

FEATURED TOPIC:

RCSEE HELD A ROUNDTABLE ON DEVELOPMENT OF RAILWAYS IN SEE



*16.06. exhibit of paintings from Belgrade
pre-school institutions „Čupko“: “Railways in
our region”*

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04-07 | FACTORY NEWS



Montenegro: Current projects of Railway Infrastructure of ME

BiH: Maintenance workshops passed certification

Croatia: HŽ Infrastruktura finished 2015 with a positive result

Serbia: Serbia and Macedonia opening a joint railway station on the border in Tabanovci

Serbia: First locomotive delivered after 35 years

08-10 | FEATURED TOPIC:

FIRST MEETING OF RCSEE MEMBERS AND FRIENDS HELD



- Cluster gives support to expertise over politics
- Dynamic debate at the cluster Roundtable
- Quotes of individual Roundtable participants
- Mini-exhibit held: „Railways in our region“



IMPRESSUM

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Editor's opinion:

Pre-School Children and the Balkan Railways

Dear readers and members of the Railway Cluster for Southeastern Europe (RCSEE),



Before you is the second issue of **“SEE Rail Perspective”**, a publication that is „much more than a newsletter“.

Together with the short information from the industry, the focus of this issue is the recently held first large meeting of our Cluster, that gathered over 60 members and friends of RCSEE from the entire region, but also from Austria and Germany.

As a part of the meeting, a roundtable was held with the topic of development of railways in Croatia and Serbia, that is, will the new governments in Serbia and Croatia give a more significant support in the modernization of their respective railway systems, which would certainly give a special impulse to the economic development of the whole SEE region. However, in the late afternoon of the same day the government of Croatia was disbanded due to internal political crisis. Now we are waiting for the parliamentary elections in Croatia, but also for the formation of the new government in Belgrade.

At the same time, on our meeting an interesting mini-exhibition was held, with the topic of “Railways in our region”. Children were children – their paintings were depicting idealistic creations of our railways, but also a broader view on the topic itself: beside the flags from the region, on the children’s drawings there were also the flags of the countries of our other members – Germany, Austria and Finland.

I found the explanation of a young man named Aleksa Milojković (7 years old) especially interesting, whose painting of a train entering the station was mainly painted in dark colours. He explained his painting to the teacher like this: “these dark colours are showing the smoke from the locomotive which covers the station and the people”. If he only knew how close he came to the real image of railways in our region, especially in certain countries... On the other hand, his concern for the bad environment situation in the region is respectable, which is also negatively influenced by the current situation with the railway systems in some of the countries, which are even worse now than they were a hundred years ago. And they will remain so as long as those who are responsible for the current situation are still holding true to the old socialist maxim by Lenin: “one step forward, two steps back”.

It is about time that the top levels of national railways and ministries in charge of traffic in the region are dominated by honest, with professional knowledge of the sector and high moral integrity.

Or have I too become an unrealistic optimist?

Kindest regards,

Milan Vučković

RCSEE Direktor

SEE RAIL Perspective, Editor in chief



Current projects of Railway Infrastructure of Montenegro (ŽICG)



As published by the Railway Infrastructure of Montenegro on its website, one of the key barriers to the economic

growth in Montenegro, along with the economic and political barriers, is the condition of transport infrastructure.

Special weakness of the current transport system in Montenegro, together with the condition of infrastructure, is the lack of connections between maritime, road and railway traffic, the consequence of which is that the road transport is still primary, and the potential of the railway and Port of Bar remain unused.

As the amount of railway traffic can be observed as an indicator of attractiveness of the region to the foreign businesses and its market integration, it is in Montenegro's interest to increase it and use all the resources that enable it. In favour of this is the increased trend of investments in the European railway traffic, due to which a total of 164 million Euros was invested in the reconstruction of railway infrastructure in Montenegro, out of which 39 million out of the Montenegro's Budget, while 125 million came from bank and IPA funds.

Considering its size and the state of its economy, it is clear that Montenegro cannot secure funds for the great infrastructure projects, such as construction of new railway lines, out of its income (at least not in the short and medium term). Due to that, it needs the support of financial institutions and partnership with private sector, who demand clear strategic documents that show the importance and economic feasibility of such investments.

Considering that Montenegro entered the negotiations for accession into the European Union, we sincerely hope for the opening of financial funds that would finance strategic projects such as: Pljevlja-Bijelo Polje-Berane-Kosovo border rail, as well as Čapljina-Trebinje-Nikšić rail.

Accordingly, in the following period we can expect Railway Infrastructure to continuously work on the reconstruction and modernization of the railway network in Montenegro, with the clear goal of quality positioning of this country as an intermodal transport centre and inte-

gration into a trans-European transport network, which will significantly ease the Montenegro's path to the EU.



Workshops of Sector for Rolling Stock Maintenance of Railways of Republika Srpska successfully certified for ISO 9001 2008

Republika Srpska, June 2016: Workshops of Sector for Rolling Stock Maintenance, with sections in Doboj, Prijedor and Banjaluka, have successfully passed certification assessment for ISO 9001 2008 certificate, valid until June 2018. The certificate was granted by the workshops by the German company **TUV Rheinland**, which has a branch office in Belgrade.

The assessment report given to the Railways of the Republika Srpska contains recommendations for improvement of operations and management system by the certification authority TUV Rheinland.



„As for the recommendations and possibilities for improvement given by the certification authority, they are based on the preparation for implementation of new version of ISO 9001:2015, implementation of ISO standard 14001:2015, which refers to the safety of the information in management system, and the implementation of ISO 18001:2007, related to the environment management“, said **Branislav Jovičić**, representative of Railways for ISO standard.

Jovičić claims that this years' certification assessment mostly revolved around the audit of technical norms and technological procedure for repair of rolling stock, as well as the procedure of management of documents and resources.



Serbia and Macedonia to open a joint railway station in Tabanovci

Beograd-Skopje, 27 June: Serbia and Macedonia have signed five protocols in Belgrade on June 27 which enable the creation of joint station in Tabanovci, which will significantly cut down the time of railway travel and customs procedure on the borders of the two countries.

The creation of joint station, "one stop shop", will reduce the passage time of passenger trains for 30 minutes, claims the Ministry of Construction, Traffic and Infrastructure.

As stated, the customs procedure for goods will also be made significantly faster, as the trains will make only one stop. Instead of two customs posts that currently exist, in Preševo and Tabanovci, the single joint station will be created on the Macedonian territory, which will contain border offices of both countries. The protocols have been signed by relevant institutions of Serbia and Macedonia, and regulate cooperation of border polices, customs, phytosanitary and veterinary authorities, as well as the organization of railway traffic on the border rail in the joint station of Tabanovci.

Signing of protocol on the creation of joint railway crossing on the border between Serbia and Macedonia is a part of the activities that the Prime Ministers of Western Balkans defined on August 2015 in Vienna, striving toward a faster and more efficient networking of the infrastructure in the region.

Announced „systematization“ of Serbian Railways practically means shutting down hundreds of kilometres of railways and mass dismissal of employees

Beograd, June: According to the Belgrade press, largest victims of reorganization of Serbian Railway will be its employees and the hundreds of kilometres of the railways that Government of Serbia is planning to shut down. Final estimate of the workgroup consisted of the

representatives of Ministry of Transport, directors of Serbian Railways and World Bank consultants, is that Serbian Railways should reduce its number of employees by 6,180, including those who go into retirement.

Belgrade daily newspapers „Blic“ says that even though the original plan was to reduce the number of employees in the five years period, the actual scenario is much more grim. In the document titled „Plan of railway reform 2016-2020“, that was adopted by the workgroup and „Blic“ had access to, it is foreseen that reduction of the number of employees will be finished by the end of 2016 and in early 2017. For the entire process, the government secured 39 million EUR that should cover the severance payments for 6,150 employees.

Early next year it is planned to announce a social programme for those who voluntarily wish to leave the company, and will be offered a severance payment of only 220 per year in employment. In practice, it means that a person working 30 years for Serbian Railways will receive 6,600 EUR. The second wave of voluntary employee reduction will be organized at the end of 2016. It is estimated that the Serbian Railways will reduce its number of employees by 4,800.

Serbian Railways (SR) are divided into three companies – „SR Cargo“, „SR Train“ and „SR Infrastructure“, which has taken the greatest burden as 3,217 people are to leave the company by 2017, more than half of the total. Cargo is to reduce its employees by 1,412 and Train by 970.

Simultaneously, the Government of Serbia should adopt a decision by the end of July, as per the recommendation of the Ministry of Transport, on shutting down railway traffic on a total of 20 sections.

These 20 sections have a total length of 800 kilometres. The basis for such decision is analysis of viability of Serbian Railways, which shows that certain railway lines have to be abandoned.

However, among the blacklisted are some very important regional lines that are of vital importance for the citizens and the businesses, which would be another blow at the Serbian economy.



Croatian railway infrastructure finished last business year with a positive result

Zagreb: According to the preliminary financial results, HŽ Infrastruktura, Croatian railway infrastructure management company, has achieved positive results in 2015, and thus confirmed its dedication to stabilize the company through rational management of the investments and responsible approach to the expenses, simultaneously paying attention to its core business activities, that is construction, renewal and management of railway infrastructure in Croatia.

In the past year the company achieved net profit of 60.6 million HRK, while, as a comparison, it finished 2014 with a minimal profit of 157 thousands HRK, and in 2013 it recorded a loss of 838 million HRK. The income of HŽ Infrastruktura in 2015 were one billion and 371 million HRK, while the expenses amounted to one billion and 310 million HRK. Also, a positive cash flow was achieved, which is planned to be redirected to the increased maintenance in the future period, in accordance to the plan adopted last year, which called for increased maintenance activities with reduced operational costs as compared to 2014. The 60.6 million HRK profit is even more important considering that, unlike in 2014, in 2015 the whole 85 million HRK profit achieved by the daughter-company Pružne građevine d.o.o. was left in that company to cover the expenses of restructuring, and has not been included in the income of HŽ Infrastruktura.

Speaking of the 2015 results, **Željko Kopčić**, member of the HŽ Infrastruktura management said: „We are very pleased with the achievements in the year behind us, they are a result of the work of all employees of HŽ Infrastruktura and therefore I congratulate everyone. Better inventory management, reduction of purchase prices and cutting down of unnecessary expenses that are not important for core business are some of the key reasons to the achieved profit. We will continue in this direction in the following year as well, since that approach enables us to focus our activities and funds on what is the most important thing



for us – an increase in the quality of railway infrastructure that was given to us to manage.“

In 2016 the activities of HŽ Infrastruktura will be focused on reducing the expenses in business operations and intensifying the work on projects co-financed by the EU funds. Also, it is planned to increase the maintenance contribution to the total expenses, that is, turn to own funds to achieve stronger investments in the maintenance.

Member of RCSEE “Altpro” from Zagreb attended GLXS Symposium in Helsinki

Zagreb, 23. June: RCSEE member **Altpro** attended the Global Level Crossing Safety and Trespass Symposium (GLXS) 2016 in Helsinki, Finland. Symposium lasted for three days (13-15 of June), which were used for the exchange of knowledges and experiences with other producers, owners of infrastructure and independent institutions, and achieving contacts that will assist in further development and improvements to the system, as well as safety of



the participants in the railway-road traffic.

Altpro is one of the rare global producers of safety systems for level crossings, and offers complete SIL4 certified solution. New RLC23 system has already proven its competitiveness by implementations in Croatia, Austria, Bosnia and Hercegovina, Serbia, Indonesia, Slovakia, South African Republic... Currently it is waiting for the first implementation of this system in China, as well as the results of the 4 ongoing tender procedures for the implementation of systems throughout the world.

OIL INDUSTRY OF SERBIA (NIS) PURCHASES A NEW LOCOMOTIVE FROM CZECH REPUBLIC

Recently the Serbian company **Klimashop d.o.o.** Nikole Tesle 25, 21411 Begeč, an exclusive representative of Czech company **CZ-Loko** delivered a diesel-electric locomotive series 732.702 to the Serbian oil company **NIS Gazprom AD**. This type of four-axis locomotive, according to the information provided by the relevant authorities in Serbia, is the first delivered to Serbia after almost 35 years.

Goran Bujak, Director General of Klimashop, said the following for our newsletter: "We are certain that coop-

eration such as this in the field of public-private partnership contributes to the increase of technical, technological, organizational and ecological improvements of the business environment in Serbia.

Klimashop d.o.o. has through this made first modest steps in the development and improvement of railway transport in Serbia, and hopes for continued investments in this manner of transport, which is greatly needed in Serbia.



FIRST MEETING OF RCSEE MEMBERS AND FRIENDS

CLUSTER GIVES SUPPORT TO EXPERTISE OVER POLITICS

On June 16th, 2016, a first large meeting of members and friends of Railway Cluster of Southeast Europe (RCSEE) was held in Belgrade hotel Envoy.

As a part of the meeting, a mini-exhibition was first held on the topic "Railways in our region", whose authors were 14 children from the pre-school education institution "Čupko" from Belgrade.

"Our children reacted very positively when they received this creative topic for painting, despite the fact that many of them still haven't made their first experience in train travel", said the Director of the pre-school education institution "Čupko", **Snežana Dimitrijević-Rokič**, expressing her hope that children from throughout the region will be able to travel like in the past, in comfortable and modern trains.

After that came the large debate on the Roundtable "Can new governments in Zagreb and Belgrade give new impulse to the development of railways in the South-eastern Europe region?".

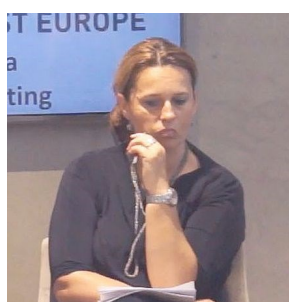
Their views on the topic were exchanged by **Dušan Korunoski** from Ministry of Economy of Serbia, **Tatjana Kesić Šapić** from the Chamber of Commerce of Croatia, **Zvonimir Viduka** from Altpro company from Zagreb, **Vlado Pavlović** from Siemens d.o.o. company from Belgrade and **Volker Drenkhahn** from AEBt GmbH from Nurnberg. The discussion was moderated by Cluster Director, **Milan Vučković**.

The topic of the roundtable also attracted a number of media representatives from the region.

After a dynamic discussion, a cocktail was organized for all the guests, which led to the further discussion and socializing, but also provided an opportunity for guests to get to know each other better and exchange practical information.



Dušan Korunoski, Ministry of Economy of Serbia



Tatjana Kesić Šapić, Croatian Chamber of Commerce



Zvonimir Viduka, Member of RCSEE Presidency



Vlado Pavlović, Member of RCSEE Presidency



Volker Drenkhahn, Member of RCSEE Presidency

FIRST MEETING OF RCSEEE MEMBERS AND FRIENDS

CHOSEN QUOTES FROM THE ROUNDTABLE

In Belgrade hotel Envoy, on 16th of June 2016 a roundtable was held named „Can new governments in Zagreb and Belgrade give a new impulse to the development of railways in Southeast Europe region?“ The answer was more than clear, and consisted of a one single word: Yes!



Dušan Korunoski: „Ministry of Economy of Serbia supports the work of this Cluster and is especially pleased that the private initiative shows there are things that can be resolved for which up to now people here believed can be resolved by the Government.“

Tatjana Kesić Šapić: „Main issue in our whole region is, in fact, that we do not protect our domestic manufacturing. All countries protect their manufacture, in a subtle way, without endangering market competition. I think that the founding of this Cluster showed that we have a really good platform for creation of a quality consortium that could compete in our markets.“



Zvonimir Viduka: „This Cluster is good because it enables market presence. When a foreign buyer looks at our region, we are no longer a norm for the railways. This Cluster is actually formed so that companies can network and enter large projects.“

Vlado Pavlović: „The European trend in the domain of signalization is the introduction of ETCS. All big railway directorates and infrastructures are centralizing and automatizing traffic, which means they are building large management centers.“



Volker Drenkhahn: „The message to the new Governments should be as follows: educate and train your personnel and associates, and look how it was done in other European countries. I can only give you my personal recommendation: Do not look towards Asia, look towards Europe.“

Snežana Dimitrijević Rokić: „Every child has a toy train. Children are excited to see the lights and visual signalization when this toy goes along the rails. In the project we called „railways“, throughout May, they learned a lot about trains and railways: from history to kinds of transport, but also about safety.“



Milan Vučković: „The foreign trade of Serbia and EU is close to 20 billion EUR, of which over 8 billion EUR is Serbian exports. Simultaneously, foreign trade of Serbia and China reached 1.3 billion EUR, while Serbian exports to China are only 8 million EUR. Despite this, Government of Serbia declared China to be its „strategic partner“. On the other hand, Serbia is taking loans from China for its infrastructure and railway projects in which Serbian companies are not participating, even as subcontractors, even though the loans will be paid for decades by Serbian taxpayers, including the domestic companies.“



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FIRST MEETING OF RCSEEE MEMBERS AND FRIENDS

CHILD PAINTINGS FROM THE EXHIBIT „RAILWAYS IN OUR REGION“



Aleksandar Dačić



Maša Pavlović



Staša Metovski



Ognjen Nenadić



Aleksa Milojković



Vuk Baratović



Katarina Isailović



Staša Milošević



Natalija Nikolić

FIRST MEETING OF RCSEE MEMBERS AND FRIENDS

CHILD PAINTINGS FROM THE EXHIBIT „RAILWAYS IN OUR REGION“



Group of authors



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Stefan Todorović



Hana Vučković



Novak Srečković



International Trade Fair
for Transport Technology

20.-23.09.2016

MOVING TOWARD AN INTERNATIONAL FAIR

Nine members of RCSEE exhibiting at the upcoming international fair for railway and transport technology InnoTrans Berlin 2016 .

InnoTrans is seen as the world's largest and most significant expert fair for railway and transport technologies in the world.

The first InnoTrans was held on October 15, 1996, and was attended by 172 companies.

This fair is held biannually. At the last fair in 2014 there was a total of 2,761 exhibitors, on 102,843 m² of net surface, from 55 countries. Simultaneously, the fair was attended by a total of 126,110 expert visitors.

RCSEE is organizing group visit to the fair, for those who were unable to secure the accommodations by now. More information with the details can be found at our website: <http://www.rcsee.org>

During the fair, RCSEE representatives will visit the stands of all our members:

AEbt, Altpro, Đuro Đaković strojna obrada, Amaronia, Mihailo Pupin Institute, Novatronik, Thales, Berghof Automation and Siemens.


This will be another excellent possibility for further business networking, but also first large promotional activity of our cluster that will, hopefully, enable the expansion of membership and influence that we certainly deserve as a professional association.


Of course, the larger photo-report from the fair will be available in our next issue, planned for October 2016.





RCSEE NEW MEMBERS:


Our Cluster welcomes new members from April 2016:

Amaronia (Finland) 

Berghof Automation (Germany) 

Encode doo (Serbia) 

Telecor Zagreb (Croatia) 

InnoWaggon GmbH (Austria)  innofreight

Thales Group (Austria) 

SEE RAIL Perspective



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