



Adoption of the “Strategy” in the Government of the Republic of Serbia is expected by the end of 2015. It is believed that, under more favorable environmental conditions and restructuring of public enterprises, the interest of investors will increase.

It is expected that the Government will adopt the “Strategy of Mineral Resources Management in the Republic of Serbia by 2030” by the end of this year, the document made by Faculty of Mining and Geology, University of Belgrade and leading experts in this field at the end of 2011. According to the assessments presented in this analysis, the long-term aim that should be realized by the Ministry of Mining and Energy, together with all other competent state institutions, is the increase of the mining industry participation in the gross national income from two percent (as it amounted at end of 2010) to over 5.4 percent by 2020. .

#### Mineral resources management

The document is based on the fact that economic growth, as a result of the global economic and social development, with the current dominant technology, requires the increasing use of mineral resources. Mining activity is the holder of mineral resources management, and consequently, it should affect, in addition to geological activity, the overall economic development of the country.

Today, on an annual basis, about 60 billion tons of mineral raw materials are produced in the world and the average consumption per capita amounts to 22 kilos per day, out of which the largest part is used in Europe (although the production is the smallest there). For the economy of the European Union many metals, especially the rare ones, are important, which are necessary to meet the needs of new technologies?

In the energy sector, in 2008 the policy of the European Commission focused towards the use of coal. It was concluded that coal would be the primary raw material and that by 2030 the production should be increased by 53 percent. The growth of coal consumption in the world in the period from 2010 to 2030 will amount to about 2.5 percent, and the development of the coal sector will be directly related to the development of the energy sector. The growth of coal production will increase the efficiency of thermal power plants and meet the needs for energy from coal.

The Republic of Serbia with the strategic approach to the mineral resources management enables the future of this sector to be planned. It is the process by which the key parameters are determined and the most important goals are harmonized – explains Prof. Vladimir Pavlović, the author of the “Strategy”, which, according to the assessments, represents a good basis for the future development of mining in our country, especially if you take into account that there has been no similar document in the last 20 years.

The strategy can be socially, ecologically and sociologically characterized as essential in order to achieve the real objectives of planning, organization, management and protection of space and mineral resources of our country, further explains Mr. Pavlović, adding that the parliamentary committee in the Ministry of Mining and Energy praised it as one of the best made in the economy sector.

The aim of the document is to find the new forms according to which the sector of mineral resources would be managed, because its current participation in economic and social development of the country is inadequate. Making a concrete long-term plan is the first step towards the control increase over the course of events in this area - experts say.

#### Potentials of Serbia

In Serbia, the total value of produced mineral raw materials in 2010 was about 1.2 billion euros, which is about four percent of the total gross national product. Exploitation of lignite deposits is the most important. Geological reserves of lignite, compared to all other types of coal, amounted to 93 percent.

According to the data of reserves' balance in 2010, 76 percent of coal reserves is located in Kosovo and Metohija, so the remaining 14 percent of coal from MB Kolubara, 3.3 percent from Kostolac and 2.7 percent from Sjenica and Kovin mining basins is available to Serbia, In MB "Kolubara", as the largest holder of the production within the "Electric Power Industry of Serbia", geological reserves amount to 2,987 billion tons of lignite.

The mining sector in Serbia achieves only two percent of gross domestic product, which is very low compared to developed countries. Mineral resources and mining sector do not have the economic significance which they should.

It isn't invested enough in geological research as well, and the problem is insufficient use of modern technical and technological solutions as well as hiring the insufficiently qualified personnel.

- It is not a consequence of the economic crisis, but the strategic objectives of the state. The situation is slightly better a few years after the draft of Strategy was written, but the delays in the implementation of development projects for metallic, non-metallic and energy raw materials are obvious... However, under the more favorable conditions of the surroundings and restructuring of public enterprises, in the following period we may expect an increased interest of investors - Mr. Pavlović pointed out.

The public resource management, which includes a well-established legal framework, transparent procedures, data access and necessary restrictions to protect the environment, is important for the development of the mining industry. Also, this sector would have to have the most important role in attracting the investments. The development of the sector is currently unsatisfactory, and the situation is slightly better when it comes to the open pit mining of coal.

One of the experts' conclusions is that the state policy significantly affects the development

of the sector of mineral resources as well, and that many aspects are not regulated in order to enable the improvement of the mining sector. Then, from the economic side, the instability of the dinar (RSD), small investment potential, as well as undeveloped awareness of the importance of mineral resources for the overall economic stability of the country and the need for fast economic development, can lead to unbearable pressure on the development and management of mineral resources.

#### Development directions

Due to the current position of the mining sector and mineral resources, it is especially important to accede immediately to the realization of the three strategic directions. The first direction is the development of strategic documents, the second - the adoption of a new, modern legislation (with the new law and related by-laws) and the third - the development and strengthening of the institutional framework.

Knowing the geological potential of Serbia and bearing in mind the need for improving the operations of the mining industry, as well as the unstable situation on the world market of the mineral resources and capital, from the analysis of three development options (pessimistic, optimistic and realistic), the realization of the realistic development option is certain. In this option, a progressive development of the sector of energy mineral resources has been designed in order to maintain the energy stability and independence of the state. The progress of the sectors of metallic and non-metallic industrial and other raw materials within the existing projects of foreign companies is necessary, but the planning of infrastructure development, as well.

- Benefits that could be used are the large potential of some resources and openness to investments. However, we lack the mechanisms by which we would fight against the absence of political and social will to make changes, by which we would reduce imports and we would work on strengthening the potential for a reliable supply of electricity. In this way we would gain the necessary independence of the state in the electricity supply and contribute to the economic development of the country - it is stated in the "Strategy".

In the sector of energy mineral resources in the period to 2020 investments of over 2.8 billion euros should be implemented in coal open pit mining in Kolubara and Kostolac basins. Significant projects are the construction of the open pit mine "Radljevo" open pit mine Field "E" (with another seven projects in "Kolubara") and one in Kostolac, Sjenica and Aleksinac basins.

- In this document, for the first time in the mining industry the development projects by sectors have been clearly highlighted - emphasizes Mr. Pavlović.

The realization of the planned projects would enable the increase of the volume of exploitation of all types of mineral resources, but also the beginning of use of mineral raw materials that have not been exploited yet. The most important thing is to achieve long-term strategic objectives of the mining sector by 2020, i.e. its share of the gross domestic product

of over five percent

Thus, the height of the mining industry income in 2020 should amount to three billion euros, while, in the total income, the share of energy mineral resources amounted to 67.9 percent, metallic mineral resources 22.1 percent, non-metallic industrial mineral raw materials 7.6 percent and non-metallic mineral raw materials 2.3 percent. According to the estimate of growth of 5.8 percent, the gross national product in 2020 would be 55 billion euros, and the share of the mining industry in the gross domestic product would be 5.4 percent. This development of the mining industry, based on mineral resources, would enable the development of other economic sectors and contribute to the economic stability, which is the basis for further economic development and strengthening of the state.

World-wide potential

For the development of the European Union economy rare metals are important, such as lithium. In Serbia, in Jadar basin, there is 227 million tons of ore jadarite that could be transformed into 1.6 million tons of the equivalent lithium carbonate, which is a world-wide potential , transmits Serbia-energy.eu