

From the last meeting regarding my part, following developments on the railway reform, I am informing you of the following:

The law amending the Law on safety of the railway system was adopted and the amendment justification refers to the procedure of Entity in charge of maintenance for railway vehicles and its issuance of license and registration too, than the establishment of the Committee for serious accidents, accidents and incidents as a permanent body in the General secretariat at the Government of the Republic of Macedonia. Furthermore, an authorization for a training center of the railway personnel to be issued by the Safety Directorate, authorization for a professional trainees, training programme, authorized examiners, conditions which should be fulfilled by other railway personnel (their professional competence, health condition, etc.). The Ministry of transport and communications shall bring into force all bylaws necessary to comply with this Law within this year (2012). According to the transitional provisions for the formation of Committee the deadline was on January 15, 2012. Since the amendment is into force we have contacted the General secretariat and initiative steps to fulfill this necessary measure are on-going. The bylaws will be prepared by using the Directives

The Law amending the Law on the railway system is prepared and is sent to be on the list for a governmental session. During the law in force in the past period we have concluded that some provisions are not fully and precisely regulated, which created certain problems and difficulties in their full implementation. For these reasons, the amendments to the Law proposed solutions to regulate questions in order to allow full and unimpeded implementation of the law. The amendments refer to new articles and provisions which will regulate the operation of the Agency for regulating the railway sector as a regulatory body, the license for operation of the public rail transport and the license for management of the railway infrastructure, safety certificate and safety authorization will be issued except on Macedonian language on English language as well. Also by the proposed amendments in the law an integral part of the license to operate a public rail transport is an annex of insurance to cover liabilities that the RU is able to compensate for any damage in case of accident in terms of passengers, luggage, freight, postal packages, third parties and the environment. Please have in mind that the proposed solutions in the law do not comply with regulations of the EU. Furthermore, pursuant to the future amended law, ten bylaws are necessary to be adopted in order to comply with when the law is in force. According to the transitional provisions a private or foreign legal person may perform a public rail transport of passengers and goods under the provisions of this law after the accession of the country into the European Union.

Regarding the Safety Directorate, it has issued two new licenses for train drivers and a private company for renewal works has filed a request for issuance of train driver licenses for its employees. The assessment of the documentation is on-going. An application was filed by the national RU to be issued a certificate as an entity in charge of maintenance for railway vehicles.

The Safety Directorate to award certificate to the RU to be able to perform this function, the Ministry of transport and communications must prescribe several bylaws which will refer to entity composed of professional staff, tools and facilities organized to deliver the maintenance of vehicles. Last year the RU has filed an application for its SMS, but unfortunately while it's reviewing has been decided by Safety Directorate staff to request an additional documentation which should be provided for its issue. Until today the RU has not replied, so has not met the requirements.

The financial situation of both railway entities is very deteriorating and both produce extensive cost losses. The Government of the Republic of Macedonia has taken measures as:

- part of the employees to leave the companies under provisions set in the Law on labor to be redundant for a period of 18 months and than to be fully retire,
- part of the employees to be laid off for a certain period of time,
- ticket prices for the transport of passengers increased 50%.

The RU's turnover of the freight division decreased by 12% in January 2012 compared to the same time in 2011. The turnover of imported goods transported by rail has decreased as well by 2.6%, and the turnover of exported goods has decreased by 48%, and the transit decreased by 24%. Traffic with Greece is reduced due to the crisis and the severe winter weather all over Europe, but the traffic goes smoothly.

Also the passenger traffic as on international and local level has decreased by 12.3%. The traffic between Belgrade and Skopje is in accordance with the time table and there is no delay of departures and arrivals even though there is a restricted speed on several places through the territory of Serbia.

Being part of this railway working group and your presence here today does give me further confidence that we will succeed with our task, to speed up the rail reform in the region and provide an environment for the RUs and IMs to be on sound financial basis soon. So let's do it together.