

COUNTRY FACTSHEET

Montenegro



Growth is moderating from a high base, and inflation has been stronger than expected, while weak fiscal buffers and heavy debt repayments increase risks.

With European Union accession within reach, reinforcing fiscal discipline and advancing key reforms is essential to strengthen resilience and secure the benefits of integration.

In a turbulent global environment, Montenegro remains highly exposed to external shocks, calling for stronger fiscal buffers, improved productivity, and policies that support quality job creation.

Montenegro's growth is moderating after a strong post-pandemic rebound, with GDP expanding by 3.2 percent in 2024 and projected to grow by 3.3 percent in 2025. The small, open, and euroized economy remains highly vulnerable to external shocks, with heavy reliance on tourism adding to this exposure. Inflation has been stronger than expected, while fiscal space remains constrained and public debt stable at around 60 percent of GDP.

EU accession remains the main driver of Montenegro's reforms and long-term development. As of August 2025, the country has provisionally closed seven of 33 negotiation chapters, including public procurement, with further progress ongoing. Montenegro's recent entry into the Single Euro Payments Area (SEPA) is set to strengthen financial integration, lower transaction costs, and enhance investor confidence.

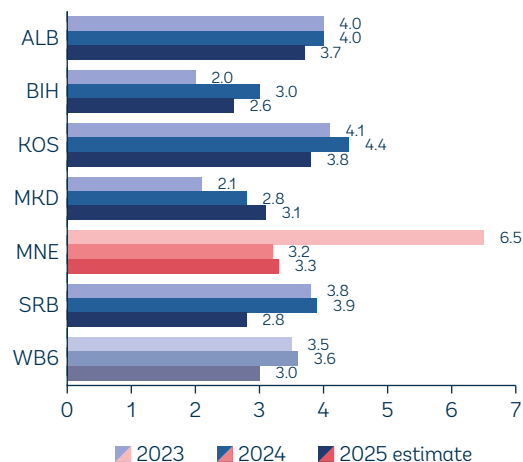
Growth is projected to average around 3.2 percent over 2025–27, supported by private consumption, rising real wages, and continued investment in infrastructure and renewable energy. However, the current account deficit is expected to remain elevated, with increasing reliance on external financing. Ensuring fiscal sustainability, strengthening risk management, and implementing targeted poverty-reduction policies will be crucial amid persistent geopolitical and trade uncertainties. Continued progress on EU accession could further improve growth prospects, while delays or external shocks could weigh on performance.

As Montenegro nears EU membership, reinforcing reform momentum and strengthening fiscal resilience through strong buffers, prudent policies, and sound debt management will build a more competitive and resilient economy that delivers quality jobs and better opportunities for all.

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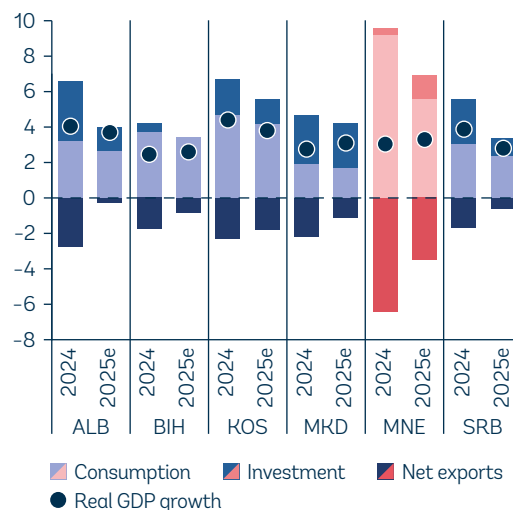
Real GDP growth

Percent



Annual Growth Composition

Percentage point



Source: National statistical offices and World Bank estimates.
Note: WB6 = Western Balkans six; e = estimate.



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