THE COVID-19 CRISIS IN MONTENEGRO

1 October 2020

COVID-19 health situation – August/September 2020

- Montenegro successfully achieved zero cases by 24th May following the first period of infections. However, by 14th June, Montenegro began experiencing a second wave of infections. Over the summer season, the situation continued to be aggravated. As of 29 September, the total number of cases reached 10 441 and 163 people have died since the outbreak. The number of active cases is 594.4 per 100 000 people, ranking Montenegro 11th among the economies with the most active cases.

Evolution of active cases in Montenegro

Source: Worldometers.info

- Wearing protective masks indoors and outdoors is mandatory throughout the entire territory, including children older than 5 years. Some specific measures applied in some regions depending on the number of detected active cases over the last 14 days per 100 000 inhabitants, the list of which is updated every week on Saturday (https://www.ijzcg.me/). Accordingly, for regions with less than 400 active cases per 100 000 inhabitants, strict compliance and tight control over the implementation of applicable epidemiological measures will be continued. Between 400 and 799 cases, the work of catering facilities is limited until 10 pm and the number of guests should not exceed two persons inside the facility. Between 800 and 1 199 cases, the work of catering facilities is prohibited, and gatherings in residential premises is prohibited for persons who are not members...
of a shared family household. In addition to the aforementioned measures, for regions with more than 1,200 cases, it is forbidden to leave the residential building from 20:00 to 05:00.

- Public gatherings throughout the entire territory are limited to a maximum of 40 persons in outdoor public places, and 20 persons in closed public places. Gathering of citizens for political rallies is limited to a maximum of 100 people in open public places, and 50 people in closed public places. The presence of spectators at sports events is prohibited.

**Policy reactions – August/September 2020**

- Over the last month, the Government decided to tighten already existing measures. In this regard, the competent inspection authorities at both state and local levels are asked to mobilise all available human and technical capacities to control compliance with the epidemiological measures and to sanction violators.

- Educational work in public and private educational institutions, as well as in preschool institutions is suspended. The operating of discos/bars and nightclubs/bars is also prohibited in the entire territory.

- Permits for permanent and temporary residence and work of foreigners, whose validity period has expired, are considered valid until 7 October.

- All border crossings for entry into Montenegro are open, except for the following road border crossings: Vraćenovići on the road route Nikšić - Bileća, which was closed on 27 February due to the construction of border infrastructure. Vuča on the road route Rožaje - Tutin, which was closed on 20 June, in order to suppress the transmission of coronavirus from Serbia. Entry of passengers from Bosnia and Herzegovina to Montenegro is not allowed through the border crossing Šćepan Polje on the road route Plužine - Foča. However, it is possible from 07:00 to 19:00 through the border crossing Metaljka on the road route Pljevlja - Čajniče. Passengers are allowed to leave Montenegro without restrictions at these crossings.

- Montenegro airports remain open for citizens of Montenegro and foreigners with permanent or temporary residence. In June, the Government formed three categories of countries (green, yellow and red) depending on the number of active and new coronavirus cases, and the trend of the number of infected persons. For passengers traveling from green list destinations, a negative PCR test no older than 72 hours is required. Passengers travelling from yellow list destinations are required to self-quarantine for 14 days, however, borders remain closed for countries in the red list. Only tourists traveling to Montenegro from green countries are granted entry.

**Economic impact/outlook**

- According to preliminary estimates, Montenegrin GDP growth decelerated to 2.7% y-o-y in Q1 2020 and is expected to decrease on average by 5.9% for 2020 compared to 2019. Private consumption growth accelerated to 3.8% y-o-y in Q1. Government consumption remained practically flat (0.1% y-o-y). Investments swung into a 2.2% y-o-y rise after declining by 2.5% y-o-y in the previous quarter (EC, 2020[1]).

- On the supply side, industrial output recorded strong growth, rising by 13% y-o-y in Q1 2020, thanks to strong results in all three sectors (manufacturing, mining, and utilities). Positive results were also recorded in construction and agriculture. After the positive Q1 results, industrial production and retail sales fell in April by 16% and 26.2% y-o-y, respectively. In May, the reopening
of most commercial establishments brought no relief to retail sales, which plunged by 20.1% y-o-y due to the absence of tourists and weak local demand (EC, 2020[1]). Despite some efforts to maintain the borders open to back summer tourism season, a 50% drop is expected in total tourism receipts for 2020 compared to 2019. Also in May, the contraction of industrial production totalled 8.5% y-o-y.

- The labour market performance deteriorated compared to the year before. According to MONSTAT preliminary data, the unemployed rate increased to 16.3% in Q1 2020 from 15.1% in 2019, due to the negative effects from the coronavirus outbreak.
- The MNSE10 index is at its lowest since the pandemic outbreak and lost around 15.7% of its value between 12 March 2020 and 28 September 2020, settling at 655.65.

All previously published COVID-19 notes can be accessed on the OECD South East Europe webpage.