

Foreign direct investment statistics in Montenegro

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- **Law on Central bank of Montenegro (“Official Gazette of Montenegro”, no 40/10, 46/10, 6/13)**
- **Law on Official Statistics and Statistical System (“Official Gazette of Montenegro”, no 18/12)**
- **Law on Current and Capital Operations with Abroad (“Official Gazette of the Republic of Montenegro”, no. 45/05, and “Official Gazette of Montenegro”, no 62/08, 40/11)**
 - ❑ Decision on statistical data to be submitted to the Central bank of Montenegro for the purpose of compiling the Balance of payments of Montenegro (“Official Gazette of Montenegro”, no 61/12);
 - ❑ Decision on keeping separate records on foreign current and capital transactions and their reporting to the Central bank of Montenegro (“Official Gazette of Montenegro” no 38/10);
 - ❑ Decision on the amount of cash that may be brought into or leave Montenegro without declaring (“Official Gazette of Montenegro” no 38/10).

➤ The Central bank of Montenegro compiles FDI statistics -flows using information from the ITRS.

- The data are compiled in accordance with BPM6 and BD4
- Separate ITRS codes for transactions in direct investments by residents abroad and non-residents in MNE (equity and debt).

➤ FDI comprises not only the initial transaction establishing the relationship between the investor and the enterprise, but also all subsequent transactions between them and among affiliated enterprises.

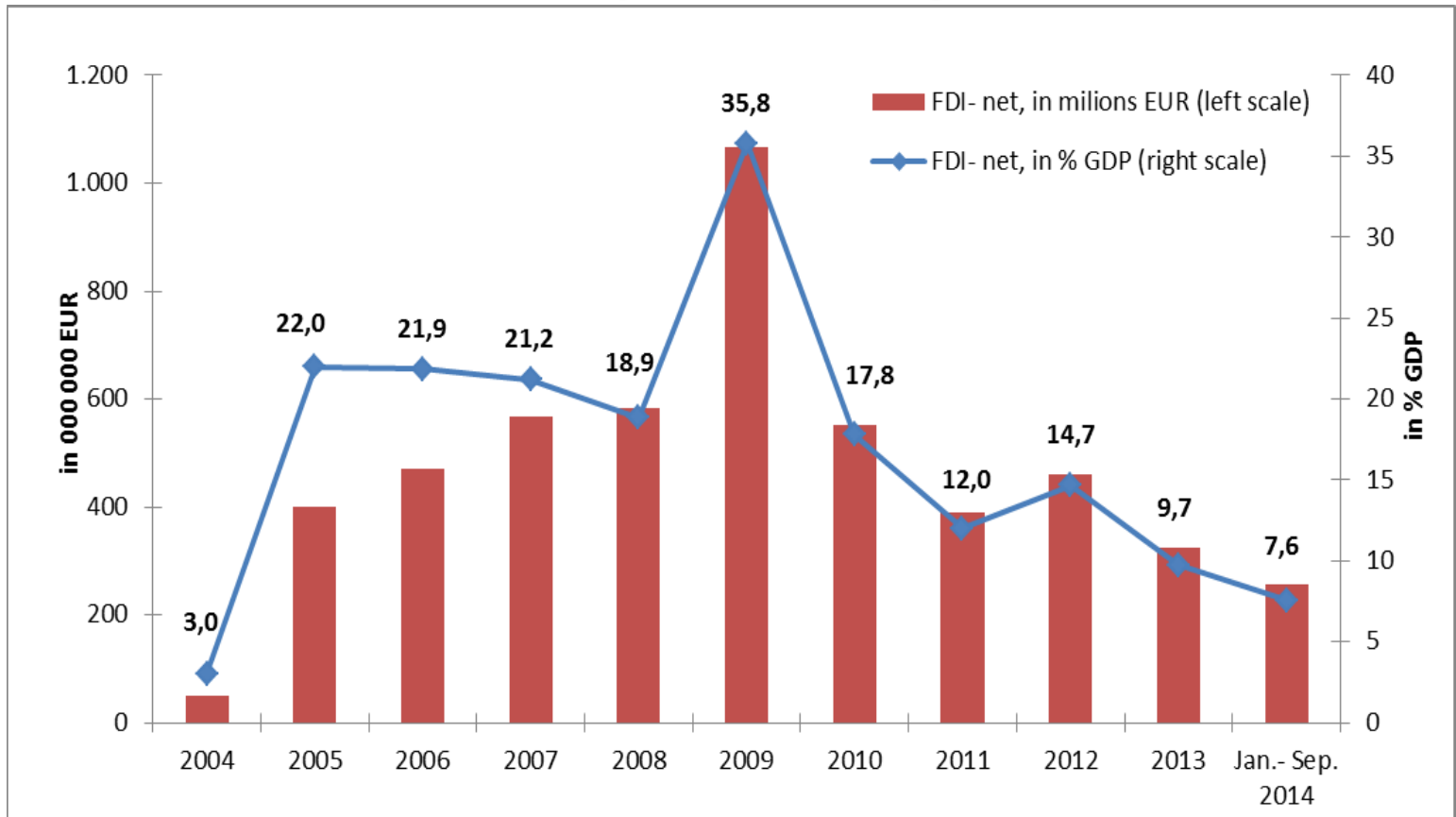
- Intercompany debt transactions between affiliated enterprises are recorded as a direct investment – other capital from 2006.
- Reports on transactions in cash from the Custom office.
- Not included data on reinvesting earnings.

✓ CBCG has introduced direct reporting for FDI stock data

- In 2010 CBM has launched direct reporting system by companies for FDI stock data - both inwards and outwards.
- All legal entities with foreign capital and legal entities owning a company abroad are obligated to submit reports to the CBCG.

- ❑ FDI inflow is a factor that had a great impact on economic growth and macroeconomic stability.
- ❑ Factors that had the biggest impact on the inflow of FDI were the privatization process and attractiveness of the Montenegrin coast.
- ❑ The highest FDI were in area of tourism, real estate, energy sector, telecommunications, banking sector and construction.
- ❑ High correlation between FDI and trade of goods and services.
- ❑ High potential for FDI in future – especially in the energy sector and tourism industry.

Chart – Net FDI flows in Montenegro



FDI as driver of economic growth, but also the factor of high trade and current account deficit

Chart – FDI vs. import of goods

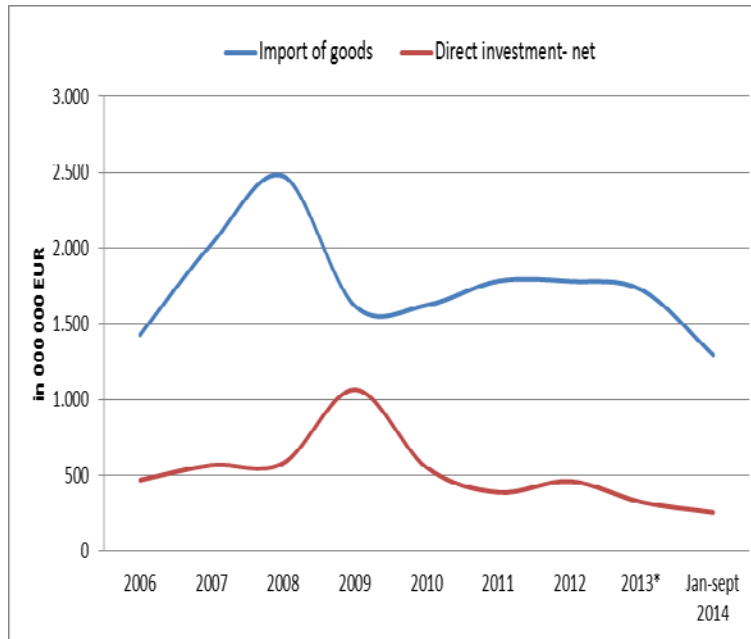
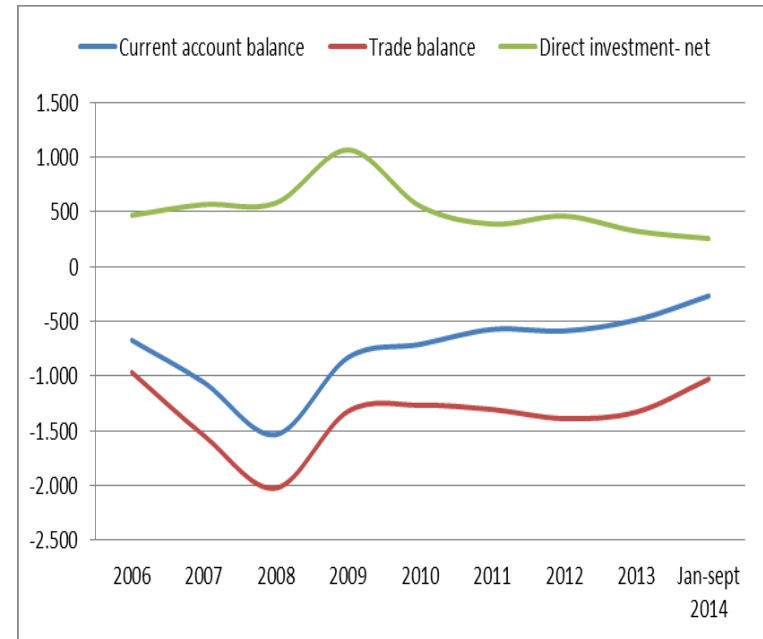
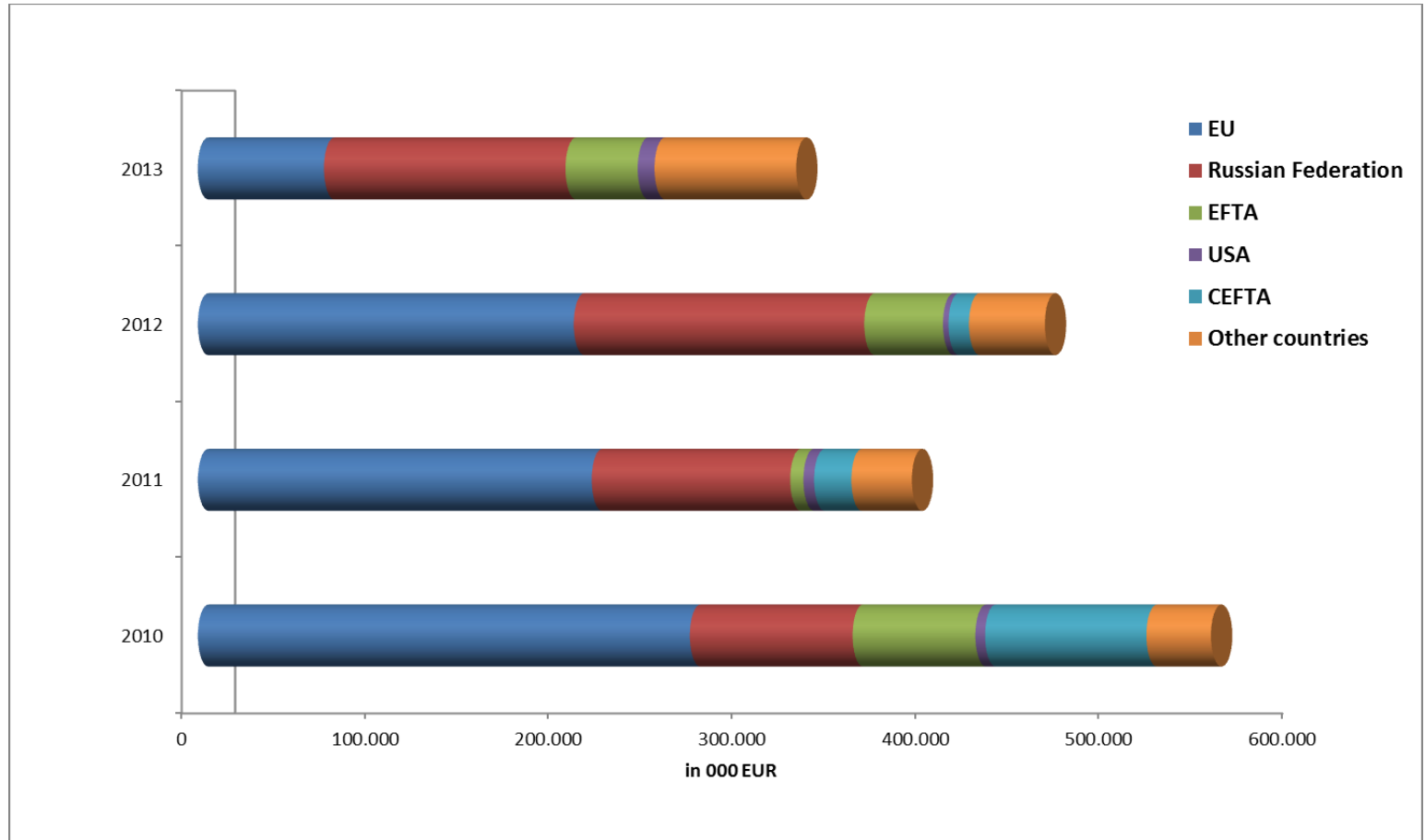


Chart – FDI vs. CA and trade deficit



Montenegro is heavily dependent on FDI to address its current account deficit.

FOREIGN DIRECT INVESTMENT - net by region

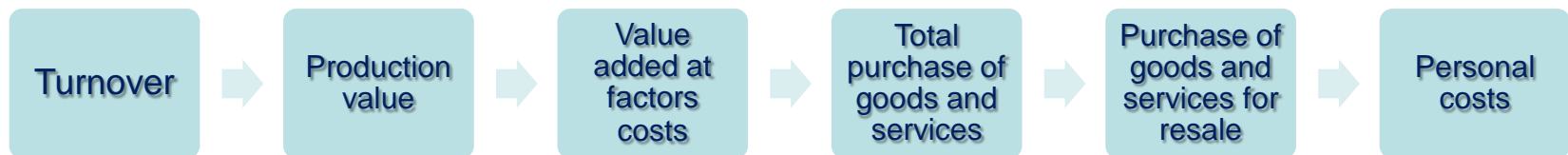


Foreign affiliates statistics in Montenegro



- In 2012 MONSTAT has conducted a pilot survey on foreign affiliates statistics for 2011.
- In line with Regulation 716/2010, as well as other related regulations (*Regulation 747/2008, Regulation 364/2008 and Regulation 834/2009*).
- The survey has been introduced as a regular from 2014:
 1. OFATS, and
 2. IFATS

- Reporting statistical units are domestic enterprises controlled by institutional units with residence in country abroad.
- Frame used for IFATS is the Business register of domestic enterprises with foreign capital.
- Available data:



- Reporting statistical units are foreign enterprises controlled by institutional units with residence in the country.
- Frame used for OFATS is the register of the Central bank of Montenegro on residents' foreign direct investments abroad.
- Available data:

