
CROATIA DECLARES CHINA VICTORIOUS IN PELJESAC BRIDGE BATTLE □ BUT WILL THE COURTS AGREE?

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Highway operator Hrvatske Ceste conducted the signing ceremony on 23 April with the team led by China Road and Bridge Corporation (CRBC) to construct the first phase of the bridge and access roads.

All parties will be watching keenly for the outcome of challenges in Croatian courts and with the European Union (EU), as they will set a precedent for Chinese state-owned contractors winning work in the EU.

The challenges were launched by bidders Strabag of Austria and separately by Astaldi of Italy and IC Ictas of Turkey, on the grounds that the state-owned Chinese firms are recipients of state aid, and therefore contravene European competition law.

Croatia is a member of the EU, and European cohesion funds are being used to pay for the bridge.

Despite the signing ceremony, the Administrative Court in Zagreb may yet grant Strabag a restraining order halting work, in which case the project may be delayed pending a full-blown trial, which may last months or years.

The bridge has great significance for Croatia as it would unite the Peljesac peninsula to the mainland, allowing motorists to avoid a lengthy detour through a coastal corridor of Bosnian territory, thereby boosting tourism.

It has also acquired an importance for China out of all proportion to its □□□□ contract value, because a successful challenge would set a legal precedent and make it more difficult for Chinese teams to bid for European projects in the future.

The government of Croatia is offering unqualified support to the Chinese consortium, which also includes CCCC Highway Consultants and CCCC Second Harbour Engineering. In an interview after the signing ceremony with Xinhua, China's state news agency, Croatian Prime Minister Andrej Plenkovic said the bidding had gone through a transparent process in accordance with public procurement procedures of Croatia and EU.

We have full confidence that CRBC will deliver within the time frame that is expected, he said, adding that it would boost the excellent relationship that we already have between China and Croatia.

Oleg Butkovic, Croatias transport minister added that the construction of the bridge was the number one project for Croatia, and I am convinced that the Chinese consortium will build the bridge in three years.

The bridge was awarded to the Chinese team in January, after which Strabag, Astaldi and Ictas filed complaints with the State Commission for Control of Public Procurement over China Roads unusually cheap price, which they said amounted to dumping.

This was rejected in late March, after which Strabag issued a new appeal in the Croatian courts, and also applied to the European Commission.

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