

## **TRADE AGREEMENTS**

Owing to bilateral agreements signed, investors who choose to do business in Montenegro are enabled unimpeded export of products to the market of over 800 million people.

### **Free trade agreements**

Implementation of these agreements implies an increase in mutual trade and the creation of a positive environment for foreign investment. Signatories have committed themselves to creating a free trade area and to funds for entering into reciprocal bilateral agreements, in accordance with the provisions of the WTO[1], including the processes and obligations of each of them on the road to EU membership.

Under the WTO rules, all agreements include two fundamental non-discriminatory principles: according the national treatment and applying the most-favoured-nation customs duty rate. Import customs duties will not be increased, nor will new ones be introduced by the states parties.

Montenegro has signed free trade agreements with CEFTA, EFTA, Russia, Turkey, Ukraine, and negotiations are underway with Belarus and Kazakhstan.

Note: More detailed information on abolishing the payment of customs duties in accordance with the aforementioned agreements, can be obtained based on the CN code under which the products placed on the market have been classified.

### **Economic Cooperation Agreements**

The main objective of economic cooperation agreements is to establish an institutional framework for cooperation by expanding and improving the economic interests.

Since re-gaining its independence, Montenegro signed 12 agreements on economic cooperation (Republic of Bulgaria, People's Republic of China, Republic of Hungary, Republic of Serbia, State of Qatar, Republic of Turkey, Republic of Macedonia, Republic of Slovenia, Republic of Azerbaijan, United Arab Emirates, Czech Republic and the Abruzzo region-Republic of Italy). In addition to the agreements signed by Montenegro as an independent state, the agreements signed by the former state unions in which Montenegro was a member (SFRY, SRY, SMN), which have been consolidated, are also applicable (Republic of Cyprus, Republic of Austria, Republic of Poland).

### **Agreements on mutual promotion and protection of investments**

These agreements strive to create a stable framework for investment and better use of economic resources. They define the conditions for investing between countries, allowing free transfer of funds, the right of subrogation, compensation in the event of expropriation and settlement of disputes between investors and countries, including the settlement of disputes between the countries themselves.

Since re-gaining its independence, Montenegro has signed 10 agreements on economic cooperation with: the Republic of Serbia, Czech Republic, Republic of Finland, Kingdom of Denmark, State of Qatar, Republic of Macedonia, Malta, Republic of Azerbaijan, United Arab Emirates and the Belgium – Luxembourg Economic Union.