific and technical activities	1 694
N	Administrative and support service activities	626
O	Public administration and defence and compulsory social security	69
P	Education	39
Q	Human health and social work activities	58
R	Art,entertainment and recreation	234
S	Other service activities	564
T	Activities of household as employers	3
U	Activities of extraterritorial organizations and bodies	15
Total		**21 127**

The largest number of business entities in 2011 was recorded in Podgorica and it is 7 042, that represents 33.3% from total number ,while the least number is in Šavnik- 15 business entities making 0.1%.

Considering classification of o business entities by class sizes, then it should be mentioned that it is made based on Law on Accounting and Revision of Montenegro (Official Gazette 80/08) and based on criteria proposed by European Union.[1]

[1]More detailed in methodological explanation

Table 4: *Number of business entities by size class*

Enterprise class	Number of business entities
Small	20855
Medium	230
Large	42
Total	**21127**

In Montenegro the largest number of business subjects is in the class of small business entities- 98.7% from total number of business entities, while in class of medium enterprises there are 1.1%.Only 0.1% is distributed by defined criteria in class of large business entities.

METHODOLOGICAL EXPLANATIONS

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 andpossess relevant statistical administrative attributes.

Subjects of this register are active economic subjects. **Active economic subjects** are those observed who performed in referent year, certain economic activity, had employed and made turnover.

Units covered within Statistical Business Register are:

- Legal entity and
- Statistical units: enterprise, local unit and group of enterprises.

Legal unit

Legal unit, alone, or combined with other legal units represents legal base for one of the most important statistical unit-enterprise. It is not directly statistical unit but it performs completely or partially productive activity and it is used to constitute enterprise.

Administrativesources provide information on starting and presence of legal units and for statistical unit it can be said that there are “artificial”units, although very often they present real economic structure and not correspond always completely towell-known legal or administrative units.

Enterprise

Enterprise is: an organizational unit producing goods and services, which enjoys a certain level of autonomy in decision making especially regarding the distribution of its current resources. Enterprise does one or more activities on one or more locations. Relations between enterprise and legal unit aredetermined in accordance with definition: enterprise is legal unit or (the least) combination of legal units.

Local unit

Local unit is enterprise or part of enterprise (workshop,factory,storehouse, office, mine or depot etc.) which is located on a geographically determined location. On that or from that location economic activity is done, apart from certainexceptions, one or more workers (who may be employed and in no full working time) for the same enterprise.

Previously mentioned means that this register covered, beside units performing economic activity also units which does not perform economic activity, but which are needed because of statistical surveys as subject of observation.

While classifying these units there are used criteria defined in regulation EEC 696/93:

- legal, accounting and organizational criteria;
- Geography criteria ;
- Activity criteria ;

Data sources for updating of BR are divided in external and internal. External sources are administrative sources(Tax Administration; Central Register of Commercial Courtand Central bank)and internal sources are statistical surveysused for updating of this register as well as for comparative analysis with data from administrative sources.

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 thr 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.
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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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