

Serbia unexplored mining deposits, environment threat from known polluters?

Categories : [Mining](#)

Date : September 7, 2019

A possible mining boom in Serbia promises generous profits for private companies that will exploit mining resources. Tax incentives, cheap labour and inadequate environmental regulation make rich sites extremely attractive and affordable for exploitation.

Ecological disasters and the destruction of nature in Serbia are now hardly surprising. Under the wing of state economic or energy development, the relentless exploitation of natural resources leaves wasteland behind. A new battle for resources in Serbia is at the pier. This time the prey is found deep in the womb of the Earth.

Last year RTB Bor was “successfully” taken over by the Chinese company Zijin, and now Minister of Energy and Mining Aleksandar Antic is urging big players to grab the opportunity with Serbia’s vast mineral resources. This spring, at the Toronto International Ministerial Summit, Antic was trying to lure profit-hungry investors. He said that “according to a study by the Canadian Fraser Institute, Serbia ranks 4th among European countries in terms of attractiveness for investment in the mining sector”.

From the English report itself, it can be concluded that Serbia’s sharp jump in rankings is mainly the result of improvements in tax policy and improved perceptions of actors regarding environmental ambiguities. In these segments, Serbia was behind and now is shooting upwards. While improving the tax policy in translation means more tax breaks for investors, the improved perception of actors in the context of environmental regulations leaves room for interpretation, thus requiring little reflection on what was actually meant by that and there we come to the central problem of this “mining fever” that Antic and his team fantasise about.

In addition to tax breaks and cheap labour, which the Serbian government obediently provides, for all industries primarily ones based on the exploitation of natural resources, the most important aspect in business are environmental regulations. And that is actually Serbia’s biggest strategic advantage in this case. Serbia is constantly failing all tests of environmental care and conservation. Cases such as the destruction of rivers by mini-hydro power plants, the burial of toxic waste into the ground and illegal logging only confirm the established norm of “permissible” destruction of nature in all possible ways. It seems like ecocides in Serbia have become a completely normal thing. And all of this is actually the result of a poor environmental regulation and an even poorer implementation of that regulation in practice.

Every human intervention in nature leads to some form of disturbance in nature, of greater or lesser intensity. The mining industry is a dirty industry by its habitus. There are countless cases in various countries around the world where the mining industry has left behind a seriously devastated nature.

Occurrences such as ground and surface water pollution, air pollution, erosion and sinking of soil come together with the mining industry.

On the other hand, in the economic sphere, the development of the mining industry in Serbia is presented as a great opportunity for economic development. And this would be true if the state itself exploited its own mineral resources for its own benefit, that is, for the sake of strengthening the economic standard of its inhabitants. In this case, the amount of degradation of nature would be somewhat justified as it would be of benefit to the whole of society.

However, the cost of environmental pollution should also be counted into the economic construction. A great example of the aftermath of the mine closure is in Germany, in the province of Ruhr, which was famous for its coal mines, which are now closed down to one. As the entire underground surface of the province was drilled like Swiss cheese due to mines, it disrupted underground flows and water reserves.

Because of this, there are hundreds of miles of pipes and pumps that pump water from old mines to prevent their collapse. It is estimated that the cost of this operation is around EUR 220 million annually.

On the whole, it is even worse that hypothetically, according to projections, given the situation in Ruhr, the pumps will have to operate “forever”.

Let's go back to Serbia. In the case of Serbia, where the state charges only a small percentage to private companies for the exploitation of their own resources, the so-called “mine rent” which is five percent, the whole economic justification falls into the water. And with it falls the justification of the amount of degradation of nature and the cost of pollution that the mining industry will inevitably bring with it.

If one looks at the projections of the total value of the mineral resources at individual sites, it immediately becomes clear that Serbia will only pick up crumbs from the table in the announced boom.

The site of “Chukaru Peki” and “Jadar” are examples that perfectly illustrate how little Serbia will get out of this whole story.

In the case of the “Chukaru Peki” site, in March 2016, the UK mining and geological company SRK Consulting published a preliminary economic analysis. According to the study, “Chukaru Peki” is potentially one of the world's largest deposits of copper and gold, with 35 million tons of ore with 2.9 percent copper and 1.7 percent gold per ton (about 900,000 tons of copper and 70 tons of gold) in the Upper Zone. gold). The estimated value of the Upper Zone sites is around \$ 1.5 billion, while projections for the Lower Zone are far more abundant. The foreseen method of exploitation of the “Chukaru Peki” site in the preliminary analysis is the method of underground exploitation, without congestion, which is not so destructive to the environment.

However, in 2017, SRK Consulting submits a new analysis, which specifies the method of exploitation by congestion, that is, underground mining. Namely, underground works will lead to the collapse of the soil within a radius of 800 meters and to the subsidence of the soil in the area of 1400 meters, as foreseen in the analysis itself. Photographs of the “Chukaru Peki Association”, clearly show the negative impact on nature and the local community involved in agriculture, beekeeping, etc.

Another case of mining sensation is the one in Jadar near Loznica. In that area Large

quantities of lithium were discovered. Lithium is currently among the most demanded metals in the world, primarily due to cell phone manufacturing and the development of the electric car industry. The company licensed for exploitation is Rio Tinto, one of the largest mining companies in the world. The projections say that the “Jadar” contains about ten percent of the world’s lithium reserves and large amounts of boron at the same time. Unlike the “Chukaru Peki” site, in the case of “Jadar”, there is still no estimate of the total value of the site. But judging by the demand for lithium and its value, billions are at stake. Apart from the great value of the “Chukaru Peki” and “Jadar” sites, their similarity is that the exploitation methods of copper, gold and lithium represent a multiple destructive process for the environment in these sites.

Not many people seem to wonder who are exactly the companies whose names are related to these projects at the “Chukari Peki” and “Jadar” sites. The companies that affiliate with “Chukaru Peki” are Zijin, Nevsun Resources and Freeport McMoran, while Rio Tinto is the only player in the “Jadar”. A simple Google search makes it easy to find that all of these companies are following the history of pollution and exploitation of workers as well as the human rights violations.

Zijin has left environmental damage such as pollution of rivers and water sources in China in Fujian province, due to the use of sodium cyanide in flushing ores, a highly toxic element that has caused extremely high rates of cancer, fish death, etc.

Freeport McMoran is known for dumping tens of millions of tons of ore from the Grasberg mine in Indonesia each year into the local Ajkwa River, and for the inhumane exploitation of its workers at that Indonesian mine, which resulted in a major strike two years ago.

Rio Tinto also devastated the ecosystem of a local community located within the Oyu Tolgoi mine, in the Gobi Desert in Mongolia.

Nevsun Resources is known for the brutal exploitation of its workers at the Bisha mine in Eritrea. Several workers in the mine have sued Nevsun Resources in Canada, their home country, for forced labour and torture.

No media reported about the dirty laundry of companies that revolve around the current mining boom in Serbia. Judging by their history and way of doing business in various countries of the world, and considering the poor state of the Serbian regulatory framework, both environmental and labour law, it all indicates that these companies in Serbia will operate according to their already established model.

And big companies like countries like Serbia, where the regulations are like a spider web. Elastic and full of holes.

When summed up, can a five percent mining rent justify these projects, given the inevitable amount of damage to nature and local communities that will result from the “Chukari Peki” and “Jadar” project?

Hardly. However, that is not the end of the story.

In Serbia, currently, major mining companies in the world are recording several dozen locations where potentially valuable ore deposits are hidden. In line with the current political and socio-economic atmosphere in Serbia, and given how things work, the first picture that comes to mind is that Serbia can become a major excavation in the near future. The philosophy of “at any costs” of Serbia’s economic development will do their best to make that happen, because they will surely know that they are selling the story and incorporating their interests into it. And the price of nature is almost free. Only five percent.

There is little left in Serbia, without being destroyed because of the various interests, other

than nature. And as things stand, nature is well on its way to only remembering us in the future. Remembering how beautiful it used to be.

Source: sindikalizam.org