

# Serbia should aim for mining processing and not only exploration

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Although Mr. Ndegva does not appear to be a colonial deputy, his rhetoric has a colonial tone, no matter how hard he tries to show how the World Bank is helping Serbia. Ndegva is encouraging Serbia to move away from exploration as soon as possible and enter into the mining operations ("Serbia can be a leading supplier of lithium and copper"), to develop a national vision for mining and for the Government to do all this in close association with private sector.

There is the impression that the World Bank has slept through one economic period in Serbia. The largest mining projects in our country - the "Chukaru Peki" in Bor and the "Jadar" in Loznica - have already made considerable strides in exploration of copper and lithium deposits and are undoubtedly entering the exploitation phase.

## Serbia needs something different in the next phase

It does not need the role of a colony (a "leading supplier") from which natural resources and mineral resources will be exported. This is a miserable and insecure status in the international division of labor that Serbia should avoid at all costs. It is miserable because it lowers it to the level of 19th century overseas colonies and is uncertain because it puts it in the position of today's Russia whose GDP depends most on the movement of commodity prices (volatility) on world stock exchanges.

Serbia needs a step beyond mere ore processing. It needs a national strategy to further its mining potential. And it can only do so if it has a plan for a higher phase of processing copper and lithium into higher value-added products.

Serbia's goal should not be to produce lithium and its exports to mobile phone and electric car manufacturers, but to produce batteries of all sizes for energy storage - from small ones for smartphones to larger ones for cars and the largest for cities.

The Chinese company Zidjin is already nearing the opening of a new copper mine in Bor, and the multinational company Rio Tinto is completing research work for lithium workers, which means the processing plant could be operational in 2021.

The mining strategy Ndegva is talking about is already passe. We need a new strategy - attracting domestic and foreign investors to build processing facilities leaning on the Fourth Industrial Revolution. This is a step Serbia must take to transform itself from a colonial status into an active player in the upcoming world division of labor.

For example, if neighboring Hungary built a technology park with an experimental runway for the development and testing of self-driving cars, why should Serbia not be the exclusive partner of the world's largest car manufacturers (Volkswagen, Volvo, Mercedes, Ford, BMW, Toyota, Tesla, Honda) which are racing to take market positions for a new era.

Until the other day, Serbia was foolishly racing for Volkswagen's classic car factory and begging the management of that concern instead of having President Aleksandar Vucic take a bag of lithium to Herbert Dis, the head of a company that plans to produce 330,000 electric cars from 2021 and persuade him that Volkswagen makes a battery factory for those cars, in Serbia.

The World Bank and Steven Ndegwa should be talking about the political leadership of Serbia, not colonial mining issues.

If only it develops mining, Serbia remains a country buried in the First Industrial Revolution. It's not bad either. But, if it wants more than that, Serbia must have a strategy for processing ores into higher value-added products, thus jumping into the Fourth Industrial Revolution. It is an opportunity not only for increasing mining's share of GDP, but for much higher GDP growth.

Source: danas.rs