



**Road
transport**

Joint declaration for accelerated development of Corridor VIII

The ministers of transport of Republic of Bulgaria Peter Mutafchiev, Republic of Italy Pietro Lunardi, Republic of Macedonia Djemali Mechasi and Republic of Albania Lulzim Basha signed a Common Declaration for accelerated development of corridor VIII. The high level meeting took place in Plovdiv.

A statement was made during the meeting that the realization of the regional infrastructure projects such as corridor VIII, are conducive for the culture and economic intimacy in the region.

The ministers welcomed the progress in various sectors along corridor VIII and declared, that they will encourage the institutions, interested to prolong their activities to complete fulfilment of the project. Measures will be taken for realization of successful information campaign, to attract future investors for building corridor VIII.

Corridor VIII will ensure the cooperation; strengthen the integration between the countries, not only along the corridor, but in the whole Southeastern Europe.



Minister Mutafchiev

Modernisation of border checkpoints

The Bulgarian government has assigned priority importance to the modernisation of the Kapitan Andreevo checkpoint on the border with Turkey, the Kalotina checkpoint on the border with Serbia and the Kulata checkpoint on the border with Greece. The expansion of the traffic capacity of the Kapitan Andreevo and Kalotina checkpoints will get underway in 2006 with the financial assistance of the World Bank which has extended 50 mln euro.

Bulgaria opened 2 new checkpoints in 2005: Ilinden-Exochi on the border with Greece and Lesovo-Hamzabeyli on the border with Turkey. A total of 6 border checkpoints are under construction: Strumyani-Berovo and Simitli-Pehchevo on the border with Macedonia; Rudozem-Xanthi and Makaza-Nifea on the border with Greece; and Nikopol-Turnu Magurele and Silistra-Calarasi on the border with Romania. The border-crossing projects implemented jointly with Romania have advanced the most and should open in late 2006 or early 2007.

The Bulgarian government will negotiate for the launch of a total of 9 new border check points: Kainardja-Carvan, Novo Selo-Gurla Mare and Oryahovo-Gostinu on the border with Romania; Strandja-Malkoclar, Belevren-Ahlatli on the border with Turkey and a seasonal checkpoint in the Black Sea basin; Ivailovgrad-Kyprinos on the border with Greece; and Salash-Novo Korito and Bankia-Petacnici on the border with Serbia.

The drafts of agreements with the Romanian side on opening of the checkpoints Baikal-Corabia, Kozloduy-Gigera, Dolno Oryahovo-Oltenica and Archar-Desa are ready and should be moved for approval to the council of ministers soon.

Sofia ring road advisory contract tendered

Bulgaria's Road Executive Agency has tendered an advisory contract for the construction of a 4.6 km section of the Sofia ring road. The bid receipt deadline expires on May 19. The government has provided 30 mln euro for the road section which should be completed by Oct '08. The construction of another 21.6 km from the southern arc of the ring road are scheduled to get underway after that date. There is no official timetable for the completion of the entire southern arc of the road. The northern arc of the ring road is part of the concession contract award for the Trakia motorway.

Rousse, Sofia to become logistic transport hubs

Intermodal transport hubs for transit cargo will be set up in Rousse, where Pan-European corridors 7 and 9 intersect, and in Sofia, transport minister Petar Mutafchiev said. Foreign experts will be hired to assist the implementation of the project, Mutafchiev added.

The military airfield in Shtraklevo, near Rousse, on the Danube, was recently opened to public flights and is now expected to be concessioned off. Investor interest is related to its proximity to the port of Rousse and the plans to establish a transport centre.

Separate concessions will be awarded either for Rousse's Port East or Port West if the future logistic hub lies on the territory of one of the two ports, said Mutafchiev. The two ports, however, will be paired off if the hub is set up elsewhere, he added.

In 2005 the private ports handled over 1.8 mln tons of cargo, shows data of the Association of Private Ports. Inert materials account for 68% of all cargo, followed by coal with 14%.

Awarding concession for Struma motorway

The construction of the Struma motorway, which runs between Bulgaria's borders with Greece and Serbia, will be offered to investors under a concession arrangement, regional development minister Asen Gagauzov said. The timetable for the concession procedure was announced in April. Sofia initially planned to finance the road link with money from EU's cohesion funds but keen investor interest, mainly from Greek companies, has convinced the government to opt for a concession arrangement.

Motorway projects presented to Citigroup, Lehman Brothers

During his working visit to the U.S., Bulgarian regional development minister Asen Gagauzov has showcased to executives from Citigroup Public Finance Group and Lehman Brothers the opportunities that Bulgaria presents for investment in major infrastructure and water supply projects, in the areas that will welcome U.S. military installations and in the Bourgas-Alexandroupolis and Bourgas-Vlore oil pipelines.

The U.S. executives were briefed on the projects for the 114 km Maritsa motorway, linking Parvomai and the Kapitan Andreevo border checkpoint on the Turkish border, for the Struma motorway, linking the capital with the Greek border, and for the 95 km Cherno More motorway, linking Varna and Bourgas. The construction tally for the 3 expressways is seen at over 1 bln euro.

Bulgaria expects to receive 12 bln euro from various EU programs over the next 6 years but that option will not diminish the importance of private financing because the country needs that extra cash, said Gagauzov.

Bulgaria to grant concession contracts for Sofia, Plovdiv railway stations

Concession contracts for the central railway stations in Sofia and Plovdiv will be awarded by the end of 2006. The government is likely to hire a consultant for the concession procedures, said the official.

One of the options under review is to offer a package between one big and one small railway station.

The annual maintenance bill for the Plovdiv railway station is 15 mln levs. In addition to the 2 railway stations, the government will also sign over for management under concession arrangements the Maritsa, Struma and Cherno More motorways and the modernisation of airport and harbour infrastructure, says the government program for the implementation of priority infrastructure projects through 2015.

The concession procedures for the Rousse airport and the port terminals in Vidin, Rousse and Tutrakan (on the Danube) will be launched by the end of the year, said Mutafchiev. The modernisation of the 204 km Sofia-Karlovo-Zimnitsa and the 135 km Rousse-Varna railways, with a combined tally of 3 mln euro, will also be flagged off by the end of 2006.

The 51 km Sofia-Dragoman, the 48 km Sofia-Pernik-Radomir and 236 km Mezdra-Gorna Oryahovitsa railway roads will also be renovated over the next couple of years.

A total of 887 mln euro have been allocated for the construction and reconstruction of





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road infrastructure in 2007-2009. The EU Cohesion Fund will provide 593 mln euro of the amount while the rest will be local co-financing. The cited amount will be invested in the reconstruction of the Kardjali-Podkova and Vidin-Montana roads as well as in a section of the Hemus motorway.

The government has estimated that the construction of the 114 km Maritsa motorway could kick off in 2007. The facility should be ready in 2009. The road links Parvomai and the Kapitan Andreevo border checkpoint on the Turkish border.

Work on the Struma motorway, linking the capital with the Greek border, will get underway in 2008 and be completed 4 years later.

The 95 km Chernomorec motorway, linking Varna and Bourgas, will be built in 2014-2017.

Over EUR 2 bln from the EU Cohesion Fund to be invested in transport infrastructure

A thorough analysis and tight implementation timetable for priority infrastructure projects were prepared at Prime Minister's urgent request. Prime Minister Sergei Stanishev also ordered the Coordination, Control and Implementation of Infrastructure Projects of National Significance Council to come up with an assessment of the investment projects that are to start in 2007-2008. The Prime Minister underlined that there is serious progress in scrutinizing priority infrastructure projects by the relevant line ministries. Such a report has not been drafted so far but it is vital if we want to take the most appropriate management decisions, Stanishev pointed out.

The Council discussed the report on priority road projects of national significance. Over EUR 2 bln from the Cohesion Fund of the EU are expected to be invested in transport infrastructure. The projects implementation will improve road capacity and will enable better interoperability with the Trans-European transport network.

Five Pan-European Corridors cross our country and a modern infrastructure will only increase Bulgaria's competitiveness as a bridge between Europe, Asia and Africa. Good roads will make easier links between manufacturers, traders and end-consumers of goods and will boost tourism, internal and external trade. Thus new jobs will be opened and the economic development of the country will be taken forward, it was stressed at the meeting. The schedule of the Ministry of Transport envisages the concession of Trakia, Maritza and Struma highways. After a detailed financial analysis is carried out the Council for Coordination, Control and Implementation of Infrastructure Projects of National Significance will take a final decision and will put it forward for debate with the cabinet.

Airport infrastructure will also be modernized through a public-private partnership. The airports in the towns of Varna, Burgas, Russe, Plovdiv, Gorna Orayhovitsa and Turgovishte are also to be granted in concession. The Ministry's programme envisages renovation with funds coming from the Cohesion Fund of railway lines between the towns of Vidin-Sofia, Sofia-Plovdiv, Sofia-Pernik, Sofia-Dragoman, etc. EUR 1 150 mln are expected to be invested in the implementation of these projects. Other financing resources (the state budget, credits, etc.) will be employed for the modernization of railways Kanobat-Sindel, Russe-Varna, etc. The Ministry of Transport plans to allot EUR 44,3 mln for the implementation of the projects in 2007 budget.

Bulgaria will receive around EUR 1 029 mln from the Cohesion Fund for the reconstruction of road infrastructure. Projects that are currently underway include: infrastructure projects Orizovo-Stara Zagora and Karnobat-Burgas, both of which are sections of Trakia highway; reconstruction and extension of Sofia airport; modernization of Burgas port; renovation of railway Plovdiv-Svilengrad, etc. The Council for Coordination, Control and Implementation of Infrastructure Projects of National Significance was established on 27 December 2005. Its members include the ministers heading the respective ministries, namely of Economy and Energy, of Transport, of Environment and Water, of Finance, of Regional Development and Public Works, of Agriculture and Forestry and of Public Administration and Administrative Reform.



*Prime Minister
Sergei Stanishev*



BILATERAL AGREEMENTS

Bulgarian-Syrian Joint Committee on International Road Transport

A meeting of the Bulgarian-Syrian Joint Committee on International Road Transport was held in February in Sofia. The Syrian delegation assured of its support before the Competent Authorities in its country for facilitating the transport operations of the Bulgarian hauliers in Syria.

Bulgarian-Danish Joint Committee on International Road Transport

A meeting of the Bulgarian-Danish Joint Committee on International Road Transport was held on 30 March 2006 in Copenhagen. Both parties expressed their satisfaction of the liberalization of the bilateral and transit transport operations, which had been implemented since 1990 and agreed to continue this practice, in spite of the enforcement of the new bilateral agreement on international goods and passenger transport between Bulgaria and Denmark. For further decreasing the administrative barriers before the international hauliers the delegations contracted that as from 1 January 2007 the transport operations to/from third countries would be carried out without permits.

Bulgarian-Czech Joint Committee on International Road Transport

A meeting of the Bulgarian-Czech Joint Committee on International Road Transport was held on 4 and 5 April 2006 in Sofia. After a discussion the delegations came to an agreement for increasing the contingent of permits, that would be valid only for bilateral transport operations with EURO 3 vehicles, that should be accompanied by the relevant ECMT certificates. With regard to the regular bus lines a transitional mechanism from the current operative procedures to the implementation of the Regulation 684/92/EEC of the EU was set.

Bulgarian-Moldovian Joint Committee on International Road Transport

A meeting of the Bulgarian-Moldovian Joint Committee on International Road Transport was held on 12 and 13 April 2006 in Sofia. A decision was taken for liberalization of the bilateral and transit transport operations as from 1 January 2007. Thus, permits would be necessary only for haulages from/to third countries. The permits for shuttle carriages were increased.

Bulgarian-French Joint Committee on International Road Transport

A meeting of the Bulgarian-French Joint Committee on International Road Transport was held on 20 and 21 April 2006 in Sofia. Upon request of the Bulgarian party additional permits were negotiated, a small part of which would be for goods vehicles EURO 3. The French delegation submitted information for an administrative procedure for issuing additional annual permits for Bulgarian transport companies, that had concluded cooperation contracts with French transport companies.

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