



INTERVIEW: MINISTER OF TRANSPORT AND MARITIME AFFAIRS OSMAN NURKOVIC

We are preparing documents for other sections of the highway

✉ Bojana Despotović

In addition to continuing the construction of the priority section of the Bar-Boljare highway, the Ministry of Transport and Maritime Affairs will actively work on the preparation of technical documentation for the next sections on this corridor in 2018, said Minister Osman Nurkovic in an interview for Dnevne Novine.

He said that despite the bad situation in Montenegro Airlines, the biggest challenge in the first year of the mandate was the construction of a priority section of the Bar-Boljare highway. Nurkovic talked about the valorisation of the Airports of Montenegro and the problems of the Montenegrin railway.

DN: How are you satisfied with the dynamics of works on the priority section of the Bar-Boljare highway?

Nurkovic: During the regular field tours on the priority section during 2017, I was convinced that works were carried out along the entire route with full capacity and planned dynamics. I am satisfied with the parameters that show that both the scope of the works and the financial indicators have met the plans for the past year. I found the state of the construction to be five issued permits and 9.5 million spent funds. After this year,

we have issued 17 construction permits for construction works and 9 for construction of a disposal site for excavated waste. Out of 16 tunnels, work is being carried out at 15, while four tunnels have been penetrated - Jabučki karst, Klopot, Vilac and Mrke. Out of 20 bridges, the works are taking place at 15, and 37 percent of the works is done on them. Meanwhile, the largest item on the route - Moracica Bridge is being built according to planned dynamics. I think the results of our work and engagement are best shown in these figures. Up to now, the Ministry has issued 76 approvals for subcontracting involving 95 companies. Out of this number 77 companies are from Montenegro. Among the engaged companies there are also those from Croatia, Slovenia, Serbia, Bosnia and Herzegovina, Italy. Moreover, the contractor engages other legal

entities as service suppliers and procurers. Among them, there are entities from China, as well as from Italy, Sweden, Germany, Great Britain, France, Denmark, Czech Republic, Hungary. According to the latest official data from the Contractor (from December 2017), there were 3,048 employees out of which 1,162 were domestic employees.

DN: What do you personally think is the best solution for Montenegro Airlines, whose poor financial situation partially marked the domestic economic scene in the past year?

Nurkovic: One of the great challenges for the Government and me as the Minister of Transport is the situation in Montenegro Airlines and its destiny. We have repeatedly stated that the Government is not even considering the option of bankruptcy, bearing in mind the significance of the national carrier in general, as well as business arrangements that have been agreed on in advance. This position is unified in the Government, and that is my opinion as well. The arguments for this attitude are clear. Data shows that this is a company that transfers around 550,000 passengers. Total revenue for the first 11 months of 2017 amounted to about EUR 55.6 million. During the year, 11 earnings were paid - 2 residual earnings



Nurković

CONGRATULATIONS to the citizens

I want to take the opportunity to congratulate all the citizens who celebrate the upcoming holidays, to first wish everyone good health and pleasure in personal and family life and then everything else.

from last year and 9 out of this year - around 4.5 million euros net. More than 400 employees and their families live on earnings from this company. Almost two-thirds of the employed are licensed flight, technical and other operational staff, in whose training considerable resources have been invested. According to research done by some agencies, from 1 June to 30 September 2017 (during which period the company served 297,732 passengers in both directions, i.e. 148,866 tourists), the contribution of Montenegro Airlines to the country's tourism industry totaled about EUR 117 million. Montenegro Airlines transported almost a third of the total number of passengers from Montenegrin airports on the annual level, and in the winter months up to 45 percent of the total number of passengers. Therefore, I believe that this information sufficiently speaks about the importance of this company for Montenegro.

DN: In addition to the bad situation in Montenegro Airlines, what was the biggest challenge you faced in the first year of the mandate as the Minister of Transport

and Maritime Affairs?

Nurkovic: I would say that in the first place the project of building a priority car-tim share required most of my attention and engagement at the beginning of the mandate. It was necessary to establish better dynamics and harmonize the activities of state bodies involved in the project itself, but also very often, on a daily basis, to maintain communication with the contractor. The results of our engagement are visible and every day more concrete. However, you know that there are problems in the operation of certain transport companies, apart from the national carrier, there are also companies in the field of rail transport. I think it takes time to solve the problems that accumulated in the previous period. Regardless of the challenges, we still have successful transportation companies, such as Montput and Aerodrom. There is always room for progress and better valorisation, and we will focus on making important decisions that will help us successfully overcome challenges and provide institutional support to companies to continue to work with better business results.

DN: How do you assess the situation in Montenegrin Railways?

Nurkovic: As I have already said, there are many challenges in this sector, above all in the business of the company, but in my team there was intensive work on the fulfillment of obligations, so it is important

to mention that the Railway Development Strategy for the period 2017-2027, for the first time as a special strategy for the railway sector in Montenegro. There are also published by-laws on rail safety in the field of railway safety, which are about to draft amendments to the Railway Act, whose draft will be completed by the end of this year and which will create the conditions for meeting the criteria for closing chapter 14. As far as providing significant progress in 2017, a Western Balkans fund contract was signed in April, amounting to EUR 40 million, of which 50% is non-refundable for rail projects. Two tenders have been successfully implemented, the installation of a new signal-security device in Podgorica station and the repair of six slopes in the northern part of the railway line, an approved application for a new arrangement of 20 + 20 million euros was submitted and the project of the general overhaul of the upper tunnel machine Sozina installation of a new electric plant in the Trebešica station. I would also like to mention investment activities related to the permanent solution of crossings for which an alternative solution had to be found after the completion of the Nikšić-Podgorica general overhaul. In the segment of the railway companies business, it can be said that this year is characterized by a more stable business because of a significant increase in the volume of transport in freight transport by 38.5 percent. In the area of railway companies,

the Ministry of Traffic and Maritime Affairs will propose improvements in organizational terms in 2018 in order to make the process of restructuring more efficient.

DN: Which projects will the Ministry you are leading to work on next year?

Nurkovic: As things stand, the year before us will be equally dynamic and intensive for the transport sector. In addition to continuing the construction of the priority section of the Bar-Boljare highway, we will continue to work on the preparation of technical documentation for the following sections of this corridor. I expect to continue investing in railway infrastructure and the resources that are already being secured. Notwithstanding the intensity, the work plan of the Directorate for State Roads will be implemented, so a significant number of projects on the state roads will be realized, and we will certainly deal with the better valorization of the port of state importance, which we consider great potential. We will continue to communicate with interested foreign investors for the realization of capital projects especially in road infrastructure, but in addition to these activities we continue to realize the regular plans of the Ministry. The plans are ambitious, but not unrealistic. I am satisfied with the performance of my managerial staff and all employees in the Transportation Department of the year for us, but I expect 2018 to be as successful as this, if not more.

PARTNERSHIP THE MOST ACCEPTABLE OPTION

DN: In the past year, much has been said about the valorisation of the Airport of Montenegro. What is your position on this issue and what does your valuation mean for you?

Nurkovic: The Southern Port of Montenegro is doing well, but in the Government we share the view that the capacities are not sufficiently exploited, and even though the airports are constantly tracking down the number of obedient aircraft and passengers, we need to find a better investment model and to design a modernization project that will provide quality and service speed in the long run and follow the dynamics of the growing number of tourists who come to our country through this transport. Several times so far, I have pointed out that the planned financing model for realizing this investment is through a public-private partnership (finding a strategic partner / investing a private investor) where the state's minimum obligation, through the capital budget or borrowing, will be the expense of expropriation. As you know, we are thinking about the concept of future development of Montenegrin airports. Thus, the most acceptable model of partnership with the private sector, which has proved successful in the environment and beyond. Our goal is to provide high quality passenger service, but also to benefit the state and the budget.

Airport Podgorica



Photography: Vedran Ilie