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**"The European Union and South East Europe: a common vision for connecting people"**

**INFORMAL MINISTERIAL CONFERENCE  
Belgrade  
7 May 2008**

**Speech by Paolo Costa, Chairman of the European Parliament's  
Committee on Transport and Tourism**

First of all, let me express my gratitude to the Serbian government for hosting the conference; I would also like to congratulate Serbia for having signed the Stabilisation and Association Agreement (SAA) with the EU on the occasion of the General and External Relations council in Luxembourg on 29 April 2008. I hope that this Agreement will provide an excellent framework for co-operation, not least in the area of transport infrastructure development.

I would also like to warmly thank Mr Zerjav, the Slovenian Transport Minister for having taken up my suggestion to organise this important event. I fully agree with the Slovenian Presidency that EU relations with South East Europe must become one of the EU's top priorities.

Developing SEE transport networks and connecting them to the EU

As Chairman of the European Parliament's Transport Committee, I am convinced that the modernisation and integration of transport networks is of utmost importance to the Balkan region, since it will create conditions for sustainable economic growth and foster regional co-operation and

stability. It is thus essential for the wellbeing of all citizens in this part of the world.

However, the issue must also be seen in the wider context of relations between the EU and its neighbouring countries in South East Europe. These will only be able to take full advantage of closer relations with the EU and improved access to its market if their transport sectors can handle today's complex transport flows. Trade between EU and non-EU countries can only reach its full potential if the transport links over road, rail, air and water are of good quality and systems are interoperable, safe and secure.

In other words, a well functioning transport system connecting the European Union with its neighbouring countries is indispensable for promoting sustainable economic growth, trade and cultural exchange. In turn, this will strengthen political relations and facilitate integration between the EU and the countries of South Eastern Europe. This is why the transport sector has always formed a key element of the EU's neighbourhood and accession policy.

The development of transport infrastructure in SEE and its connection to the trans-European network is of particular interest to the EU, as the region is surrounded by EU Member States and, moreover, is central in providing the necessary transport links to Turkey, the Caucasus and the Caspian Sea as well as to the Middle East. The South-Eastern axis was therefore identified by the EU High Level Group on the extension of the major trans-European transport axes as one of the five major trans-national axes, on which EU funding and investment should be focussed.

#### Institutional setting

As was said before, an institutional framework has already been developed with a view to pursuing the objectives that I just mentioned. I would like to refer, in particular, to the 2004 Memorandum of

Understanding (MoU) between the Western Balkan countries and the Commission for the development of a regional core transport network, which would become part of the trans-European networks upon accession of the countries concerned.

With the signing of the Memorandum, two important institutions were established, namely the Steering Committee for the development of the network and the SEETO observatory. SEETO has recently completed an important piece of work by publishing the SEE core regional multi-annual transport development plan 2008-2012.

As we have heard, the Commission on its part very recently took stock of the progress made regarding cooperation in the field of transport with the neighbouring countries in a recent Communication. In this Communication the Commission furthermore proposes negotiating directives for a Transport Community Treaty with the Western Balkans. The objective is to establish an integrated market for infrastructure and land, inland waterways and maritime transport and to align relevant legislation with the Community acquis in the Western Balkan region. I welcome these developments and can assure you that the European Parliament will support this process within its institutional competences.

#### Status quo

Undoubtedly, some progress has been made in the recent past in developing the transport network in this region, whose infrastructure suffered badly during the wars of the 1990ies. However, it is equally clear that substantial investments are still needed to improve the status of the four Pan-European corridors crossing the region. For some corridors, the majority of routes are still in poor state. In particular, much of the railway network is in a run-down condition, following many years of insufficient maintenance and investment. In addition, some ports are not adequately connected to the inland transport network and the main EU traffic axes. Finally, airport capacities in the region are likely to face serious

constraints against the background of rapidly increasing air traffic across Europe. I believe that these problems need to be addressed urgently, since they hamper the economic development in South East Europe, affecting both current EU Member States, and (potential) EU candidate countries.

#### Future challenges and priorities

Let me now turn to what I believe will be the main challenges and what should be the priorities in the further development of the transport network as a tool for promoting the European integration of SEE countries. Before making reference to more specific points, I would like to emphasise once again what should be the main overarching objective, namely the connection of the EU Transport network with the main cities of the SEE region. In other words, we have to strive for full integration between the projected Trans European Network and the transport infrastructures of the SEE region.

The fact that resources are limited suggests that it would be appropriate to concentrate EU funding on the most effective initiatives, which produce benefits in the short to medium terms. Corridor X, for instance, is already in a relatively good condition (at least as far as the road part is concerned) when compared with others in the region. Thus, specific financial efforts would ensure the completion of this corridor within in a reasonable time frame. Corridor X is strategically located as it crosses the whole Western Balkans region from North to South, connecting three capitals (Zagreb, Belgrad and Skopije) and other major cities. This major route links the heart of Europe with the Mediterranean Sea (Thessaloniki port) through Austria, Slovenia, Western Balkans and Greece. Therefore, it might be fundamental in decongesting traffic flows from Northern and Central Europe to the Mediterranean Sea and in improving the economic integration of the Western Balkans in the European context.

As I already pointed out, a large part of the railway network is in a bad condition and will require heavy investment in the medium term. I must stress in this context that the enhancement of the railway network will be a vital element in the creation of a multi-modal and thus sustainable transport system in the region. However, given the high costs of investments in this sector it might, in the short term, be reasonable to concentrate on organisational and administrative measures aimed at improving interoperability of the different national systems and at reducing delays at borders crossings.

As for the maritime system, the core network includes seven seaports that together with the port of Koper serve the Eastern Adriatic rim: Rijeka; Split; Dubrovnik; Ploče; Bar; Durrës; Vlorë. Three of these, Rijeka, Bar and Durrës, are considered as Motorways of the Sea ports. In my view, all these ports should be further developed. In addition, it has to be ensured that they are adequately connected to their respective hinterland and with the main traffic axes. Therefore, investments are needed on both the sea and the inland side of the ports. Important strategic issues for the future will include models for port administration and finance, possible functional specialisations between ports and the definition of hinterlands for the respective locations.

Finally, in a context of rapid growth of air transport across Europe, the system of airports in the region needs to be upgraded. Most of the runways and associated air side sections of the airports are incapable of handling long-haul aircraft, so there are needs for runway extensions. Terminal buildings can be another constraint to airport capacity, while further necessary interventions include the upgrading of equipment at some airports related to navigation and landing / take off procedures. The expansion of air transport might offer excellent opportunities for local development (tourist areas, industrial districts, business centres, etc.) in the region.

Ladies and gentlemen, I have only been able to touch upon some of the major points, but I look very much forward to a fruitful discussion with you on how to put in practice our common vision of connecting people in the European Union and South Eastern Europe. As a result of today's discussion, we should have a clear roadmap for reaching this objective. In this respect, the imminent opening of negotiations on a treaty establishing a Transport Community in South East Europe will be an important milestone.

Improving mobility within South East Europe, connecting SEE to the European Union along the pan-European corridors agreed upon and to the rest of the world through the Adriatic ports are our main common objectives.

The European Parliament and in particular its Transport Committee, which I chair, is firmly committed to the objective of strengthening cooperation in the field of transport and eventually extending the TEN-T network to South East Europe. You can be assured of our full support on the way towards achieving this goal.

Thank you for your attention!