

Considering that the ore rent for the type of ore that would be exploited in the vicinity of Loznica is five percent, Serbia would collect around 300 million euros in the same period. In the opinion of the expert public, this is an unacceptably low profit, which is why the ore rent should be multiplied.

Estimates show that Rio Tinto for a period of ten years of exploitation of jadarite ore, if we take into account the prices of three products obtained from it, lithium carbonate, boric acid and sodium sulfate, would earn about four billion euros. In case that the research of Rio Tinto on the profitability of the exploitation of jadarite in the vicinity of Loznica gives positive results, that mining company should be charged a higher ore rent than the valid one in Serbia, which is otherwise very low, according to the domestic public.

Some experts in that field believe that in that case, Australians would not be interested in investing, due to significantly lower profits, and that they have already secured with the authorities in Serbia that the price of ore rent does not increase.

Privatization advisor Branko Pavlovic says that in concrete but also in all other cases of exploitation of Serbian resources by the company, the principle of the so-called "domicile rent" should be introduced.

- In practice, that means that as much as Australia takes money from foreign companies that have mines in that country, so should the ore rent for an Australian company in Serbia. That ore rent is many times higher than it is in our country. So, if there was justice, the ore rent in Serbia would be much higher for "Rio Tinto" but also for all other foreign companies than it is now - our interlocutor states.

- It is hard to believe that such a large mining company has not already protected itself in the phase of exploration works, ie that it has not already been agreed with the authorities in Serbia that the ore rent is not increased in order to extract as much profit as possible.

Otherwise, Serbia should not allow foreign companies to exploit its ore resources at all. What should be done is to engage domestic capacities that would explore the possibility of exploitation not only of jadarite but also of other ores in Serbia. We have experts in that field, what would be necessary is for the state to invest in the procurement of adequate equipment for those jobs. Even if the research proves to be a failed state, it would also benefit from that, because it would have the capacity to deal with that business and make a profit - Pavlovic states.

Considering that lithium is used for the production of batteries for electric cars, Pavlovic thinks that the idea of starting a factory in the vicinity of Loznica that would deal with that is good.

- For that, it is necessary for Serbia to make a joint investment with a foreign company that would provide the necessary technology for the operation of that factory, which would enable its profitability - says Pavlovic.

Economist Milan R. Kovacevic also believes that the ore rent for Rio Tinto should increase

in case it starts exploiting jadarite, stating that its validity in Serbia is very low.

- If we take into account how much damage will be caused if the mine starts working, then it is necessary to provide the state through an increase in ore rent, but also defining the collection of “penalties” in case Rio Tinto deviates from contractual obligations. The damage will definitely be, and that is why it is necessary for the level of ore rent and “penalties” that the state would prescribe to be high - our interlocutor states. In his opinion, the exploitation of jadarite in the vicinity of Loznica should not be conditioned by the opening of a factory of lithium batteries for electric cars.

- Those two jobs should never lean on each other. Whenever something like that happened in our area, it did not give the expected economic results. If there is a market for such products, the business of producing batteries for electric cars should be carried out independently of the exploitation of jadarite in Serbia - Kovacevic believes.

When it comes to the amount of ore rent in Serbia, it is necessary to remind that in January, the Minister of Mining and Energy, Zorana Mihajlovic, stated that the department she heads is in favor of increasing the ore rent. On that occasion, the ministry did not answer Danas’ question whether the Ministry of Finance had been offered a percentage increase in the amount of ore rent. Ore rent in Serbia is among the lowest in the region and amounts to three to seven percent of income. For example, in Croatia it is 10 percent, in Hungary and Romania 12 percent each, and in Slovenia 18 percent of the income.

Source: danas.rs