

*Local experts generally claim that the Law on mining and geology was wrong, because, if we believed to the media, the mining potential of Serbia had been used only 3 percent. Therefore, the law must be changed.*

Republic of Serbia, as well as state-owned enterprises for which current laws were written, do not have the money needed for large geological exploration or exploitation. Capital and knowledge only have large private mining companies that must be attracted because of their expertise and investments, mostly due to employment. Mining companies are attracted with suitable mining law that will help them to achieve their overall goals.

As key elements of a good law, proposed list could be the following: long-term license for the expansion and the certainty of the premises license expansion in order to include the newly discovered reserves, so that the investor benefits from the initially discovered ore reserves, as well as to encourage further research in order to establish new reserves, and thus to extend the mine life. This should be explicitly stated in the law, in conjunction with the extensions. Then, it is needed a proprietary mode that effectively and fairly regulates the relationship between the state of Serbia as the deposit's owner, the mining companies that invests in exploration and exploitation, as well as the owner of the explored country. The law should also contain a reasonable and stable fiscal regime, including compensation for the exploitation of mineral reserves in the Mining Act and the tax rate, enabling a competitive, but fair distribution of income between investors and the state. It is necessary that the discretionary power of the state be more limited.

It is needed that terms in the research phase (up to a total of 15 years with outstanding overtime) are clearly defined, stable, long-term and non-discretionary, which allows the investor sufficient time to detect, investigate and establish reserves of mineral wealth.

Source; Serbia Energy Mining desk