



2009 Minerals Yearbook

KOSOVO [ADVANCE RELEASE]

THE MINERAL INDUSTRY OF KOSOVO

By Mark Brininstool

On February 17, 2008, the Serbian Province of Kosovo declared its independence after having been under the administration of the United Nation's Interim Administration Mission in Kosovo (UNMIK) since 1999. Kosovo had deposits of aggregates and construction minerals, bauxite, chromium, lead and zinc, lignite, magnesite, nickel, and silver. Almost all industry activities stopped in the late 1990s during fighting between ethnic Albanian guerilla groups and Serbian security forces and in 2009, the mineral industry was still recovering, and production was limited (Independent Commission for Mines and Minerals, 2005).

Minerals in the National Economy

In 2009, the real gross domestic product (GDP), as estimated by the Ministry of Economy and Finance, increased by 4.4% compared with the GDP in 2008. Exports of base metals and articles of base metals made up about 50.8% of total exports and were valued at about \$115 million,¹ which was 33.8% less than that of 2008. The significant decline in the value of base-metal exports was mainly owing to the international financial crisis that decreased demand for exports to European Union countries. Exports also decreased because Bosnia and Herzegovina and Serbia implemented trade embargos against goods from Kosovo at the end of 2008 when customs stamps were converted from UNMIK export stamps to Kosovo customs stamps. The value of exports of mineral products² increased by 29.3% to about \$33.5 million and made up about 14.8% of total exports. Oil imports made up the majority of imports of mineral products and, owing to lower oil prices in 2009, the total value of imports of mineral products was about \$432 million, which was a 17.8% decrease from that of 2008 (Balkan Insight, 2009; Central Bank of the Republic of Kosovo, 2010, p. 12-14, 80-81).

Production

In 2009, production of mineral commodities significantly decreased for most commodities. Production of silica sand decreased by 76%; sand and gravel, by 47%; marl, by 33%; lead and zinc ore, by 25%; and nickel content of ferronickel, by 15%. Limestone production increased by 149%; bentonite production, by 71%; and pumice and volcanic tuff, by 31%. Production of small amounts of lead and zinc concentrate and refined lead and zinc was restarted at the Trepca Complex, which had been shut down owing to damage from fighting in the late 1990s and a lack of investment. The decreases in production were mostly a result of the decreased exports, as discussed above.

¹Where necessary, values have been converted from European Union euros (€) to U.S. dollars (US\$) at the rate of €0.72=US\$1.00.

²No definition was given by the Central Bank of the Republic of Kosovo as to the exact composition of the category "mineral products," but it is assumed to not include processed metals, which is at least one reason why base-metal exports were of a greater value than mineral product exports.

Structure of the Mineral Industry

Table 2 is a list of major mineral industry facilities.

Commodity Review

Metals

Lead and Zinc.—Kosovo's lead and zinc industry was based on five mines, three concentration plants, and two smelters that made up the Trepca Complex. At the time that the Trepca Complex was fully operational, the Stan Terg Mine was producing about 600,000 metric tons per year (t/yr) of lead-zinc ore, the Artana Mine's designed capacity was about 250,000 t/yr, the Hajvalija Mine was producing about 100,000 t/yr, the combined capacity of the Belo Brdo and the Crnac Mines was about 100,000 t/yr, and the production capacities of the lead smelter at Zvecan and the zinc smelter at Mitrovica were each about 80,000 t/yr. Production capacities in 2009 were unknown but were significantly lower than the figures listed above owing to damage sustained during fighting in 1999 and a lack of investment (Nelles, 2003, p. 8-9; Palairt, 2003, p. 6).

Mineral Fuels

Coal.—Kosovo was a significant regional producer of lignite and, as of 2005 (according to Kosovo's Independent Commission for Mines and Minerals), the country had about 14.7 billion metric tons of proven lignite reserves. The Kosovo Energy Corp. J.S.C. (KEK) produced all Kosovo's lignite at the Bardh and the Mirash open pit mines for use at Kosovo's two thermal powerplants (TPP): Kosovo A and Kosovo B. KEK expected the Bardh and the Mirash Mines to be depleted in 2011 and was therefore working to develop the Sibovc and the Sitnica coalfields. These new fields were expected to supply adequate amounts of coal to Kosovo's two existing TPPs until 2024, when the operating life of both mines was projected to end (Independent Commission for Mines and Minerals, 2005; Kosovo Energy Corp. J.S.C., 2009a, b).

Outlook

Kosovo is expected to remain a modest producer of mineral commodities in the short to medium term, but is likely to continue to increase production as the economy develops and further repairs are made to infrastructure damaged in the conflict in the late 1990s. Further development of the Trepca Complex could make Kosovo a regionally significant producer of lead and zinc, but major investments would be necessary to accomplish this goal.

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TABLE 1
KOSOVO: PRODUCTION OF MINERAL COMMODITIES¹

(Metric tons unless otherwise specified)

Commodity ²	2005	2006	2007	2008	2009	
METALS						
Ferroalloys, ferronickel (38% Ni), gross weight ^e	--	--	2,100	18,500	15,600	
Lead-zinc:						
Ore, gross weight:	12,200	63,517	69,953	139,670	105,157	
Lead content of ore	530 ^r	2,760 ^r	3,040 ^r	6,080 ^r	4,570	
Zinc content of ore	430 ^r	2,230 ^r	2,460 ^r	4,900 ^r	3,690	
Concentrate, gross weight	--	--	--	--	9,737	
Metal:						
Pb, refined	--	--	--	--	4,250	
Zn, refined	--	--	--	--	5,487	
Nickel:						
Ore, wet	--	--	145,882	292,362 ^r	316,520	
Ni content of ore (1.25%)	--	--	1,820	3,660	3,960	
Ni content of ferronickel ^e	--	--	800	7,100	6,000	
INDUSTRIAL MINERALS						
Cement ^e	thousand metric tons	450	450	470	590	600
Clay, bentonite ³		--	--	16,200	20,800	35,600
Limestone	cubic meters	NA	NA	NA	1,917,196	4,776,127
Marl	do.	264,814	254,386	260,707	322,007	215,259
Pumice and related materials, volcanic tuff	do.	NA	NA	NA	45,005	58,788
Sand and gravel, excluding glass sand	do.	14,894	34,268	41,621	44,498 ^r	23,754
Silica sand (glass sand)	do.	NA	NA	NA	27,325	6,550
MINERAL FUELS AND RELATED MATERIALS						
Lignite	thousand metric tons	6,391	6,532	6,715	7,885 ^r	7,839

^eEstimated; estimated data are rounded to no more than three significant digits. ^rRevised. do. Ditto. NA Not available. -- Zero.

¹Table includes data available through June 11, 2010.

²In addition to commodities listed, other aggregates and construction materials were believed to have been produced, but available information is inadequate to make reliable estimates of output.

³Estimate based on reported production in cubic meters: 2007—27,614; 2008—35,382; and 2009—60,501.

TABLE 2
KOSOVO: STRUCTURE OF THE MINERAL INDUSTRY IN 2009

(Thousand metric tons)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity
Bauxite	Bauxite Mine Volljak (Government owned)	Grebnik Mine, about 50 kilometers east of Pristina and 17 kilometers north of Orahovac	NA
Cement	Sharr Beteiligungs GmbH (Holcim Group)	Hani Elezit, on border with Macedonia	720
Coal, lignite	Kosovo Energy Corp. J.S.C. (Government owned)	Bardh and Mirash Mines, just west of Pristina	NA
Kaolin	Kaolini LLC	Karacevo, Gjilan municipality	NA
Lead and zinc:			
Ore	Trepca Complex (Government owned)	Artana Mine at Novo Brdo	NA
Do.	do.	Stan Terg Mine	NA
Do.	do.	Belo Brdo Mine, northern Kosovo	NA
Do.	do.	Hajvalia Mine, 8 kilometers southeast of Pristina	NA
Do.	do.	Crnac Mine, northern Kosovo	NA
Concentrate	do.	Concentrator at Tuneli i Pare near Mitrovica	NA
Do.	do.	Concentrator at Leposavic in northern Kosovo	NA
Do.	do.	Concentrator at Kizhnica, about 8 kilometers southeast of Pristina	NA
Metal:			
Lead	do.	Lead smelter at Zvecan	NA
Zinc	do.	Zinc smelter at Mitrovica	NA
Magnesite	XIM Strezoc Magnesite Mine LLC ("Iminggrup mgo" Sh.p.k.)	Mine and processing plant in Strezovce, Kamenica municipality	NA
Do.	Mine and Industry of Magnesite Goleshi LLC ("Iminggrup mgo" Sh.p.k.)	Magure, Lipljan municipality	NA
Nickel:			
Ore	Ferronikeli (Cunico Resources NV)	Mines at Chikatovo (Dushkaja and Suke Mines) and Glavitca	NA
Metal ¹	do.	Ferronickel plant at Gllgovac, about 20 kilometers west of Pristina	12

Do., do. Ditto. NA Not available.

¹Nickel in ferronickel.