

SERBIA and MONTENEGRO

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In 2001, Serbia and Montenegro's post-war economy continued to recover as the gross domestic product was officially reported to have increased by 6.2% compared with the preceding year. Despite overall economic improvement, however, the total volume of industrial production remained at about the level of output of 2000 and the output of the mining and quarrying component contracted by 13%. The mine output of coal and oil and gas declined by 8% and 18%, respectively, and the mine production of metals and industrial minerals declined by 29% and 7%, respectively (Federal Statistical Office, 2002 a, b pp. 6, 13). Owing to unresolved social and political issues in the province of Kosovo, Serbia and Montenegro have excluded official data about Kosovo's economy and minerals industry since 1999.

Although the future of Kosovo's political status remains uncertain, its mineral wealth is not. Kosovo encompasses substantial portions of Serbia and Montenegro's kaolin, lignite, lead and zinc, nickel and magnesium deposits. Other deposits with prospective commercial value include bauxite, chromite, limestone, marble and quartz. With respect to RMHK Trepca, the lead and zinc mining and smelting complex, the United Nations Mission in Kosovo continued to work on environmental cleanup at the site, as well as on the preparation for Trepca's eventual operation.

In contrast to the output of most metals during the year, alumina and aluminium production registered gains of 9% and 14%, respectively, compared with 2000 production levels. Exports of primary aluminium and aluminium alloys amounted to 95,794 t, an increase of about 6%. Kombinat Aluminijuma Podgorica (KAP) in Montenegro, which was the country's sole producer of primary aluminium, undertook a rationalisation programme in 2000 that was instrumental in increasing

output at the facility. KAP management and the Government of Montenegro reported plans to modernise the plant further in preparation for privatisation.

Mine production of copper in 2001 declined by about 45% and the output of primary refined copper by about 29% compared with 2000 production levels. Exports of copper, however, appear to have risen in 2001 by about 13% to 73,881 t (all forms). The year was marked by continuing financial difficulties at Bor that stemmed in part from damage sustained at several facilities during the Kosovo crisis of 1999, as well as by mineworker strikes over the late payment of wages. Apart from copper production from domestic sources, Bor has also been toll smelting copper concentrates for foreign producers in Greece and several other Balkan countries. General imports of copper concentrates in 2001 declined to 50,000 t from 68,000 t in 2000. Mytilineos SA of Greece was one of Bor's toll smelting contractors that expressed an interest in acquiring Bor's smelting and refining capacities in the course of the company's privatisation.

There was a shortfall of lead and zinc ore production, which declined by 29% last year. Smelter and refinery production of lead appeared to be virtually moribund as no output was reported for either category in 2001. Refined zinc, however, was one of the few instances of an increase in metal production, rising to 13,467 t from 8,291 t in 2000 and appeared to be nearing the production level of 1998. Other production shortfalls among metals were noted for magnesium (-34%), silver (-37%) and such ferrous metals as pig iron (-18%), crude steel (-12%), and steel semi-manufactures (9%).

A similar situation prevailed with respect to the output of industrial minerals and mineral fuels; cement was a major exception with output

Serbia and Montenegro Mineral Production (t)

	1999	2000	2001
Aluminium:			
Alumina, calcined	156,012	186,135 ^r	200,660
Bauxite	500,000	630,000	610,000
Ingot	72,505	88,151	100,176
Copper concentrate (contained Cu) content	51,700	41,000 ^e	22,000 ^e
Copper refined	51,804	95,632 ^e	62,365 ^e
Gold (Kg)	1,260	1,121 ^r	800 ^e
Pig iron	134,882	563,000	461,000
Crude steel	226,240	682,000	598,000
Semi-manufactures	334,000 ^r	880,000 ^r	801,000
Lead Concentrate (contained Pb) ^e	9,000	14,000	10,000
Lead (refined)	—	1,242	—
Magnesium	1,203	2,600 ^e	1,700 ^e
Palladium (kg)	21	21 ^e	10
Platinum (kg)	3	3 ^e	1
Selenium (kg)	20080	20,000 ^e	20,000
Silver (kg)	7,643	9,068 ^r	5,745
Zinc concentrate (contained Zn)	20,000 ^e	30,000 ^e	20,000 ^e
Zinc (refined)	683	8,291	13,467
Industrial Minerals			
Asbestos	361	563	194
Cement ('000 t)	1,575	2,117	2,418
Bentonite	77	75 ^e	75 ^e
Ceramic clay	29,420	30,000 ^e	30,000 ^e
Fire Clay Crude	25,766	30,000 ^e	30,000 ^e
Calcinede	4,000	10,000 ^e	10,000 ^e
Kaolin	40,321	39,475 ^r	40,000 ^e
Feldspar	3,453	4,254 ^r	4,000 ^e
Gypsum	33,962	46,651 ^r	45,000 ^e
Lime ('000 t)	381	499 ^r	467
Magnesite Crude ('000 t)	31	41	36
Mica	229	230 ^e	230 ^e
Pumice	50,000	120,000 ^e	100,000 ^e
Quartz sand ('000 t)	253	418	301
Salt	63,834	78,277	61,646
Sand and gravel (000 m ³)	2,006	2,675 ^r	1,967
Mineral Fuels			
Bituminous Coal ('000 t)	49	88	70
Brown Coal ('000 t)	413	398	376
Lignite ('000 t)	30,967	33,638	31,789
Natural gas (million m ³)	143 ^r	160 ^r	111
Crude Petroleum ('000 t)	705	805	746

^e Estimated ^r Revised

rinsing by about 14% compared with that of 2000. A salient event in the industrial minerals sector was an announcement in late 2001 by the Canadian firm, Erin Ventures Inc. of British Columbia, that it would proceed with the development of the Piskanja borate deposit and study the entire Jadranol basin (also hosting the Podrdjski borate deposit), pending final approval by Serbian Government authorities, as well as finalisation of discussions with an international chemical company to form a joint venture partnership. The government's studies undertaken in the late 1980s revealed that the Piskanja deposit had borate resources that amounted to at least 7 Mt, averaging 39.4% B₂O₃.

With respect to mineral fuels, the production of all fossil fuels declined: coal by 5%, natural gas by 31%, and petroleum by 7% compared with 2000 production levels. To overcome these shortfalls, official trade data for 2001 registered significant increases in the import of natural gas and petroleum. Petroleum imports rose to more than 1.8 Mt from 158,000 t in 2000, and natural gas output increased to 847,000 t from 485,000 t. A significant development during the year involved the planned drilling for oil by Ramco Energy in a region of Macedonia suspected of having commercially significant deposits of petroleum and natural gas.

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