

# Serbia mining: Chance of the Year - Entry of Russians or Chinese into one city could raise Serbia

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In the Bor municipality, 85% of people directly and indirectly depend on the work of RTB Bor, but also 20,000 families across Serbia. It is clear what the choice of a strategic partner would mean for that company, as well as for the country to which it owes more than three hundred million euro.

Whatever company to come as a strategic partner RTB "Bor" - according to previous hints, Russian and Chinese have shown the most interests - in Bor and Serbia nothing will be the same again. This is also indicated by the latest indicators of the operation of this mining-smelter basin, but also about what it is like now, with 5,000 employees, for eastern Serbia and the whole country.

"I can freely say that 85% of people in the Bor municipality directly and indirectly depend on the work of RTB Bor, but also another 20,000 families across Serbia. Because copper production also means high consumption of all types of fuels, but also that RTB copper supplies a rolling mill in Sevojno and especially for the purpose of the Serbian industry", the head of the Public Relations Service of RTB Gorica Tonchev Vasilić notes for Sputnik.

She points out that a good business result achieved at the end of 2017 indicates that the arrival of a strategic partner would certainly make RTB Bor and the municipality itself stand on their feet, and in the long run Serbia as well.

After many years, at the end of last year, after all the deductions of RTB "Bor" remained net profit of 42.3 million dollars. Even before these results were known, Prime Minister Ana Brnabic announced at the beginning of December that RTB paid serious money to the budget and participated in the gross domestic product with 0.8 percent. I think that this percentage is even higher, says Tonchev Vasilić.

She also recalls that the price of copper on the stock exchange today reached almost \$ 7,100 per tonne, and that the cost of production of RTB Bor is \$ 4,800 per tonne. So, she adds, everything above that price makes the company profit.

Professor of the Faculty of Economics Jurij Bajec believes that RTB "Bor", which we see today as a big problem, is a great potential in the long run.

After all, there would not be a lot of companies involved here, first of all in exploring the mining wealth that needs to be invested, it's not like that, adds this economist.

However, RTB "Bor" had a big problem because it was a big debtor with a 1.2 billion euro debt. Since the state has written off nine hundred million, there are still three hundred that can with good business be restored, "says Bajec. He believes that in such situations the basic question is whether, in the perspective, in the medium and long term, the RTB can function profitable and not make a burden on the state.

It shouldn't, he says, be forgotten about whether "Bor" can use its own copper production ore, which requires investments in new deposits. Bajec recalls that until now there has been an import of copper concentrate in the mix, which in the end is only a fine job that does not have a big additional effect.

Pointing out that for some time the demand for copper has increased, and so is its price, the professor at the Faculty of Economics reminds of projections that say that this trend could last for a long time. And with such trends, of course, the investors' thinking about the profitability of investments in RTB "Bor" is changing.

"In any case, my impression is that this can end up positively for both Bor and Serbia, with changes in the work of this system, in order to finally pay off the effects of the previous investments and new smelters. 'Bor' needs to be able to work permanently well and to take off the state from the hump, and on the other hand to provide a perspective," Bajec told Sputnik.

The expectations are that the tender for the selection of strategic partner for RTB "Bor", which will, certainly, be announced in the first half of this year, finally resolve the fate of this basin, which after a period of more than one century came into the situation to wonder if it will survive.

What is the neck stone, testimonies the news from the beginning of the year when Serbian President Aleksandar Vučić was not afraid to ask the Chinese ambassador to ask the president of China to help Serbia find a strategic partner for RTB Bor.

Then President of the National Council for Co-ordination of Cooperation with the Russian Federation and NR China Tomislav Nikolić in China met with the executive director of Zijin Mining, who expressed great interest in privatization of RTB Bor.

In the middle of last year, another Chinese company showed interest in Bor.

"The technology and mines we've seen left a deep impression on us. That is why I hope that we will achieve successful cooperation with RTB Bor for mutual benefit," said Chen Ze Lu, General Manager of China's Hunan Gold Group during a tour of the basin.

And at the end of last year, Russian copper company from Yekaterinburg, the third largest copper producer in Russia, unambiguously showed interest in strategic partnership with Serbia by investing in RTB Bor. They sent a letter about this to the Bor company and the

ministries of mining and economy.

Nor did the Canadians hesitate to show that they are interested in the Bor basin. The new ambassador of Canada, in her new duty, started the visit of RTB "Bor", praising what she saw.

Obviously, the new wind situation in the back gave the copper price around \$ 7,000 per ton. Experts believe that for a profitable business of "RTB Bor" enough \$ 6,000 per ton is enough. Especially since half of the mining resources that had begun to be exploited in Bor around 1903 have not yet been used.

Certified geological ore reserves amount to about 1.38 billion tons of ore and contain about 5.1 million tons of copper, 202 tons of gold and 1.477 tons of silver. Confirmed resources, with an average annual exploitation of 26 million tons of ore, guarantee the production of copper in the next fifty years.