

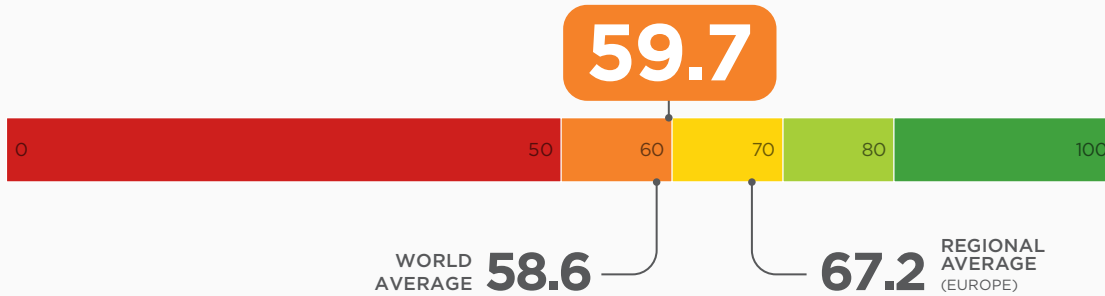
WORLD RANK:	REGIONAL RANK:
83	39
ECONOMIC FREEDOM STATUS: MOSTLY UNFREE	

MONTENEGRO

Montenegro's economic freedom score is 59.7, making its economy the 83rd freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 1.2 points from last year, and Montenegro is ranked 39th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Montenegro's economy is considered "mostly unfree" according to the 2024 *Index*.

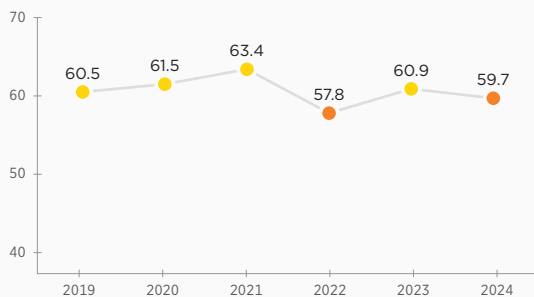
Montenegro's prospects for long-term economic growth are affected by a lack of institutional commitment to the strong protection of property rights and ineffectiveness in fighting corruption. The judicial framework remains vulnerable to political interference. Major challenges include political instability, corruption, and a lack of more sustainable investment. The number of licensing requirements has been reduced, but the pace of reform has slowed. Inflexible labor regulations discourage more dynamic job creation. Inflationary pressures persist, and overall price levels have increased.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2002): +13.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.6 million

GDP (PPP):
\$16.1 billion
6.1% growth in 2022
5-year average growth rate: 2.6%
\$25,862 per capita

UNEMPLOYMENT:
18.5%

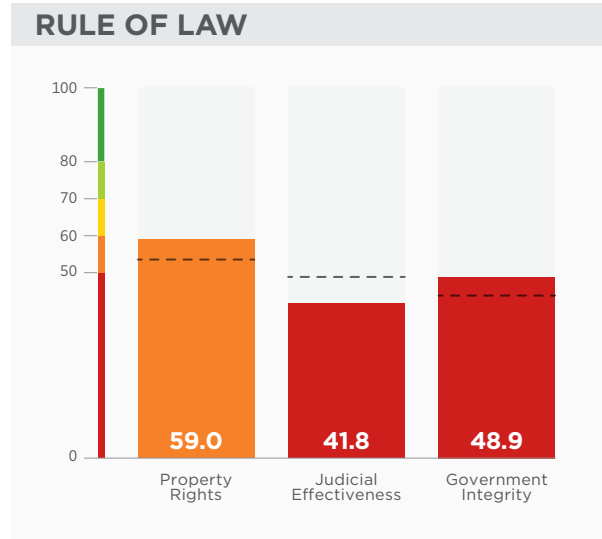
INFLATION (CPI):
13.1%

FDI INFLOW:
\$877.0 million

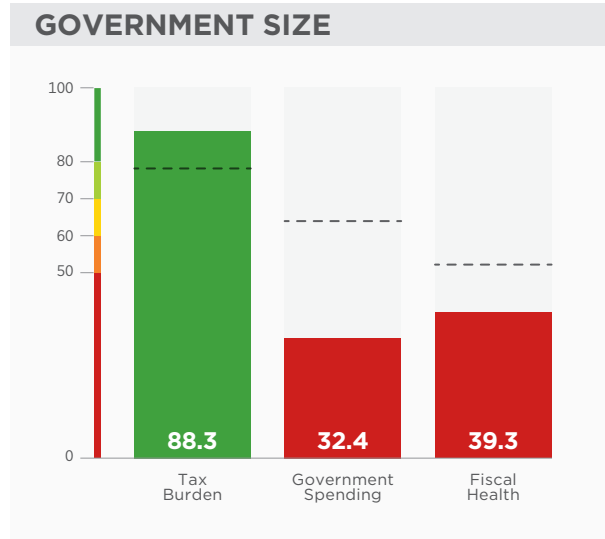
PUBLIC DEBT:
72.1% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

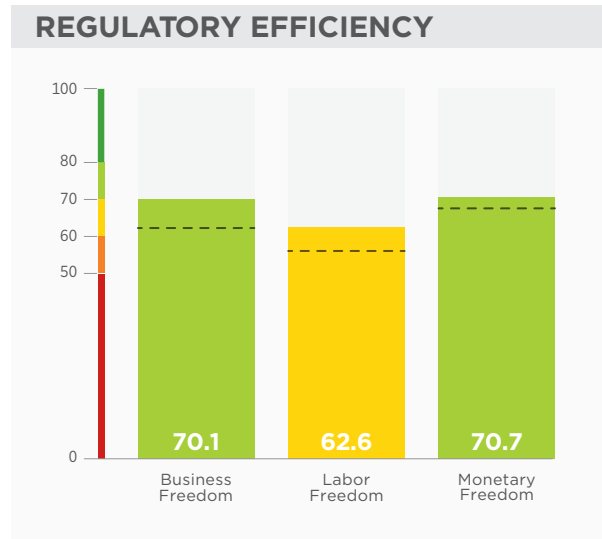
12 ECONOMIC FREEDOMS | MONTENEGRO



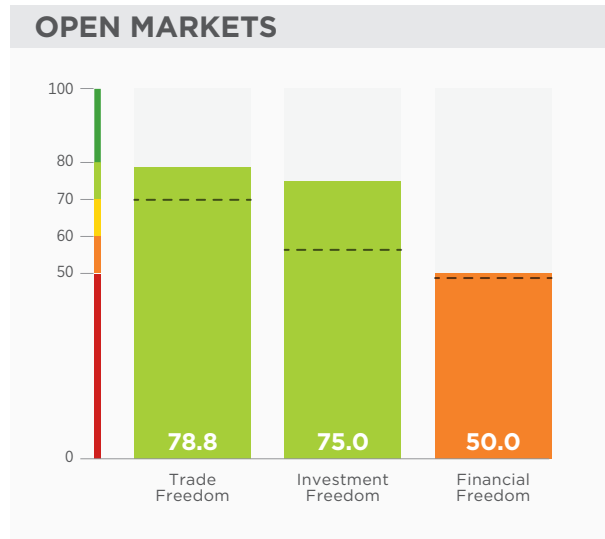
The overall rule of law is weak in Montenegro. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual income tax rate is 15 percent, and the top corporate tax rate is 15 percent. The tax burden equals 26.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 47.5 percent and -5.6 percent of GDP. Public debt amounts to 72.1 percent of GDP.



Montenegro's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 5.6 percent. The regulatory and legal frameworks that govern foreign investment generally facilitate the development of a growing private sector. The financial sector is small, but the level of participation and investment by foreign banks is significant.