



Weekly Briefing

**Montenegro external relations briefing:
A joint session of the Government of
Montenegro and Albania was organized
Milika Mirkovic**

China-CEE Institute

Kiadó: Kína-KKE Intézet Nonprofit Kft.
Szerkesztésért felelős személy: Chen Xin
Kiadásért felelős személy: Huang Ping

 1052 Budapest Petőfi Sándor utca 11.
 +36 1 5858 690
 office@china-cee.eu
 china-cee.eu

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Abstract

A joint organizational session of the Government of Montenegro and Albania was held in February. The goal of this event is to strengthen cooperation between the two countries in both diplomatic and economic terms. At the joint session, a joint declaration was signed, as well as a series of agreements aimed at strengthening cooperation in the areas of traffic infrastructure, energy, social protection, health, agriculture, sports and culture. Through the defined framework of cooperation, a stronger connection can be expected through the improvement of traffic infrastructure, energy infrastructure, but also facilitated and improved connection in other socio-economic areas.

Introduction

One of the important directions of the external relations policy is the maintenance of good neighborly relations. The importance of improving cooperation between the two countries can be seen from different aspects, and it is reflected not only for individual countries, but for the entire region. In this regard, during the previous period, Montenegro organized a joint session of the Government with the Republic of Albania, which aimed to strengthen good neighborly relations between these two countries.

Joint session of the Government of Montenegro and Albania: signed cooperation agreements

At the end of February, a joint session of the Government of Montenegro and the Government of Albania was organized in Podgorica. The joint session represents another indicator of good neighborly relations between Montenegro and Albania, which are very important from the aspect of preserving peace in the entire region. The joint session was an excellent opportunity to exchange views and expectations regarding the future of the region and future relations between the two countries. On this occasion, a Joint Declaration was signed, the aim of which is to improve relations between Montenegro and Albania in different fields,

which will contribute to a higher quality of life for citizens in both countries, improve economic cooperation and connectivity, as well as contribute to a fast path to the EU.

At the joint session, several bilateral agreements were signed that relate to the improvement of cooperation in various fields, primarily in the sectors of transport, energy, agriculture, social protection, health, defense, culture and media.

Improvement of infrastructure is one of the key factors in the development of each country and cooperation with other countries. One of the most important planned projects relates to the construction of a bridge on the Bojana River, which represents the natural border between Montenegro and Albania, which would contribute to better traffic connections between the countries. The construction of the bridge will significantly shorten the distance between Ulcinj in Montenegro and Albania, which is of great importance for trade cooperation and the development of tourism. In any case, any improvement of the traffic infrastructure and increase of connections between cities can only bring positive effects for both sides. Also, in order to increase the mobility of people and goods and strengthen traffic connections, the opening of a common border crossing (Sveti Nikola - Pulaj) is planned.

In addition to improving the traffic infrastructure, the field of future joint cooperation between Montenegro and Albania will also be the field of energy. Based on the agreement that was signed, cooperation in the field of energy will flow in the direction of "encouraging and supporting investments" in the energy sector, "encouraging joint scientific and technological research in the field of new, cleaner technologies", strengthening cooperation in this field through exchange of information, knowledge, as well as "encouraging, creating and improving business connections between economic operators in the field of energy".¹

In the field of agriculture, cooperation is foreseen in several segments. Since Montenegro and Albania have a natural border, Skadar Lake and Bojana river, the importance of joint management of resources and water is of great importance. One of the areas in this part is the management of the fish stock, which is impossible to maintain and manage without a common approach and cooperation. In this regard, amendments to the legislation were agreed upon, as

¹ Government of Montenegro (2023) Memorandum of cooperation in the field of energy between the Ministry of Capital Investments of Montenegro and the Ministry of Infrastructure and energy of the Republic of Albania, available on: <https://wapi.gov.me/download/9af54963-9ccb-416e-9d67-0efb4bf03074?version=1.0>

well as other activities aimed at joint management of the policy related to fisheries in these two areas.²

Also, an agreement was signed regarding cooperation in the field of plant health protection. The importance of this agreement is reflected in the joint resolution of problems and challenges brought by food production in terms of harmful organisms that affect production losses. Therefore, it can be expected that economic and ecological relations between the two countries will be improved through a joint approach.³

Taking into account seasonal employment in Montenegro, where a significant number of workers from the region, including Albania, work in Montenegro, one of the issues in the relationship between the two countries is the provision of social security rights. Therefore, an agreement was signed that regulates social security rights for citizens of Montenegro and Albania based on work and residence in one of these two countries. This agreement will regulate relations in "the field of pension and disability insurance, health insurance, unemployment insurance and other issues from the domain of social insurance, and in particular the equalization of the rights of citizens based on residence and work" in Montenegro and Albania and in this way solve problems related to the employment of workers and simplify the employment process.⁴

In addition to these, agreements related to sports were signed, with the aim of improving cooperation in the field of sports and youth, through the exchange of knowledge and experience, and the organization of joint events. Also, through the signing of an agreement in the field of cultural cooperation for the period until 2025, which includes cooperation in the "fields of cultural and artistic creativity", as well as the protection and "preservation, promotion and

² Government of Montenegro (2023), Agreement between the Ministry of Agriculture, Forestry and Water Management of Montenegro and the Ministry of Agriculture and Rural Development of Albania on Joint Sustainable Fisheries Management of Lake Shkodra/Skadar and Buna/Bojana River, available on: <https://www.gov.me/dokumenta/683b9eb7-82d2-4e2d-8538-20884a5e43a4>

³ Government of Montenegro (2023), Agreement between the Government of Montenegro and the Council of Ministers of the Republic of Albania on cooperation in plant protection field, available on: <https://www.gov.me/dokumenta/4f5df0e1-2b0a-4184-a209-0e22d972a5f9>

⁴ Government of Montenegro (2023), Agreement between Montenegro and the Republic of Albania on social insurance, available on: <https://wapi.gov.me/download/a0f92e86-d1af-4668-9207-3f0cd8a9b992?version=1.0>

popularization of cultural heritage", creative industries and others. Considering that both countries are members of the NATO Alliance, a memorandum on cooperation in the field of defense was also signed. Also, a memorandum on cooperation in the field of health was signed, which aims to strengthen cooperation between Montenegro and Albania in the field of health and medical sciences.⁵

The "Open Balkan" issue

One of the issues raised during the joint session is the question of the Open Balkans. Namely, Albania, Serbia and North Macedonia are members of this regional initiative, while other countries of the Western Balkan region (Bosnia and Herzegovina, Kosovo and Montenegro) have not joined the initiative. Despite the numerous arguments and studies that have been done and which indicate that Montenegro would have more harm than good, the Prime Minister of Montenegro in the technical mandate is in favor of joining Montenegro in the initiative.

As Albania is one of the signatories of this agreement, this issue was also raised at the joint session. Therefore, an informal meeting regarding the Open Balkans was announced, which would be organized in Montenegro during the next period, which may influence the intensification of this issue among politicians and authorities in Montenegro.

Economic cooperation between Montenegro and Albania

In addition to good diplomatic relations, Montenegro and Albania, as neighboring countries, have good economic cooperation. Certainly, there is a lot of room for intensifying and improving cooperation.

Despite the proximity and good connections, foreign trade cooperation is significantly smaller compared to other countries in the region. The import of goods from Albania to Montenegro is 3.4 times higher than the export of goods to Albania. According to MONSTAT data, the total export of goods from Montenegro to Albania in 2022 amounted to EUR 20.1 million or 2.9% of the total export of goods. Compared to 2021, exports increased by 0.7%. On the other hand, the import of goods from Albania accounted for 1.9% of total imports in 2022.

⁵ <https://www.gov.me/clanak/odrzana-zajednicka-sjednica-vlada-crne-gore-i-republike-albanije>

In contrast to exports, the import of goods in 2022 increased significantly compared to the previous year (59.2%).

When it comes to tourism cooperation, tourists from Albania make up 3.1% of the total number of foreign tourist arrivals and 1.6% of the foreign tourist overnight stays. In comparisons to 2021, the number of tourist arrivals increased for 11.2%, while the number of overnight stays increased for 5.3%⁶.

According to the Central Bank data, during the previous five-year period, the inflow of foreign direct investments (FDI) from Albania grew. In 2022, the total FDI inflow amounted to EUR 3.1 million, which represents 0.3% of the total inflow. Although compared to 2021, FDI inflow decreased by 14.2%, compared to 2019 it is at approximately the same level. However, FDI inflows in 2017 and 2018 were at a significantly lower level (around 5 times lower than in 2022)⁷.

Improving relations between Montenegro and any other country has very positive effects. Montenegro and Albania have very good relations. The meetings and activities that were organized during the previous years were aimed at improving these relations. By organizing a joint session, where fields of cooperation are defined in the coming period, it will contribute to greater economic cooperation and economic benefits for both countries. It can be expected that a series of bilateral agreements will result in the strengthening of cooperation in various fields.

⁶ Source of data: MONSTAT, available on: <https://monstat.org/cg/page.php?id=44&pageid=44>

⁷ Source of data: Central Bank of Montenegro, available on: <https://cbcg.me/me/statistika/statisticki-podaci/ekonomski-odnosi-sa-inostranstvom>