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Primary Directions and Advancements in Competitiveness of Montenegrin Construction Sector

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Abstract

This paper is the result of theoretical and empirical research carried out in the framework of the scientific research project "The competitiveness of the construction sector in Montenegro – the conditions, possibilities and directions for improvement" on the basis of which are identified some of the main directions of improving the competitiveness of the construction sector in Montenegro in the future.

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1. Introduction

Increasing competitive advantage as a phenomenon of growth and development of companies, but also the economic development as a whole is the subject of constant interest of theoreticians and practitioners. Commitments are clear but in their realization numerous problems encounter. It is known that in some countries the index of

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national and sectoral competitiveness is constantly monitored. While improving their competitiveness, companies are constantly looking for a new opportunity for successful positioning in the market.

During certain studies that were carried out during the development of a number of strategic documents relating to the development of civil engineering and construction sector in Montenegro, in the section that follows are the words of a number of identified basic characteristics of the construction sector in Montenegro, which can be treated as real or potential barriers to strengthen the competitiveness of the sector:

- Obsolescence and lack of harmonization of technical regulations with EU regulations,
- Lack of competitiveness of building products and projects in the EU market,
- Insufficient number and small competitive strength of domestic enterprises for taking over large investment projects in relation to foreign companies,
- insufficiently systematic approach to the domestic market, and insufficient recognition of local companies in foreign markets (in the region and beyond),
- lack of R&D dimension as a very important factor in strengthening competitiveness, especially in conditions of extremely dynamic and demanding construction sector when it comes to the application of techniques and technology,
- a significant share of non-resident labour force in the employment structure which has slowed the process of systematic management of human resources as an important factor to improve the modern concept of competitiveness, as well as the insufficient number of qualified and highly educated workforce,
- a high level of current short-term indebtedness of the company, which emphasizes the problem of obtaining bank guarantees,
- burden of enterprises stocks, which mostly affects the lack of available financial resources,
- lower equipment and machinery level than allowed which causes low productivity,
- generally lack of resources in companies as a regular problem,
- inefficient enterprise organization, etc.

On the other hand, Montenegro declared its routes to enter the EU with clear and defined areas of reform. In this sense, the development of the construction sector in the coming period must be approached as an integral part of the EU integration process and the sustainable development of Montenegro. The vision defined in the Strategy of development of construction business in Montenegro by 2020 is just "the integration of Montenegro in the European construction market, becoming competitive among four leading countries in the region through an innovative, knowledge-based and highly organized the construction sector". From this defined vision derives mission of the construction sector which should become more "dynamic, productive and creative sector having the ability to create flexible and cohesive community building in their neighbourhood a support for creation of the general welfare and benefits to society. On these foundations, other parts of society will mutually build its growth".

One way to achieve this is to strengthen mobility, i.e. the competitiveness of the construction sector. The modern market demands have led construction companies to implement a competitive strategy that represents a new approach to business, which must be focused on the effective use of all usable resources, capacities and capabilities.

The situation in the contemporary construction market today can be described as companies bidding to win a higher percentage of the market, gain a leading position and achieve a competitive advantage over other companies. Additional demand is a traditionally large variability in demand of construction products and services, which significantly affects the construction companies business and the way they adapt to changes. The traditional fragmentation of the construction services market allows a high competition and easy entry of new competitors into the market which further complicates the application of competitiveness and competitive advantages in relation to each company individually.

In order to raise the competitiveness of the construction sector in Montenegro, and on the basis of the theoretical and empirical research from the scientific research project "The competitiveness of the construction sector in

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