



**MONTENEGRO**  
**MINISTRY OF FINANCE**  
Sector for Economic Policy and Development

# MONTHLY MACROECONOMIC INDICATORS

March 2012

## KEY NOTES

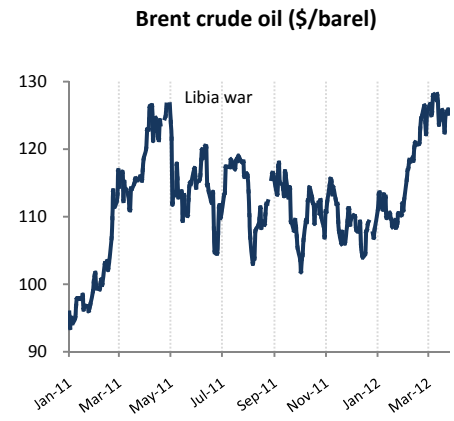
**Negative effects of Euro zone recession and extraordinary weather conditions in the country caused fall of all economic indicators.**

**Fall of public revenues in January and February in comparison to plan for 2012 and realization in 2011 and growth of state liabilities creates the need for rebalancing the public finance.**



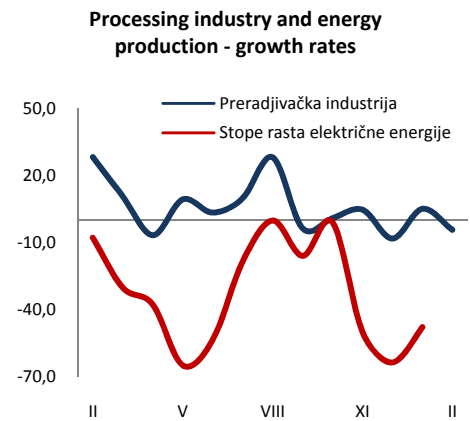
## 1. International Environment

Possible interventions in oil market through releasing the oil from strategic reserves, prevented, at least temporarily, growth of oil prices in world market (122\$/barrel). From the beginning of the year, oil prices grew for 15%. Intervention is being considered due to negative impact which higher prices can have on economic growth. Current oil prices leap is market response to sanctions of Western countries to Iran and the fear of possible supply disorder. Second reason of prices growth is possibly on the demand side. Namely, perspectives of world economy at the moment are slightly more positive, since American recovery seems to be stronger, and direct danger of crisis' deepening in Euro zone has been avoided, while demand in developing countries is growing continuously. There are efforts to prevent announced closing of Hormuz strait through which from Iran is exported 20% of world oil turnover. Impact of growth of oil prices for 10% decreases economic growth of Euro zone for 0,2% in the first year. The same is with American economy where this impact is worsening in second year for 0,4%. It is interesting to mention that contracts about oil supply for 3 to 5 years period are being sold with high discount (95\$/barrel), which implies investors perception about temporal growth of prices.



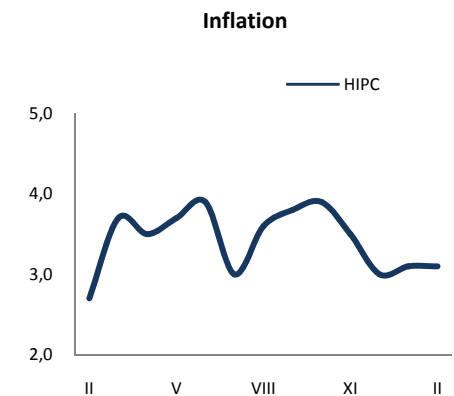
## 2. Real sector

Activities of real sector in February 2012, were under strong impact of unfavorable weather conditions, followed by heavy snowfall and extremely low temperatures. In February 2012, 25% less tourists visited Montenegro and 7,1% less overnight stays was exercised than in February of previous year. Decline in **tourism sector** resulted from decrease of visits and overnight stays in mountain area for 61,5 and 59,3%, respectively. **Industrial production** in February 2012 records annual fall for 14,7%, which is result of fall in sector of energy, water and gas production for 27,9% and sector of processing industry for 4,4%, while mining of ore and stone accomplished annual growth for 8,5%, as a result of coal mining growth for 19,8%. In February, the production in Coal mine Pljevlja was 17% over the plan which provided the conditions for increase of production in thermal Plant Pljevlja and overcoming the difficulties in energy supply in February 2012. **Retail trade** in February 2012 (in current prices) records growth for 16,3% in comparison to the same month of last year but fall for 1,9% in comparison to previous month of current year.



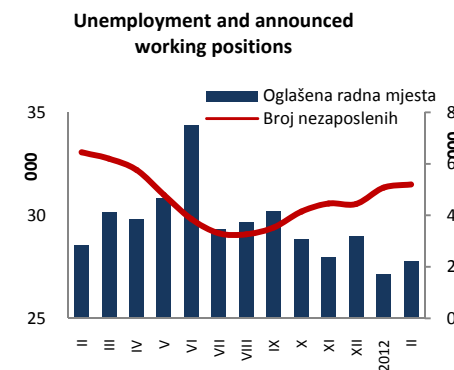
## 3. Prices

Inflation growth, in February 2012, for 4,2% is the result of food prices growth due to extraordinary weather conditions, tobacco prices growth due to excises increase and energy prices growth due to application of new tariffs. The highest growth was recorded in groups "alcohol beverage and tobacco" (24,8%), due to excises increase, "housing, water, energy, gas and other fuels" (8,5%), due to increase of solid fuels prices for 12,9% and energy for 3,3%, "health" (6,6%), due to pharmaceutical products prices increase for 7,7% and group "transport" (5,8%), due to fuel prices growth for 5,0% and prices of passenger tickets in road transport for 12,7%. Annual inflation, measured by harmonized index of consumers prices was 3,1%, where the biggest growth was of tobacco prices (33,4%), fruit (15,3%), solid fuels (13,6%), pharmaceutical products (5,5%), and energy (3,3%). Annual inflation in EU zone in February 2012 was 2,7%, and at same level as two previous months. The biggest annual growth in EU zone was recorded in groups "transport" (4,6%), "housing" (4,4%) and "alcohol and tobacco" (4,1%). Prices of industrial products producers in February 2012 record annual fall for 0,8%, while on monthly level they are higher for 0,4%. In January-February period of 2012, in comparison to the same period of last year, production prices recorded fall for 0,7%.



## 4. Employment and Wages

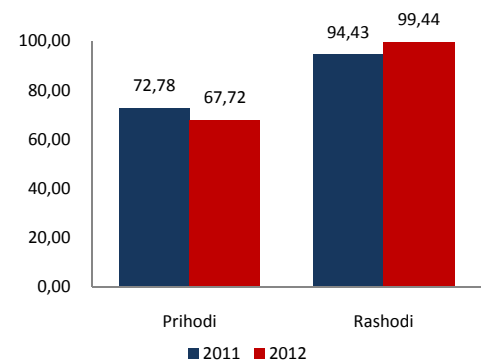
Number of employees was 162.035, which is for 0,7% higher than in January or 2,5% higher than in February of previous year. Number of unemployed in February 2012 was 31.495, which is in comparison to February 2011 lower for 4,7%. Unemployment rate in February was 13,6% (active population pursuant to Census recorded fall 264,276 in 2003 to 232,010 in 2011, and this is the reason of unemployment rates' correction), and in comparison to February 2011 it is lower for 0,7 p.p. Number of announced working positions was lower for 22,5% in February 2012 in comparison to the same month of 2011, while in the same time the number of unemployed who are looking for employment for the first time, especially with faculty and master degree, recorded growth for 26,8%, which implies difficulties in employment of young qualified staff. There is remarkable decrease of number of unemployed with no qualifications for 12,8% in February 2012 in comparison to February of 2011. **Gross wages in February 2012 amounted 739€,** and are nominally lower for 2,0% in comparison to February 2011, while net wages are decreased for 2,2%, or really for 6,1%.



## 5. Public finance

Trend of lower revenues continued in February, but the expenditures were lower as well in comparison to plan for subject month. Crucial reasons for decline of revenues and growth of expenditures in January and February in comparison to same months of previous year are new wave of crisis which is evident in real sector and extraordinary weather conditions which impacted additionally on economic activity stagnation in February. Original budget revenues in February 2012 were for 13,45% lower in comparison to plan for subject month. Fall of total revenues for 7% in comparison to last year was mostly caused by lower revenues based on VAT collection (19,7%), and customs (28%), while higher collection was accomplished in part of excises 6,4% (due to higher excise rates) and wages tax 2,7% (due to collection of tax and contributions from January). In comparison to plan, higher collection was recorded only for corporate tax 2%, while all indirect revenues record fall. **Current budget expenditures** were lower for 5,1% than planned, while in the same time they are higher than in the same month last year (5,3%) and January-February period (6,2%) . In comparison to February of previous year, expenditures for gross wages are higher for approximately 3%, while remarkable growth was recorded in part of material and services expenditures as well as social expenditures in comparison to previous month for 8,5%. **State debt** at the end of February amounted € 1.540,3 mill or 45,3% of GDP-a (estimation of Ministry of Finance € 3,405 mill), out of which € 1.109,0 mill refers to debt to non-residents while € 431,3 mill is debt to residents.

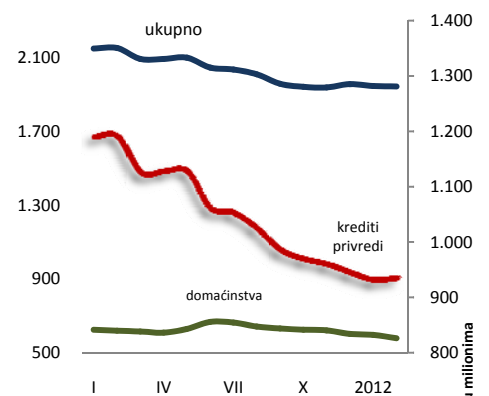
Revenues and Expenditures of Budget in mill € (Feb 2011 - Feb 2012)



## 6. Banking sector and liquidity

Continuous growth rate of households' deposits and restrictive credit activities of banks has been continued through the February of this year. Total deposits amounted € 1796,1 mill and record growth for 0,7% in comparison to previous month, while on annual level they are lower for 1,2%. Positive tendency of households' deposits growth was accomplished in this month and it represents the best indicator of regaining the confidence of citizens regarding the banking system. Households' savings grew for 9,1% in comparison to the same month of last year and 0,9% in comparison to January of this year. Although banks in great extent have consolidated their balances, with regards to new credits they are still restrictive, in this way diminishing the risk of future investments. This also worsens the position of economy which, in times of difficult operation, needs additional financial sources. **Total loans** in February amounted € 1.943,0 mill and are slightly lower in comparison to previous month (0,1%), while on annual level they provisioned growth for 9,7%. Furthermore, loans to economy amounted € 934,7 mill and are higher for 0,4% in comparison to previous month, while on annual level they are lower for 21,5%. Average weighted effective lending rate in February was 9,65% on annual level. Positive tendency is registered in part of **non-performing loans** which in February amounted € 431,9 mill, and are lower for 13,0% in comparison to January or for € 64,3 mill. Their participation in total loans, although still high, is being lowered from 25,5% in January to 22,2 % in February of this year while share of default loans was slightly changed and is 15,3% (15,02% in January). Contrary to satisfactory liquidity of banking sector, the liquidity of real sector is getting worse. At the end of February out of total 57.916 of legal and physical entities which provide some activity, more than a quarter (26,7%) or 15.492 was blocked which is 0,91% higher than in the previous month. With regards to value, total amount of debt as the base for blocking the accounts is € 384,5 mill which presents growth for 1,16% in comparison to January and 35,1% on annual level. Central Bank of Montenegro (CBCG) will, after the changes of Law on Payment System in the country, publish monthly data about blocked legal entities.

Trends in total loans with regards to users



## 7. Foreign Trade Exchange and Investment

Decline of total commodity trade is result of high annual fall of commodities export for 26,1% and mild import growth for 1,5%. Foreign trade exchange in January-February 2012 period amounted € 257,5 mill, 5,5% less than respective period of previous year while deficit of trade balance was 15,8%. Export was at the value of € 51,2 mill, while import was € 206,3 mill. Decline of commodities export was caused by fall of non-ferrous metals export (17,0%) due to social and other problems in KAP. Export-import coverage of is 24,8%, and it means fall in comparison to the same period of last year when it was 34,0%. Regarding export, the biggest contribution goes to ferrous metals (50,7% of total export) and iron and steel (7,6% of total export). Regarding import, the biggest share is for mineral fuels and lubricants (27,6% of total import), with annual growth of 60%, oil and oil derivatives (14,0%) and electric energy (12,8%) with annual growth of 128% (import for local market and re-export). In accordance to preliminary data, **net foreign direct investment** in two months of 2012, are lower approximately for 57% in comparison to same period of last year.

Foreign Trade Exchange Balance and Foreign Direct Investment

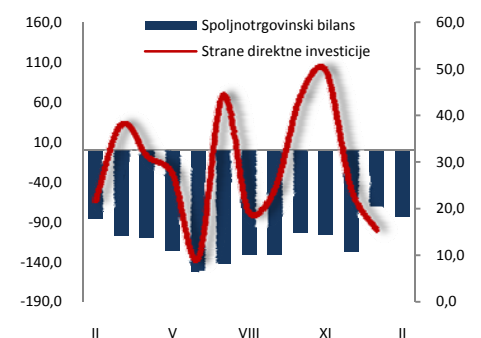


Table 1: MACROECONOMIC INDICATORS – February 2012

GDP	2011												2012		Analytics		
	3.273												3.405				
	2,5												2,0				
	5,5												4,0				
Indicators	2011												2012		Feb 2012		
	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	M-n-M	Feb 2012 / Feb 2011	Jan - Feb 2012 / Jan - Feb 2011	
<b>REAL SECTOR</b>																	
Industrial production (growth rate)	8,4	-10,3	-20,4	-24,4	-18,7	0,2	18,0	-2,0	-4,2	-15,9	-37,1	-24,5	-14,7	6,9	-14,7	-19,7	
Processing industry (growth rate)	28,1	10,5	-6,8	9,2	3,3	9,7	28,0	-3,7	0,8	4,6	-8,3	5,0	-4,40	5,9	-4,4	0,1	
Overnight stays in tourism (growth rate)	-13,5	-1,3	21,3	-1,7	11,2	7,5	12,2	15,3	11,6	6,6	4,2	11,1	-7,10	-16,8	-7,1	2,0	
Retail turnover (growth rate)	12,8	43,9	13,0	16,7	23,6	36,8	21,8	25,2	26,3	24,4	37,3	21,3	16,30	-1,9	16,3	18,8	
Value of works in construction (growth rate)	18,1		35,6			2,1			-2,6			n.p.		n.p.	n.p.	n.p.	
<b>INFLATION</b>																	
Index of Consumers prices (growth rate)	2,0	3,7	3,7	3,6	3,5	3,0	3,6	3,4	3,3	3,0	2,8	2,7	4,2	1,0	4,2	4,2	
Harmonized Index of Consumers Prices (growth rate)	2,7	3,7	3,5	3,7	3,9	3,0	3,6	3,8	3,9	3,5	3,0	3,1	3,1	0,8	3,1	3,1	
Producers Price Index(growth rate)	4,5	5,6	4,7	1,9	2,2	3,6	3,2	3,2	2,8	2,8	1,0	-0,6	-0,8	0,4	-0,8	-0,7	
<b>EMPLOYMENT AND WAGES</b>																	
Employment (number, end of period)	158.010	158.842	159.669	162.905	168.195	170.618	167.955	164.386	163.396	162.712	162.450	160.880	162.035	0,7	2,5	2,2	
Unemployed (number, end of period)	33.062	32.748	32.203	30.994	29.816	29.128	29.078	29.405	30.180	30.576	30.552	31.339	31.495	0,5	-4,7	-4,6	
Unemployment rate (%)	14,3	14,1	13,9	13,6	12,9	12,6	12,5	12,7	13,0	13,2	13,2	13,5	13,6	0,7	-4,9	/	
Unemployment rate (LRS) (%)	21,2		19,9			19,5			18,1			n.p.		n.p.	n.p.	n.p.	
Announced working positions	2.852	4.136	3.838	4.646	7.488	3.445	3.738	4.153	3.077	2.391	3.178	1.706	2211,0	29,6	-22,5	/	
Average monthly gross wage (€)	754	722	705	714	708	710	709	712	711	721	722	754	739	-2,0	-2,0	-2,2	
Average monthly net wage (€)	506	484	473	479	475	476	475	477	477	483	484	505	495	-2,0	-2,2	-2,3	
<b>MONETARY SECTOR*</b>																	
Total loans (cumulative, in mill €)	2.151,4	2.092,1	2.092,0	2.098,7	2.045,4	2.034,9	2.008,5	1.957,3	1.941,3	1.937,7	1.955,7	1.945,7	1.943,0	-0,14	-9,69	/	
Total loans (growth rate)	-9,4	-11,2	-10,8	-10,0	-12,4	-12,1	-12,0	-6,1	-6,5	-13,0	-11,1	-9,4	-9,7	2,55	2,64	/	
Non-performing loans (cumulative, in mill €)	488,6	485,6	523,1	540,5	518,2	502,6	521,2	386,2	358,7	341,4	288,3	292,2	297,3	1,73	-39,16	/	
Participation of non-performing loans in total loans (%)	22,7	23,2	25,0	25,8	25,3	24,7	26,0	19,7	18,5	17,6	14,7	15,0	15,3	1,88	-32,64	/	
Total deposits (cumulative, mill €)	1.818,0	1.783,6	1.796,8	1.793,6	1.837,3	1.839,1	1.889,8	1.877,8	1.868,0	1.831,1	1.817,2	1.784,3	1.796,1	0,66	-1,20	/	
Total deposits (growth rate)	2,8	0,9	2,7	-0,8	1,6	1,6	1,2	5,3	4,6	2,3	1,5	-1,4	-1,2	-11,16	-142,45	/	
Loans to economy (cumulative, mill €)	1190,3	1124,8	1127,2	1127,0	1060,8	1052,2	1025,5	985,8	969,4	959,7	944,6	931,1	934,7	0,39	-21,5	/	
Loans to households (cumulative, mill €)	839,8	838,5	836,2	843,0	855,8	854,5	847,4	843,9	841,6	840,5	833,7	832,3	826,2	-0,73	-1,6	/	
Economy deposits (cumulative, mill €)	470,6	447,5	444,3	447,7	463,4	485,0	525,4	499,2	507,3	489,1	477,8	460,1	465,0	1,06	-1,2	/	
Individual savings (cumulative, mill €)	947,9	953,9	971,1	976,4	982,3	1005,0	1021,6	1034,9	1022,4	1026,4	1033,4	1024,7	1034,1	0,92	9,1	/	
Interest rate for loans	9,63	9,67	9,68	9,66	9,72	9,72	9,70	9,61	9,73	9,78	9,73	9,68	9,65	-0,31	0,2	/	
Interest rates for deposits	3,22	3,23	3,04	3,07	3,06	3,16	3,09	3,11	3,09	3,08	3,06	3,09	3,08	-0,32	-4,3	/	
<b>EXTERNAL SECTOR</b>																	
Commodities export (mill €)	31,7	42,0	35,8	33,5	33,0	34,0	42,0	42,4	48,3	37,9	36,3	27,4	23,8	-13,2	-25,0	-26,1	
Commodities import (mill €)	117,8	149,8	145,9	159,6	185,0	175,9	172,5	173,1	151,6	143,5	163,4	99,8	106,5	6,7	-9,6	1,5	
Foreign Trade Exchange Balance (mill €)	-86,1	-107,7	-110,1	-126,0	-152,0	-141,9	-130,5	-130,7	-103,2	-105,6	-127,0	-72,4	-82,7	14,2	-3,9	15,8	
Foreign Direct Investment (mill €)	21,7	38,0	31,1	27,3	9,1	44,2	19,3	24,1	44,1	49,6	24,2	15,3	18,0	18,0	-16,8	-57,4	
<b>INTERNATIONAL ENVIRONMENT</b>																	
Brent crude oil (US\$)	111,8	117,4	125,9	116,7	112,5	116,7	114,9	102,8	109,6	110,5	107,4	111,0	122,2	10,1	9,3	9,6	
Aluminum (US\$)	2.515,3	2.555,5	2.667,4	2.587,2	2.557,8	2.525,4	2.381,0	2.293,5	2.180,7	2.080,0	2.024,4	2.151,3	2.207,9	2,6	-12,2	-12,0	
EURIBOR (12 months)	1,7	1,8	2,0	2,1	2,1	2,2	2,2	2,1	2,1	2,1	2,0	1,9	1,7	-0,2	0,1	/	
Inflation in Euro zone	2,4	2,7	2,8	2,7	2,7	2,5	2,5	3,0	3,0	3,0	2,7	2,7	2,7	0,0	0,3	/	

Source: Monstat, Central bank, Employment Bureau of Montenegro

All indicators are presented as annual growth rates ((indicators' change rate of subject month in comparison to same month of previous year in %) unless differently stated in title

M-n-M stand for monthly change (indicators' change rate of subject month in comparison to previous month in %)

\* - due to methodology change data are not comparable

\*\* - preliminary data for February

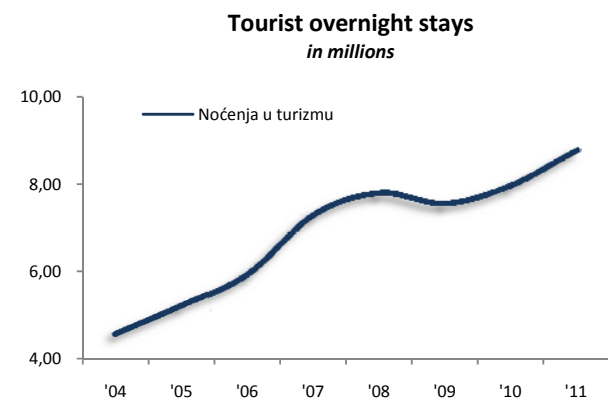
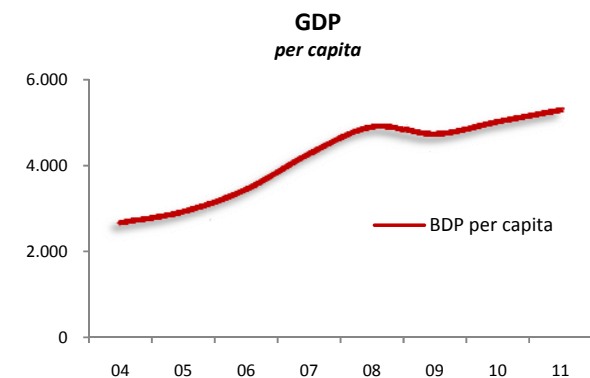
Table 2: BUDGET OF MONTENEGRO – February 2012

BUDGET OF MONTENEGRO	Participation in total exercised revenue/ expenditure/debt II (%)	2010 (Jan-Dec)	2011 (Jan -Dec)	2011/2010	2011	2012		2012 plan	Analytics		
					II	I	II	II	Feb 2012 / Feb 2011 (%)	Jan - Feb 2012 / Jan - Feb 2011	Feb 2012 / Feb 2012 plan (%)
<b>ORIGINAL REVENUES:</b>	<b>100</b>	<b>1140,07</b>	<b>1118,23</b>	<b>98,08</b>	<b>72,78</b>	<b>48,71</b>	<b>67,72</b>	<b>78,34</b>	<b>93,06</b>	<b>91,01</b>	<b>86,45</b>
<i>Personal Income Tax</i>	44,99	469,51	430,35	91,66	29,66	12,32	30,47	31,68	102,73	102,54	96,20
<i>Corporate Tax</i>	0,64	20,27	35,93	177,27	0,44	0,41	0,43	0,43	97,99	89,16	102,08
<i>Value Added Tax</i>	31,49	364,18	390,21	107,15	26,56	21,20	21,32	27,24	80,29	83,51	78,28
<i>Excises</i>	13,41	134,26	141,72	105,55	8,54	9,27	9,08	9,57	106,41	88,20	94,96
<i>International Trade and Transactions Tax</i>	3,35	50,81	45,09	88,74	3,15	2,10	2,27	3,66	71,98	81,19	61,93
<b>BUDGET EXPENDITURES:</b>	<b>100</b>	<b>1222,80</b>	<b>1260,56</b>	<b>103,09</b>	<b>94,43</b>	<b>53,01</b>	<b>99,44</b>	<b>104,79</b>	<b>105,31</b>	<b>106,27</b>	<b>94,89</b>
<i>Gross earnings and contributions charged to employer</i>	31,45	283,66	371,22	130,87	30,29	0,00	31,27	31,71	103,24	96,08	98,61
<i>Material and Service expenditures</i>	12,41	112,68	110,56	98,11	7,17	2,27	12,34	12,62	172,20	164,09	97,80
<i>Interest rates</i>	1,66	30,26	51,31	169,58	0,97	3,64	1,66	4,79	170,20	139,95	34,54
<i>Social Care Transfers</i>	40,62	423,15	454,77	107,47	37,24	37,23	40,40	39,79	108,47	106,29	101,53
<i>Transfers to institutions, individuals and NGO sector</i>	2,82	174,64	87,93	50,35	5,98	0,44	2,81	2,73	46,95	29,55	102,89
<i>Capital Expenditures</i>	3,41	82,62	76,00	91,99	6,28	2,00	3,39	5,96	54,03	94,95	56,93
<b>Budget Surplus / Deficit</b>	<b>-</b>	<b>-82,73</b>	<b>-142,33</b>	<b>-</b>	<b>-21,65</b>	<b>-4,31</b>	<b>-31,72</b>	<b>-26,46</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Primary deficit</i>	-	-52,47	-91,02	-	-20,68	-0,66	-30,06	-31,25	-	-	-
<i>Debt repayment</i>	-	215,81	178,86	-	2,44	14,84	11,01	-	-	-	-
<b>State debt (debt status)</b>	<b>100</b>	<b>1270,70</b>	<b>1483,50</b>	<b>116,75</b>	<b>1258,40</b>	<b>1473,20</b>	<b>1540,30</b>	<b>-</b>	<b>122,40</b>	<b>-</b>	<b>-</b>
<i>Internal debt</i>	28,00	358,30	419,80	117,16	356,20	419,00	431,30	-	121,08	-	-
<i>Foreign debt</i>	72,00	912,40	1063,70	116,58	902,20	1054,20	1109,00	-	122,92	-	-

Source: Ministry of Finance Montenegro

# Appendix: Annual macroeconomic indicators (2004-2011)

Table 1 - REAL SECTOR								
Indicator	2004	2005	2006	2007	2008	2009	2010	2011
<b>Gross domestic product (GDP)</b> <i>current prices (mil EUR)</i>	1.669,8	1.815,0	2.148,9	2.680,5	3.085,6	2.981,0	3.104,0	3.273,0
<b>GDP</b> <i>real growth rate (%)</i>	4,4	4,2	8,6	10,7	6,9	-5,7	2,5	2,5
<b>GDP</b> <i>per capita</i>	2.648	2.912	3.443	4.280	4.908	4.720	5.006	5.279
<b>GDP</b> <i>per capita PPP, in current international \$</i>	7.369	7.959	8.910	10.121	11.059	10.539	10.775	11.228
<b>GDP</b> <i>per capita PPP (% of EU average)</i>	n.d.	31	36	40	43	41	41	n.d.
<b>Inflation - Consumer price index</b> <i>annual growth rate (%), end of period</i>	1,5	2,4	2,8	7,7	7,3	1,5	0,7	2,8
<b>Industrial production</b> <i>growth rate (%), period-to-period</i>	13,8	-1,9	1,0	0,1	-2,0	-32,2	17,5	-10,3
<b>Manufacturing</b> <i>growth rate (%), period-to-period</i>	13,1	2,5	0,1	9,3	-11,3	-38,6	-3,0	6,8
<b>Tourist overnight stays</b> <i>growth rate (%), period-to-period</i>	14,7	14,3	13,9	22,9	6,8	-3,1	5,5	10,2
<b>Retail sales**</b> <i>growth rate (%), period-to-period</i>	n.a.	n.a.	n.a.	33,5	0,0	5,1	13,9	20,8
<b>Telecommunications – mobile industry</b> <i>growth rate (%), period-to-period</i>	-1,8	0,6	40,1	35,1	55,7	13,5	8,3	42,9
<b>Value of construction works</b> <i>growth rate (%), period-to-period</i>	18,5	40,3	154,7	-3,2	45,7	-21,5	13,1	10,2



\* Until 2009, for living cost growth was used to measure inflation, and since 2009, consumer price growth

\*\* Since 2006, in use is new methodology, according to which only enterprises registered in trade are monitored

Table 2 - EMPLOYMENT AND EARNINGS								
Indicator	2004	2005	2006	2007	2008	2009	2010	2011
Number of employed <i>average number</i>	143.479	144.340	150.800	156.408	166.221	174.152	161.742	163.082
Number of employed <i>growth rate (%)</i>	0,6	0,6	4,5	3,7	6,3	4,8	-7,1*	0,8
Number of unemployed <i>end of period</i>	58.950	48.845	38.876	31.469	28.378	30.169	32.106	30.552
Unemployment rate <i>end of period</i>	25,4	21,1	16,8	13,6	12,2	13	13,8	13,2
Average monthly gross earnings <i>nominal, in EUR</i>	303	326	377	497	609	643	715	722
Average monthly net earnings <i>nominal, in EUR</i>	195	213	246	338	416	463	479	484
Average monthly gross earnings <i>nominal growth rate</i>	11,8	7,6	15,6	31,8	22,5	5,6	11,2	1,0
Average age-pension <i>in EUR</i>	150	156	168	190	250	300	309	321
Average pension <i>in EUR</i>	123	129	140	159	209	253	261	273
Gini index**		0,26	0,24	0,26	0,25	0,26	0,24	
Number of issued work permits	29.136	25.694	23.965	39.247	58.340	17.108	14.596	19.469
Poverty rate <i>Share of population below the poverty line***</i>		11,2	11,3	8,0	4,9	6,8	6,6	
Human Development Index (HDI)****		0,757	0,762	0,767	0,771	0,768	0,769	0,771

\*The data are not comparable due to changes of data sources

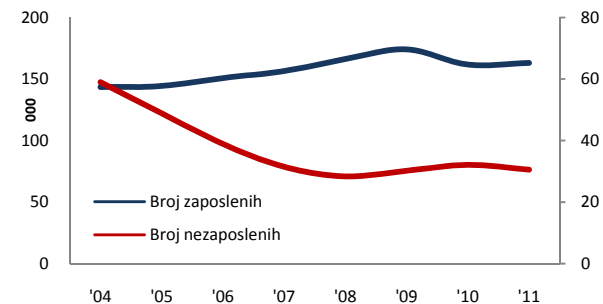
Table 3 – MONETARY SECTOR								
Indicator	2004	2005	2006	2007	2008	2009	2010	2011
Total loans <i>in mil. EUR</i>	281,5	375,9	847,2	2.245,7	2.797,5	2.397,7	2.199,9	1.955,8
Loans to households <i>in mil. EUR</i>	74,4	104,3	311,2	794,1	1.037,6	919,3	863,6	833,7
Nonperforming loans <i>u mil. EUR</i>	16,0	19,7	24,1	71,0	201,4	324,2	461,3	303,7
Nonperforming loans <i>% of total loans</i>	5,7	5,2	2,8	3,2	7,2	13,5	21,0	15,5
Total deposits <i>in mil. EUR</i>	273,2	487,9	1.075,8	2.091,1	1.990,6	1.824,7	1.789,9	1.817,1
Deposits of nonfinancial institutions <i>In mil. EUR</i>	193,9	312,2	576,4	1.071,8	1.134,1	980,8	838,1	783,6
Household deposits <i>nominal growth rate (%), year-to-year</i>	79,3	175,8	499,4	1.019,3	856,5	843,9	951,9	1.033,5
Deposit interest rate <i>end of period</i>				3,4	4,1	3,9	3,3	3,0
Lending interest rate <i>end of period</i>		12,1	9,9	9,3	9,4	9,4	9,6	9,7

\*\*Gini index refers to total social spending. The value ranges from 0 to 1 (0 means that all persons have equal consumption or income, 1 means that one person has all income or consumption in society, while the others have nothing)

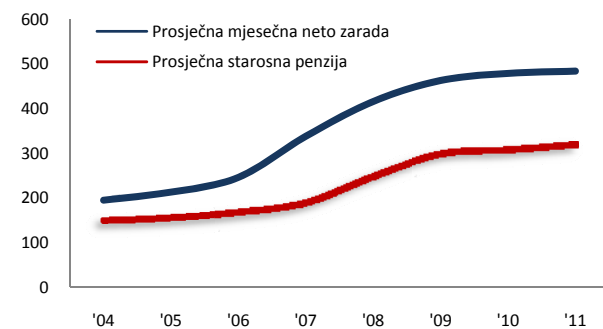
\*\*\*Poverty line in Montenegro was 169,98 € in 2010

\*\*\*\*HDI is the Human Development Index which is used to assess long-term progress based on three basic dimensions of human development: long and healthy life, access to knowledge and a decent standard of living (life expectancy at birth, average years of schooling and gross national product per capita). Groups of human development: low HR 0,456, mean HR 0,630, 0,741 high and very high HR is 0,899. Montenegro belongs to category of countries with high HR

Number of employed and unemployed



Average wage and pensions  
in EUR (€)



Total credits and deposits  
in mil. EUR (€)

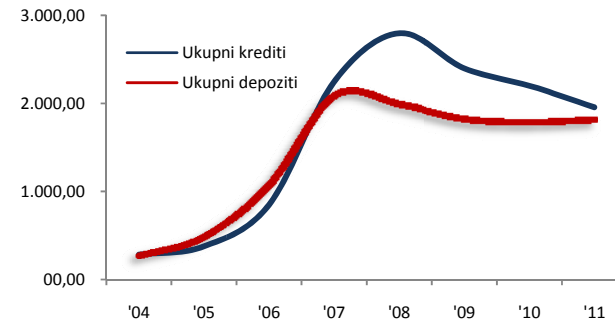


Table 4 – EXTERNAL SECTOR								
Indicator	2004	2005	2006	2007*	2008*	2009*	2010*	2011
<b>Current account balance</b> <i>in mil EUR</i>	-119,6	-154,1	-531,2	-1.058,7	-1.560,7	-881,3	-764,2	-633,8
<b>Current account balance</b> <i>% of GDP</i>	-7,2	-8,5	-24,7	-39,5	-50,6	-29,6	-24,6	-19,4
<b>Total foreign trade exchange</b> <i>in mil. EUR</i>	1.320,7	1.434,9	2.146,0	2.511,2	2.926,1	1.914,2	1.980,4	2.259,2
<b>Foreign trade balance</b> <i>u mil. EUR</i>	-416,4	-513,6	-849,3	-1.544,4	-2.025,3	-1.321,6	-1.267,2	-1.306,1
<b>Foreign trade balance</b> <i>% of GDP</i>	-24,9	-28,3	-39,5	-57,6	-65,6	-44,3	-40,8	-39,9
<b>Export of goods</b> <i>in mil. EUR</i>	452,2	460,6	648,3	483,4	450,4	296,3	356,6	476,5
<b>Export of goods</b> <i>% of GDP</i>	27,1	25,4	30,2	18,0	14,6	9,9	11,5	14,6
<b>Import of goods</b> <i>in mil. EUR</i>	868,6	974,3	1.497,7	2.027,8	2.475,7	1.617,9	1.623,8	1.782,6
<b>Import of goods</b> <i>% of GDP</i>	52,0	53,7	69,7	75,6	80,2	54,3	52,3	54,5
<b>Export of services</b> <i>in mil. EUR</i>	249,5	329,8	418,0	673,0	750,6	680,5	747,0	847,2
<b>Export of services</b> <i>% of GDP</i>	14,9	18,2	19,5	25,1	24,3	22,8	24,1	25,9
<b>Import of services</b> <i>in mil. EUR</i>	101,3	134,2	220,9	277,9	404,9	330,9	336,8	316,8
<b>Import of services</b> <i>% of GDP</i>	6,1	7,4	10,3	10,4	13,1	11,1	10,8	9,7
<b>FDI</b> <i>in mil. EUR</i>	50,6	381,2	466,7	567,8	581,9	1.066,5	552,1	389,1
<b>FDI</b> <i>% of GDP</i>	3,0	21,0	21,7	21,2	18,9	35,8	17,8	11,9

\*Revised data for the period 2007-2010

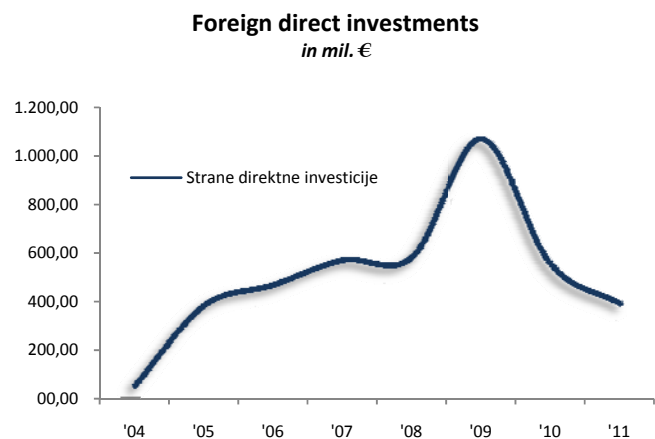
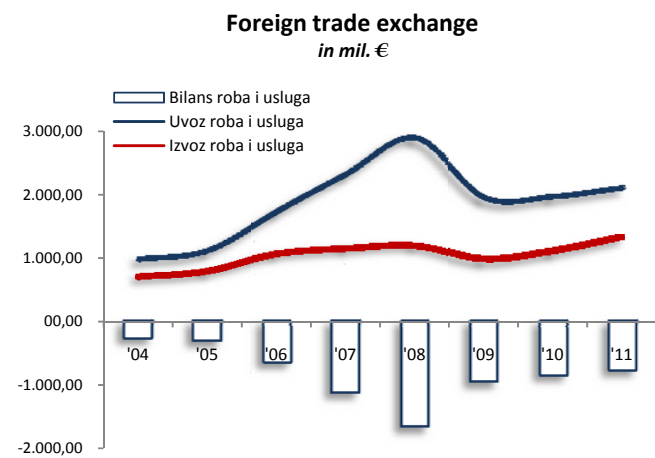
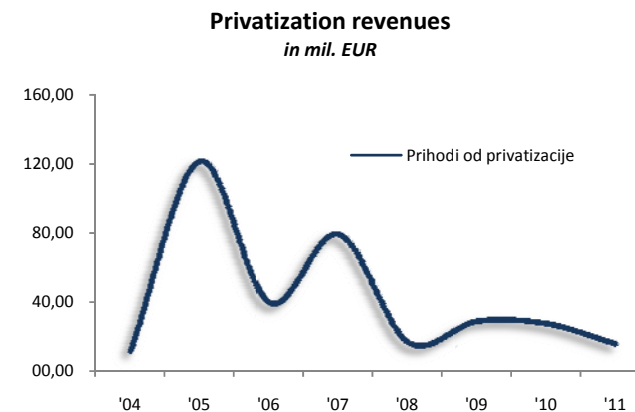
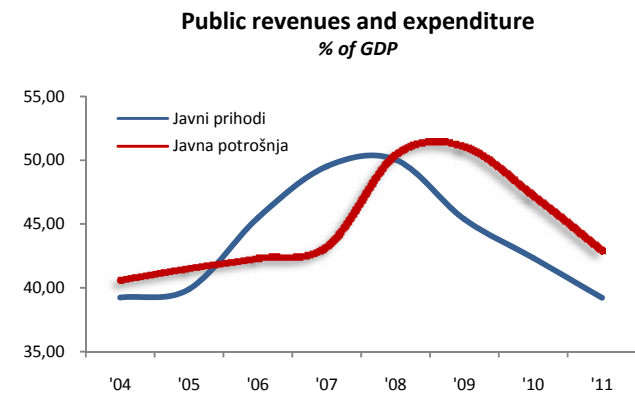




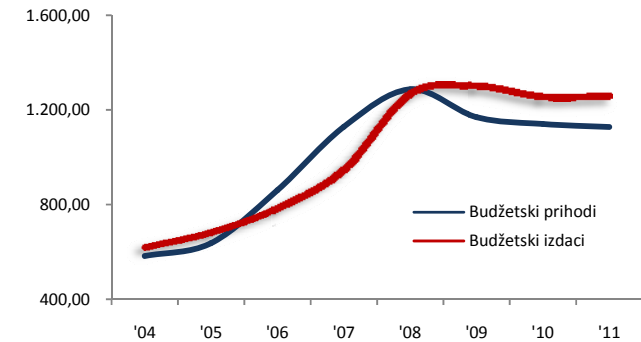
Table 5 - PUBLIC FINANCE								
Indicator	2004	2005	2006	2007	2008	2009	2010	2011
<b>Public revenues</b> <i>in mil EUR</i>	655,30	724,15	977,48	1.327,45	1.544,44	1.352,97	1.314,33	1.283,65
<b>Public revenues</b> <i>Growth (%), period-to-period</i>	9,3	10,5	35,0	35,8	16,3	-12,4	-2,9	-2,3
<b>Public revenues</b> <i>% of GDP</i>	39,24	39,90	45,49	49,52	50,05	45,39	42,34	39,22
<b>Privatization revenues</b> <i>in mil EUR</i>	11,05	120,94	39,07	78,67	15,97	28,75	27,42	15,64
<b>Privatization revenues</b> <i>% of GDP</i>	0,66	6,66	1,82	2,94	0,52	0,96	0,88	0,48
<b>Public expenditure</b> <i>in mil EUR</i>	677,72	753,54	909,16	1.159,26	1.556,50	1.522,27	1.465,41	1.403,17
<b>Public expenditure</b> <i>growth (%), period-to-period</i>	8,6	11,2	20,7	27,5	34,3	-2,2	-3,7	-4,2
<b>Public expenditure</b> <i>% of GDP</i>	40,59	41,52	42,31	43,25	50,44	51,07	47,21	42,87
<b>Wages in public sector*</b> <i>% of GDP</i>	13,2	12,5	10,9	10,7	10,2	10,1	10,2	12,4
<b>Capital budget</b> <i>% of GDP</i>	1,8	4,6	2,6	7,0	7,6	7,5	4,7	3,6
<b>Public finance balance</b> <i>in mil EUR</i>	-22,42	-29,39	68,32	168,19	-12,07	-169,31	-151,08	-119,52
<b>Public finance balance</b> <i>% of GDP</i>	-1,34	-1,62	3,18	6,27	-0,39	-5,68	-4,87	-3,65
<b>Primary public finance deficit</b> <i>% of GDP</i>	0,20	-0,43	4,29	7,28	0,38	-4,82	-3,86	-2,20

\*In 2011 was recorded an increase in wage share of GDP due to the inclusion of gross income that had previously been recorded at the position Transfers to public institutions.

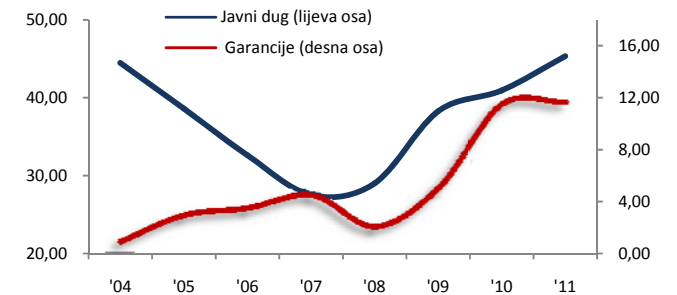


**Table 5a - CENTRAL BUDGET**

Indicator	2004	2005	2006	2007	2008	2009	2010	2011
<b>Central Budget revenues</b> <i>In mil EUR</i>	582,78	637,63	861,25	1.128,30	1.287,20	1.169,27	1.140,36	1.128,05
<b>Central Budget revenues</b> <i>Growth(%), period-to-period</i>	9,5	9,4	35,1	31,0	14,1	-9,2	-2,5	-1,1
<b>Central Budget revenues</b> <i>% of GDP</i>	34,90	35,13	40,08	42,09	41,72	39,22	36,74	34,47
<b>Central Budget expenditures</b> <i>In mil EUR</i>	618,57	683,19	787,01	951,34	1.272,03	1.299,59	1.252,60	1.255,42
<b>Central Budget expenditures</b> <i>Growth(%), period-to-period</i>	13,1	10,4	15,2	20,9	33,7	2,2	-3,6	0,2
<b>Central Budget expenditures</b> <i>% of GDP</i>	37,04	37,64	36,62	35,49	41,22	43,60	40,35	38,36
<b>Surplus/Deficit</b> <i>In mil EUR</i>	-35,79	-45,55	74,24	176,96	15,17	-130,33	-112,24	-127,37
<b>Surplus/Deficit</b> <i>% of GDP</i>	-2,14	-2,51	3,45	6,60	0,49	-4,37	-3,62	-3,89

**Revenues and expenditure of Central Budget**  
*in mil. €*

**Table 5b – PUBLIC DEBT**

Indicator	2004	2005	2006	2007	2008	2009	2010	2011
<b>Public debt</b> <i>u mil. EUR, end of period</i>	671,70	700,40	701,10	737,20	894,70	1.140,20	1.270,70	1.483,50
<b>Public debt</b> <i>% of GDP, end of period</i>	40,23	38,59	32,63	27,50	29,00	38,25	40,94	45,33
<b>Debt to nonresidents</b> <i>in mil. EUR, end of period</i>	502,40	513,30	504,00	462,10	481,70	699,90	912,40	1.063,70
<b>Debt to nonresidents</b> <i>in mil. EUR, end of period</i>	169,30	187,10	197,10	275,10	413,00	440,30	358,30	419,80
<b>Guarantees</b> <i>in mil. EUR, end of period</i>	14,10	52,30	73,90	118,60	62,60	149,90	355,60	380,70
<b>Guarantees</b> <i>% of GDP, end of period</i>	0,84	2,88	3,44	4,42	2,03	5,03	11,46	11,63

**Public debt and state guarantees**  
*% of GDP*


**Table 6 - REGIONAL COMPARISON OF INDICATORS IN 2011.**

Indicator	Montenegro	Serbia	B&H	Croatia	Slovenia	Macedonia	Albania	Romania	Bulgaria	Slovakia	Czech Rep.	Hungary
<b>GDP per capita</b> <i>Nominal, in USD</i>	6.510	5.269	4.409	13.754	22.851	4.460	3.678	7.538	6.325	16.579	18.961	12.475
<b>GDP per capita PPP</b> <i>Nominal, in USD</i>	11.200	10.700	8.200	18.300	29.100	10.400	7.800	12.300	13.500	23.384	25.934	19.647
<b>Average net earnings</b> <i>Nominal, in EUR</i>	484	396	417	751	976	274	352	354	340	635	547	522
<b>Average pension</b> <i>Nominal, in EUR</i>	272	211	176	307	581	148	175	125	170	362	425	296
<b>Unemployment rate</b> <i>End of period</i>	11,6	19,2	17,9	18,7	11,9	13,5	7,8	11,4	32,2	13,4	6,7	11,3
<b>Poverty rate (2010)</b>	6,6	9,2	14,0	11,1	8,0	12,4	13,8	10,6	19,0	7,2	5,5	6,4
<b>HDI rank</b> <i>Rank out of 184 countries</i>	54	59	74	46	21	78	70	50	55	35	27	38
<b>HDI index</b>	0,771	0,766	0,733	0,796	0,884	0,728	0,739	0,781	0,771	0,834	0,889	0,816
<b>Public expenditure</b> <i>% of GDP</i>	42,9	42,8	49,6	41,4	46,7	29,4	37,9	35,0	33,4	38,3	45,0	50,7
<b>Public finance deficit</b> <i>% of GDP</i>	-4,0	-3,7	-3,4	-5,7	-6,1	-3,7	-4,4	-2,5	-2,5	-5,8	-4,1	3,6
<b>Public debt</b> <i>% of GDP</i>	45,3	44,0	39,5	47,5	43,6	59,3	34,4	17,7	26,3	44,9	41,1	76,1
<b>Value added tax</b> <i>rate (%)</i>	17 i 7	18	17	23	20 i 8,5	20	24 i 9	20	18	20	20	25
<b>Personal income tax</b> <i>rate (%)</i>	9	14	5	45	41	10	16	10 i 15	10	22	23	31
<b>Corporate income tax</b> <i>Rate (%)</i>	9	10	10	20	20	10	16	10	10	21	20	16

Source: MMF WEO data, European Commission, OECD

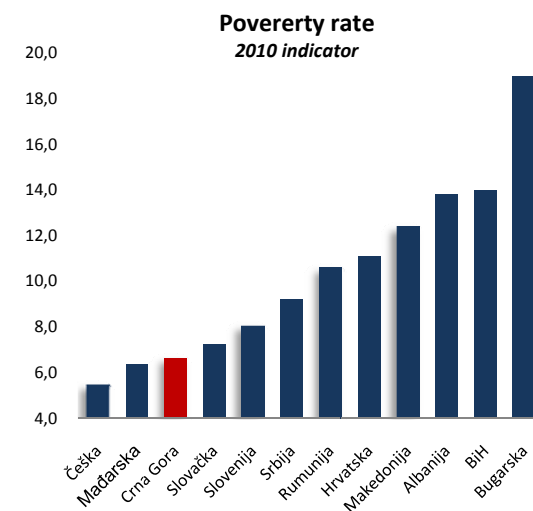
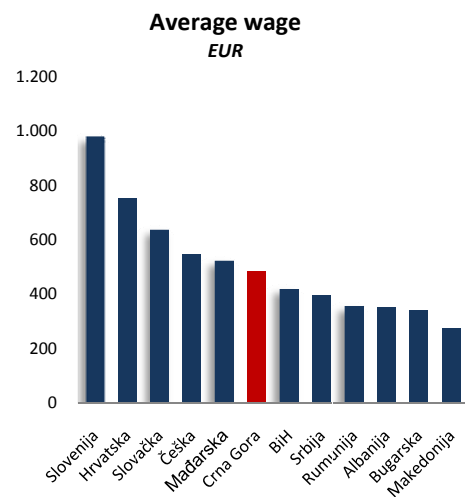
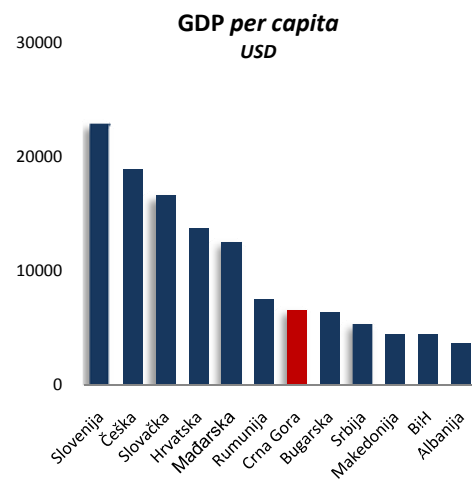


TABLE 6a – REAL GDP GROWTH RATE						
Country	2007	2008	2009	2010	2011	2012
Albania	5,9	7,5	3,1	3,5	2,5	3,5
Bosnia & Herzegovina	6,2	5,7	-2,9	0,7	2,2	3,0
Bulgaria	6,4	6,2	-5,5	0,2	2,5	3,0
Croatia	5,1	2,2	-6,0	-1,2	0,8	1,8
Czech Republic	6,1	2,5	-4,1	2,3	2,0	1,8
Hungary	0,8	0,8	-6,7	1,2	1,8	1,7
Macedonia	6,2	5,0	-0,9	1,8	3,0	3,7
Montenegro	10,7	6,9	-5,7	1,1	2,1	3,5
Romania	6,3	7,3	-7,1	-1,3	1,5	3,5
Serbia	5,4	3,8	-3,5	1,0	2,0	3,0
Slovakia	10,5	5,8	-4,8	4,0	3,3	3,3
Slovenia	6,8	3,7	-8,1	1,2	1,9	2,0
EU-27	3,3	0,7	-4,2	1,8	1,7	1,4
Euro zone	3,0	0,4	-4,3	1,8	1,6	1,1

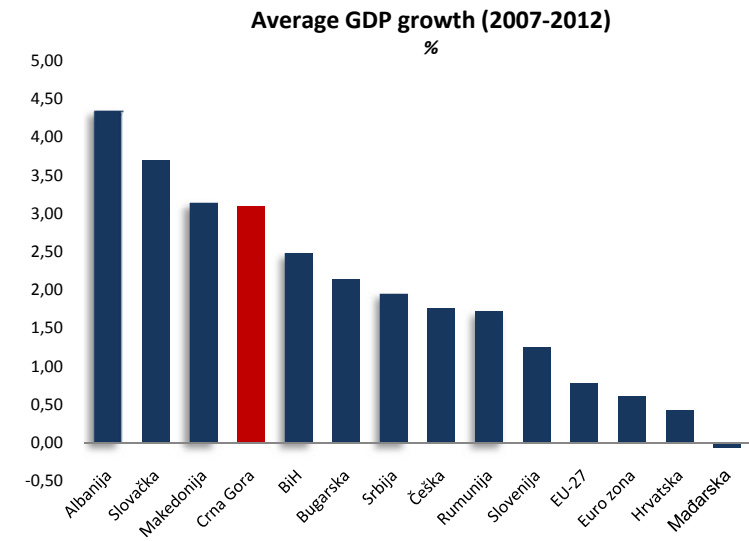


TABLE 6b. AVERAGE REAL GDP GROWTH RATE			
Country	2007-2008 <i>before crisis</i>	2009 <i>crisis year</i>	2010-2012 <i>after crisis</i>
Albania	6,72	3,14	3,17
Bosnia & Herzegovina	5,95	-2,95	1,97
Bulgaria	6,32	-5,48	1,88
Croatia	3,61	-5,99	0,44
Czech Republic	4,30	-4,15	2,05
Hungary	0,80	-6,69	1,57
Macedonia	5,58	-0,90	2,86
Montenegro	8,80	-5,70	2,22
Romania	6,83	-7,08	1,24
Serbia	4,60	-3,50	2,00
Slovakia	8,17	-4,78	3,52
Slovenia	5,25	-8,08	1,70
Kosovo	6,59	2,90	4,77
EU-27	1,99	-4,21	1,63
Euro zone	1,70	-4,25	1,50

