

TOPICS FOR DISCUSSION WITH THE CZECH MINISTER OF TRANSPORT

14th April 2026

The Czech Infrastructure Association (**ARI**) considers the topics below to be key points for discussion and offers open cooperation in formulating objectives and implementing changes within the transport sector with the aim of increasing its efficiency, sustainability, resilience and public perception.

1. High-speed railway

- The Czech Republic has come a long way in its perception of high-speed rail (**HSR**), from an isolated link between European cities that ‘someone’ will build through our country, to a comprehensive transport system of Rapid Connections (**RC**), a government tool for supporting the development of the national economy and regions integrated into the European network, which is **our national project in our interest**.
- Existing rail corridors are operating at the limits of their capacity, and we do not consider investment in their further expansion to be effective; construction would inevitably lead to extensive service restrictions, and the technical parameters would remain at last century’s level. New lines will absorb most of the growing demand for long-distance passenger transport and free up capacity for regional and freight transport, by up to 31 trains per day on the busiest sections (the UnO-ČT section) and 36 trains per day (the Přerov-HnM section). **Construction of new lines outside the current corridors should be a priority for us.**
- Reducing the design speed from 320 km/h to lower levels would **not reduce the cost of the investment**, as the costs of building the line are not fundamentally linked to speed; however, **the benefits of faster transport would be reduced**. Conversely, adapting new lines to accommodate freight trains would **significantly increase the cost of the investment**, as a lower longitudinal gradient reduces the line’s ability to follow the terrain, and the length of bridges and tunnels increases. Added to this are lower gradients, and thus larger curve radii, and a different organisation of operations and maintenance – preparations would essentially have to start from scratch.
- For the supply sector, high-speed rail and related technologies present an opportunity to acquire new knowledge and experience similar to that required in Western markets.

Recommendations

- **ARI recommends not changing the current concept of the RC/HSR programme**, as it considers it to be sound. In the event of limited resources, it recommends phasing the implementation over time, or utilising alternative financing models, such as private capital in a PPP model or a design-build method with extended repayment terms.
- If your **aim is to increase competition among suppliers** (particularly in the technology sector), the only viable way to do so is **by accelerating the HSR programme**, as this will present a sufficiently significant opportunity for foreign entities to invest in entering the Czech market.

Recommendations

- **ARI recommends speeding up the preparation of the HSR Moravská brána (MB) PPP project** and preparing all the necessary documentation for the effective conduct of the competitive dialogue, so that the qualification of participants can begin. The MB section is due to be ready for construction to commence in 2029; this year also sees another parliamentary election, so it is **advisable to accelerate preparations** so that a contractor can be selected through a tender process and this construction start date is not jeopardised.
- Compared to the RC Brno-Přerov PPP project, which will be much more technologically dependent on current conventional technologies, **the MB high-speed rail line will be simpler and much more attractive** to foreign contractors, as it will set the standard for the entire future HSR network. Furthermore, the HSR MB project is at a more advanced stage of readiness compared to sections 1–3 of the RC Brno–Přerov.
- **It is important not to reduce the budget** for preparation and land acquisition for the high-speed rail line and **not to suspend preparations** for the sections currently under development.

2. Streamlining the construction of railway infrastructure

- We are currently monitoring the debate on railway projects tendering **split into construction and technological parts**. Yes, this **may be one way to achieve savings**, but it entails a number of important decisions and necessary changes.
- Splitting contracts may be suitable for **greenfield construction projects**. For refurbishment projects, however, it can be highly complicated. The main prerequisite will be SŽ's capacity to manage and coordinate separate contracts at the project level. We believe that **SŽ currently lacks both the experience and the personnel capacity** for this, **and it would be necessary to secure these through external contractors where required**. Similarly, it is necessary to engage in discussions with the market of designers and contractors regarding the optimal method of allocating responsibilities, tender and contractual conditions, and the principles of project management for contract implementation.
- The existing project documentation (mostly PDPS) will need **to be revised and divided into two separate sets of documentation** (ZOV, temporary structures, track closures, track bed, site facilities, etc.).
- One way to reduce the cost of railway construction projects could also be **to scale back the robustness of the technical design**, which is dictated by internal regulations issued by SŽ and the Ministry of Transport. In addition to these regulations, requirements from transport infrastructure managers are also incorporated. The fire service's requirements for fire safety measures constitute a separate issue, and these must be clearly defined.

Recommendations

- ARI recommends dividing the current scope of general contracts **into two parts – construction and technological parts**.
- We recommend **verifying this approach on small-scale pilot projects** and using preliminary market consultations (**PTK**) to clarify responsibilities, conditions and management principles.

- We recommend engaging in a dialogue with the market on how **to reduce the complexity of technical solutions** and how **to eliminate changes during construction**.
- **Clarifying and finalising the investor’s requirements and the technical solution before the public contract is put out to tender** will also contribute to increased efficiency, with the aim of reducing the number of changes to the terms of reference by the contracting authority during the performance of the contract.

3. Continuity of project preparation and building domestic know-how

- Railway construction projects are characterised by a high proportion of technological equipment with a high degree of integration with existing systems. It is not possible to properly design the track layout and associated structural elements (bridges, tunnels, platforms) without cooperation with specialists in traffic operations, signalling systems and overhead contact lines. The design market therefore appears closed, yet over the last decade, companies such as Mott MacDonald (a British group), AFRY (Swedish), Egis (French) and Sagasta (Czech) have established themselves in the Czech railway sector, with a significant share in this segment.
- The involvement of foreign companies has led to limited participation by new engineers. On the one hand, there is an even greater shortage of technicians and engineers in Western countries than in the Czech Republic; on the other hand, despite recent growth, the hourly rate for an engineer’s work on the domestic market is still barely half that in Western countries. Local business conditions (unlimited liability) and the complex legislative framework for building design, the language barrier and the high degree of localisation are also off-putting.
- The halt in construction preparations caused a major crisis in the past, when former Minister Bárta cut hundreds of millions from ‘unnecessary’ projects because sufficient funds were not available at the time. When funds did become available a few years later, there were no projects ready, and tens of billions were spent on construction projects where the main criterion was not the efficient use of public money, but the speed of obtaining permits. The design market took almost ten years to recover from this blow, and capacity has never returned to its original level.
- SŽ has not issued any significant design contracts since autumn 2025, and the situation is beginning to resemble the ‘Bárta’s Crisis’. If tendering does not resume by mid-2026, design firms will start laying off staff by the end of the year or, at best, reassigning employees to other specialisations. Technicians and engineers will find employment in other sectors – the railway market will irrevocably lose them. All this at a time when the Czech Republic should rather be increasing its capacity to implement the RC/HSR programme, which may take on a significant export-oriented dimension in the near future.
- An example of the suspension of SŽ’s investment activities is the Chlumec – Hradec Králové project, where the client issued an instruction to halt negotiations at the stage of preparation and discussions with landowners on land acquisition. The suspension of negotiations with landowners will have a very negative impact on the future resumption of negotiations and on public perception.
- A similar experience in Slovakia led to a shortage of contracts and the break-up of qualified teams.

Recommendation

- ARI recommends **not reducing the volume of project and engineering preparation** for construction works and maintaining continuity in the outlook to ensure stability and retain qualified domestic teams in the market.
- Continuity in project preparation ensures **the development of Czech know-how** as a specialisation with a high degree of added value for the future.

4. Dual-use expenditure and its significance for transport and defence

- Dual-use expenditure may also represent localised investments that serve civilian transport infrastructure, whilst **simultaneously enhancing the state's ability to support military movements** in times of crisis; in terms of overall financial volume, they may replace large motorway projects as major undertakings. Following this logic, the Ministry of Transport can implement projects that directly benefit the functionality of the transport network whilst simultaneously meeting NATO and EU requirements for military mobility far more easily.
- One of the most significant areas of dual-use expenditure is **the systematic inspection and reconstruction of bridge structures**, which constitute critical points in the transport of heavy and oversized military equipment. Inspection enables the categorisation of bridges according to the MLC military classification, the identification of bottlenecks, and the planning of investments with a clear justification for defence funding.
- The reconstruction or strengthening of bridge load-bearing capacity, junction modifications, diversions, feeder roads or local increases in capacity parameters are **projects that can be prepared relatively quickly** and which have a significant benefit for both civilian transport and military movements. In the context of the backbone network, this primarily concerns TEN-T corridors, border crossings and links to strategic logistics centres.
- Infrastructure must be planned as **part of a broader national logistics strategy**, which includes pre-determined routes for military movements, multimodal interconnections between transport modes, and the ability to respond rapidly to changing circumstances. Digital tools – such as shared load-bearing capacity maps, bridge monitoring and coordination between civilian and military agencies – enhance the effectiveness of these investments. The result is a transport network that is more resilient, more flexible and better prepared for both day-to-day operations and crisis situations.

Recommendations

- ARI recommends developing **a comprehensive strategy for dual-use infrastructure** that would clearly define priorities in the areas of bridges, railways and multimodality, including the possible introduction of digital load-bearing capacity maps, dynamic bridge monitoring and the sharing of logistics data between the civilian and military sectors.
- To this end, we recommend establishing **a joint working group comprising** the Ministry of Transport, the Ministry of Defence, the Railway Infrastructure Manager (SŽ), the Road and Motorway Directorate (ŘSD) and the Railway Infrastructure Administration (ŘVC).

5. The speed of the Office for the Protection of Competition's (UOHS) decision-making and its impact on infrastructure construction

- UOHS's (*The Office for the Protection of Competition*) protracted decision-making during the review of public contracts is currently significantly delaying the commencement of transport construction projects. Proceedings often last several months to a year or more (in the case of Metro Line D, as long as four years); they frequently send the contracting authority a step back instead of reaching a substantive conclusion, and the risk of objections is repeated. Fears of a bid being blocked and an emphasis on (trivial) formalities complicate internal processes. If a tender procedure is blocked, projects effectively grind to a halt, their costs rise, and market capacity is lost.
- In practice, this creates a situation where the state has projects that are ready and funded but is unable to implement them. The main reason for rising costs is inflation over time. Postponing or repeating tenders increases the prices of major construction projects by hundreds of millions to billions of CZK.

Recommendations

- **The changes implemented in Slovakia**, which significantly accelerated the review of strategic investments carried out by the Public Procurement Office (ÚVO), can serve us as a model case.
- In 2024, the state established, through a 'minor amendment to the Public Procurement Act', a special **unit for the strategic agenda** within the ÚVO, which is separate and independent of the ÚVO chairman and is managed by an independently appointed vice-chairman for the strategic agenda. This unit reviews public contracts relating to strategic investments. The Slovak Government decides on the classification of projects as so-called 'strategic investments' of the state.
- In its first year of operation, this unit decided on 15 cases, with an average decision-making time of **12 days**. Of these, six projects were commissioned by the National Motorway Company (NDS), and its cases were decided on average within **18 days** (the shortest time was 8 days – annulment of the contracting authority's actions – and the longest was 25 days).
- Compared with the Czech Road and Motorway Directorate (ŘSD, 25 planning consent proceedings between 2021 and 2025): cases without an appeal (two-thirds) were decided within **2–3.5 months**, and cases with an appeal (one-third) were decided within **4–10 months**.
- **Change to single-instance decision-making in reviews:** In 2024, Slovakia also adopted a 'major amendment to the Public Procurement Act', returning to single-instance decision-making by the Public Procurement Office. **Since 2024, the Czech Republic has thus been the last EU country to decide on suppliers' bids in two instances** and to block the procurement procedure for the entire duration of the decision-making process.

6. Continuity of infrastructure construction in times of price shocks

- Serious geopolitical situations in recent years have created unpredictable scenarios of critical shortages of raw materials and caused sharp increases in the prices of construction inputs (diesel, asphalt, energy, materials), which the standard contractual model in public procurement by the ŘSD and SŽ is unable to absorb. Many contracts have a fixed price with no realistic possibility of adjustment, and the contractor fully assumes the risk of changed

circumstances, whilst existing indexation mechanisms are either slow or completely absent – particularly in smaller projects.

- In practice, this means that contractors are delaying projects or carrying them out at a loss, which jeopardises the stability of transport infrastructure construction.

Recommendations

- Given that crises recur, ARI recommends introducing mechanisms that respond better to such situations, for example by creating **a more flexible crisis mechanism** allowing for faster indexation, exceptional clauses or temporary suspension of works, which would manage extreme price shocks without destabilising the construction market.
- At present, construction contracts use **a price index for construction works that is too general**, with unclear components and weightings, and which fails to take account of the different types of construction projects (building, road or railway construction). We recommend introducing **indexation based on specific material inputs** (e.g. in Norway, an index for the price of asphalt is used directly) and require material prices to be stated directly in tenders for public contracts.

7. Chaos in the construction law legislative process is a barrier

- Construction legislation in the Czech Republic is undergoing repeated and extensive changes without sufficient stability, expert consensus or predictability. The current amendment to the Building Act is already the umpteenth major revision in a short period of time, and according to experts and local authorities, it does not resolve key practical problems but, on the contrary, creates new ones.
- Furthermore, local authority representatives point out that the legislative process is taking place without sufficient discussion and that frequent changes to the rules are destabilising spatial planning and the permitting processes. The result is an environment where rules change ‘on the fly’, which complicates project preparation and prolongs their implementation.
- Instead of speeding things up, the opposite effect is occurring – uncertainty, the parallel existence of different regimes, and dysfunctional implementation (e.g. digitalisation, the structure of government bodies).

8. Capacity shortages in the construction sector and the impact on infrastructure development

- The construction sector has long faced a shortage of skilled workers across all professions, which is beginning to limit the ability to deliver the growing volume of transport projects. The lack of capacity is reflected in prolonged project delivery times, rising costs and reduced competition in tenders.
- Recruitment of new staff is hampered by the generally low attractiveness of demanding technical fields, and the negative image of the construction sector, fuelled by the media and certain politicians, does not help either. Design firms cannot replace educational institutions or influence the attractiveness of the sector, as they are unable to plan the long-term development of segments such as the high-speed rail programme. Railways have become a sector heavily

influenced by the media and politics, changing in response to political shifts and the current media narrative.

- In the context of planned investments in transport infrastructure, there is a risk that capacity constraints will become one of the main bottlenecks for future construction.

Dear Minister, we appreciate the opportunity to present the above-mentioned issues, which ARI considers important, to you in person and to discuss our recommendations with you. We are prepared to cooperate with you openly and transparently and offer our practical experience for further discussions and the search for mutually acceptable solutions. Should you be interested, please do not hesitate to contact us.

Yours sincerely, on behalf of the members of the ARI's Steering Committee,



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