

One of the present myths in the public is that NATO countries have supported the war in Kosovo in order to own the inexhaustible Kosovo mineral resources. This is based on the view that if the state recognizes Kosovo's independence, the state of Serbia would lose enormous money that would be obtained by exploiting ores.

### **How valuable is Kosovo's mineral wealth?**

We have no idea. A google search, except for obscure nationalist sites that mostly repeat similar figures and not citing sources, does not provide information on Kosovo's mineral resources. (A good example is a Facebook reporter who, as one of the arguments in favor of the claim that Germans buy vineyards in Metohija, enclose that they are mentioned in Roman records as wines from Dardania as higher quality than wines from Gaul).

Also, there is no information on the website of the Ministry of Mining and Energy and the Geological Survey of Serbia. But one can find the Mineral Deposits of Serbia Ministry of Mines study on the Internet.

If we accept these claims fully, then we are facing a mineral wealth of perhaps as much as \$ 1,500 billion. To put this figure in perspective, it is more than the GDP of Spain and Russia, and roughly the GDP of Canada. So we should certainly take this projection not with the pinch, but with a ton of salt.

This sum is doubtful because when you look at the figures, something is missing. It is stated that there are 2.5 million tonnes of nickel in Kosovo; 4.5 million tonnes of magnesite; 400 thousand tons of zinc, lead and bauxite each. If we multiplied this amount of ore by the value of these metals on the stock market, we would get a total sum of only 28 billion, which is far, very far from the initial 1,500.

Mining sources in Kosovo agree that coal deposits are the most important and that there are about 15 billion tonnes of lignite coal in Kosovo. Lignite is a type of coal with the lowest energy value, except peat (it receives less energy from its combustion than other types), and since transport costs are high, lignite is not traded at all, but is most commonly used to produce electricity near the site of exploitation.

This is why EPS built its power plants Nikola Tesla and Kostolac near coal mines.

This makes it a little more difficult to estimate the value of coal. In 2008, the Economist newspaper (domestic, not foreign) estimated the value of this lignite at \$ 85 billion.

However, in an era of decarbonisation, where there is increasing insistence on producing electricity from renewable sources and reducing greenhouse gas emissions, the question is how much of this coal will actually be exploited.

There are coal mines in Western Europe that have not been exploited for decades, although

there are technical possibilities. Considering that it takes time to bring these coal deposits to use, as well as the relatively small capacity to consume electricity in Kosovo (and it is almost impossible to store it), it is likely that this coal will never actually be exploited, except in a small measures for the needs of the local energy market.

**Revenue is not the same as profit, so the price of the ore is not the same as its value**

The value of these mineral resources is calculated in inscriptions by multiplying the amount of ore by the value of tons of metal on the stock market. But it is only income, not profit. It occurs when expenses are deducted from income.

RTB Bor produces a large amount of ore (mainly copper, but also silver and gold), but it was until recently a loser who lived off subsidies (both capital for investments in a new smelter and indirect ones for regular business by not paying taxes and suppliers from the ranks of state-owned enterprises, eg electricity).

So, the fact that the ore is in the soil does not guarantee that it will bring us some positive value, otherwise we would all benefit from RTB Bor instead of it being our humpback for years.

Almost everywhere in the world, the largest mines are not state-owned but private: the ore itself is owned by the state, which gives mining companies a concession for the exploration and exploitation of the ore for a fixed period. Mining companies pay the state rent for this privilege.

In Serbia, mine rent is 7% of mine revenue (except for the privileged NIS, due to an international agreement with Russia, it is 3% for them). So, in this most favorable case, these initial unrealistic \$ 1,500 billion is actually the same unrealistic \$ 105 billion, and these more conservative \$ 28 billion becomes actually \$ 2 billion.

**The ore lying in the ground is worth nothing**

One of the main arguments against the aforementioned views lies in the fact that nobody exploits these ores for almost 20 years after the war. Only small lignite mines for the Obilic, Kosovo and Trepca thermal power plants are functional from the mines.

Of course, there is the Trepca mine, which is active, but on a much smaller scale than it was at the time of the SFRY. If this was the goal of military intervention in Kosovo, I guess the first thing the international administration would do was split concessions and start digging. Whatever the political status of Kosovo, the protection of civilizational assets such as the private property of its citizens in the territory of Kosovo (land, buildings and other movable

and immovable property) should be of Serbia's greatest interest.

Discourse on Kosovo's mineral resources and how it should be protected should not be a primary topic.

Source: talas.rs