

COUNTRY FACTSHEET

Montenegro



Growth slowed to 2.7 percent in 2025, reflecting lower electricity production and softer tourism activity.

The fiscal deficit widened from 3.3 to 4.3 percent of GDP in 2025, reducing policy space and increasing financing needs.

As European Union accession advances, stronger fiscal discipline and the rebuilding of fiscal buffers will be critical to safeguarding macroeconomic stability and supporting sustainable growth.

Montenegro’s small, highly open, and euroized economy remains vulnerable to external shocks. Growth moderated and fiscal pressures increased in 2025. Economic growth slowed to 2.7 percent, reflecting weaker net exports, while inflation remained stronger than expected. Fiscal space is constrained, with public debt stable at around 64 percent of GDP.

European Union accession remains the main policy anchor. Reforms have supported household incomes and formal employment but have also added to fiscal pressures as growth slowed, contributing to a wider fiscal deficit in 2025.

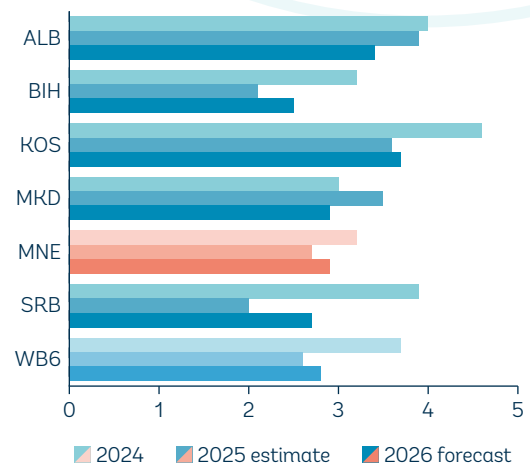
Growth is projected at around 3 percent annually over 2026–28, driven mainly by domestic demand. Household consumption, tourism, and capital investment are expected to support activity, but a large current account deficit, reliance on external financing, and persistent inflation risks underscore the importance of preserving fiscal sustainability and strengthening risk management.

As growth moderates and external risks persist, maintaining fiscal discipline is critical to safeguard stability. Advancing reforms that strengthen the business environment and support productivity will be key to boosting job creation and ensuring that growth translates into better economic opportunities for people in Montenegro.

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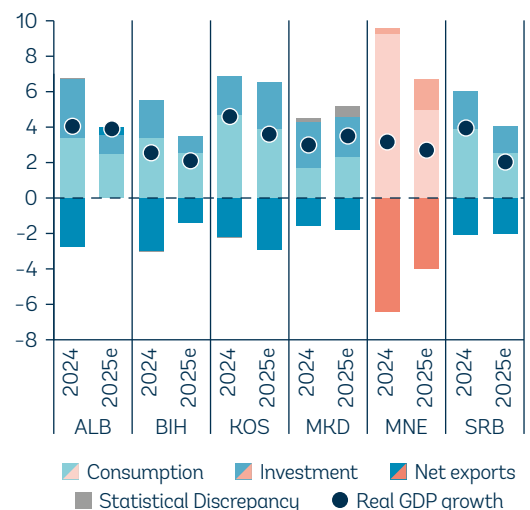
Real GDP growth

Percent

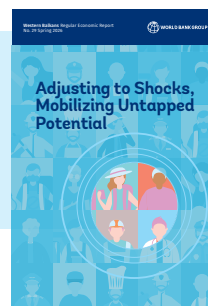


Annual Growth Composition

Percentage point



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



For more information and previous editions of the Western Balkans Regular Economic Report, click [here](#).