

## CHALLENGES OF GLOBAL PANDEMIC: SUCCESSFUL DURING CRISIS

Next regional *SEE Mobility* scheduled for  
8. i 9. 09. 2021.

**N 17**

**02/2020**

# CONTENTS

**SEE RAIL Perspective**

September  
2020



## s. 3 - 8 | **FACTORY NEWS**

**Slovenia:** EU greenlights funds for the Divača – Koper section

**B&H:** Passenger Transport Reinstated

**B&H:** Improving of Energy Efficiency

**Serbia:** Talks with Alstom on Belgrade Metro

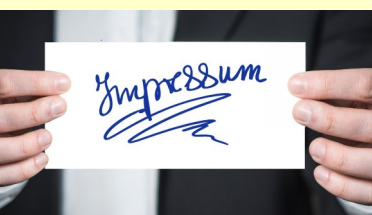
**Serbia:** Tatravagonka Bratstvo from Subotica expands production

**Croatia:** Works finished on Rijeka Brajdica project

## s. 9 - 12 **Featured Topic: Challenges of global pandemics**

- ✓ **MIND Park – Largest Industrial Park in Southeast Europe**
- ✓ **ALTPRO – Best Croatian and Regional Exporter to India**
- ✓ **ELPA Ltd—solving noise issues throughout the world**
- ✓ **NOVATRONIC—PIS used as a response to COVID-19**

## s. 13 - 14 **RCSEE Activities**



**Editor in Chief:** Milan Vučković

**Translation and marketing:** Marko Radović

**Design and LayOut:** BSN | [www.bsn.rs](http://www.bsn.rs)

**Editorial:** Dragoljub Rajić and Marko Radović

**Publisher:** Business Support Network / Mreža za poslovnu podršku (BSN)

Strumička 100, 11050 Beograd | E-mail: [info@bsn.rs](mailto:info@bsn.rs) | PIB: 108639092 | MB: 28151829

(Photo on the cover page: **WikimediaImages** from **Pixabay**)





## Slovenia

### EU greenlights funds for the Divača – Koper railway section

The EU Commission has given the go-ahead for an investment worth EUR 80 million out of the cohesion fund to co-finance the new rail section from Divača to Koper. The funds will be spent on building a tunnel and two viaducts on the track.

The project would not only boost rail links in Slovenia but also support the internal market by strengthening economic and social cohesion, said European Commissioner for Cohesion and Reforms Elisa Ferreira.

The value of the entire Divača-Koper project is estimated at EUR 1.194 billion, making it the biggest publicly-financed construction project currently under way in Slovenia. It will be financed from multiple sources, including EU grants, loans from financial institutions, commercial banks and Slovenian Investment and Development (SID) bank.

The National Review Commission has recently shortened the list of suitable bidders for the principal construction works on the rail section. While some bidders will be asked to supplement their bids, choice has come down to one bidder each from Slovenia, Turkey, China and Austria.



## B&H

### Passenger Transport Reinstated

Railways of Federation of Bosnia and Herzegovina have reinstated local passenger transport from 01.06.2020. which was on hold due to COVID-19 pandemics. Following the recommendations of crisis response team of the Federal Ministry of Health and Federal Civil Protection team, in order to reduce the risks of COVID-19 transmission, passengers are recommended to hold distance of at least one meter, use protective masks and to disinfect hands before boarding the train, so that all passengers would be as protected as possible.

Railways of the Federation of B&H have placed liquid dozers with disinfectants, for passengers to disinfect hands while boarding the train. Also, following the recommendations of the federal crisis response and civil protection teams, posters have been placed in trains to educate passengers on measures for prevention of spread of COVID-19 and recommendations for use of railway transport, and the Railways will conduct measures





## Improving of Energy Efficiency

Works within the project of improving energy efficiency in the Railways of the Republic of Srpska are carried out as a part of regular investment maintenance planned for the period of 2019-2022. During August, reconstruction of lightning is carried out in the Srpska Kostajnica terminal, where existing mercury lights are changed by new LED light sources. By the end of 2020, reconstruction of station and track lights will be conducted in the Šamac station, while the works in the station of Modriča will continue in the beginning of 2021.

Due to the specific situation and complexity of the spotlights in the railway station Doboj, planned investment includes development of new project for reconstruction of light sources. Ending works in the Doboj station will conclude the first phase of exchange of light sources, which will be followed by works included in the investment maintenance in the area covered by Section for electrotechnical works in Banja Luka, as well as station terminals Brčko and Zvornik.



(foto izvor: Željeznice Republike Srpske a.d. Doboj)

## Welcoming new RCSEE members



MILANOVIĆ INDUSTRIES GROUP

<http://mind.rs/>



Next, third **SEE Mobility** fair is scheduled for **8-9<sup>th</sup> september 2021.**

This time, fair will be held with the COVID-19 pandemics in mind. Therefore, organizers from BSN and RCSEE will secure a location and format that will provide safety for all visitors and exhibitors.

For more details, contact us at [welcome@rcsee.org](mailto:welcome@rcsee.org)!



## Talks with Alstom on Belgrade Metro

Minister of Construction, Transport and Infrastructure, Zorana Mihajlović, met with Philip Deler, Vice-President of “Alstom Group” and Nikola Andrije, development director of this company, and discussed construction of Belgrade metro.

Mihajlovic reminded that in May this year, a Donation Agreement was signed between the Government of France and the Government of Serbia in the total amount of 8.3 million euros and an agreed procedure for the realization of a donation of 0.4 mil EUR, and that a feasibility study for which a commercial contract was signed in July is currently being made by the company “Egis”.

Philip Deler said that along with the feasibility study, preparatory works for technical solutions are underway and that “Alstom” will actively work in the coming months so as not to waste time on the realization of the Belgrade metro project, aware of the importance of this project for the Serbian government.

Serbian Minister of Finance, Siniša Mali, met with the representatives of Power China and Alstom Group to discuss the project of construction of Belgrade metro, agreeing to create legislative framework to regulate relationships between all parties by the end of the year.

Minister Mali stated that, if all parties dedicate themselves to the project, works on Makiš field could start as early as next year.

## Reconstruction of Budapest-Belgrade Railway in Hungary Begins

Reconstruction of Hungarian section of Budapest-Belgrade railway began on Monday, July 13, with the entry into force the Contract on Revitalization of the Project, stated the Hungarian Ministry of Innovation and Technology.

Minister of innovation and technology, László Palkovics said to the companies in charge of construction that preparations for the project are going according to the plan and that it is expected for the reconstruction to be completed by 2025.

As Palkovics said, reconstruction of this railway line will enable Hungary to become a part of fastest route for goods transported between Greece and Western Europe, and simultaneously, thanks to it the travel time between Budapest and Belgrade will be cut in half.

Currently, the travel time on the relation is eight hours, after the reconstruction it will be cut down by four hours, explained Palkovics.

The reconstruction is being done by Chinese company Tiejiju Engineering and Construction, Chinese-Hungarian company for project coordination, Hungarian unit of Chinese company for railway electrification and others.





Serbia

## **Tatravagonka Bratstvo from Subotica expands production and number of employees**

Tatravagonka Bratstvo from Subotica began manufacture of new type of tank wagon Zans, with a capacity of 98 m<sup>3</sup>. All components for the new wagon will be locally produced in Subotica.

As said by the company director Vladimir Sedlak, current capacity of the production is 20 wagons per month. Construction of new production hall is currently ongoing, which will become operational in January 2012, which would double the production.

During this year, Tatravagonka Bratstvo has invested around 5 mil EUR in the construction of new hall, reconstruction of existing objects and modernization of equipment. The increase of production is followed with an increase in the number of employees, and the company plans to employ between 70 and 80 new workers.

COVID-19 pandemics slowed down the plans, especially through the closing of the borders that delayed certification of products.

Current annual capacity of the company is 1,000 large revisions and manufacture of 200 new wagons. Tatravagonka has a tradition reaching back 130 years, and was privatized and changed name to Tatravagonka Bratstvo DOO in 2011.

## **Difficult Start for Open Railway Freight Transport Market in Serbia**

Railway freight transport market was open for competition in 2016. Four years after the liberalization of this market, World Bank and Commission for Protection of Competition conducted a research within the framework of Program for Improvement of Business Environment in Serbia, with the goal of examining the competitiveness in this sector.

The research analyzed whole market of railway freight transport, including the entire value chain, regulatory environment and the market competition.

Presenting the findings of the report, Commission concluded that no significant elements which point to anticompetitive practices were found. The main reasons of insufficient market development detected were bad quality of infrastructure, recent liberalization of the market and price regulation in the internal market.

The factors contributing to the negative impact of infrastructure are low quality of railway infrastructure, outdated procedures for slot granting and lack of intermodal terminals, which expectedly presents a barrier to market entry and business development.

In addition, price regulation through fixed tariffs for internal transport which are set by the Serbian Government for Serbia Cargo, and which have not been changed since 2008 are additional barrier to price competitiveness.

Commission thanked all the participants in the research and invited expert public to give additional comments to the report.

As a part of the World Bank Program for Improvement of Business Environment, a Memorandum of Cooperation was signed between the Government of Serbia and International Financial Corporation, which, among other things, provides technical support of the World Bank for improvement of fair competition and market regulation.



### Works finished on Rijeka Brajdica project

Works on one of the more demanding projects of Croatian railways Infrastructure, “Development of multimodal platform in the Port of Rijeka and connecting with container terminal Adriatic Gates (POR2CORE-AGCT)”, aka “Rijeka Brajdica”, that is implemented together with Port Authority of Rijeka, and is cofinanced by the Connecting Europe Facility (CEF) are completely finished.

A lot of work was done in two years: both foundation and tracks were reconstructed on eight tracks, light sources were replaced, contact network was reconstructed, and new facilities for signaling-safety and telecommunication devices and diesel generator were constructed. In the area of Port Authority of Rijeka, four new concrete railway tracks were constructed, new crane pathways, parking space and drainage and separator for atmospheric water.

Tests of contact network using the measuring train were performed recently, and what’s left is to arrange the surroundings of the construction site and test signaling-safety systems. Also, documentation for internal technical examination is being prepared.



(foto izvor: HŽ infrastruktura)





## Lepoglava connection – Strategic Project for Croatia

Pro Rail Alliance and Varaždin county, supported by Ministry of Maritime Affairs, Transport and Infrastructure, Ministry of Economy and Sustainable Growth and Croatian Chamber of Commerce, held a roundtable titled “Lepoglava connection – chance for the economy of northern Croatia”

Main topic of the roundtable was the importance of the new railway section, connection through Lepoglava, whose construction would contribute to the development of the economy of northern Croatia and freight and passenger transport.

Manager of Croatian Railways Infrastructure, Nikola Ljuban, spoke on how the construction of new railway section will enable better connection of north of Croatia with Zagreb –constructing the Lepoglava connection, new signaling-safety devices and electrification of the line will enable train speeds of 140 km/h, which means trains will cover the distance between Varaždin and Zagreb in 50 minutes. For now, we have several variants of projected lines over Lepoglava, and each of the variants, considering the terrain, includes tunnel constructions. Most probable variant includes 10 km of tunnels.

Contract for creating study documentation for Lepoglava connection was signed by Croatian Railways Infrastructure with contractors in February 2020, with the deadline being 13 months. EU is co-financing creation of the study with 85% out of the Cohesion fund, Operational Programme Competitiveness and Cohesion 2014 – 2020. The entire project is worth 6.2 mil HKR.

Construction of Lepoglava connection fits in European strategy of transport development favorizing railways as fast, efficient and ecologically acceptable means of transport. Its construction will enable better connection between north of Croatia and Zagreb, and inside Međimurska, Varaždinska and Krapinsko-zagorska counties. Strategic interest for Croatia is connecting Vienna with Zagreb through this connection and to the fastest route to the port of Rijeka. It is planned for the study to be complete by the end of summer 2021, and to satisfy all the preconditions for further activities of Croatian Railways Infrastructure on design and construction of this railway section.



(foto izvor: Savez za željeznicu)





### MIND Park – Largest Industrial Park in Southeast Europe

Milanović Industries Park – MIND Park has a very favourable geographical position, and it is located 12 km from Kragujevac in the heart of Central Serbia. This city with more than 100 years of industrial history is an important transportation knot for this part of Europe. MIND Park is based on 150ha, with quick access to the national highway and good traffic connections with the surrounding area, especially through the railway network. Proclaimed by the Government of the Republic of Serbia as the project of national importance, the complex provides not only production capacities for creating innovative solutions in the railway industry but also in other branches of high industrial development.

Milanović Industries Park is designed as a unique competence centre for a rail vehicle, high-tech and the aerospace industry. Both strategy and infrastructure are dedicated and aligned with the concept of industry 4.0. The aim is to create a cluster of several companies to provide all the necessary services needed for the whole production process and completion of the whole value chain – from engineering to material production, processing and manufacturing to pre-assembly and assembly at the same location. The Park provides turnkey facilities following your business needs. Customised manufacturing halls, modern office spaces, painting, logistics and manufacturing of components will be provided in the industrial zone. This enables partners in MIND Park to develop highly competitive products. MIND Park already became home to several multinational companies such as Siemens Mobility, CAF, Autolift, etc. Moreover, an education centre established for high profiled shop floor employees is one of the pillars of MIND Park. Šumadija and Western Serbia count more than 2m inhabitants, which are in direct and accessible reach of MIND Park. Therefore, Kragujevac offers a pool of well-educated employees as the city is known as a university centre. This enables recruit and educate the appropriate workforce and provide employees for each partner in the industrial zone. The IMW institute for the latest technology trends in engineering, composite materials, 3d printing, adhesive bonding and welding combined with the research and development centre will be one of the most important R&D institutions in Eastern Europe.

Partners at MIND Park will be also provided with business support services: Business set up, Finance & Accounting, HR – Training & Recruiting, IT – Network & System Management, Building & Area Maintenance, Internal & External Logistics, Quality Management – Processes & Certificates.

*(Foto izvor: MIND—Milanović Industries Group)*

### ALTPRO – Best Croatian and Regional Exporter to India

In the past 26 years, Altpro company from Zagreb has progressed from an interesting startup to a multinational company which produces technologies for the railways in two countries, and business operations in fifty. Their newest market is India, country with longest railway track network, of some 125 thousand km, that is operated by largest company in the world, Indian Railways employing 1.23 million workers. These numbers alone show the size of the market and the potential of this market for a company that has something to offer, which Altpro certainly is. As owner and director of Altpro, Zvonimir Viduka, explains last year their export to India amounted to 4.5 million EUR, for which they have been awarded on the convention of Croatian Exporters. To this market they export sensors which detect train wheels, and date is used to control quality and safety. “Currently, the market for this sensors is worth around 2.4 billion USD, and even though we are small and come from a small country we definitely have something to say in this market” says Viduka.

Out of 70 million HRK of annual income, produced in Croatia and Serbia, over 90% comes from export activities. As they say, they needed 14 years to obtain permissions, both in Croatia and in India, and last year they finally received all licenses.

“Each country has its specifics, and India is no exception. They oblige all foreign investors to hand over the technology during a seven years period, and after that deadline 70% of products should be manufactured there. Even though that seemed unacceptable at first, we realized that in a long-term, even with 30% we can make a good profit” explains Viduka. They had even greater plans for this year, that were obstructed by coronavirus and closing of logistical chains and whole markets. “We speak of high-tech products of high added value and small weight – entire shipment to India consisted of 10 palettes that we shipped by plane. However, there are many cases where our engineers cannot arrive to the location and see, install or service equipment. Now we try to solve that issue through digitalization” he says.

Altpro had several important projects for monorail trains that are more and more substitute to the classical and underground railway in large cities. They provide detection devices for speed, direction and position of monorail trains and exchange that data with other infrastructure systems.

Last such project they worked on was a line connecting Los Angeles airport to the city center. Even though there were multiple studies on connecting Franjo Tuđman airport to the Zagreb city center, Viduka says that politics and expert public concluded that the best solution for Zagreb would be monorail, not tram or classical railway, and that he expects that this project could be realized in a nearby future.



foto izvor: Hrvatski izvoznici



foto izvor: ALTPRO D.O.O



### ELPA Ltd—solving noise issues throughout the world

Elpa Ltd. has even in Covid-19 situation successfully solved many issues regarding the RFN noise (Rail Friction Noise ) and wear out on railways, tramways and metros.

One of them was a solution installed a month ago for long-term problems with squealing noise at the curved track in Spain – Barcelona, where the problem of disturbing friction noise has been successfully solved in just one night (<http://www.elpa.si/elpatv?id=22>).

With CL-E1 systems for noise and wear out reduction in curves and environmentally friendly CHFC materials (Composite Hardly Fluid Compounds) with high content (more than 40%) of solid particles, Elpa can reduce squealing in curves up to 30 dB and wear for more than 3 times.

Elpa is an innovative and experienced team, developing systems that solve worldwide railway problems relating to noise, wear and tear, friction, vibrations, corrugation, maintenance problems, and railway working conditions. The BREMEX ANNSYS; a rail brake anti-noise system; the CL-E1 application systems for rails and i-ROCK on-board system are economically efficient and environmentally friendly technologies.

All Elpa's solutions are supported by revolutionary WONROS™ (Wear Out and Noise Reduction On Source) technology.

Main advantages of WONROS™ technology supported systems are:

- Extreme RFN (rail friction noise) reduction on the source
- Wear out reduction of contact surfaces (rail/wheel)
- Operates at all extreme weather conditions with the same environmentally friendly friction agent
- User friendly handling
- Safe and reliable working of the system
- Flexibility of the system according to user needs
- Simple for assembling and maintaining



Foto izvor: Elpa Ltd, Velenje

### NOVATRONIC—PIS used as a response to COVID-19

For the Serbian manufacturer of passenger information systems, NOVATRONIC company, as per their own estimate, 2020 began very good. They had a number of local projects in Serbia, in Pančevo, equipping over 80 vehicles in Novi Sad, as well as regional export projects for MAN in Turkey, as well as project in Macedonia where the company performed factory installation in MAN vehicles for the first time.

Start of crisis caused by COVID-19 pandemics brought the reduction in business activities. However, second half of the year brought improvements and new business opportunities, so Novatronic did a project for Slovenian Railways – manufacture of station displays, equipping 20 vehicles in Pula, and currently it is expanding its business outside of the European continent, through construction of first station displays for United States, a first project of this company in this market.

Parallel with new business activities, Novatronic works on inhouse research and development of equipment, developing solutions for challenges public transport is facing in the conditions of pandemics. One of those solutions is a system for real-time tracking the occupancy of vehicles and informing the passengers via vehicle displays. Pilot project was implemented in Novi Sad, and modified solution, using the color matrixes, is being prepared for Belgrade.



Foto izvor: Novatronic



# Next **SEE Mobility 2021**

**Belgrade, 8–9 September 2021**



## Deepening cooperation with German state of North Rhine-Westphalia

As a part of its activities beyonds the SEE region, on September 17 RCSEE team held an online presentation of possibilities for business cooperation and networking of companies from German state of North Rhine-Westphalia with companies from our region.

This presentation held in German was made for 21 interested company from North Rhine-Westphalia, as a part of online conference organized by NRW International, regional agency of North Rhine-Westphalia in charge of support of companies in this region for internationalization of their businesses.

Cluster Coordinator, Milan Vučković, who held the presentation, and director Dragoljub Rajić, apart from presenting the SEE region, current and planned railway projects, directed an open call to companies from North Rhine-Westphalia to visit the region and meet leading companies from the railway industry, in order to directly personally meet managers and speak about potential business arrangements.

NRW Internatioanal and its coordinator Gregor Stolarczyk have also expressed an interest in organized arrival of business delegation to our region, but also stressed that this cooperation should be mutual, and that after the coronavirus pandemics have ended we can expert for RCSEE members to be invited to visit North Rhine-Westphalia and its companies and connect with partners from one of the industrially most developed German states.

During the online conference notable promotion had a MIND park from Cerovac, Kragujevac (Serbia) that presented their capacities for work of potential investor railway supplier companies, with all organizational and technical support of investors in setting up and managing their business.

RCSEE team will continue cooperation and constant contact with NRW International in order to use future business opportunities and network cluster members with companies, faculties and business associations from North Rhine-Westphalia.

## Nordrhein-Westfalen (North Rhine-Westphalia)

