

Officials have raised hopes that Serbia could earn hundreds millions of euros a year if a new mine opens to exploit jadarite deposits in the west of the country, but experts told BIRN that careful planning is needed to maximise the financial benefits.

Another potentially lucrative source of revenue is what is believed to be a goldfield near the town of Bor in eastern Serbia, where copper mines are already operating.

At both sites, foreign investors are still investigating, and the studies showed that the mineral resources could be worth tens of billions of dollars.

Serbian Energy Minister Aleksandar Antic recently confirmed that jadarite, from which lithium is prepared, has been found in western Serbia.

Antic told Belgrade-based daily Blic last week that Serbia could earn several hundred million euros a year in mineral annuities if a mine is opened at the site.

“Just the mine opening will bring us an investment of billion dollars and more than a thousand new jobs,” said Antic.

But Belgrade-based economist Mahmud Busatlija questioned this approach, saying the authorities should be more imaginative.

“Mineral annuity is the most primitive way of making a profit out of the country’s mineral resources and has existed since the Middle Ages. The state has to find other ways to earn money from its potential mines and businesses with foreign partners,” Busatlija told BIRN.

Another Belgrade-based economist, Milan Kovacevic, also said that mineral resources could benefit the Serbian economy but that it was too early to expect the big earnings from their exploitation.

“The first research was promising, but we should wait for the final results. It is certain that we have great potential but it is necessary to make big investments in order to make profit out of exploitation,” Kovacevic told BIRN.

He said he believes Serbia does not have the money to invest in the opening of the new mines so it is realistic to expect that foreign investors will do that instead.

“The Serbian government should develop a strategy on how to earn the most out of these investments, not only to collect the mining rent,” Kovacevic said.

According to Serbia media outlets, international company Rio Tinto has invested more than 60 million dollars in mineral research across Serbia. The company believes that more than 100 million tons of jadarite could be found in the western part of the country.

Busatlija however warned that the government should be very careful when it comes to agreements with foreign investors, as exploitation can cause environmental damage.

“The government should also insist on the most profitable solution for Serbia - to form a strategic partnership with foreign investors since that is the way for most of the profit to

stay in the country," he said.

Near the town of Bor, US company Freeport-McMoran is reported to have found one of the largest gold and copper deposits in the world.

According to Belgrade-based newspaper Novosti, the value of the site could be up to 18 billion dollars if the deposits are as valuable as the first research has suggested.

Miodrag Kostic, the president of the influential Serbian business club Privrednik, said in 2013 that Serbia has some 263 billion dollars in untapped mineral resources, but experts have never confirmed this estimate.

According to some reports, foreign companies are exploring potential mineral deposits at about 50 locations in Serbia.

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