

Workers' Remittances in Montenegro

Ljubljana, February 26, 2007



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- Central bank of Montenegro – the only institution responsible for collecting data on remittances in Montenegro
- Methodology - prescribed by the International Monetary fund - Balance of payments Manual, 5th edition, 1993



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- Based on data from the ITRS - measures individual cash transactions passing through domestic banking system
- Current transfers - Other sector – Workers' remittances
- Workers' remittances are transfers from citizens who are employed or intend to remain employed for more than half a year in another economy in which they considered residents
- Compensation of employees – transfers from citizens living abroad less than half a year



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Difficulties

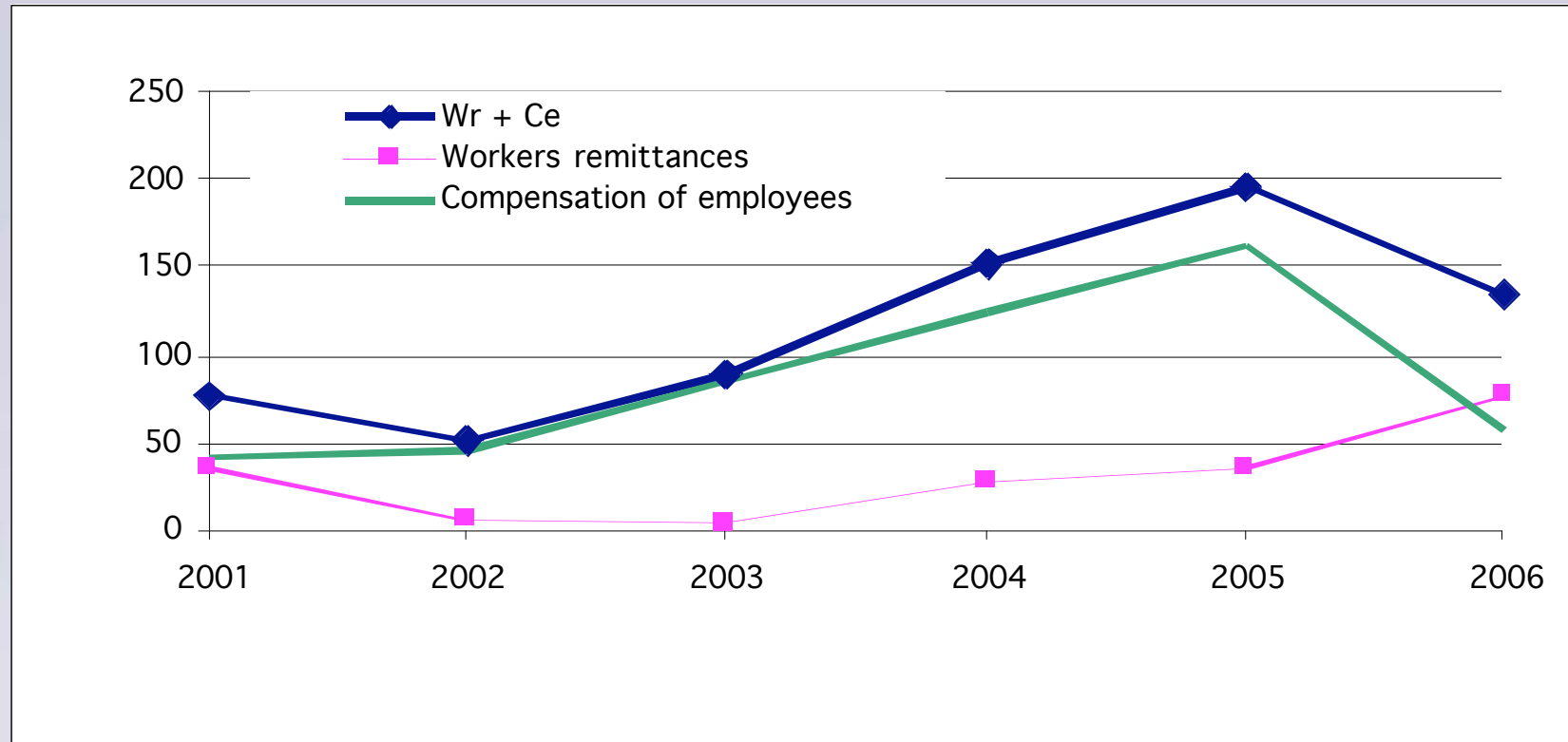
- To distinguish compensation of employees and workers' remittances
- Relatively difficult to capture - migrants send money back to their country of origin in a variety of ways
- Salaries of citizens who work on foreign vessels (ships)



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- Relative high workers' remittances inflow
- Workers' remittances are a major source of external finance
- Have a positive impact on economic development

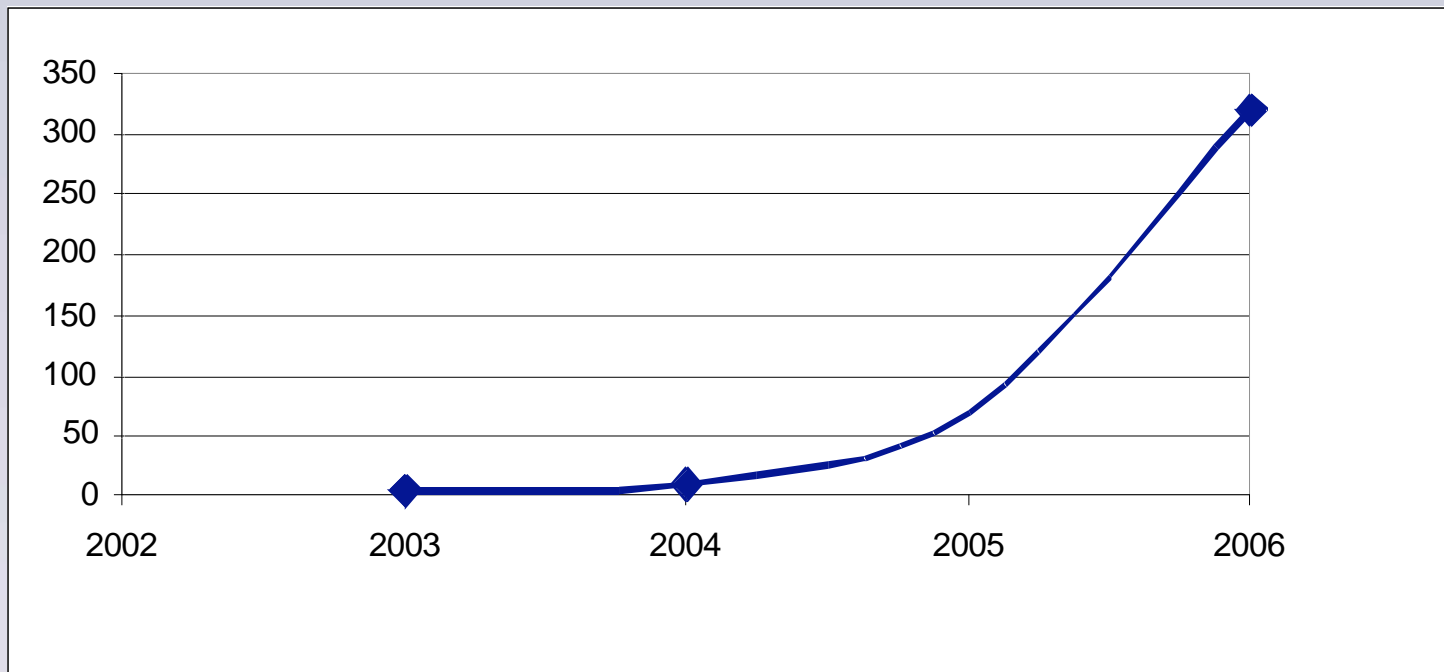
Workers' remittances in Montenegro, in mil. Eur





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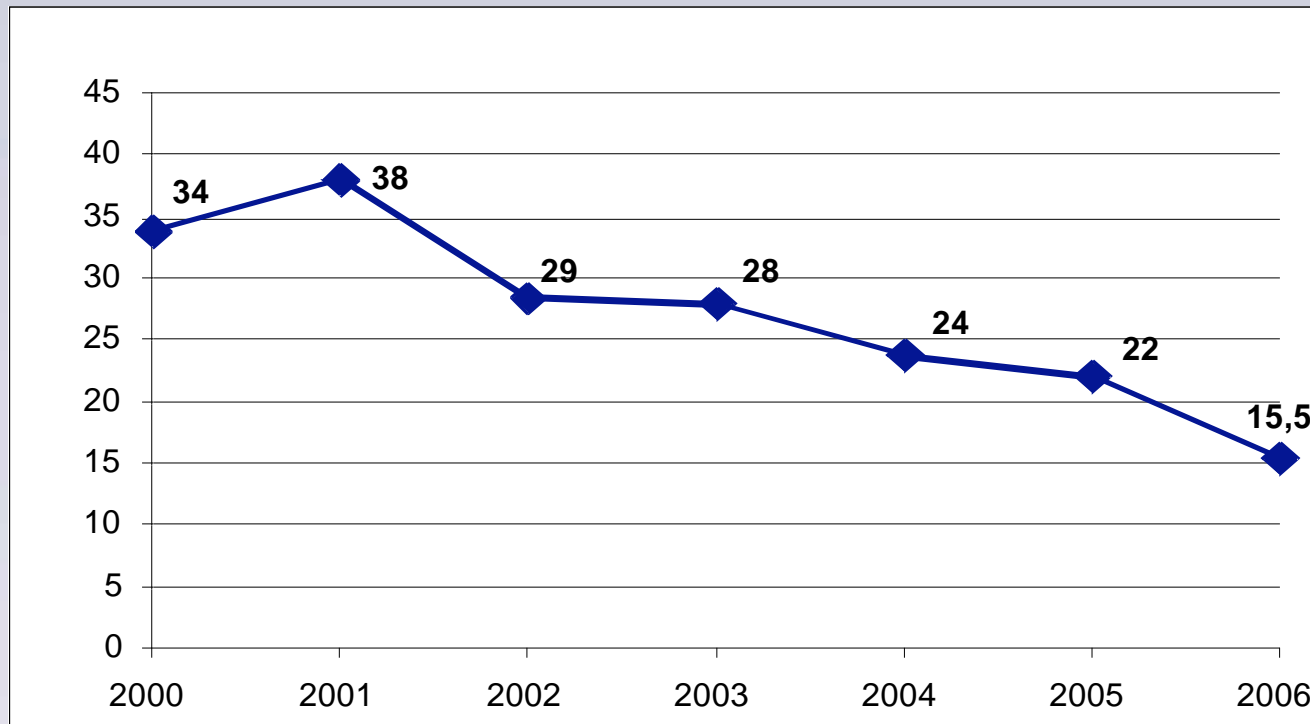
Foreign investment in real estate in Montenegro, in mil. Eur





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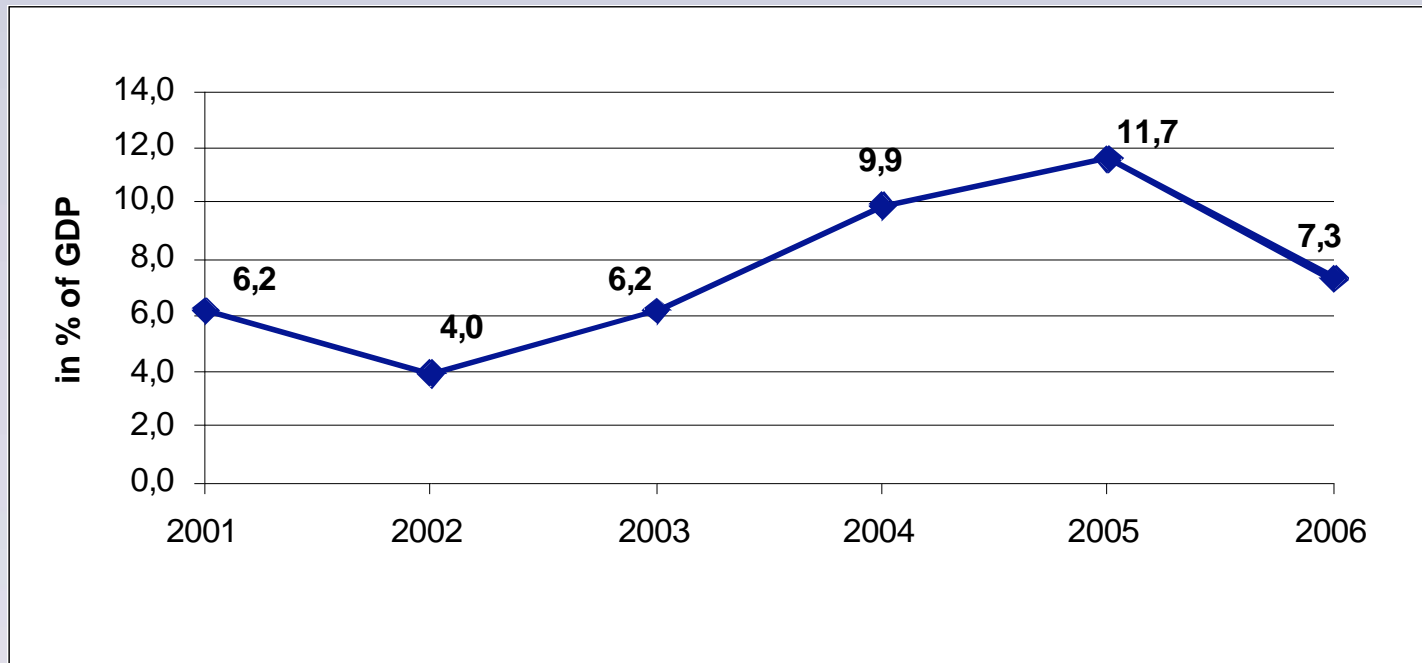
Workers' remittances in total revenues of current account, in %





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Workers' remittances and comp. of employees in % of GDP





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Current situation in the country

- Strengthening confidence in the Montenegrin banking system
- Improving living standard of citizens
- High inflow of FDI



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Thank you for attention!

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