JSC MONTECARGO Podgorica

November 2018 Athens, Greece



JSC MONTECARGO Podgorica

- MONTECARGO is a joint stock company established in 2009;
- National freight operator on Montenegrin railways network
- The majority owner of the capital is the State of Montenegro with more than 87%;
- Market-orientated company, operating without subsidies
- The company carries out the transport of items in the interior and international rail traffic in accordance with the international regulations on the carriage of goods, the laws of Montenegro, the (COTIF) Convention, the Uniform Rules for the International Carriage of Goods Agreement (CIM), the Unique Agreement for the Use of Freight Cars (CUU / AVV / GCU) and the Law on Contractual Relations in the Railway Transport of Montenegro.
- JSC Montecargo has a Transport License and a Safety Certificate issued by relevant authority - Railways Directorate, with a validity of 5 years;
- JSC Montecargo has ECM certificate registered in ERA database;
- All rolling stock are in GCU register;
- JSC Montecargo is member of UIC, CER, FTE and CIT.



Legal framework

SYSTEM LAWS

Railway law ("Official Gazette of Montenegro", No. 27/13) – new Railway Law is in drafting process;

Law on safety, organization and efficiency of rail transport (Official Gazette of Montenegro", No. 1/14);

Law on Contractual Relations in Railway Transport (Official Gazette of Montenegro", No. 41/10);

Law on Combined Transport of Freight (Official Gazette of Montenegro", No. 27/14);

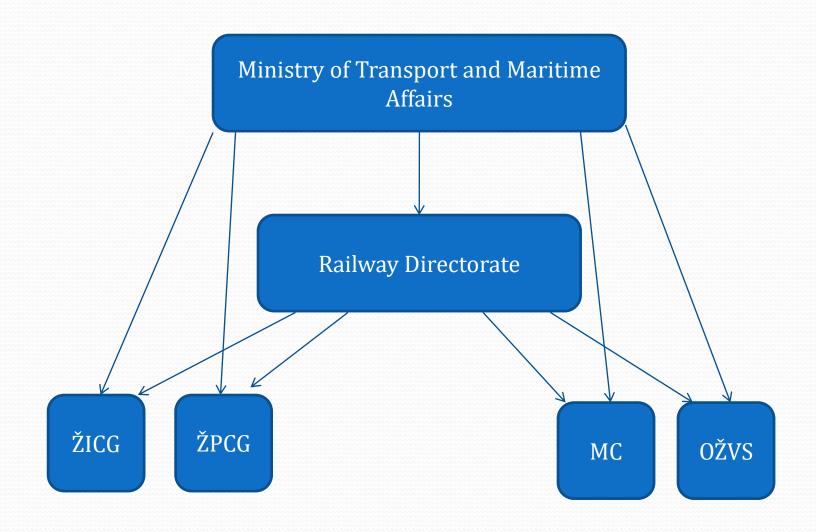
- Alligned with provisions of EU Directive 92/106/EEC on the establishment of common rules for certain types of combined transport of goods between Member States
- Full alignment with adoption of bylaws:
 - Determination of terminals and transshipment tracks for combined transport, and
 - Technical conditions, equipment for handling and disposal of cargo for terminals and transshipment tracks;

and upon the accession to the European Union

Need for development of terminals for combined freight transport defined in Rialway development strategy (2017-2027)



Institutional framework



Transport License

License for the public transport of goods in railway traffic on the railway lines of the Railways of Montenegro:

Number:556/14

Issued on 17/10/2014 Validity period/5 years

Transport Safety Certificate

Safety Certificate for public transport of goods on Montenegrin railway network:

Number:611/15

Issued on: 06/11/2015

Validity period/5 years



Services

JSC MONTECARGO use railway infrastructure of Montenegro in accordance with Railway Law, IM Network Statement and Contract on the Use of Infrastructure.

Infrastructure access fee is 3.00 EUR per train km

We are paying for realization of the route through the technological process of realization of transport.

JSC Montecargo provides the following services:

- Conventional Transport
- Combined Transport
- Transport of hazardous materials
- Transport of Special Consignments
- Wagon renting
- Locomotive Lease

Additional services provided:

- Shunting services,
- Technical inspection of wagons,
- Train marshalling
- Wagon weighing,
- Delivery of wagons to loading, unloading and industrial tracks.

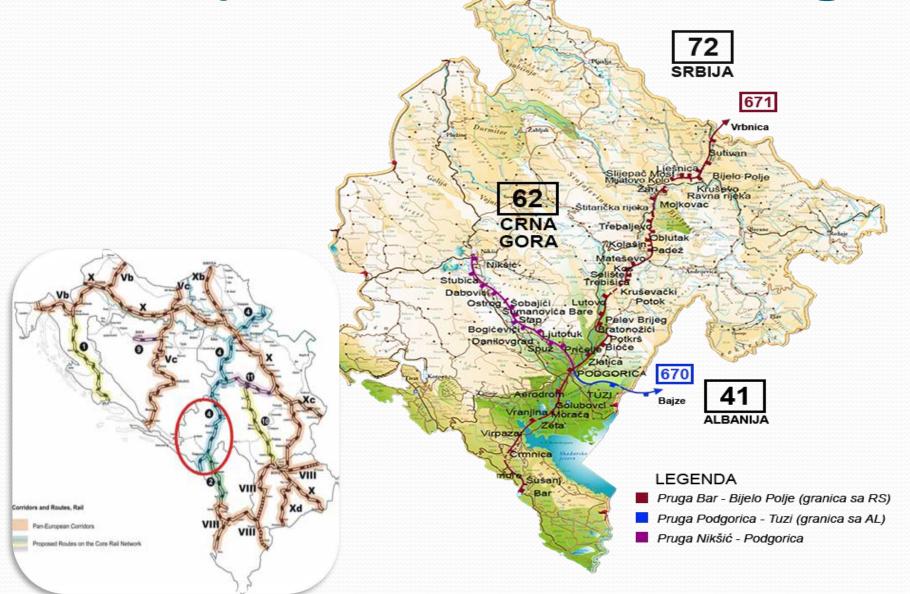


EUROPEAN CONTEXT OF MONTENEGRIN RAILWAYS DEVELOPMENT

- As market-oriented freight operator, we consider that integration of the railway network in the TEN-T network and market functioning on the principles of fair and non-discriminatory competition is a key condition that makes effects.
- Montenegro is connected with European railway network through the regional network (Western Balkans) which doesn't have uniform capacities and properties; links are missing both within a single transport mode (especially the railways) as well as between different modes of transport.
- Hence, the harmonization of the development of the Western Balkans network is extremely important since the development of the Regional Transport Network in the Balkans has been intensified, the projects to be invested in by 2020, as well as the further links of the regional network with the TEN-T network and the corridors have been defined.
- Distribution Centers, Container Transport releifs and Railway transport Protection through the Legal Framework are missing in Montenegro.



Railway Network in Montenegro



Railway Network in Montenegro

- Railway network used by JSC Montecargo is composed of three railway lines and station tracks with the total lenght 320 km
- ✓ BAR VRBNICA railway line (border with Serbia) 167 km, electirfied
- ✓ PODGORICA TUZI railway line (border wwith Albania) 24,7 km, not electrified
- ✓ NIKŠIĆ PODGORICA railway line 56,5 km, electrified

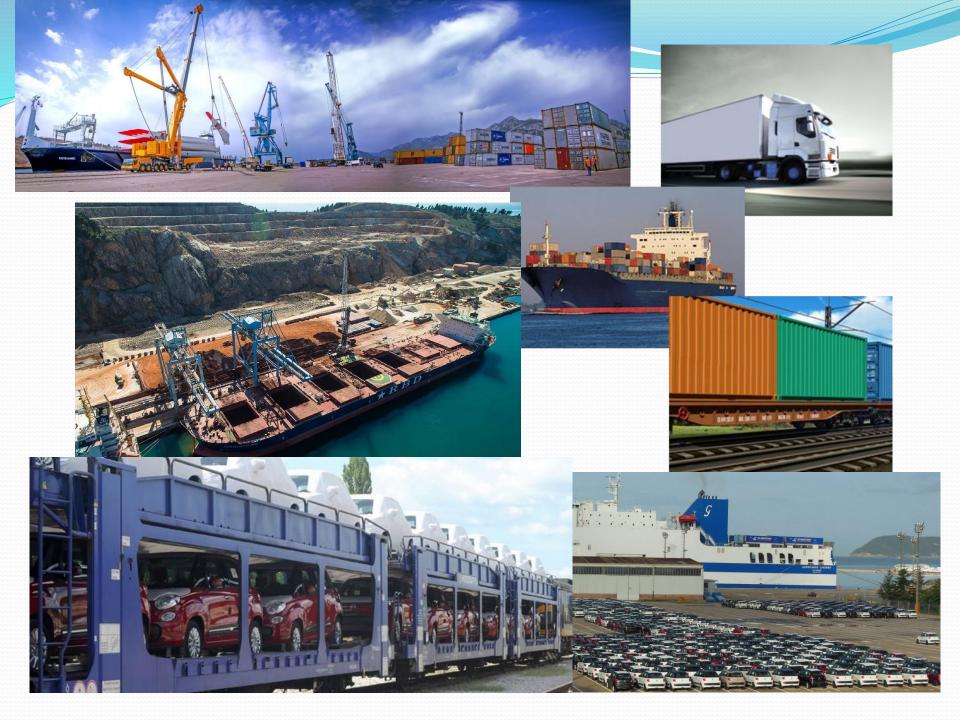
Railway Network in Montenegro

Due to its geographical position which is relatively aloof from the Balkans mainland because it is located directly on the main lines of major European corridors:

- The external generator of good low is the railway line towards Serbia, Bar-Vrbnica railway line known as Route 4 in SEETO network and by its characteristic this line may be identified as port railway line,
- This railway line is the only one linking Montenegro via Belgrade with European railway network and it has strategic importance for Montenegro.
- This railway line connects the economy of Serbia and Central Europe with Port of Bar and Port of Adria, i.e. the Port with Danube region and Danube ports,
- The direction toward Albania, i.e. railway line Podgorica Tuzi (border with Albania) is oriented only to freight transport, the railway line is not electrified.
- The railway primarily serves as an exit for the Albanian economy and its flows towards Europe and vice versa,
- The dynamics of reconstruction and electrification depend on the dynamics and revitalization of the railway line Tirana-Durres-Shkoder - the border of Montenegro,
- The electrified railway line Nikšić Podgorica serves for the economy of Montenegro for the Port as well as the economy of Serbia and Central Europe
- The length of the railway network we use in Montenegro is about 300 km.

Freight operator capacities

- Montecargo owns 15 locomotives of various series, characterized by a significant degree of obsolescence of 45 years
- On average there are 11 locomotives daily in service
- Traction of freight trains is performed by electric locomotives series 461 on electrified lines, and diesel electric locomotives series 661 and 644 operate on non-electrified rail line Podgorica-Tuzi, as well as on station shunting in the stations Podgorica, Nikšić and occasionally in Bar.
- Regardless of their age structure, by significant overhaul and current investments, significant mobility of locomotives is maintained.
- Montecargo owns 562 wagons, out of which about 50% of various series are in active service with the most common series E
- There are about 270 full time employees, prentices and employees under service contract for temporary jobs.



Vision and mission of the freight operator

MISSION

- Efficient provision of services while meeting customers' requirements in terms of reliability and security quality,
- Optimum utilization of existing capacities,
- ✓ Integrating services and establishing quality and reliable relationships with all stakeholders in the international transport chain,

VISION

- ✓ To establish close cooperation with all users and service providers in the railway and logistics sector, aiming for the introduction of innovative solutions in the transport chain for the users on the whole transport route.
- Positioning of MONTECARGO in the transport market as a national operator providing good price and quality services to their users.



