



# KOSOVO

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### **Kosovo Trepca lead, zinc mines sale still on horizon**

By Fatos Bytyci, Reuters

<http://www.guardian.co.uk/business/feedarticle/7564658>

The long anticipated privatisation and revival of Kosovo's lead and zinc mining giant Trepca is still a long way off, officials say.

The sprawling giant, once the jewel of Socialist Yugoslavia, had lain idle since the 1998-99 Kosovo war, before resuming limited production at four mines several years ago in order to cover maintenance costs.

"The way in which it should be privatised has not been decided," Kosovo Economy Minister Ahmet Shala told Reuters. "The legal, historical and geographical complexity makes us very careful about what steps to take."

Foreign and Kosovo officials involved in the project had hoped for greater clarity after Kosovo's declaration of independence from Serbia in February, recognised by the West but rejected by Serbia and Russia.

But Kosovo's ethnic Albanian authorities and the U.N. body overseeing privatisation disagree over the sell-off of the mine and how much of it should remain in state hands.

Like other 'socially-owned enterprises' of the former Yugoslavia located in Kosovo, its legal status and ownership are disputed by Serbia, which lost control over Kosovo in 1999 but continues to claim sovereignty.

Kosovo never won U.N. Security Council blessing for its secession, which was recognised by the United States and most EU members states.

Trepca officials have estimated that the mines might be able to produce 50,000-70,000 tpy of lead and 40,000-50,000 tpy of zinc within two or three years of a restart.

Trepca has been placed under a moratorium, protecting it against creditor claims dating from the 1990s.

Kirk Adams, privatisation director at the U.N.-run Kosovo Trust Agency, said the moratorium could expire if all sides failed to agree on the appointment of an administrator.

He estimated that the revival of Trepca would cost around 200 million euros, or 20 percent of the Kosovo budget. Foreign investment is essential, he said.



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"Trepca is so engrained on the Kosovo psyche," Adams told Reuters.

"People have different opinions and different approaches. They are formed by their history, upbringing and schooling," he said, adding: "The issue really is finding a broad consensus..."

Adams noted that part of the Trepca mines is located inside Serbia, and within the Serb-dominated north of Kosovo.

Serbia and its former province Kosovo have little political or economic contact.

"You need agreement with Serbia," Adams said.