



2020–2021 Minerals Yearbook

MONTENEGRO [ADVANCE RELEASE]

THE MINERAL INDUSTRY OF MONTENEGRO

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Note: In this chapter, information for 2020 is followed by information for 2021.

In 2020, Montenegro's mine production included bauxite, coal (mostly lignite), construction materials, lead, and zinc, and processed metal production included aluminum and raw steel. The country held undeveloped mineral resources, such as metallic ores of chromium, copper, iron, and titanium; industrial minerals of chert, dolomite, and gypsum; and mineral fuels of crude petroleum, natural gas, and peat (Ministry of Foreign Affairs of Montenegro, 2019, p. 57, 60; European Commission, 2021).

Minerals in the National Economy

In 2020, Montenegro's real gross domestic product (GDP) decreased by 15.3% compared with an increase of 4.1% in 2019; the nominal GDP was \$4.78 billion. The negative GDP rate in 2020 was mainly due to a decrease in tourism revenues driven by the coronavirus disease 2019 (COVID-19) pandemic. The mining and quarrying sector contributed 1.6% to the GDP in 2020 and employed 1,318 people, which made up 0.7% of the country's total employment of about 176,700. Processing of basic metals, metal products, and nonmetallic mineral products accounted for 1.4% (or 2,426 people) of the total employment (Central Bank of Montenegro, 2021, p. 15; Statistical Office of Montenegro, 2021b, p. 1, 5; 2021c, p. 57; World Bank, The, 2022).

The value of Montenegro's exports of manufactured mineral commodities amounted to EUR74.9 million (\$85.5 million¹), accounting for 20% of total exports (\$418.0 million) in 2020. Manufactured mineral commodities consisted of, in order of value, nonferrous metals (mostly aluminum), iron and steel, manufactures of metals, and nonmetallic mineral manufactures. Exports of metal ores and scrap made up 13% of total exports. The country's imports totaled \$2.40 billion in 2020, of which those of manufactured mineral commodities accounted for 13%; mineral fuels and related materials, 6%; and metal ores and scrap, 1% (Statistical Office of Montenegro, 2021a, p. 4–5).

Mineral resources in Montenegro are owned by the Government. The legislative framework for the mineral sector is provided by the Law on Concessions (law No. 8/09), the Law on Mining (law No. 65/08 and law No. 74/10), the Law on Geological Explorations (law No. 28/11), and the Law on Exploration and Production of Hydrocarbons (law No. 41/10 and law No. 62/13) (Ministry of Foreign Affairs of Montenegro, 2019, p. 60).

Production

Data on mineral production are in table 1. In 2020, notable increases in production (greater than 10% year on year) included that of sand, which increased by 155%; gravel, 106%;

bauxite, 16%; and crushed stone, 14%. Notable decreases in production included that of mined lead, by 82%; raw steel, 60%; marble, 33%; and other (unspecified) dimension stone, 13%.

Table 2 is a list of major mineral industry facilities. The state-owned electricity company, Elektroprivreda Crne Gore (EPCG) held 100% interest in the Pljevlja coal mine. Private company Uniprom d.o.o. Niksic owned a bauxite mine and an aluminum smelter. Foreign companies included Metalfer Group of Serbia (which owned a coal mine), Tosyali Holding of Turkey (a steel plant), and ZGH Boleslaw S.A. of Poland (a lead-zinc mine).

Commodity Review

Metals

Lead and Zinc.—Brskovo and Suplja Stijena were the two major identified deposits of lead and zinc in Montenegro. From 2017 to 2020, the Suplja Stijena Mine, which was operated by Gradir Montenegro d.o.o. (a subsidiary of ZGH Boleslaw), produced about 2,600 metric tons (t) of lead and 10,000 t of zinc yearly. Tara Resources AG of Switzerland acquired the Brskovo project in 2018 and completed a preliminary economic assessment in 2019. The company anticipated the results of a preliminary feasibility study in 2021. The Brskovo Mine, which is located about 100 kilometers from the capital city of Podgorica, had been operational between 1976 and 1991. Balamara Resources Ltd. of Australia conducted exploration programs at the Brskovo Mine between 2010 and 2013. A consortium of European investors acquired the license holder, Balkan Mining Pty. Ltd., from Balamara Resources in 2014 (Balamara Resources Ltd., 2014; Tara Resources AG, 2021a).

MINERAL INDUSTRY HIGHLIGHTS IN 2021

In 2021, Montenegro's real GDP increased by 12.4%; the nominal GDP was \$5.81 billion. The increase in 2021 was mainly due to a recovery in the tourism sector from the COVID-19 pandemic-induced recession in 2020. Production of mined lead increased by 214%, whereas production of gravel decreased by 52%; sand, by 43%; bauxite, 40%; crushed stone, 17%; other dimension stone, 14%; and marble, 13% (table 1; World Bank, The, 2021, 2022).

In December, Uniprom d.o.o. Niksic decided to shut down its aluminum smelter in Podgorica gradually, starting on December 15, owing to an anticipated increase in electricity costs. EPCG planned to raise the price of electricity for the smelter from EUR45 per megawatthour (\$53 per megawatthour) to EUR127 per megawatthour (\$150 per megawatthour) starting on January 1, 2022. The smelter employed more than 500 workers in 2020 (Associated Press, 2013; Radio i Televizija Crne Gore, 2021; Ralev, 2021).

¹Where necessary, values have been converted from euro area euros (EUR) to U.S. dollars (US\$) at the annual average exchange rates of EUR0.876=US\$1.00 for 2020 and EUR0.845=US\$1.00 for 2021.

As of 2021, Tara Resources was working to meet requirements for permits and consents for the Brskovo project. The company anticipated that the mine construction would take about 2 years, and that the mine, when commissioned, would produce and export \$120 million worth of zinc, lead, and copper concentrates annually. Tara Resources planned to run two open pit mines, a processing plant, and an integrated waste management facility at Brskovo, employing 650 people directly and indirectly during mine operations (Tara Resources AG, 2021b).

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TABLE 1
MONTENEGRO: PRODUCTION OF MINERAL COMMODITIES¹

(Metric tons, gross weight)

| Commodity ² | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------------------|------------------------|------------------------|------------------------|--------------------|
| METALS | | | | | |
| Aluminum: | | | | | |
| Bauxite | 927,847 | 468,164 | 774,725 | 897,057 | 542,049 |
| Metal, primary | 39,379 ^r | 40,163 ^r | 36,522 ^r | 37,208 | 36,328 |
| Iron and steel, raw steel ^c | 100,000 ^r | 80,000 ^r | 50,000 ^r | 20,000 | 20,000 |
| Lead, mine, Pb content | 3,113 ^r | 3,099 ^r | 3,480 ^r | 636 | 2,000 ^c |
| Zinc, mine, Zn content | 7,975 ^r | 10,668 ^r | 9,518 ^r | 10,133 | 9,357 |
| INDUSTRIAL MINERALS | | | | | |
| Stone, sand, and gravel, construction: | | | | | |
| Sand and gravel: ^{c,3} | | | | | |
| Gravel | 240,000 | 89,000 | 48,000 | 99,000 | 48,000 |
| Sand | 100,000 | 170,000 | 200,000 | 510,000 | 290,000 |
| Stone: | | | | | |
| Crushed, unspecified, including broken ^{c,4} | 288,000 | 263,000 | 238,000 | 272,000 | 226,000 |
| Dimension: | | | | | |
| Marble, block, ornamental | 3,095 | 3,186 | 3,828 | 2,570 | 2,230 |
| Other, unspecified ^{c,5} | 174,000 | 62,000 | 251,000 | 218,000 | 188,000 |
| MINERAL FUELS AND RELATED MATERIALS | | | | | |
| Coal, lignite | 1,474,884 ⁶ | 1,595,876 ⁶ | 1,605,189 ⁶ | 1,665,441 ⁶ | 1,548,610 |

^cEstimated. ^rRevised.

¹Table includes data available through July 25, 2022. All data are reported unless otherwise noted. Estimated data are rounded to no more than three significant digits.

²In addition to the commodities listed, additional industrial minerals, such as basalt, may have been produced, but available information was inadequate to make reliable estimates of output.

³Converted from cubic meters to metric tons using a conversion factor of 1.6.

⁴Converted from cubic meters to metric tons using a conversion factor of 1.66.

⁵Converted from cubic meters to metric tons using a conversion factor of 2.52.

⁶Includes brown coal production.

TABLE 2
MONTENEGRO: STRUCTURE OF THE MINERAL INDUSTRY IN 2021

(Thousand metric tons)

| Commodity | Major operating companies and major equity owners | Location of main facilities | Annual capacity ^c |
|---------------------------|--|-----------------------------------|------------------------------|
| Aluminum, primary | Kombinat Aluminijuma Podgorica (KAP) (Uniprom d.o.o. Niksic, 100%) | Smelter in Podgorica | 70 |
| Bauxite | do. | Niksic Mine, Niksic | 1,000 |
| Coal: | | | |
| Brown coal | Metalfer Group | Berane Mine, Berane | 57 |
| Lignite | Rudnik Uglja AD Pljevlja [state-owned Elektroprivreda Crne Gore AD Niksic (EPCG), 100%] | Pljevlja Mine, Pljevlja | 2,000 |
| Iron and steel, raw steel | Toscelik Niksic AD (Tosyali Holding, 100%) | Plant in Niksic | 150 |
| Lead, mine, Pb content | Gradir Montenegro d.o.o. (ZGH Boleslaw S.A., 99.47%) | Suplja Stijena Mine near Pljevlja | 5 |
| Zinc, mine, Zn content | do. | do. | 21 |

^cEstimated. do. Ditto.