

Key findings in progress report 2008 Montenegro

Political criteria

Montenegro has made progress in addressing the political criteria, in improving its legal framework and in strengthening its institutional infrastructure. Implementation of the new constitution adopted in October 2007 proceeded and the government has continued to adapt to the requirements created by the country's independence, including strengthening public administration and playing an active and constructive role in international and regional cooperation.

Montenegro needs to enhance its efforts in the implementation of laws and policies. While strong on EU integration matters, its political consensus needs to be broadened on other issues of state-building. Specific attention is needed to complete the judicial reform. Despite some progress, corruption and organised crime remain a particular challenge. Administrative capacity to implement laws needs to be further strengthened.

Economic criteria

The economy of Montenegro has continued to expand vigorously and the country made further progress towards establishing a functioning market economy.

Macroeconomic stability weakened due to rising inflation and external vulnerabilities arising from the trade deficit. However, high growth rates improved the fiscal position, enabled additional capital investments and enabled a further reduction of the external public debt.

The pace of structural reforms accelerated. The privatisation process was stepped up, but shortcomings in the rule of law and their resolution remain the key challenge for economic development.

The completion and swift implementation of ongoing reforms is required to enable Montenegro to cope in the medium term with competitive pressure and market forces within the Union.

European standards

Montenegro has made further progress in alignment with European standards. Good progress was achieved in the areas of free movement of services, customs and taxation and agriculture. Some progress can also be reported in the areas of free movement of goods, competition, public procurement, intellectual property rights, industry and SMEs, food safety, as well as justice, freedom and security.

However, progress in transport, energy, environment, and information society remained uneven. Progress was not satisfactory with regard to statistical system development.