

## **Interview of MINA agency with Minister of Transport and Maritime Affairs Osman Nurkovic**

### **1. How satisfied are you with the dynamics of works on the construction of the priority section of the Bar Boljare highway? What activities does the Ministry take when it comes to the further realization of the following sections of the Bar - Boljar highway?**

I have repeatedly emphasized and I will repeat: such a large development project implies a high degree of responsibility and dedication, and as long as the project is implemented by the applicable regulations that will ensure quality, longevity and safety, I can say that I am satisfied. There is often a question of the dynamics of works on the construction of the first kilometers of the highway in Montenegro and I will be very clear about it, dynamics are not a priority for the quality of this capital project.

From the beginning of the project, in the first place was the opinion and position of the profession, while the Contractor insisted on consistent compliance with contractual provisions as well as on the consistent application of the relevant domestic and European regulations, procedures and standards.

I would say that knowledge of legislation and procedures in the initial period of realization of this project was a quite challenge faced by the Contractor, as new in the European market at that time. The fact is that it certainly had some influence on the design time and later on the performance of works on the field. However, from CRBC's management we are consistently convinced that it will engage all its available resources in a way that will ensure the realization of the project within the agreed deadline, which we never set as its priority if it means any compromise with quality.

We continue to carry out activities to create the prerequisites for the realization and other sections of the Bar-Boljare Motorway. Preparatory projects and supporting documentation for the shares of Mateševo-Andrijevića and Smokovac-Tološi-Pharmacy (around the Podgorica) are being prepared, which are detailed in the detailed spatial plan of the Bar-Boljare motorway and are defined as the second stage of project realization. The development of these projects is funded by EU grants provided through the mechanism of the Investment Framework for the Western Balkans and is the result of intensive foreign policy in the field of transport we run in the ministry.

In March, China Road and Bridge Corporation (CRBC) signed a "Memorandum of Understanding and Co-operation for the Bar-Boljar Highway Construction Project on the Principles of Private-Public Partnerships", so that the CRBC company was not placed in a privileged position. It is only the company that first expressed interest in the realization of the other sections of the Bar-Boljare motorway, which is understandable because it is already present on the domestic market, on the project.

All interested parties are invited to present their intentions and propose conditions and models for the realization of other sections of the Bar-Boljare Motorway, on the principles of private-

public partnership, based on the best international practice and respecting the principles of equal treatment, free competition and non-discrimination. There will be no privileged players in that match, and the price and deadlines, as well as the quality of work, experience and referentiality will be the only recommendations we will appreciate as the Investor.

Ahead of us, we have a comprehensive and responsible work in order to multidisciplinary review the preparatory activities of the realization and other parts of this project, and define the optimal conditions, models and procedures of realization in accordance with the best international practice, relying, as before, on the opinions, attitudes and recommendations of the profession. We also recognized the importance of regional performances and we are working to look at opportunities for joint performance with colleagues from the Republic of Serbia.

## **2. What is the attitude of the Ministry about the situation in the national air carrier Montenegro Airlines and how will the issue of the company's debt be solved?**

The situation in Montenegro Airlines's national carrier and his fate regarding the company's debt is one of the major challenges both for the Government and for me as the transport minister. The situation we have needs to be solved seriously and it is time to sum up all the data and make important decisions regarding the continuation of our carrier's business.

Bearing in mind the significance of the national carrier in general, which is best illustrated by numerous indicators of how important this company is for Montenegro and the unique position of the Government, and this is my opinion, which we have repeatedly stated, we do not consider the bankruptcy option.

Data show that Montenegro Airlines is a company that transfers around 550 thousand passengers, and according to research by some agencies, the contribution of national air carriers to total revenues in Montenegrin tourist industry amounts to about 117 million euros. Montenegro Airlines transported almost a third of the total number of passengers from Montenegrin airports at the level of the year, and in the winter months up to 45 percent.

More than 400 employees and their families live in this company. Almost two-thirds of employees in the company are licensed by flight, technical and other operational staff, in whose instruction and training were invested significant funds.

So, I believe that this information is enough to say how important this company is for Montenegro.

## **3. Which would, in your opinion, be the most acceptable model for valorisation of the Airports of Montenegro?**

Airports are constantly recording a growing number of serviced aircrafts and passengers, so we need to find a better investment model and to design a modernization project that will provide quality and speed of service in the long run and monitor the dynamics of the growing number of tourists coming to Montenegro.

In the Government, we share the opinion that the capacity of airports in Montenegro, although doing business well, are simply not exploited enough. Our goal is to provide high quality services to travelers, but also certain benefits to the state and the budget.

The planned financing model for the realization of this investment, as I have pointed out several times so far, through JPP (finding a strategic partner / investment of a private investor) where will be the minimum obligation of the state (eg covering expropriation costs).

As you know, we are working on the concept of future development of Montenegrin airports. Therefore, the most acceptable model for valorisation of the Airports of Montenegro is the partnership with the private sector, which in the region and beyond has proved to be a successful model.

#### **4. What are the major projects this year when it comes to the development of the road and rail infrastructure?**

There are many challenges in the railway sector, above all in the business of the company, and given that it has worked intensively in the implementation of its obligations, it is important to mention that it was adopted **The Railway Development Strategy for the period 2017-2027, for the first time as a special strategy for the railway area in Montenegro.**

A number of by-laws have been made and published in the area of railway safety. It is about amending the Law on Railways, which will create the conditions for meeting the criteria for closing chapter 14.

Also, when it comes to securing investment, significant progress has been made.

In 2017, a contract for funds from the Western Balkans Fund (WBIF) was signed in April in the amount of EUR 40 million (20 + 20) in a way that 50 percent of the funds are non-refundable from this Rail Project Fund.

Two tenders have been successfully implemented for installing a new signal-security device in Podgorica station and repairing six slopes in the northern part of the railway line, and an approved application for a new arrangement of 20 + 20 million euros has been submitted (half of the funds will be intended for the purchase of new trains and furnishing and modernization of workshops and storages for the maintenance of vehicles), the project of the general overhaul of the upper machine of the tunnel Sozina and the installation of the new electric plant "EVP" in the Trebešica station was completed.

Adaptation of the station building at the Bijelo Polje station will create the conditions for the start of the joint border station, and I would mention investment activities related to the permanent solution of crossings for which an alternative solution had to be found after completion of the Nikšić-Podgorica general overhaul.

It can be said that the 2017 business segment of the railway companies marked a more stable operation due to the significant increase in the volume of transport in freight transport by 38.5 percent.

In 2018, the Ministry of Transport and Maritime Affairs will propose improvements in the organizational sense in the area of railway companies in order to make the restructuring process more efficient.

Regarding the network of national roads this year, but also in the forthcoming period, we expect a lot of work, especially the northern region of our country will be a great active construction site, and our concept is the reconstruction and modernization of state roads from border crossings to the interior of Montenegro. I would like to remind you of the highly reconstructed PG-CT-BD route, which is a good example of many years of remediation, and we intend to extend and reconstruct the other important directions in the state in a similar way. There are many challenges in the field, but no less work in the administrative area. The design of the project documentation itself and the selection procedures for the most successful contractors are a large part of the work that is being carried out and are an important part of the whole process. As current projects, he lists several stocks on which the works are performed: Petrovići-Vračenovići (border crossing with BiH), Krstac - Ivanova Korita, Košljun -Zavala, Podgorica - Petrovac, Ulcinj - Krute, Lubnice - Jezerine, a boulevard through Donja Gorica, Crkvice - Vrulja, Slijepač Most - Pavino Polje, Ribarevina - Mojkovac, roundabout around Rožaj ...

I would add that in the focus of our attention in the coming period will be also the maritime economy, where we will launch some new projects. We also talk about a different organization of majority owned state owned companies in the maritime economy, and we expect more significant effects for both local and national levels.