



Weekly Briefing

**Montenegro external relations briefing:
External relations Outlook 2019 – Montenegro**
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External relations Outlook 2019 – Montenegro

In 2019, following its course in international politics, Montenegro will continue to realize the European agenda and activities aimed at preserving good neighbourly relations, stability and peace in the region. At the same time, there is a continuation of the improvement of bilateral relations with non-European countries and active participation in international events.

EU integration

During 2019, Montenegro will continue to act on the path to the EU. In the previous year, Montenegro has opened Chapter 27 – Environment and Climate Change and it is 32nd opened chapter. It was an important step forward in negotiating process. Now, the only remaining chapter is Chapter 8 – Competition policy and it is expected that it will be opened during 2019, as well as achievement of progress in other chapters. However, in this year even greater pressure from the EU on Montenegro can be expected when it comes to reforms in the path of European integration. Although compared to neighbouring countries, Montenegro is a relative leader in terms of EU integration, there are many challenges in this year, such as the management of public debt, but also other important issues.

Although Montenegro's readiness to close six negotiation chapters during 2019, the integration process itself will be slower. An important element in EU integration are surely the elections for the European Parliament. The outcome of the election, which is planned in May this year, leaves concern for the Western Balkans, because negotiations with candidate and potential candidate countries could slow down and fall into the background. Last year, Strategy for the Western Balkans was adopted by European Commission, but there is also a deep division among EU members about the enlargement. It is difficult to assess a certain scenario, but the outcome will surely have an impact on the integration of Western Balkan countries, including Montenegro too. It is quite possible that the integration process will slow down, but the EU enlargement to the Western Balkans will remain as one of the important issues, regardless of the election result. One of the reasons for such assumptions is the greater influence of other non-European countries such as China, Turkey and Russia, which are increasingly present in the Western Balkans region in various spheres of society. In the previous period, bilateral and economic cooperation between these countries has been enhanced, where growth in investment

and trade cooperation has been recorded. Therefore, it is expected that the EU will continue its enlargement policy and insist on European values in the region, and thus in Montenegro.

Also, compared to other countries in the region, Montenegro has no open issues with the neighbour countries, which can further represent the reason for the continuation of activities for Montenegro's integration in the EU. In that domain, Montenegro is a positive example in the region.

Regional cooperation

As stated, Montenegro has no open and complicated relations with the countries of the region. The only open question about the demarcation of the border with Kosovo was resolved last year. In this case, it can be expected that in the current year Montenegro will pay attention to the improvement of relations with the countries of the region that can be seen in the intensification of primarily economic cooperation, the improvement of infrastructure connectivity, but also the promotion of joint action and the maintenance of dialogue within regional initiatives.

In addition, Montenegro has made a significant contribution to the work of the Regional Initiative for issues of migration, asylum and refugees (MARRI) in the previous period, and the active role of Montenegro in this organization will not be missed in the following period, especially through the initiation of new cooperation projects and merging with regional and international partners in order to control and combat illegal migration and implement asylum policies.

One of the important activities in relation to security and integration in the region is the US-Adriatic Charter (A5). The US-Adriatic Charter is a powerful instrument for strengthening regional cooperation in the field of defence. During 2018, Montenegro chaired the Charter. In 2019, it is expected to continue to promote the Euro-Atlantic aspirations of the countries of the region and actively assist in the implementation of reforms and meeting the criteria for their membership in NATO. In the forthcoming period, the continuation of work in the realization of the future priorities of A5 is expected, and Montenegro will continue to advocate the rapid and efficient fulfilment of the goals, i.e. strengthening of the comprehensive bilateral cooperation of the countries of South-East Europe. Montenegro's orientation is to continue to contribute to ensuring peace, stability and prosperity of the region through the strengthening of good neighbourly relations.

This year, Montenegro will continue to participate in NATO events, but it can also be expected to provide support to neighbouring countries on that path, such as Macedonia. At the beginning of 2019, NATO members signed a protocol that opens the door for Macedonia's membership in the Alliance, after the end of a long-standing dispute over the name between Macedonia and Greece. However, Russia shows disagreement with policy of joining the Balkan countries to NATO alliance. This was the reason for the cooling of relations between Russia and Montenegro in the previous period. Passing in attitudes and policies was emerged by joining Montenegro in the NATO and by leading a policy that is moving away from Russia. These developments were preceded by economic sanctions between the two countries, which contributed to the cooling of relations between those two countries. Tightened relations with Russia can be observed already at the beginning of 2019. Often, political events in Montenegro are tied to Russia's influence, and charges can be heard on Russia's account for their interference in internal issues of Montenegro. Due to the open support of the ruling structures in Montenegro to NATO, it is difficult to expect a major improvement in relations with Russia this year.

During previous years, Montenegro has established good relations with Turkey. Growth in FDI and trade cooperation has increased, as well as export from Montenegro to Turkey in recent period. Continuation of improvement of bilateral and economic relations is expected during current year. In addition, Montenegro as a NATO member has opportunity to establish cooperation with Turkey at higher level in relation to security. Also, wide number of fairs in Turkey are available for the Montenegrin companies. For example, Ministry of Trade of Turkey organizes the Program of the Board of Customers for trade fairs that would be held in Turkey in 2019 and all of them are available to Montenegrin companies, institutions and unions.

In previous period external relations between Montenegro and PR China has been strengthened and intensified through numerous investment projects in construction, energy, tourism and other sectors. Number of tourists from China has increased in last years. Thanks to the number of tourist' events and fairs it is expected that number of tourist from China will increase in the next period. Also, the completion of works on priority sections of the highway, but also the commissioning of wind power plants indicate that cooperation in investment projects between those two countries will be continued in 2019. Engagement higher number of workers and investments in equipment and materials point to the commitment of Chinese company, which is building a highway to complete the project in the future. In addition to the companies that are already engaged in projects in Montenegro, other companies from China are

interested in participating in other infrastructure and energy projects, which could only indicate cooperation in the future.

Participation to regional and global events

During 2019, the participation of Montenegrin officials on regional and global events is expected, in order to promote relations with other countries and greater promotion of Montenegro on the global market. One of the important regional events is the second Western Balkans Digital Summit (WB DS 2019) progress, which will be organized by Regional Cooperation Council (RCC) and partners. Namely, RCC is regionally owned and led cooperation framework. It serves regional cooperation and European and Euro-Atlantic integration of South East Europe (SEE) with main goal to spark development in the region. In April last year, South East European Foreign Ministers appointed RCC Secretary General from Albania for the period 2019-2022 and Montenegrin representative will be RCC Secretary General starting from January 2022. WB DS 2019 will be held in April 2019 in Belgrade. Last year's Summit was held in Skopje. It brought together authorities responsible for digital agenda from the Western Balkans, as well as participants from European Commission, RCC and representatives of IT companies, academia and youth. The main aim of this event is to combine existing efforts and develop cooperation among the WB countries in building common digital future.

Also, in June 2019, the Global Entrepreneurship Summit 2019 (GES 2019) will be organized in the Netherlands. The aim of the Summit is to network, improve and expand the cooperation of businessmen around the world from various economic sectors. This year's Summit is expected to involve 2,000 participants, of which more than half are entrepreneurs, but also a significant number of investors and thought leaders and officials. This is certainly a great opportunity to exchange experiences and establish a business opportunity for companies, among others from Montenegro and the rest of the world.