ZAGREB (Reuters) - Croatia has signed a contested 2.08 billion kuna ($343 million) contract with a Chinese consortium to build a bridge linking the southern Peljesac peninsula with the rest of the country.

At present the only road connection between mainland Croatia and its far south - including the popular southern Adriatic tourist destination of Dubrovnik - passes through neighboring Bosnia.

The European Union is financing 85 percent of the cost of constructing the 2,440-metre bridge, which is expected to take three years, although the choice of the winning Chinese bidder has been challenged in court by one of the losing parties.

Croatian Prime Minister Andrej Plenkovic said at a signing ceremony on Monday that the bridge was for “the benefit of the people who live in the area and of our tourism”.

In January, Croatia chose a Chinese consortium, led by the state-owned Chinese Road and Bridge Corporation, over bids from Austria’s Strabag, which offered 2.6 billion kuna, and a joint 2.5 billion kuna bid by Italy’s Astaldi and Turkey’s IC Ictas.

Strabag filed a lawsuit in a Croatia court last week and invoked the European Commission after Croatia’s state public procurement commission rejected last month complaints that the
Chinese consortium had won with the help of state subsidies.

It is unclear when the court will make a ruling and whether it could affect the timetable for construction of the bridge.

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