



2011 Minerals Yearbook

MONTENEGRO

THE MINERAL INDUSTRY OF MONTENEGRO

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Montenegro's mineral industry included the mining and processing of bauxite, industrial minerals (lime, marble blocks, and salt), and lignite. Metal production included primary aluminum smelting and crude steel production. In the first 10 months of 2011, the mining and quarrying sector recorded a 2% increase in its industrial output and an 0.8% increase in prices (Central Bank of Montenegro, 2011, p. 11).

Montenegro's resource exports accounted for 36% of its total goods and services and resource imports accounted for 63%. In 2011, the United States exported goods valued at \$17.7 million to Montenegro, which included advanced manufactured metal shapes, except steel, valued at \$1.7 million and drilling and oilfield equipment valued at \$99,000. The United States imported \$4.4 million worth of goods from Montenegro, including finished metal shapes valued at \$1.6 million and industrial minerals valued at \$65,000 (U.S. Census Bureau, 2011a, b).

The Geological Survey of Montenegro (GSM) is a Government organization that was founded in 1945. GSM is composed of four departments: the Department of Regional Geology, Mineral Resources, and Mineral Resources Concessions; the Department of Hydrology, Engineering Geology, and Water Concessions; the Department of Mining Works and Research Drilling; and the Department of Legal and Financial Affairs and Human Resources. The GSM's main duties are to conduct mineral resource investigations and geologic mapping. Two main laws deal with the country's geology and mining—the Law of Geological Research and the Law of Mining, respectively (Geological Survey of Montenegro, 2011, p. 2–4).

The Law on Exploration and Production of Hydrocarbons that was passed by the Parliament on July 9, 2010, was signed into law by the President on August 8, 2011. The law governs the conditions, the manner of, and the procedure for the exploration and production of hydrocarbons, as well as other matters pertaining to the exploration for and production of natural gas and petroleum. According to the law, hydrocarbons represent the country's natural wealth and are owned by the Government (Official Gazette of Montenegro, 2011).

Production

In 2011, production of aluminum and bauxite increased whereas production of crude steel decreased. The estimated production of most industrial minerals decreased. In 2011, alumina was not produced; alumina for the country's smelter at Podgorica was imported from Russia (table 1). Most of the bauxite production was exported to Hungary, Italy, and Germany.

Structure of the Mineral Industry

Table 2 is a list of major mineral industry facilities.

Commodity Review

Metals

Lead and Zinc.—Balamara Resources Ltd. of Australia announced that it had received a 25-year exploration and mining lease from the Government for its 100%-owned Monty lead and zinc project located about 100 kilometers from Podgorica. Balamara had developed a Joint Ore Reserves Committee (JORC)-compliant inferred ore reserve estimate that included 9.2 million metric tons (Mt) of inferred ore mineralization containing estimated grades of 3.7% zinc, 1.2% lead, and 0.36% copper. In 2011, the company continued to conduct exploration drilling for metallurgical samples and was continuing work on a feasibility study. Balamara was planning to continue with its 3,000-meter drilling program in 2012 and planned to bring the Monty project into production in 2014 (Balamara Resources Ltd., 2011).

Mineral Fuels

In 2011, the Ministry of the Economy was in the process of preparing the first public call for awards of concession contracts for the exploration for and production of hydrocarbons offshore Montenegro. The aim of awarding the contracts was to increase knowledge of the area offshore Montenegro, which was not well explored. The decision on awarding the exploration contract will be made by the Government, and the decision to award the contract for the production of hydrocarbons will be made by the Assembly of Montenegro (Oil & Gas Montenegro, 2011).

Outlook

Montenegro's mineral production is expected to remain modest, and the structure of the mineral industry is not expected to change significantly in the near future. The Government will continue to encourage companies to investigate the area of the southern Adriatic where several offshore prospects may contain commercial deposits of natural gas and petroleum.

References Cited

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TABLE 1
 MONTENEGRO: PRODUCTION OF MINERAL COMMODITIES¹

(Metric tons unless otherwise specified)

Commodity ²	2007	2008	2009	2010	2011	
METALS						
Alumina	240,186	220,426	58,528	--	--	
Aluminum, metal, ingot, primary	124,060	107,457	63,960	82,043	92,838	
Bauxite	667,053	671,811	45,779	61,205	158,614	
Iron and steel, crude steel	173,849	201,623	90,404	95,000 ^e	42,271	
INDUSTRIAL MINERALS						
Gravel	cubic meters	92,914	146,381	74,368	49,517	50,000 ^e
Lime		7,089	9,839	4,497	839	3,448
Salt (sea water evaporate)		20,000	25,200	17,000	11,200	10,000 ^e
Stone, excluding quartz and quartzite, dimension, crude:						
Ornamental (marble blocks)	cubic meters	51,186	50,084	40,780	41,000 ^e	32,804
Crushed and broken	do.	161,970	179,521	65,015	65,000 ^e	60,000 ^e
Other, stone products	do.	60,165	109,436	51,373	39,921	40,000 ^e
MINERAL FUELS AND RELATED MATERIALS						
Coal, lignite		1,195,515	1,740,076	957,164	1,937,847	1,972,671

^eEstimated; estimated data are rounded to no more than three significant digits. do. Ditto. -- Zero.

¹Table includes data available through November 30, 2012.

²In addition to the commodities listed, additional industrial minerals were also likely produced, but available information is inadequate to make reliable estimates of output.

TABLE 2
 MONTENEGRO: STRUCTURE OF THE MINERAL INDUSTRY IN 2011

(Thousand metric tons)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity
Alumina	Kombinat Aluminijuma Podgorica (KAP) (Central European Aluminum Co., 29.365%, and Government of Montenegro, 29.365%)	Podgorica	280
Aluminum, primary	do.	do.	120
Bauxite	Bauxite Mines Niksic (Central European Aluminum Co., 31.82%, and Government, 31.82%)	Kutsko Brdo	700 ^e
Coal	Rudnik Uglja A.D. Pljevlja	Pljevlja	2,000 ^e
Steel, crude	Zeljezara Niksic A.D. [(MN Specialty Steels Ltd. (MNSS B.V.)]	Niksic	NA

^eEstimated. do. Ditto. NA Not available.