

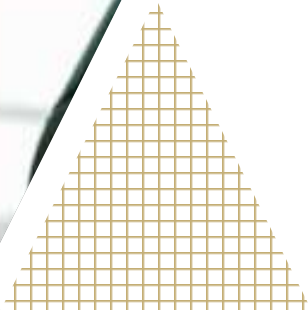
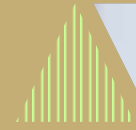


Government of Montenegro  
Montenegro Investment Agency

## **COLLAB WITH MONTENEGRIN FURNITURE MANUFACTURING COMPANIES**

Get your high-quality products and reduce  
your operational costs at the same time

December, 2020



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# MONTENEGRO: FACTS AND FIGURES



## Economic indicators

- GDP (2019)– 5.49 billion in current US\$
- GDP real growth rate (2019) – 3,6%
- GDP per capita (2019) – 8,545 US\$
- FDI total inflow (2019) – 770 mil. EUR
- Inflation (2019) – 0.5%
- Profit tax: 9%
- VAT: 21%
- Income tax: 9%



## International agreements

- CEFTA
- FTA's with EU (SAA), EFTA, Turkey, Russian Federation and Ukraine
- 42 double taxation agreements signed
- 27 BITs and 6 TIPs (UNCTAD)



# MONTENEGRO: FACTS AND FIGURES

## General information



### Position

South East Europe



### Area

13 812 km<sup>2</sup>



### Capital

Podgorica



### Population

622.227 (MONSTAT estimations 2018)



### Infrastructure

7.835 km road network, 250 km railway network, 3 ports: Bar, Kotor and Zelenika, 2 airports: Podgorica and Tivat



# The overview of Montenegrin most renowned companies in furniture manufacturing sector



# DODING



Company "Doding", founded in 1992, deals with design and production of interior and exterior spaces as well as production and design of doors and furniture.

The company has **62 employees**, a variety of professionals specializing in architecture, civil, forestry and mechanical engineering.

The company's products are sold both in Montenegro and abroad. Since 1999 they are also proud owners of sister company "Stilles", located in Sarajevo, Bosnia and Herzegovina, with 47 employees.

Per one year 1000m<sup>3</sup> of wood, wood products, refined plywood and MDF were processed.

## Mechanization:

- Optimat HPP 130/32/32
- Powermat 700
- Volmer CP650 CNC
- Brandt KF550
- Homag highflex 1230
- CNC Rover 35
- CNC Optimat Weeke BHX 055 Optimat
- Automatic drilling machine Optimat SWT 325/QX
- Veneer press
- Cooper veneer fastener
- Veneer scissors
- Milling machine
- Band saw
- Flow grinder

[www.doding.co.me](http://www.doding.co.me)

## REFERENCES:

- \*The Chedi Hotel
- \*CentreVille Hotel
- \*Verde Complex
- \*Maestral Resort&Casino
- \*Melia Hotels &Resorts
- \*Four Points by Sheraton
- \*Lustica Bay Montenegro
- \*Hard Rock cafe Podgorica
- \*Porto Montenegro



# DODING

## Projects/experience:

- Extensive portfolio of residential complexes
- Hotel portfolio from 5 star and condo to boutique hotels
- Office spaces for renowned companies in Montenegro and abroad
- Cafes and restaurants
- Retail spaces
- Doors made of solid wood, chipboard, veneered or coloured MDF, in combination with glass, steel or leather.
- Full portfolio available at: <https://doding.co.me/en>



# DEKORIVA-CO

The company "DEKORIVA-CO D.O.O." was founded in 2002. It is engaged in production of furniture made of solid wood and panel material, by equipping all types of interiors, in the last few years very demanding, performs cutting and edging services, distribution, wholesale and retail: panel material, furniture fittings, sinks, faucets and kitchen fittings from leading European manufacturers.

The firm currently employs **67 workers**.

The company has significant business plans defined for the next period, plan to expand the volume of work, expansion of production plant capacity, purchase of additional equipment for production and expansion of the range of products and services, as well as the serial export program furniture, which they have been successfully exporting to the **Netherlands, Austria, and recently to France.**

## Mechanization:

- Scale
- Hector 600 automatic
- Formatter MJ 6132 TY
- Air distributor
- Hammer vanmaschine
- Cutter CUT 82kpl
- Holzman machine for tapes
- Combined carpentry machine
- Millingmaschine
- Rover K 1323 1000009263
- Combinemaschine INV 1192
- Coral Gam 2C
- Formatter 399/CA SICAR
- Compressor MICRON C15/10 500
- LINDE H45D
- Painting chamber Azuro
- Frezer Robland S410
- DIHT roblandD510
- Selco SK4
- Furniture varnishing machine
- Boiler cyclone

[www.dekoriva.me](http://www.dekoriva.me)





# DEKORIVA-CO

- Full portfolio available at:  
<https://www.dekoriva.me/index.php/projekti>
- By introducing sophisticated technology in the production process, purchasing the most modern equipment from leading European and world manufacturers: **BIESSE, MAKOR, HOLZHER, ROBLAND, CMT, HOMAG**, etc., which can quickly and efficiently process all raw materials the furniture is made of and perform serial production, the company has reached the highest standards in the production of custom furniture.
- The company is an authorized importer and distributor of manufacturers of various flat materials and edging strips: **Falco, Kaindl, Kronospan, Blažič-edging strips, Rehau, Hanex**, the leading European manufacturer of sinks and faucets **BLANCO**, then many other manufacturers of furniture fittings, handles, fittings for American closets, such as: **Blum, Hafele, Emuca, FGV, Inoxa, SIRO, BV Srl., Alu-Style, Rujz-Design, Lamello**, all leaders in this industry, in the production of custom furniture.
- In addition to producing custom furniture on demand, the company has its own design team.



# WAS DESIGN

*“Quality, deadline and satisfied customer“*

Company has been existing since 2007. The factory is equipped for making and assembling furniture and interiors according to the measures and requirements of customers, from panel materials and massive materials.

In order to answer the above tasks, requirements and obligations, the factory is equipped with state-of-the-art machines and equipment for the processing of sheet materials, of which they especially emphasize the machines of the German manufacturer HOLZHER.

Company employs more than **45 workers**, various levels and types of education, who are trained for quality work and have a high level of professionalism and responsibility towards the work they perform and the company as a whole.

## Mechanization:

- Vertical format "HOLZHER" -1255;
- Horizontal formatting "HOLZHER" CUT-70 with computer support;
- CNC machine "HOLZHER" -PROMASTER 7123; with computer support;
- Straight belt machine "HOLZHER" -CONTRIGA 1365;
- Curtain bending machine "HOLZHER";
- The "HOLZHER" machine for processing after crimping;

[www.was-impex.com](http://www.was-impex.com)



WAS - DESIGN



## SOME OF THE REFERENCES:

- \*The European Union Office in Montenegro
- \*The Embassy of Albania in Montenegro
- \*Clinical Centre of Montenegro
- \*Societe General bank offices
- \*Ministry of Defence of Montenegro
- \*Hotel „Mediteran“
- \*Faculty of Economics
- \*Hotel „Rivijera“
- \*Student dormitory Podgorica
- \*IBM Bank



# WAS DESIGN

- Full portfolio available at: <https://www.was-impex.com/factory/product-gallery/?lang=en>

The company is specialized in:

- 1. producing furniture from MDF, plywood or massif wood of different design and in combination with metal and similar elements for business purposes (cabinet sets, working tables, conference tables, open and closed cabinets, office shelves, counters, beds, etc.)
- 2. producing a living space furniture from sheet materials and upholstery (complete custom made kitchen, individual kitchen elements, dining tables, chairs, American closets, built-in wardrobes, different models of shelves, garden furniture, dining sets, furniture elements for sanitary facilities, etc.)
- 3. producing the bars and counters for various purposes (exhibitions, catering, salons, fairs, etc.)
- In addition to producing custom furniture on demand, the company has its own design team.

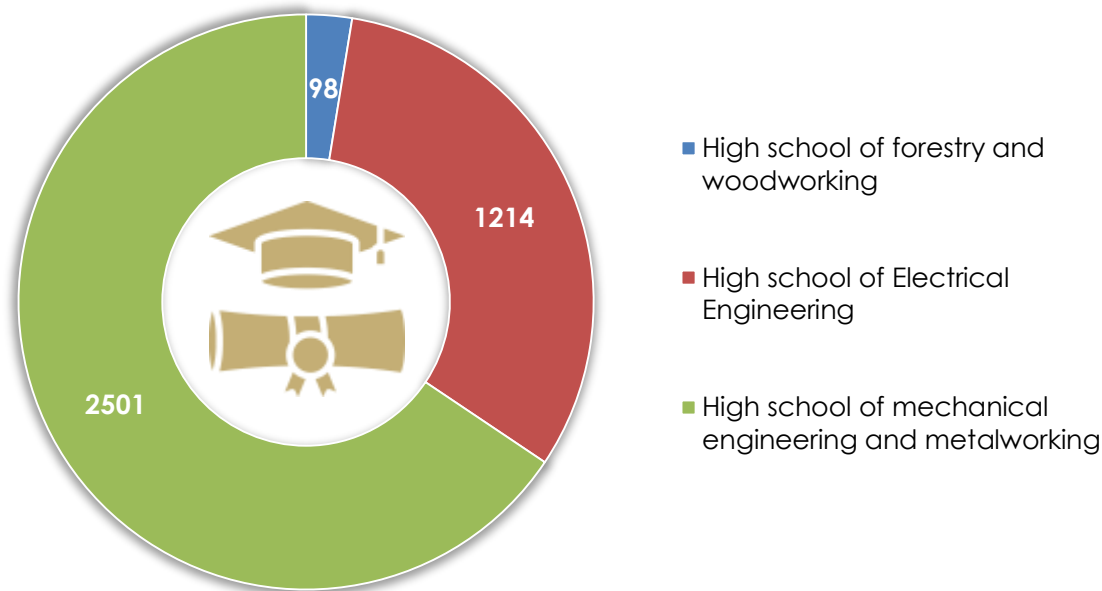


# EDUCATION

In Montenegro, there are specialised high schools that teach their pupils about wood industry (wood cutting, processing, manufacturing etc.) They are mainly located in North Montenegro, near business zones, but there are a few in Podgorica as well. For potential investors, this means that they can easily find cheap work force amongst these ambitious pupils.

- Technical High School Vuksan Đukić, Mojkovac
- Electro-metallurgical High School Nikšić
- Technical High School Pljevlja
- Technical High School Spasoje Raspopović Podgorica
- Electrotechnical High School Vaso Aligrudić Podgorica
- Technical High School Ivan Uskoković

## Pupils of Technical High Schools in 2018/19



# AVERAGE PRICES OF RAW MATERIAL

In 2019, the **Forest Administration of Montenegro** has been selling wood assortments – industrial round wood from stocks, but most of the available timber mass from the state forests has been sold as standing timber by public tenders. Average prices in 2019 are presented in the table bellow:

Wood assortments - industrial roundwood average prices in EUR/m<sup>3</sup>

**55**

Spruce and fir tree

**40**

Beech

Average prices of standing timber sold by public tender in EUR/m<sup>3</sup>

**30**

Spruce and fir tree

**12**

Beech

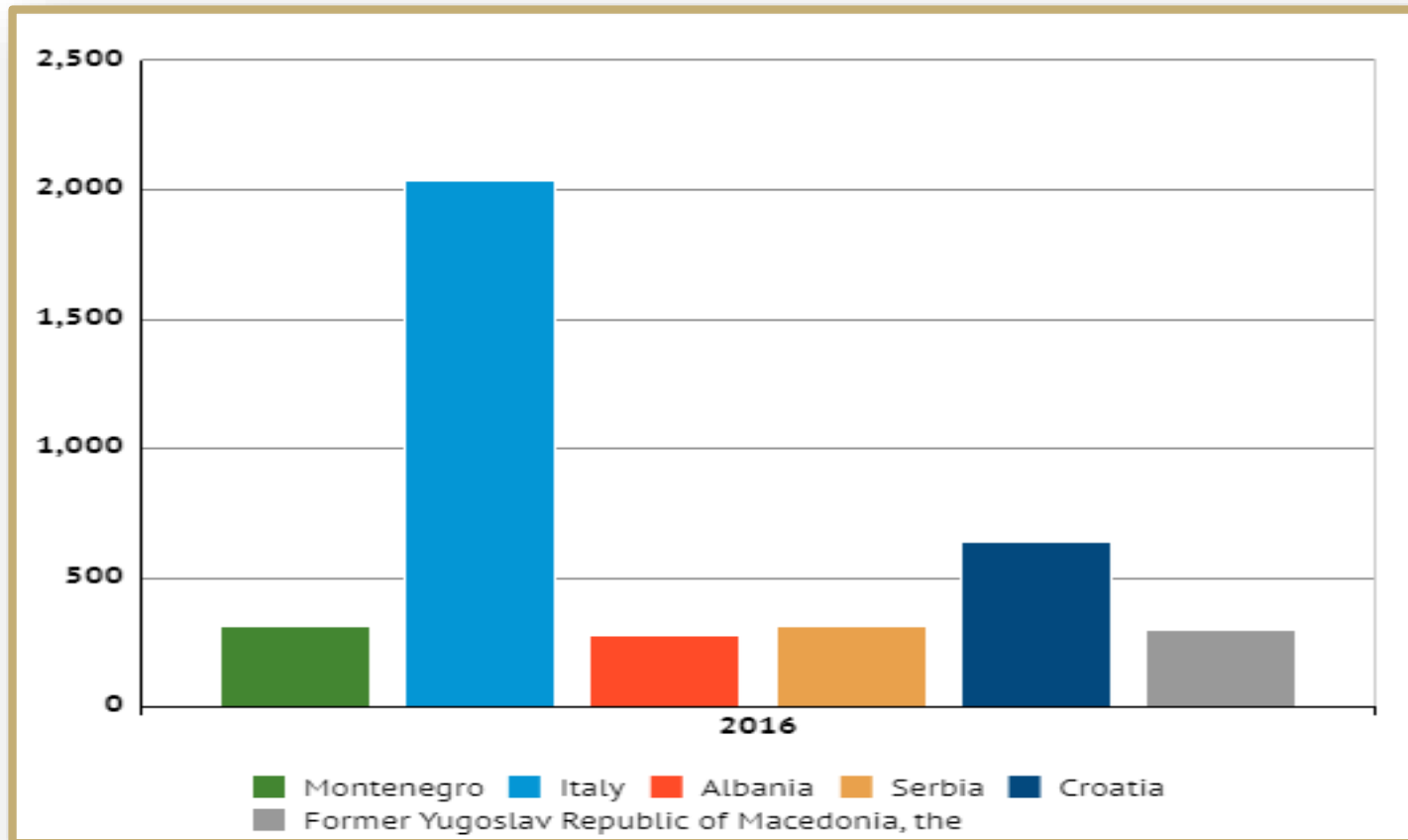
Average prices of sawn timber in EUR/m<sup>3</sup>


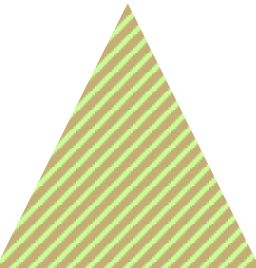
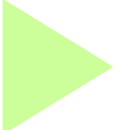

**135 – 170**

depending on the size and type



# AVERAGE WAGES IN WOOD PROCESSING SECTOR





# Invest in your own furniture business in Montenegro

Potentials & Incentives



# Potential locations for the greenfield investment



## Business zones in Podgorica

- 10 zones
- 257 hectares
- 0,01€/m<sup>2</sup>
- 30 years rent



## Business zone in Kolasin

- **Surface area:** 131,648 m<sup>2</sup>
- **Construction land:** 43,789 m<sup>2</sup> (30%)
- **Distance from city center:** 4 km
- **Distance from local railway station:** 5 km

## LOCAL INCENTIVES:

- No contribution for the mandatory social insurance of employees
- Personal income and corporate tax is 0% for the initial 8 years of operation (if the tax amount is lower than € 200,000)
- Real estate tax is 0% for a period of 8 years from the date of commencement of business activity
- No fee for communal infrastructure on the construction land
- Land leasable for up to 30 years at very favorable prices
- Corporate income tax (9%) lowest in the region

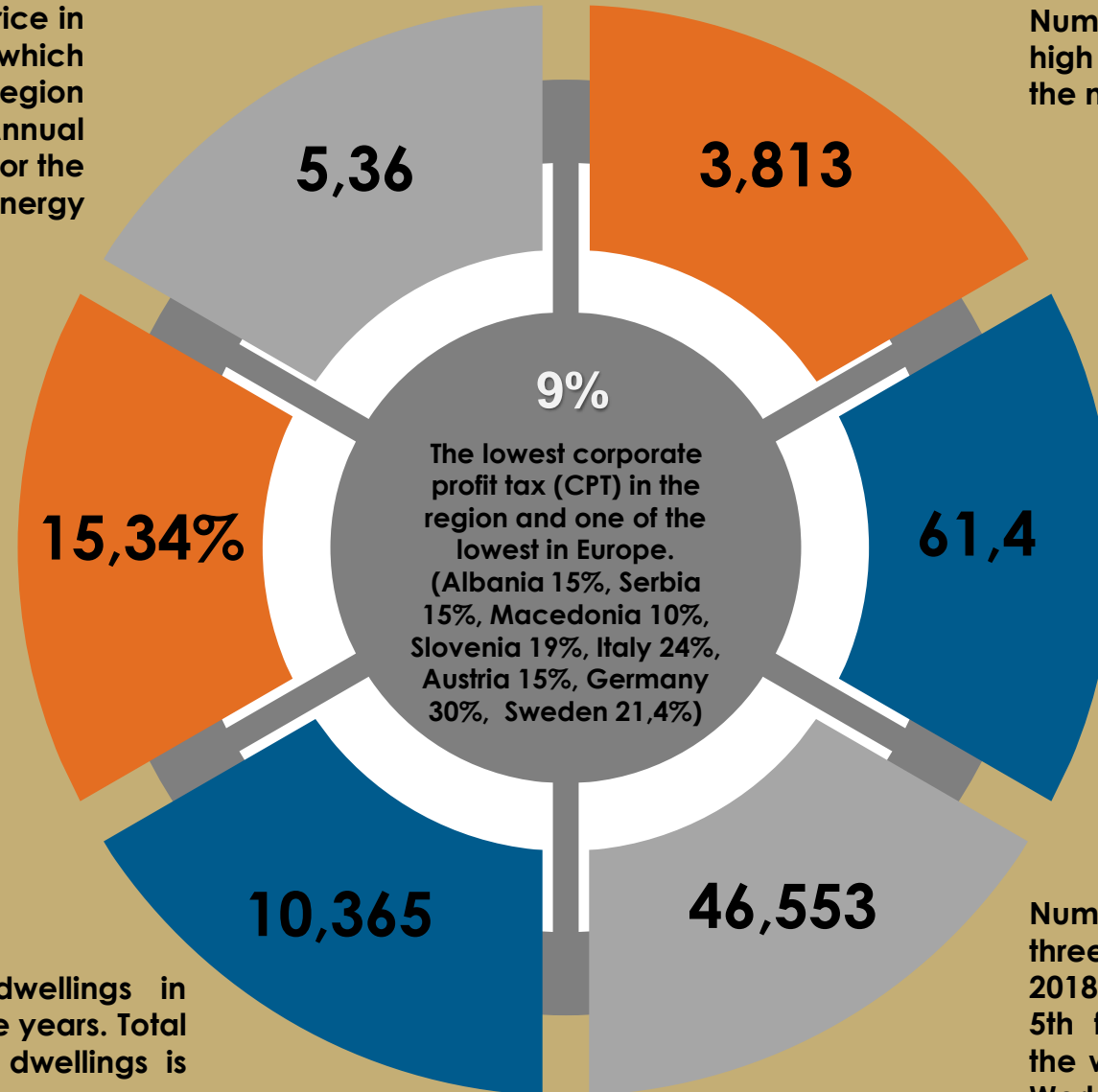


# MARKET PERSPECTIVE IN KEY FIGURES

Euro cents/kWh was the industrial electricity price in Montenegro in 2018, which was the lowest in the region according to the Annual report of the Agency for the Cooperation of Energy Regulators (ACER).

Number of pupils in technical high schools in Montenegro at the moment.

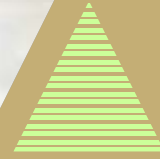
Unemployment rate in Montenegro is still in double digits, unlike other CEE countries. (Czech 2%, Poland 3,3%, Hungary 3,4%, Romania 3,8%, Bulgaria 4%, Slovakia 5,5%)



Import of furniture and parts thereof in Montenegro amounted to 61,4 million € in 2018.

Number of finished dwellings in Montenegro in last three years. Total area of those finished dwellings is 661 thousands m<sup>2</sup>.

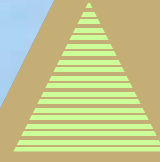
Number of beds in 382 hotels (five, four, three, two and one star) in Montenegro in 2018. Montenegro has been ranked as the 5th fastest-growing tourism destination in the world, according to the United Nations World Tourism Organization (UNWTO) report published in 2020.



# INVESTMENT INCENTIVES

## 1 PROGRAM ON FOSTERING DIRECT INVESTMENTS – Ministry of Economy

- €3,000 to €10,000 per newly employed person
- Investment requirements: at least €250,000 investment which generate at least 8 jobs in southern region or at least €100,000 which generate at least 4 jobs for newly employed persons in the northern or central region.
- For the capital investments with a value exceeding 10 mil. €, which provides job creation for at least 70 people, incentives can be awarded up to 17% of the total value of the investment project.



# INVESTMENT INCENTIVES

2

## PROCESSING INDUSTRY MODERNIZATION SUPPORT PROGRAM – Ministry of Economy

- The program involves co-financing of the eligible costs of equipment purchase up to 20%
- The value of procurement of equipment to which the grant may be awarded ranging from 25,000 to 100,000 euros. Accordingly, the grant amount of up to 20% of the value of the equipment purchase may not be less than € 5,000 nor more than € 20,000.



# INVESTMENT INCENTIVES

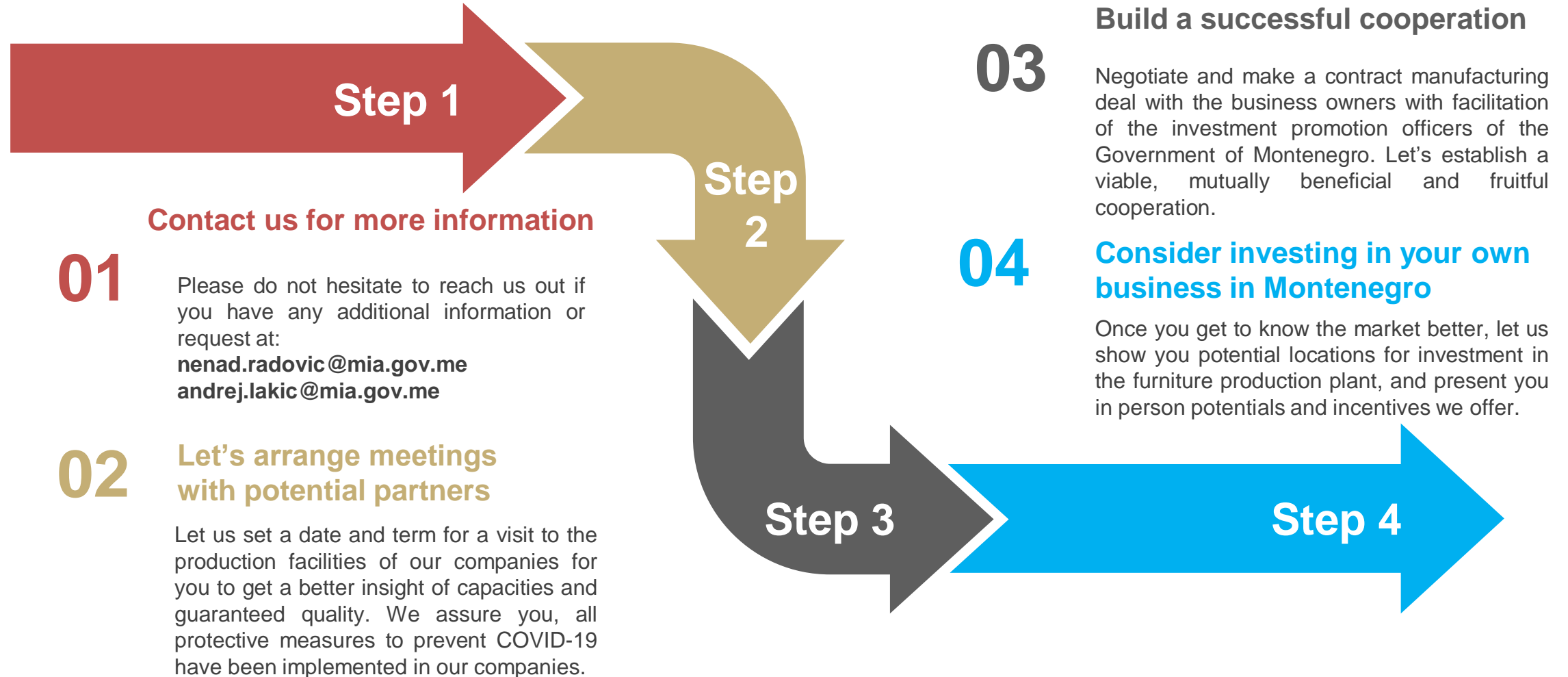
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## SUPPORT TO WOOD PROCESSING COMPANIES PROGRAM – Investment and Development Fund of Montenegro

- Direct lending: Maximum amount up to € 2.000.000,00 with the most favorable interest rate on the market, Grace period up to 4 years.
- For entities implementing projects in Northern region municipalities or entities that recruit 5 or more new employees under the project realization a special incentive measure of reduction of the interest rate by 0,50% shall be approved

# Our proposal

Step by step





## Montenegro Investment Agency

Consulting services on different aspects of business, i.e. registration, taxes, incentives, market research, field visits, coordination among other institutional units. Provides direct link between potential investors and other government and non-government organisations and helps them succeed in whichever business they choose.



# THANK YOU FOR YOUR ATTENTION



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