

TRANSPORT SITUATION IN CROATIA IN 2005

Traffic trends.

At present data on traffic volumes of the various modes of transport in 2005 are available for the period from January to September of this year. According to the data available, evolution of traffic volumes compared to the same period in 2004 is as follows:

- **Railway transport** - number of passengers carried is 6.4% increased as compared to the same period in 2004. Transport of goods is 17.1% increased.
- **Road transport** - number of passengers carried is 0.5% increased, and transport of goods is 4.6% increased.
- **Inland waterway** – transport of goods is 128.2% increased.

It is noticeable that the total traffic volumes for the three transport modes increased compared to the 2004, especially in relation to the transport of goods. Out of different transport modes (road, railway, air, sea water and costal transport, pipeline and inland water transport) in 2005, January-September period, road transport was representing 54.8% of passenger transport and 51.8% of goods transport, railway transport was 32.1% of passenger transport and 12.1% of goods transport, and inland waterway was 1.1% of goods transport.

Transport volumes in the Republic of Croatia are increasing in the last ten years. It is expected that the same trend will continue in forthcoming years. The aim is to shift transport from roads toward other transport modes, i.e. railway and inland waterway through modernisation of railways and other activities.

Source:

*Internal calculations using the data provided from the Central Bureau of Statistics web site.
Republic of Croatia – Central Bureau of Statistics. 12 Dec 2005. First Releases According to the Publishing Programme 2005 – Transport, Storage and Communications. 09 Dec 2005.
< <http://www.dzs.hr/Eng/FirstRelease/PrFrameE.htm>>*

Obstacles to the development of transport

Some of main problems hindering the road transport development are insufficient capacity of national roads in urban areas, poor condition of part of pavement on national roads, inadequate stock for passenger cars and trucks. Furthermore, although progressively older cars are being replaced with new vehicles equipped with catalytic converter, still there is a risk of pollution increase.

Concerning the rail transport, problems that are holding back the development are inadequate rolling stock, dilapidated state and poor maintenance of the rolling stock, inappropriate travelling times due to lack of investment in modernisation of the system, also postponement of restructuring might slow down the adjustment to the market. Finally, in relation to the inland navigation, the problems are several bottlenecks on fairways especially on Sava and Drava river, and unsafe fairway on lower part of Sava river that is under responsibility of neighbouring countries. Moreover, port infrastructure is still inadequate, with low capacity and poor technology level.

Best practices in transport and infrastructure regulation.

In relation to the road transport, the basis for efficient public roads management is the Public Roads Act, Transport Development Strategy of Croatia and the Public Roads Construction Programme for the 2001 to 2004 period (which was implemented at 99% of total project cost for national roads, 94.9% for motorways and 97% for county and local roads). The most significant progress was made with construction of the motorway from the Hungarian border to Zagreb and from Zagreb to Split and Rijeka in terms of linking the Croatian coast and the continental part of the country, as well as integration into the European system of transport and corridors. Moreover, it contributed to the tourism development, improved flow of

people and goods and improved safety. The new Public Roads Construction and Maintenance Programme for the 2005 and 2008 period, while continuing the advantages of the previous one (e.g. clearly defined objectives, well elaborated structure of management organisation, established system of financing), will be implemented in a more balanced way. As some of the factors hindering the implementation have been lessened (e.g. realisation of necessary project preparations, like studies, surveys, design development, land acquisition, obtaining of approvals/clearances and of construction permits).

In the area of railway transport in 2006 the new Railway Act will enter into force. The new Act will serve as basis for open and non-discriminatory conduct of rail transport services, as well as for alignment of organisational structure with the EU guidelines. Also, drafting of the Act on Reorganisation of Croatian Railways is in process. With the Act legislative framework for the reconstruction of the rail sector will be created. Through ISPA pre-accession programme for the period 2005-2006 one priority project was proposed consisting in rehabilitation of the railway section (Vinkovci – Tovarnik) on Pan-European Corridor X.

In accordance with the EU legislation in the area of inland waterway Agency for Inland Waterways has been established for operational management tasks (while the Directorate for Inland Waterway of the Ministry of Transport remains responsible for legislative activities and their implementation).

In relation to the major developments of "E" networks, the total of 85,181 km of sections on different E-roads have been released into traffic during 2005. Mentioned sections are on following E - roads: E 65 (33,511 km released), E 61 (10,970 km released) and E 751 (40,700 km released). It is worth mentioning that the section on E 751 represents the first stage of a motorway.

Infrastructure development is one of the key preconditions for further economic growth. It is planned that the state will earmark around 7 % of GDP for future infrastructure investments.

Concerning the measures taken in 2005 aimed at promoting infrastructure investment, as in previous years, taxes for financing the construction and maintenance of public roads continue to be charged. In accordance with the Public Roads Act (Official Gazette 180/04) the taxes are charged to producers and importers of petroleum products, as well as the responsible state administration authority for commodity supplies, on:

- lead and lead-free petrol, regardless of octane rating and trade name,
- diesel fuel, regardless of octane rating and trade name.

Taxes are payable per litre of supplied and imported petroleum products, viz.:

- at the rate of HRK 0.60 into the account of the Croatian Motorways, Ltd.,
- at the rate of HRK 0.60 into the account of the Croatian Roads, Ltd.

Namely, two major companies (Croatian Motorways and Croatian Roads) have been established as road authorities to construct and operate a major part of road networks in Croatia. Furthermore, three concessions have been granted, i.e. rights to construct and manage a motorway and certain highway infrastructures, as a way of encouraging private investment. Concessions continue from the period prior to 2005 and they have been granted to Bina Istra d.d. (operating on Istrian Epsilon), Motorway Rijeka – Zagreb d.d. (operating on motorway Rijeka – Zagreb) and Zagreb – Macelj d.o.o. (operating on Zagreb – Macelj motorway).