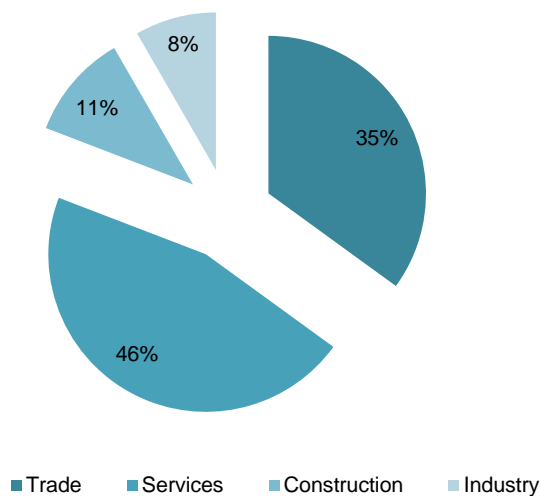


Foreign affiliates statistics, Year 2014

Statistics of domestic affiliates (IFATS statistics) describes the activities of business entities that are controlled by business entities based outside of Montenegro. Information about their business are the result of survey "Statistics domestic branches", which is aligned with international statistical standards and methodologies, i.e. with EU Regulation No 716/2007. Data are presented on sector level according to classification of economic activities KD2010, which is harmonized with the European classification NACE Rev. 2.

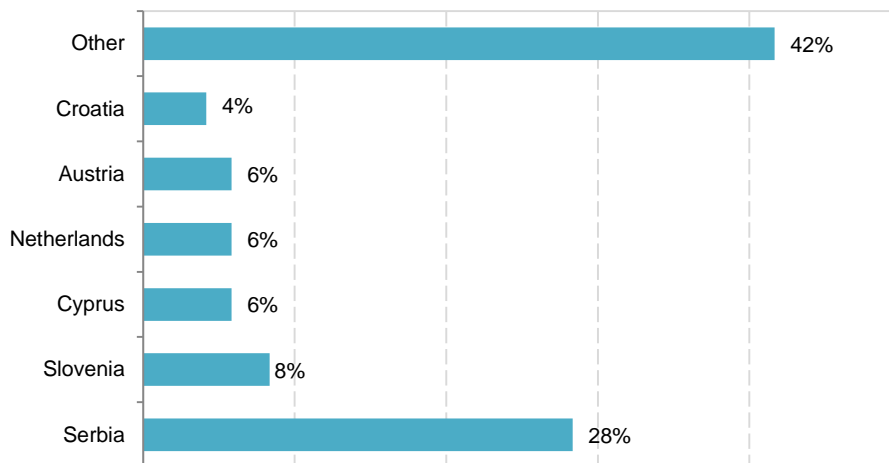
By observing the obtained results it is evident that the largest share of covered business entities that are controlled by business entities based outside of Montenegro for 2014 was in the service sectors, 46%. Accordingly sector "Trade" had share of 35% in the number of observed business entities that are controlled by business entities based outside of Montenegro.

Figure 1. The share of observed economic entities that are under the control of institutional units located outside of Montenegro by sectors, 2014



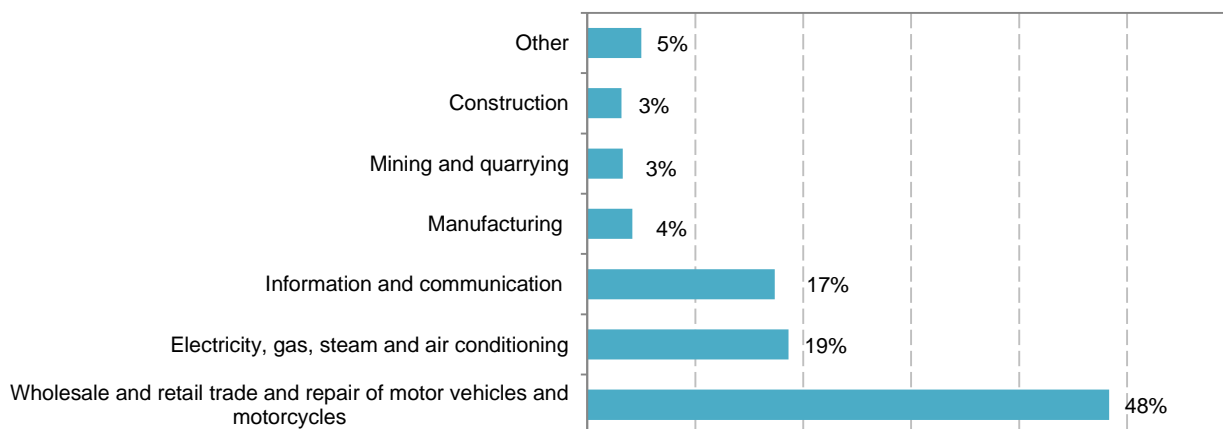
A country that had the largest share in the total number of observed economic entities that are controlled by institutional units located outside of Montenegro is Serbia, 28%.

Figure 2. Share of surveyed business entities that are controlled by institutional units located outside of Montenegro, according to the country of origin of capital, 2014



Observing the figure 3, the sector "Wholesale and retail trade and repair of motor vehicles and motorcycles" achieved a 48% share of turnover of observed economic entities that are controlled by business entities based outside of Montenegro in the total turnover of these business entities.

Figure 3 Share of turnover from business entities that are controlled by institutional units located outside of Montenegro in the total turnover of these observed business entities in%, 2014

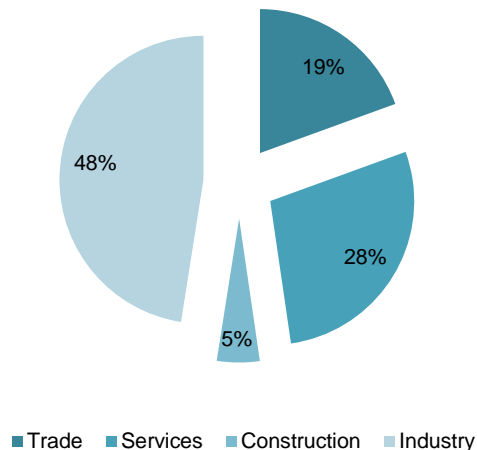


Participation amounting to 42% of the production value of the observed economic entities that are controlled by business entities based outside of Montenegro in the total production value of these business entities is realized in the sectors "Industry, whereas the share of the costs of salaries, benefits and other income in the total value of these costs amounted to 48%.

Table 1 Share of production value, intermediate consumption and value added of the observed business entities in their total value, in%, in 2014

	Production value	Intermediate consumption	Value added
Trade	15%	13%	17%
Services	37%	39%	35%
Construction	6%	8%	3%
Industry	42%	39%	45%

Figure 4. The share of salary costs in total costs of earnings in 2014,%



METHODOLOGICAL NOTES

Data source

Data on the operations of domestic affiliates are collected with annual report on statistics of domestic affiliates (Ifats). The methods used to collect and publish data on the activities of domestic branches are adapted to the international statistical standards in accordance with Regulation EC No 716/2007.

Coverage

Cover all sectors of activity classification KD2012 B - N, which is in accordance with NACE Rev. 2, except Sector K (Financial and insurance activities).

For the collection and publication of data classification of economic activities NACE Rev. 2. is used and data are published at sector level.

Definitions

Foreign affiliate is a company resident in a country that collects data and managed by institutional units based outside the country.

IFats statistics about domestic affiliates implies statistics describing the activities of affiliates in our economy controlled by an institutional unit based outside of Montenegro.

The ultimate control over institutional unit of a foreign affiliate involves institutional unit that is located at the end of the chain of control and which is not controlled by another institutional unit.

Gross output is defined as the market value of all goods and services produced. Intermediate consumption at purchase prices is the value of products and services that are transformed, used or consumed in the production process.

Gross value added is the difference between gross output and intermediate consumption.

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