

Montenegro Startup Ecosystem Guide 2025
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Montenegro's startup ecosystem is in the Activation Stage, characterized by grassroots growth, EU-aligned policy reforms, and increasing regional collaboration. Montenegro leverages its strategic Adriatic location, cost advantages, EU integration focus and offers a cost-effective, agile environment for early-stage innovation and international expansion.

Key Startup Cities

Podgorica: The capital and Montenegro's main startup hub, home to the Innovation Fund, Science and Technology Park (STP), and most and most support organizations.

Nikšić: Hosts the Innovation and Entrepreneurship Center Tehnopolis, a key player in incubation and acceleration.

Bar, Berane, Tivat and other regional centers: Emerging hubs with business centers and co-working spaces supporting local entrepreneurship.

Regional Ecosystem Connections

Western Balkans: Montenegro is an active member in regional initiatives like the Western Balkans Startup Alliance, collaborating on cross-border programs, hackathons, investor matchmaking and knowledge exchange with the WB region.

EU and International Links: Access to EU funding, participation in European innovation programs and networks, including Horizon Europe and the EIT Regional Innovation Scheme.

What Sets Montenegro Apart

Cost-Effectiveness: Competitive operational and living costs extend runway for startups.

Agility: Rapid business validation due to the small, open economy and iteration of business ideas.

Government and EU Support: Increasing availability of grants, mentorship, and infrastructure through the Innovation Fund, STP, Tehnopolis and EU-backed programs.

R&D&I Tax Incentives: Favorable tax policies and private-sector innovation investments into startups.

Challenges to Navigate

Funding Gaps: Venture capital and angel investment are still developing; most startups rely on grants or personal funds.

Small Domestic Market: Startups must internationalize early to achieve scale.

Talent Shortage: Brain drain and limited specialized workforce remain concerns.

Regulatory Complexity: While tax incentives are strong, some administrative procedures and digital payment infrastructure still require improvement.

Ecosystem Overview

Montenegro's startup ecosystem is evolving rapidly, driven by a new generation of tech founders and a growing network of supportive organizations. Innovation activities are systematically enhanced through a combination of strategic frameworks (Smart Specialisation Strategy, Innovation Programme), targeted funding (Innovation Fund, competitiveness programs), innovation infrastructure providers (STP, Tehnopolis), and integration into EU and international innovation networks. These initiatives collectively aim to create a dynamic, competitive, and sustainable innovation ecosystem aligned with European standards. In addition, Montenegro's tax incentive framework for startups is among the most progressive in the region. With tax exemptions for R&D and innovation, investments in startups and targeted benefits for digital nomads and freelancers, the country is positioning itself as a regional hub for innovative entrepreneurship. These incentives, combined with streamlined registration, government grants, and a supportive ecosystem, make Montenegro an increasingly attractive destination for founders and investors.

Internationalization – the Next Leap

- **Necessity for Growth:** The small domestic market makes international expansion a must.
- **Support Mechanisms:** National programs (e.g., BoostMeUp, Montenegro Pitching Competition) and EU-backed initiatives help startups access mentorship, funding, and foreign markets.
- **Diaspora Engagement:** Montenegrin founders abroad are increasingly involved as mentors, investors, and partners.

Innovation & Performance

European Innovation Scoreboard: Montenegro is an "Emerging Innovator," outperforming the EU average in SME product innovation and collaborative activity, though still lagging in R&D investment and IP outputs.

Global Innovation Index: Ranked 65th globally, with strengths in market sophistication and digital infrastructure.

What's Next in 2025

Innovation Fund Impact: The Fund has become the main operational body, running multiple support lines for startups, SMEs, and research institutions, with well established, EU-aligned procedures, recognized by the European Innovation Council (EIC). Approved projects span ICT, energy, sustainable environment, agriculture, and healthtech, demonstrating sectoral diversity and impact. Launching six new support programs with an available budget of €2.4 million for grants in 2025. The Innovation Fund plans to expand its programs in accelerating and scaling up support, with a focus on business-academia collaboration, commercialization and international partnerships.

EIT Community Hub Montenegro: Aims to encourage innovation development within a broader European context.

MontEDIH (Montenegrin European Digital Innovation Hub): A strategic project, recently started and co-financed by the EU and the Montenegrin government, supporting the economy and the public sector in the process of digital transformation and improving innovation, by increasing their competitiveness, efficiency and success.