

President of the State Audit Institution (SAI) Dusko Pejovic said that revenues from mineral mining fees in 2018 amounted to six billion dinars, and that earlier this year the debt towards Serbia's budget amounted to 2.6 billion dinars.

At the presentation of the report on mineral resources mining monitoring effectiveness between 2016 and 2018, he said that companies engaged in this activity calculate the data on the amount of raw materials used, sales revenues, as well as the fee amount.

"The competent authorities did not sufficiently control the amount of minerals mined out, the revenues from the amounts sold and the usage fee, which is why there is a risk that financial liabilities have been underestimated," Pejovic said.

He added that the fee collection is also not efficient and that no forced collection is applied, which is why it is possible that the planned budget revenues may not be achieved.

He said that of the 2.6 billion dinars of debt, 1.9 billion dinars is interest, and that over 99 percent of the debt is monitored by the Ministry of Mining and Energy of Serbia.

According to him, the revenue from the fee would have been higher had RTB Bor not written off around RSD 5.3 billion in 2016.

"The use of non-renewable mineral resources would have been more rational and the budget revenues would have been greater had the control been more efficient and better coordinated by the competent authorities," Pejovic said.

DRI Senior Advisor Goran Mandic said that about 200 companies are engaged in mining in Serbia, with coal, oil, gas and copper accounting for 90 percent of production.

"From 30 percent to 60 percent of the mining entities between 2016 and 2018 failed to submit or failed to regularly submit documentation on their financial liabilities, and the Tax Administration did not control the calculation and payment of the mineral resources usage fee," Mandic said.

He pointed out that the competent supervisory authorities failed to apply the penal provisions of the regulations, except for inspection in individual cases, so that the provincial inspectors filed two economic offense complaints and one criminal complaint.

He said that the highest revenues from the mineral resources mining fee between 2016 and 2018 were generated by the municipalities of Lajkovac (887 million dinars) and the city of Kikinda (635 million dinars), without many local governments even knowing whether mining of mineral resources is taking place in their areas or who is performing this activity despite having a fee income.