

# **Macedonian Rails- a potential that must be seized**

## **Introduction**

The Macedonian Ministry of Transport has identified the rehabilitation of the Railway Corridor X as a priority project and it has asked the European Commission to financially support this idea. This paper has the aim to show that there are other priorities and potentials to the rail transport than the forcing of the Corridor X. Macedonia has a need of a well functioning railway system which cannot be realised by supporting only parts of a network, but on the contrary, by investing into Corridor VIII and creating the missing link between Albania and Bulgaria and investing into local lines which would bring benefits to the public. Only that way we can see Macedonia enjoying the advantages of a whole rail network.

## **Background information on the Railway system in Macedonia**

### **Railway infrastructure and services**

The railway network in Macedonia mainly consists of an operating Corridor X with several branches (some of them closed for passenger transport or operate only single type of freight transport). In its current status, the Macedonian railway system offers limited and incomplete services. Even more recently, several lines have been closed (Table 1) which previously were overloaded with passenger transportation. Rail workers state that the reason for this event is the inappropriate time schedule for the trains which was developed to suit the rail workers and not the passengers. That way, the passengers can not use the trains in for example, 2 a.m in the morning and decide to therefore utilize a different mode of transport. As a result of a drop in passenger traffic and great losses in the freight transport that occurred, the lines were declared as unprofitable and therefore, closed.

An interesting example is the one for the marble transport from Prilep to Greece. The line from Bitola to Greece (line length less than 5 km) has been closed due to low speeds and need for rehabilitation. Estimation of costs for the rehabilitation is around EUR 3 million. Instead of carrying out a rehabilitation of the line and enabling constant transport of the marble to Greece, the marble is currently being transported by trucks for more than 200 km across the country.

By closing the lines and declaring them as “unprofitable” Macedonia is ending up having no internal rail transport- as only the Corridor X which connects Western Europe with Greece functions. There is a great need of modernizing the railway company in order to make it more competitive and passenger oriented. The World Bank “Railway Reform” project is aimed to “...improve the financial viability, productivity, and effectiveness of railway operations...”<sup>1</sup> and as a result ensure the efficiency and competitiveness of the company.

Concerning the Corridor X, an information paper prepared by the Macedonian Ministry of Transport states that “...priority is given to increasing of speed at certain sections from 100km/h, and with that improvement of the infrastructure level, in order to achieve technical conditions for the Corridor [X]”. The European Commission’s report “Status of the Pan-European Transport Corridors and Transport Areas” states that although the conditions of the Corridor X are satisfactory, the feasibility and technical studies financed by the EIB determine the needs for the rehabilitation of the rail Corridor X. In its communication to the European Commission, the Macedonian Ministry of Transport has declared the rehabilitation of the Corridor X as a priority project and requested finances for its support.

The question remains, does Macedonia really need the rehabilitation of an already well functioning Corridor, or it needs smart investments in the other lines, currently closed but with great potential for the passenger and freight transport?

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<sup>1</sup> World Bank Project Information Document for the “Railway Reform” Project

Table 1. Railway corridors in Macedonia and their status

Railway Lines	Location	Status	Speed km/h
Corridor X	Tabanovci- Gevgelija- through Skopje and Veles	Single-track line, electrified. Its last renovation on most sections is already 30 years old.	110 km/h
Corridor VIII	Gorce Petrov-Jegunovci	This line was constructed in 1952/1969 partially and only for freight transport, for the Ferro-nickel mine in Jegunovci	60-80 km/h
Skopje-General Jankovic	continues to Pristina and connects with the Yugoslav network	Only for freight transport for KFOR needs	60-80 km/h
Branch D of Corridor X	Veles-Bitola	Functions for passenger and freight transport	60-80 km/h
Kumanovo-Beljakovce	towards the Bulgarian border to the east	This branch may be the first section of the link between the Macedonian Railways and the Bulgarian Railways, on Corridor VIII. Since the beginning of the construction of the new line, this line has been closed.	60-80 km/h
Corridor VIII	Jegunovce- Kicevo	Good conditions and most recent line (1968) works only for livestock transport 2 months annually	80-100 km/h
Corridor X branch B	Veles- Kocani	Closed for passenger transport in the last 2 years, occasionally works for freight	40-60 km/h
Corridor X branch D	Bitola- Greek border	Secondary and low standard lines. It has been constructed in 1939 but closed for the last 5 years.	5-10 km/h
Corridor X	Gradsko- Sivec	Operates only freight transport	40-50 km/h

## The potential of Macedonian Railways

### Railway Corridor VIII

The Government's priority concerning the development of the Macedonian railway system is to construct the line between Beljakovce and the Bulgarian border. In the past decade, EUR 201.98 million of state money have been invested in this railway line. However, the line is still not finished as additional EUR 150 million is needed. This particular line represents a part of the Corridor VIII and it would connect Bulgaria with Macedonia, forming a link which would bring benefits to both countries, in terms of freight and passenger transport.

However, in spite of the importance and priority of this project, none of the International Financial Institutions have ever expressed a will to invest in this line. Moreover, only EUR 7.9 million have been invested in the rail sector (specifically in the construction of rail lines in 1984 and 1990) by the European Investment Bank (EIB) and EUR 18.92 million by the World Bank (loan for projects concerning the restructuring of the rails, and not infrastructure projects). As seen above, the investment into rails has been highly neglected and on the contrary the construction of highways highly supported by the IFIs. Almost 20 % of the total EBRD investment in Macedonia and almost 80 % of the total EIB investment have gone into the road sector. On the other hand, EBRD has not financed any rail related project in the country.

### Solutions to the traffic problems in the capital

The public transport in Macedonia is operated by Public Transport Companies which operate exclusively with bus transport. Efforts have been made by the capital authorities to introduce tramway and metro transport but none have succeeded with the explanation that Skopje has large number of underwater channels that might block any attempt to construct metro tunnels. The development of a tramway system in the city was practically excluded after the unsuccessful referendum for the development of tram lines in Skopje in the 80ties.

The busses are mainly old (some are even 20 years old) and heavily pollute the environment. Researches have shown that 60 % of the air pollution in Skopje is generated by the public busses. The situation became even worse when a private consortium started operating the

same bus lines by private, even older busses. This leads not only to excessive traffic jams but also increases the number of road accidents and pollution.

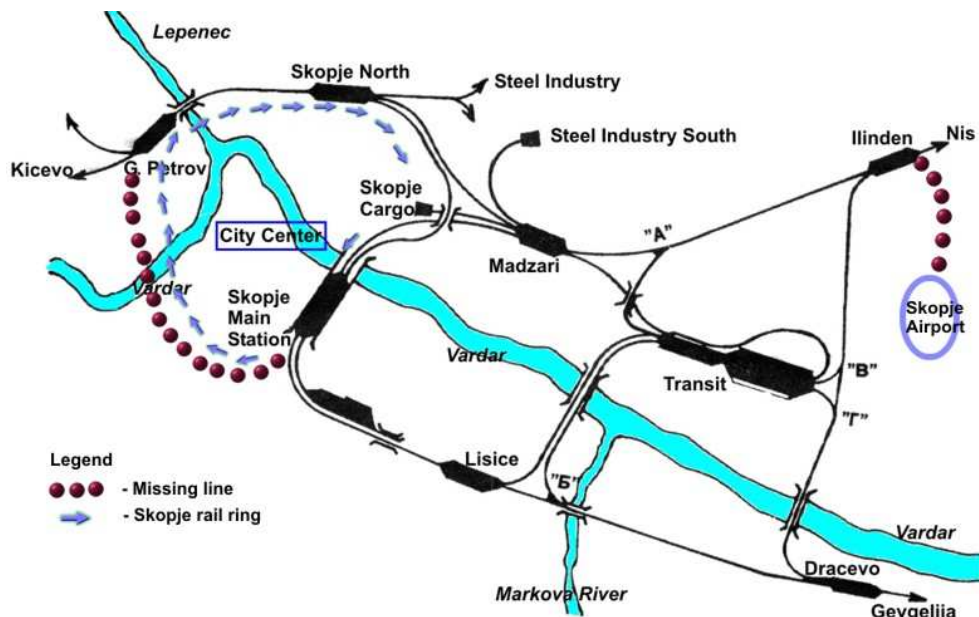
Parking spaces in Skopje are a luxury. With the exception of 2 public parking lots in the city centre, parking space can not be found. A common image is a line of cars parked at the first lane of a street- the most expensive parking space. The bicycle lanes are a rarity and mostly blocked by parked cars.

Skopje is in a transport chaos as traffic jams occur throughout the entire day. Experts have indicated that in 5 years, the number of private cars will significantly increase, the number of persons transported by each car would decrease and the city will suffer even heavier traffic jams if soon things do not change. Moreover, no strategy has been developed by the city authority to alleviate this situation.

### Solution for the urban transport to the Skopje Airport

Usually, it takes one 30 minutes to get from the city centre to the Skopje Airport. Travelling one way, one needs to pay for gas (EUR 1 per litre unleaded gas) and toll (EUR 0, 57), or for taxi service (EUR 10). According to the Public Airport Enterprise, annually there are 550 000 passengers travelling by plane. These passengers are usually accompanied by at least one more person (taking them to the airport). The number of the employees that travel every day to the Airport is around 400. This amounts to around 1.2 million people that would benefit from rail transportation on annual basis.

If the rail line to the Airport is constructed (2, 5- 3 km needed), one would be able to reach the city centre in less then 15 minutes. Also, this would create revenue for the railways, as according to the estimations, around EUR 600 000 of income would pay off the new construction in less then 5 years.



### Urban rail transport in Skopje centre

The old railway line between the new railway station and the station in Gjorce Petrov has been covered with asphalt by the construction of new roads. This line perfectly links the city centre with the north-west part of Skopje, creating the rail circle around the city. The other lines forming the circle are in very good conditions (speeds up to 100 km/h) and can be used for urban transport instead of the buses and possible tram/metro transport. The length of this particular line is around 7 km. With an investment of EUR 14 million that would repay itself quickly after operation starts, Skopje can have the most unique and practical urban transport. Having in mind the chaos of Skopje's bus transport, high prices of single ticket (EUR 0, 5) and lack of proper bus routes, the rail ring around Skopje is more of a necessity than a caprice. More over, similar city train systems exist in many European cities like Rome and Paris and they are considered as quick and comfortable means of transport.

Skopje has been built in adjacent to the industrial zones and most of the factories are linked to the existing railway lines. All of these could be used by the employees on daily basis, and it

would both create benefits for the railways and enable the workers to arrive at work in half the time needed for the bus or car transport.

## Main conclusions and recommendations

It is clear that Macedonia railway system suffers from lack of investments and strategic approach that will develop the potential of the sector. We however, consider that rehabilitation of the of the already well functioning corridor X will absorb the limited public resources that are so needed for competition of the railway network. We also consider that selection of the Corridor X as priority project was made in completely non transparent and non participative way. Therefore we think that in the light of the forthcoming TEN-T extension to the neighbouring countries following steps should be considered:

- 1) Development of the comprehensive program for modernization and development of the railway system in Macedonia and improvement of the links with neighbouring countries.
- 2) Development of the West-East railway line for the use of passenger and freight transport. The rail sector in Macedonia needs additional investments in the construction of the Corridor VIII, the link between Albania and Bulgaria through Macedonia.
- 3) Development of the profitable short distance lines. It is of great importance the construction or rehabilitation of local and short lines that would enable the urban transport, bring benefits for local people and overall, bring revenues to the railway sector.
- 4) Modernization of the services. Also, investments in trains are essential, such as the Pendolino which are more efficient and fast then the existing trains in Macedonia.

We consider that EU and IFIs could play important and positive role in enabling Macedonia to begin the development of its transport sector according to a well designed transport strategy and policy (which the country at this point lacks) and contribute to the sustainable transport development in Macedonia.

