

## TRANSPORT SITUATION IN CROATIA 2008

### **1. Traffic trends**

Please provide short **qualitative** comments on the **evolution** of traffic volumes of the various modes of transport in your country in 2008 and the **prospects** for the forthcoming years. You may also wish to provide a short description of emerging transport **trends** in 2008 in your country.

At present data on traffic volumes of the various modes of transport in 2008 are available for the period from January to September of this year.

Out of different transport modes, (road, railway, air, maritime, inland waterway and pipeline transport) in 2008, January-September period, road transport represented 41.5% of passenger transport and 66.8% of goods transport, railway transport represented 41.5% of passenger transport and 9.1% of goods transport, maritime transport represented 9.1% of goods transport and 18.7% of goods transport, inland navigation represented 0.2% of goods transport, air transport represented 1.7% of passenger transport and 0.003% of goods transport and pipeline transport represented 5.3% of goods transport.

According to the data of the Central Bureau of Statistics, evolution of traffic volumes compared to the same period in 2007 are as follows:

**Railway transport:** number of transported passengers increased for 14.3%, while volume of transported goods decreased for 3.1%

**Road transport:** number of transported passengers decreased for 1.2%, while data for the evolution of the road traffic of goods for this period is unavailable due to a change in statistical methodology of the Central Bureau of Statistics.

**Inland navigation:** volume of transported goods decreased for 37.2%

**Maritime transport:** number of transported passengers increased for 4.1%, volume of transported goods decreased for 4.4%

**Air transport:** number of transported passengers increased for 3.3%, while volume of transported goods remained the same.

As it can be seen from the previously listed data, the volume of passenger traffic increased for all transport modes except for road transport, which is in accordance with the efforts of the Republic of Croatia to shift transport from roads toward other transport modes. We would especially like to point out the success in increasing the number of passengers carried in rail transport.

Unfortunately, as regards the volume of goods traffic, with the exception of air transport, for which it remained the same, and road transport, for which the data is unavailable, its volume decreased for all modes of transport.

The decrease happened in spite of many successfully implemented activities undertaken by the Republic of Croatia in order to strengthen the railway and inland navigation sectors.

### **2. Obstacles to the development of transport**

Please provide **information** on main **problems** that have hindered the development of transport in your country during 2008 such as, for example, the impact of high fuel prices and credit crunch on transport & logistics firms. Please describe any measures taken to alleviate such problems.

The main obstacle to the development of transport in the Republic of Croatia is unequal development of its transport infrastructure. The motorway network of a high quality is linked to state, county and local roads of a poorer quality. By investing in the construction of motorways, the Republic of Croatia has achieved the level of development of this type of

infrastructure that is higher than the European average. At the same time, the quality of the asphalt layer has to be improved on state roads, only 17% of Croatian railways are double-track, and only 60% have been electrified.

Efforts are being made to promote inland navigation in combination with rail transport as a viable alternative to dominant road transport. Unfortunately, both inland waterway and rail infrastructure need further improvement in order for this to be achieved.

Inland waterway ports were severely damaged during the 1990's and the Danube waterway has still not reached its previous traffic volumes. The infrastructure is still in poor condition, which combined with low safety standards at some sections of the waterways does not ensure the necessary quality of services in the sector. Activities on improving the situation are going on (RIS has been established as well as the National Control Centre).

Poor condition of the railway infrastructure causes low speed and late arrivals of trains. The rolling stock needs to be modernised.

Concerning the improvements needed to the above mentioned sectors, it has to be said that The Republic of Croatia has been working intensively on the modernisation of the railway and inland waterways networks in order to raise its infrastructure to the desired level, that is, in order to align them with the European standards, especially along the Pan-European Corridors X and VII.

The existing networks of air and maritime ports in the Republic of Croatia provide good area coverage and are relatively well connected to the road network. The air and maritime ports are functioning according to the existing safety standards, but they should nevertheless be modernised and upgraded in order to become competitive at the international level.

### **3. Best practices in transport and infrastructure regulation**

Best practices in addressing transport problems through regulation in your country may serve as a model for other countries. Please indicate the **main successful regulatory and infrastructure developments** implemented or under implementation in 2008 which have significantly improved the efficiency, safety and/or environmental performance of the transport sector in your country.

During the last several years, the transport network of the Republic of Croatia has been developing rapidly. Although the development has been primarily focused to the construction of the road infrastructure, there have been some improvements to other transport sectors as well.

In order to ensure an uninterrupted structural adjustment process in the transport sector, Croatia has drafted a 'Transport Operational Programme' for 2007-2009 period. The medium-term assessment of needs and objectives confirmed that the existing network of primary roads, sea ports, motorways and aviation in Croatia is relatively well-developed and provides good area coverage, but suggested, as indicated in the answers to the previous questions, that there is a need of infrastructure rehabilitation and modernisation in the railway and inland waterways sub-sectors.

As regards highly developed motorways network, the priorities and the schedule of construction and maintenance of motorways for the 2005-2008 period were determined by the Public Roads Construction and Maintenance Programme for that period (OG 3/05) adopted by the Government of the Republic of Croatia in 2004.

The progress in the construction of motorways has been achieved by the implementation of the above mentioned Programme, the Transport Development Strategy, as well as of specific development strategies, plans and programmes. The transport routes which were

planned to be finished or enlarged by 2008 were successfully finished. Several important sections of the motorway network, that are also sections of the agreed future Trans-European Transport Network in Croatia, were opened in 2008, among which are the ones listed in the following paragraph.

Sections Bosiljevo-Rijeka, Vrbovsko-Delnice, Delnice-Kupnjak and Kupnjak-Vrbovsko of Motorway A6 were upgraded with the second carriageway. 40 km long section Šestanovac-Zagvozd-Ravča of Motorway A1 was constructed. The last section of Motorway A4 from Zagreb to Goričan, 1.4 km long, and the Mura Bridge are opened on 23 December. Motorway A4 ends at the border crossing with the Republic of Hungary Letenye and is connected with Motorway M7 to Budapest. The Mura Bridge has been financed jointly by the Croatian Motorways company and the Hungarian company Infrastruktúra Fejlesztő, the total value of investment being €8 mil.

It is important to mention that the construction of a highly serviceable motorway network has also considerably contributed to road safety.

As regards railway sector, the National Railway Infrastructure Programme for the 2008-2012 period was adopted in March 2008, defining the plans of investments into construction, modernisation and maintenance of the railway network.

The projects of railway rehabilitation are mostly funded by the EU ISPA fund and concern Pan-European Rail Corridor X, and they include the modernisation of the section of the line from Vinkovci to Tovarnik, and from Tovarnik to the Eastern State Border. A section of the previously mentioned railway route from Vinkovci to Osijek was opened in the middle of December. There are plans for further investments in the renewal of the railway infrastructure at the Corridor x and the construction of the new line to Rijeka.

An important step in assuring railway safety was taken by the adoption of the Act on the Railway Transport Safety Agency (OJ 120/08), adopted by the Croatian Parliament on 3 October 2008. The Agency was established with the purpose of impartial, open and non-discriminatory regulation, management and supervision of railway transport safety system.

Concerning inland navigation, the Croatian Parliament has adopted the Development Strategy for Inland Waterway Transport (2008-2018) (OG 65/08). The implementation of the activities related to the establishment of the National Control Centre and the drafting of the Action Plan for Shipping is planned for 2009.

As far as inland waterways infrastructure rehabilitation projects are concerned, it is expected that the ongoing pre-feasibility study conducted by the Sava River Commission will result in viable project proposals which will then be addressed in the 2010-2013 programming period of the EU ISPA fund. Moreover, technical assistance of the European Union is foreseen for the preparation of the Vukovar port project.

With regard to transport infrastructure, please highlight major developments concerning **"E" networks**, provide the latest available information on **infrastructure investments** in terms of % of GDP in your country, and describe the measures taken in 2008 aimed at **promoting infrastructure investments** (targeted taxes, road funds, regulatory reforms to encourage private investment,....) which could also be of interest to other countries.

Regarding transport infrastructure in Croatia, major developments concerning "E" networks have been achieved on the following highway sections:

A1 – ZAGREB- ŠESTANOVAC – 40 km released  
Šestanovac-Zagvozd-Ravča

A4 – GORIČAN – ZAGREB – 1,4 km (bridge) released  
Bridge over the river Mura on the border with Hungary

A6 – BOSILJEVO – RIJEKA – 35,5 km  
Delnice-Kupnjak, Kupnjak-Vrbovsko (upgraded with the second carriageway)

Regarding the infrastructure funding, as mentioned in the 2007 Questionnaire on transport situation, 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.

In 2008, 21,160,000.00 € has been invested in upgrading the Croatia's railway transport system, 75% of which came from the EU-Pre-Accession Fund IPA and the rest 25% from national public contributions.

In 2008, 2,500,000.00 € was invested in upgrading Croatia's inland waterway system. It was financed in the same way as the railway transport system upgrading, that is, 75% of the funds came from the EU-Pre-Accession Fund IPA and the rest 25% from national public contributions.

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