

# Croatia Railway Industry Report 2025 – Department for Business and Trade Croatia

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## 1. Introduction to Railway industry in Croatia

### 1.1.1 Background Information

Croatian Railways (**Hrvatske Željeznice**), was formed in 1990 taking over from the former Yugoslavian Railway division of Zagreb, and remains a state owned company since. Croatian Independence War left significant damage on the railway system and during 2000's not much investment activity happened towards its maintenance and development.

### 1.1.2 Current state of Croatian Railway System

Today, Croatian Railways consist of three independent divisions;

- HŽ Cargo d.o.o. – Croatian Railways Cargo company
- HŽ Putnički prijevoz d.o.o. – Croatian Railways Passenger Transport company
- HŽ Infrastruktura d.o.o. – Croatian Railways Infrastructure company

Railway system consists of approximately **26174 km of tracks, 547 stations, 1448 rail track-road passages, 109 tunnels, and 543 bridges**. Out of the 2604 km of tracks, **970km are electrified**, and **254 km have a two-track railroad**. **On average, 653 passenger and 97 freight trains run on the network daily**.

- **Cargo: there are 18 cargo carriers in Croatia, 17 of which are private**

Past twenty years of underinvestment has left the railway system in poor condition. This has resulted in reductions of operating speeds of trains, increase in number of breakdowns, and increase in maintenance intervals. Poor condition of railway infrastructure is reflected by the fact that the average speed of current Croatian train is **58.2km/h**.

## 2. Investments in the Croatian Railroad Infrastructure

### 2.1.1 Strategic Investment Plans

In order to address the poor state of the railway system, which Croatian government has identified as a strategic project of great importance, business plan developed for the period 2023-2035 includes investments of approximately **6 billion euros** for revitalisation and expansion of the system. Around **60%** of the funds required are to be **absorbed from the EU funds**.

HZ Infrastructure (*HŽ Infrastruktura d.o.o.*) is a single largest user of EU funds in Croatia.

European Union mainly allocates funds for Croatian railway system investments towards development of trans-European corridors, two of which pass through Croatian territory. Specifically the Rijeka – Zagreb – Budapest corridor, and the Ljubljana – Zagreb – Belgrade corridor.

The EU Parliament Meanwhile, the European Parliament recently accepted proposals to add Croatia to two more TEN-T corridors, the Baltic-Adriatic Sea route and the Western Balkans-Eastern Mediterranean corridor. That will likely mean more disruptions to rail as Croatia starts to prioritise these routes, but it does open the door for additional EU funding.

Planned and ongoing projects include revitalisation of existing tracks, stops, and stations, as well as construction of new tracks and upgrading some of the existing ones to the two-track railway system.

### 3. Projects

#### 3.1.1 HZ Infrastructure (HŽ Infrastruktura d.o.o.) Projects Overview

HZ Infrastructure reports to have **14 ongoing projects**. This includes projects of collection of documentation prior to construction. Two main objectives that are identified to be achieved with the completion of these projects are, firstly, improvement of process management (increasing efficiency) whilst maintaining high levels of safety on railroads, and secondly, increasing the quality of railway infrastructure (recognised as much more complex and time consuming objective).

#### 3.1.2 Projects in construction and finished projects

Refer to the table below (**Table 3.1 – In construction/finished projects by HZ infrastructure**) for a breakdown of those projects.

1. Construction of new railway track on the section <u>Gradec-Sveti Ivan Zabno</u>	€ 30,100,000.00	Completed	<u>ERDF &amp; Cohesion Fund</u>	85%	€ 25,585,000.00	12.2km
2. Reconstruction of the existing track and construction of the second track on the section <u>Dugo Selo-Križevci</u>	€ 196,900,000.00	In progress	<u>ERDF &amp; Cohesion Fund</u>	85%	€ 167,365,000.00	36.4km
3. <u>Modernisation</u> and electrification of railway system on the section <u>Zapresic-Zabok</u>	€ 80,800,000.00	Completed	<b>Cohesion Fund</b>	85%	€ 68,680,000.00	23.8km
4. <u>Modernisation</u> and electrification of railway system on the section <u>Vinkovci-Vukovar</u>	€ 71,900,000.00	Completed	<b>Cohesion Fund</b>	85%	€ 61,115,000.00	18.7km
5. <b>Port of Rijeka</b> multimodal platform development and interconnection to Adriatic Gate container terminal	€ 35,600,000.00	Completed	<b>CEF</b>	85%	€ 30,260,000.00	N/A
6. Upgrade of the <b>Rijeka port</b> – <b>Zagreb</b> Deep Sea Container Terminal	€ 31,600,000.00	Completed	<b>CEF</b>	85%	€ 26,860,000.00	N/A
7. Upgrade and construction of second track on the <u>Križevci-Koprivnica</u> -state border railway line section	€ 297,100,000.00	Ongoing Jul 2016 -	<b>CEF</b>	85%	€ 252,535,000.00	42.6km

HZ Infrastructure contracts for projects are given to contractors by tender. Current projects in construction are signed by a number of European companies. List of companies undertaking construction of these projects is depicted in the table (*Table 3.2 – HZ Infrastructure projects and Contractors*) below.

Project	Contractors
1. Construction of new railway track on the section <b>Gradec-Sveti Ivan Zabno</b>	<b>Contract 1</b> (26.08.2015) - Cosma, S.A.U. from <b>Spain</b> , and H.F. Wiebe GmbH&CO.KG from <b>Germany</b> <b>Contract 2</b> (26.08.2015) - SGS Adriatica d.o.o. and Investinzinjering d.o.o. from <b>Croatia</b> , and SGS S.A. from <b>Switzerland</b>
2. Reconstruction of the existing track and construction of the second track on the section <b>Dugo Selo-Krizevci</b>	<b>Contract 1</b> - DIV d.o.o. , DALEKOVOD d.o.o. , and ZAGREB-MONTAZA d.o.o. all from <b>Croatia</b> <b>Contract 2</b> - SGS Adriatica d.o.o., and Investinzinjering d.o.o. from <b>Croatia</b>
3. Modernisation and electrification of railway system on the section <b>Zapresic-Zabok</b>	SWIETELSKY d.o.o. form <b>Croatia</b>
4. Modernisation and electrification of railway system on the section <b>Vinkovci-Vukovar</b>	Cosma S.A.U. from <b>Spain</b>
5. <b>Port of Rijeka</b> multimodal platform development and interconnection to Adriatic Gate container terminal	KOLEKTOR KOLDING d.o.o. and EURO-ASFALT d.o.o. from <b>Croatia</b>
6. Upgrade of the <b>Rijeka port – Zagreb</b> Deep Sea Container Terminal	SŽ - Železniško gradbeno podjetje Ljubljana d.d. from <b>Slovenia</b>
7. Upgrade and construction of second track on the <b>Križevci-Koprivnica-state border</b> railway line section	Cengiz Insat Sanayi from <b>Turkey</b>
<b>Table 3.2 – HZ Infrastructure projects and Contractors</b>	

### 3.1.3 Projects in preparation to construction stage

A number of projects by HZ Infrastructure are in pre-construction stages, out of which **for three key projects** (and largest) overview is given below:

*Preparation of projects and other project documentation for the second track upgrade, rehabilitation and construction and construction of the new double-track railway line **Dugo Selo – Novska, Phases 2 and 3** ;*

- Total value of project design is **€ 16.9 million**
- **EU financing 85%** (IPA (*Instrument for Pre-Accession Assistance*) – € 8,682,000), remaining 15% by Government of Republic of Croatia
- Estimated value of construction is **€ 670 million** , making it a single largest planned construction project in Croatian Railways
- Reconstruction of existing and construction of second track for section **Dugo Selo – Kutina I Lipovljani – Novska** (covering the length of track of 72km)
- Construction of new two-track, electrified railway (10km) on section **Kutina – Lipovljani**
- 83 km in total

This is the most expensive infrastructure project in Croatia, worth around 670 million euros.

*Preparation of the project and other design documentation for the reconstruction and construction of the second track line on the **Hrvatski Leskovac – Karlovac** section; (work in progress)*

- Total value of project design is **€ 7,100,000. Project design has been completed. The work is partially in progress (public tendering open for some works).**
- **EU financing 85%** and the Croatian Government remaining 15%
- Estimated value of construction is **€ 361 million** of which 85% will be co-financed from the Cohesion Fund (EU)
- Reconstruction of **44.2 km** of the existing single-track line and construction of second one
- Reconstruction of railway stations: **Hrvatski Leskovac, Jastrebarsko, and Karlovac**

*Preparation for construction of second track, upgrade and modernisation on railway line section **Škrlevo – Rijeka – Jurdani**;*

- Total value of project design is **€ 5.8 million**
- **EU financing 85%** (CEF (*Connecting Europe Facility*) - € 8,500,000) and remainder Croatian Government
- Estimated value of construction is **€ 350 million**
- Reconstruction of existing track and construction of the second track in the length of **27km**

*Preparation for upgrade and modernisation on railway line section **Zagreb Main Station- Hrvatski Leskovac***

- Total value of project design is **€1.6 million**
- **EU financing 85%**
- Estimated value of construction is **€ 3.3 million**

*Preparation for upgrade and modernisation on railway line section **Karlovac- Ostarije***

- Total value of project design is **€9.2 million**
- **EU financing 85%**
- Estimated value of construction is **€ 660 million**
- 39,1 km

*Preparation for upgrade and modernisation on railway line section **Ostarije-Skrljevo***

- Total value of project design is **€2.4 million**
- **EU financing 85%**
- Estimated value of construction is **€ 1.6 billion**
- 72.2 km

*Preparation for upgrade and modernisation on railway line section **Okucani-Vinkovci***

- Total value of project design is **€5.7 million**
- **EU financing 85%**
- Estimated value of construction is **€ 530 million**
- 131 km

By building the second tracks, Railways is increasing the capacity, increase speed up to 160 km/h on international railways, 120 km/h on regional ones and 80 km/h on local railways

**HZ tender systems upgrade: Croatia is involved in the EU's** hard push to switch national systems to European standards. The company has this year launched the largest public procurement procedure in the company's history, worth as much as 450 million euros."

**Update: this tender has been cancelled for now.**

**The** money will go specifically towards new radio technology for communicating with railway vehicles on the tracks. That means designing and building the Global System of mobile communications for railway traffic (GSM-R) and migration to FRMCS (Future Railway Mobile Communication System). The project consists of three phases: development of the project or technical documentation, construction of the GSM-R network and finally migration from GSM-R to FRMCS.

## **Croatian state budget financing plus EIB loan:**

### **Ongoing:**

**Reconstruction of M606 Knin - Zadar** (73 km), 69.711.199 euros, SWIETELSKY

**Reconstruction of Kutina - Deanovec** (36,4 km) on the railway line M103 Dugo Selo – Novska, 19.612.321 euros, SWIETELSKY

**Reconstruction of the railway line Kloštar - Koprivnica - Varaždin** (74,7 km) on the railway line R202 Varaždin - Dalj and railway line Varaždin - Čakovec (11,8 km) on the railway line R201 Zaprešić – Čakovec, 190.000.000 euros, SWIETELSKI

**Track repair Banova Jaruga - Daruvar** (53,4) on the railway line L204 Banova Jaruga - Daruvar – Pčelić, 51.256.650,63 euros, SWIETELSKY

**Track repair M402 Sava Rasputnica - Zagreb Ranžirni kolodvor - Zagreb Klara** lk i dk (12,5 km), 26.640.526 eura, SWIETELSKY

### **In preparation:**

**Reconstruction of railway line M104 Sibinj - Slavonski brod**, dk i lk (2 x 7,3km), Strizivojna Vrpolje - Ivankovo (21,3 km), Andrijevci - Garčin lk (7,8 km) and Strizivojna Vrpolje - Andrijevci dk (8,9 km) i Okučani - Sibinj (106,2 km), tender preparation, estimated value 47 mil. Euros.

**Security with SS device of the railway station Slavonski Šamac** and railway track Strizivojna - Vrpolje - Slavonski Šamac, estimated value 13.000.000 euros, tender published

**Latest: Procurement of modern strategic and small railways mechanical machinery , estimated value 61.5 million euros, tender published**

## **EU financing**

### **IN PROGRESS:**

**Preparation of project documentation for the construction of a new double-track railway line** on the section Skradnik-Krasica-Tijani, EUR 2.9 million, ŽPD d.d, Granova d.o.o., BBD-Bridge & Building Design d.o.o., Geotehnic studio d.o.o., CEF, (The project for the preparation of further study and project documentation takes into account the construction of a new double-track railway on the section Skradnik-Krasica-Tijani in the length of 72 km, according to the selected variant C of the study documentation)

**Project of securing and modernization of level crossings EUR 16 million, ALTPRO d.o.o.**, OPKK and PKK, (The subject of the Project is the provision and modernization of 94 railroad and one pedestrian crossing with automatic electronic signalling and safety devices that use modern devices

with light signals in LED technology and loud bells to ensure safe traffic flow, while the installation of half-barriers is also planned on 79 railways, in addition to the above.

Within the Project, the provision and equipping of previously designed rail-road crossings on the lines for international, regional and local traffic will be carried out.)

**Removal of "bottlenecks" on the railway infrastructure**, 19,971,000.00 euros, OCTOPUS RIJEKA d.o.o., GEOTEHNICAL STUDIO d.o.o. and GEOKON-ZAGREB d.d., MONTERRA d.o.o. GEOEKSPERT d.o.o. and RAZMJER d.o.o., CENOZA PROMET d.o.o. and GEOTEHNIKA d.o.o., FRACASSO PRODUCTION d.o.o., NPOO and the State Budget, (The subject of the project is the reconstruction of bridges, viaducts, culverts and cuts on the railway network of the Republic of Croatia. Works on the cuts include the removal of unstable blocks from the surface of the cut, cleaning the surface from vegetation, excavation, installation of reinforced concrete cushions, installation of a load-bearing network, installation of load-bearing and edge anchors, cable protection, grounding of metal parts. The works on the bridges are based on the reinforcement of abutments and the replacement of the span structure. The existing span structure is concrete or steel, and is replaced with a new reinforced concrete or steel one.)

IN PREPARATION

**Reconstruction of the existing and construction of the second track on the section of the Hrvatski Leskovac – Karlovac railway**, estimated value of EUR 255 million, tender in progress.