

Eye on Southeast Europe



Transportation Infrastructure Development in Southeastern Europe—Part II

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This article—the second of three on transportation infrastructure in Southeastern Europe—gives a detailed description of the transportation networks in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, and Kosovo. Part three will cover the remaining countries of the region (Macedonia, Romania, and Serbia and Montenegro) and will provide information on how U.S. companies can become involved.

Albania is located on the eastern bank of the Adriatic Sea. It has a population of 3.1 million and gross domestic product (GDP) per capita of approximately \$1,588. A study financed by the European Union (EU) predicts an exceptionally large, long-term increase in overall transportation needs throughout Albania.

Two important EU transportation corridors—8 and 10—pass through Albania (please see part I of this article for additional information about the corridors). The port of Durrës is the Adriatic gateway for Corridor 10, which ends at the Black Sea. Corridor 10 involves a vertical passageway through the Montenegrin-Albanian border toward the Albanian-Greek border. Those two corridors connect Albania and continental Greece with Europe's interior road networks. Because Albania borders Macedonia, which borders Bulgaria, Albania is linked to Bulgaria

through Macedonia and by maritime Adriatic

traffic. Albania's government is also planning to construct a highway linking the port of Durrës with Pristina—the capital of Kosovo—at an estimated cost of \$300.5 million. Albania has another significant port, Vlora, in the southern part of the country.

In Tirana, the "Mother Theresa" international airport is undergoing two major upgrades, which are expected to be complete by 2006. These and other projects—including the port of Saranda, which supports passenger and freight services to Greece and Italy—currently have priority to improve circulation through the Albanian ports of entry for the August 2004 Olympic Games in Athens. The current projects in Albania—at a cost of more than \$490 million—largely funded by the World Bank, the European Bank for Reconstruction and Development (EBRD), the European Commission (EC), and the European Investment Bank (EIB).

Bosnia and Herzegovina has a population of 4 million and a GDP per capita of approximately \$1,093. Bosnia and Herzegovina is geographically sandwiched where Croatia meets Serbia and Montenegro. It has a mere 20 kilometers of coastline with the Adriatic Sea. Current infrastructure projects in Bosnia and Herzegovina are valued at \$373 million, \$130 million of which will go toward the third Electric Power Project (funded by the World Bank). The goal of the project is to reconnect the country's high-voltage network with neighboring systems. An equal portion is earmarked for improving road networks and constructing bridges (funded by the EIB and EC). Among other expenditures, \$80 million will go toward the Railway Recovery Project (funded by the EIB and EBRD). Those projects are expected to be completed by 2006.

Bosnia and Herzegovina also includes sections of the EU transportation corridors 5 and 10. Corridor 5 cuts through the middle of the country, passing through the capital of Sarajevo, and Corridor 10 grazes the border with Croatia. Road transportation is

