

Selected projects



Official title of the project

Post-privatisation restructuring and the development of enterprises in rural and less developed regions of Montenegro – Phase III.

Country

Montenegro

Region/ City

Rural and less developed regions

Sector

Investment Climate

Budget/EC contribution

€1.2 million, from 2006 CARDS Budget (total € 3.8 million for all 3 phases funded through the CARDS programme to date)

Implementation period

2007 - 2008

Expected results

Improved competitive position of the enterprises, incorporation and/or improvement of sound environmental practices, better manufacturing processes and production quality control, development of a wider network of customers and improvement in management practices, manufacturing efficiency and quality control.

Coordinator

Steering Committee chaired by the Deputy Prime Minister of Economy and including representatives of the Directorate for SMEs, Chamber of Commerce and the Banking Community.
Dejan Mijovic, EAR Senior Task Manager
Dragan Radanovic, Task Manager

Beneficiary

Direct beneficiaries are Montenegrin SMEs

Partners:

EBRD Turn Around Management Programme

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Montenegro

EU helps develop rural business

From very few firms in the early nineties, the number of active small and medium sized enterprises (SMEs) in Montenegro has grown to 13,795 at the end of 2006. They now account for more than half of the GDP and for more than a third of the overall employment.

The EU assistance programme has assisted SME development mainly through advisory support for enterprise restructuring and privatisation, and for development of business support services. The current assistance is concentrating on a third cycle of the TurnAround Management (TAM) and Business Advisory Services (BAS), mainly in rural and less developed areas, specifically targeting women and disadvantaged groups.

This programme has, over the past five years, provided direct advisory support to 185 SMEs.

The company MARTEX is an example of a family business which has continuously expanded. It operates a factory producing traditional dried/smoked pork products in Bajice village, just outside the former Montenegrin capital of Cetinje on the road to Njegusi, a well known area for good quality ham products.

The business strategy and marketing plan developed by BAS experts less than three years ago (CARDS 2004) assisted the company to expand exports in the region by 100% and to double its workforce.

However, for MARTEX to develop further, it needs to secure its raw material supplies, both in terms of volume and quality. Therefore, the recently initiated TAM Project will include evaluating the possibility of establishing local production of some raw materials close to the present factory.

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