



# **From Raw Ores to Strategic Autonomy: The Western Balkans in Europe's Critical Raw Materials Strategy**

---

***Ana Krstivoska***

**think nea – New Narratives of EU Integration | ELIAMEP | Policy brief no. 6/2026**

From Raw Ores to Strategic Autonomy: The Western Balkans in Europe's Critical Raw Materials Strategy - Copyright © May 2026 | All rights reserved

This publication is a result of the initiative **think nea – New Narratives for EU Integration** funded by the **Open Society Foundations – Western Balkans**. The initiative contributes to reimagining the EU's engagement with the Western Balkans, as well as the region's attractiveness for the EU in order to ensure a resilient EU integration strategy and evercloser integration with a full membership perspective in mind.

The initiative is implemented by the **Wider Europe Programme** of the **Hellenic Foundation for European and Foreign Policy (ELIAMEP)**. The **Wider Europe Programme** is a member of the **IGNITA** network which is led by **OSF-WB**.

The content of this publication is the sole responsibility of its authors and does not necessarily reflect the views of the **Hellenic Foundation for European and Foreign Policy (ELIAMEP)** and the **Open Society Foundations – Western Balkans**. Furthermore, the **Hellenic Foundation for European and Foreign Policy (ELIAMEP)** and the **Open Society Foundations – Western Balkans** are not liable for any use that may be made of the information contained herein.

Special thanks to **Oriana Mata** for the design and creation of the map.

## **Authors**

### **Ana KRSTINOVSKA**

*Senior Researcher, think nea - New Narratives of EU Integration  
Research Fellow, Wider Europe Programme, ELIAMEP*

## **Recommended citation:**

Krstinovska, Ana. 2026. From Raw Ores to Strategic Autonomy: The Western Balkans in Europe's Critical Raw Materials Strategy. think nea – New Narratives of EU Integration, Policy brief No. 6. May 2026

The adoption of the EU Critical Raw Materials Act (CRMA) in 2024 marked a decisive shift in European industrial, trade, and security policy.[1] By explicitly linking access to critical and strategic raw materials (CRMs/SRMs) with industrial competitiveness, the green transition, and defence capabilities, the CRMA acknowledges that Europe's economic resilience can no longer be separated from geopolitics.

**While much of the policy debate has focused on diversifying supplies away from distant and geopolitically risky partners, one of the EU's most consequential raw materials relationships remains structurally underdeveloped: that with the Western Balkans.**

The region occupies a unique position in Europe's raw materials landscape. It is geographically close, economically intertwined with EU markets, formally embedded in the EU enlargement process, and endowed with significant deposits of copper, aluminium (bauxite), nickel, lithium, antimony, and rare earth elements (REEs). EU member states are already the Western Balkans' primary trade and investment partners, and the region is significantly aligned with the EU's legal and regulatory acquis. Yet, despite these advantages, the Western Balkans remain marginal to Europe's raw materials strategy in practice, even as their resources are increasingly integrated into global value chains shaped by non-EU actors. The only strategic project in the region, under the CRMA, is lithium exploration in the Jadar valley in Serbia – a project that has brought recurrent controversies and seems unlikely to materialize in the short-term.

### **Balkan Ores Flow East, Processed Goods Flow West**

Across the Western Balkans, a strikingly consistent pattern characterizes raw materials trade: raw ores and concentrates are predominantly exported to China, while processed and semi-processed goods are sold to the EU.[2] This asymmetry is visible across countries and commodities: Serbia exports the bulk of its copper ores and concentrates to China, while processed copper is split between the EU and Chinese buyers; Montenegro exports most of its bauxite to China, while aluminium products are directed primarily to the EU; Albania exports raw copper exclusively to China, whereas around 80% of its processed copper exports flow to EU markets.[3]

This structure systematically takes the benefit outside both the EU and the Western Balkans. China captures upstream rents and geo-economic leverage, while the Western Balkans remain locked into low-value segments of the supply chain. For the EU, the consequences are strategic. Neglecting raw material flows from its immediate neighbourhood into China-dominated value chains directly contradicts the objectives of the CRMA and weakens Europe's ability to act autonomously in an increasingly contested global economy.

China's role in shaping current value chains is not incidental, but backed by off-take agreements and infrastructure financing that EU firms have historically been slow or unwilling to offer. An additional factor is China's globally dominant role in the refining and processing of extractives, while such capacities lack in the Western Balkan countries. Thus, in Serbia, the Chinese Zijin Mining Group has become the dominant actor in copper extraction and processing, transforming the Bor mining complex into the largest copper producer in Europe.[4] While the investment revitalized a loss-making industrial asset and preserved employment, it also entrenched Chinese control over a strategic sector, accelerated exports of ores and semi-processed materials to China, and generated serious environmental and social controversies. Regulatory adjustments made to accommodate the investor have weakened governance standards, undermined property and labour protections, and fuelled public distrust. [5]

The adoption of the EU Critical Raw Materials Act (CRMA) in 2024 marked a decisive shift in European industrial, trade, and security policy.[1] By explicitly linking access to critical and strategic raw materials (CRMs/SRMs) with industrial competitiveness, the green transition, and defence capabilities, the CRMA acknowledges that Europe's economic resilience can no longer be separated from geopolitics.

Similar - though less visible dynamics exist elsewhere in the region, where Chinese ownership or financing shape extraction and trade patterns. Even British-Australian mining group Rio Tinto, the "candidate" to exploit Serbian lithium reserves to the benefit of EU businesses, is closely connected to China: Chinalco, China's state-owned aluminium group, is Rio Tinto's single largest institutional shareholder, holding 11.23% of its shares.[6] Beyond this stake, Rio Tinto maintains multiple joint ventures and technology partnerships with Chinese state-owned firms, while China remains its largest customer, accounting for around 60% of its total revenue, primarily from iron ore.[7] The cumulative effect is a value-chain geography in which China secures access to raw materials critical for European industries, while the EU remains downstream and reactive. This configuration undermines the EU's strategic autonomy and limits its ability to enforce environmental, social, and governance (ESG) standards along supply chains originating in its own neighbourhood.

### Deploying EU Capital and Instruments to Secure Supply Chains

However, it is not only Chinese companies that have tapped into the Western Balkans' CRM and SRM potential. Other large-scale mining projects in the Western Balkans have been undertaken by non-EU actors, reflecting insufficient EU engagement or interest by EU companies. In North Macedonia, the Swiss-based Solway Investment Group has operated the Bučim copper and gold mine since 2005 and has expanded production through the development of the Borov Dol successor mine, extending operations well into the next decade.[8] An Australian firm, Pela Global, has advanced exploration and pre-development of the Krstov Dol antimony project, which has been formally recognised under the Minerals Security Partnership - an initiative of the US State Department.[9] In Bosnia and Herzegovina, a multinational consortium[10] has successfully revived the historic Vareš polymetallic mine, bringing it from exploration to production within seven years and contributing an estimated 2% to national GDP. In Albania, copper extraction and processing are managed by Beralb Ltd., a Turkish-Chinese consortium operating under a long-term concession.[11]

The Trepča mining complex in Kosovo serves as a critical, albeit neglected, barometer for the EU's (lack of) strategic ambitions in the Western Balkans. Once one of the world's largest lead, zinc, and silver producers, Trepča's current status, marked by raw concentrate exports to Western traders and a chronic lack of regional smelting capacity, illustrates the 'low-value trap' that the CRMA seeks to resolve. Despite its significant untapped geological potential, the complex remains structurally detached from a European-aligned value chain.

For the EU, Trepča represents a dual opportunity: a geological asset containing not only base metals but also high-tech critical elements like indium and bismuth, and a geopolitical leverage point. Securing the modern revitalization of Trepča through EU-backed "strategic project" status would do more than secure supply: it would provide a viable European alternative to the integrated Chinese and other non-EU mining clusters currently expanding across the region, effectively anchoring Kosovo's industrial future to the European Single Market.[12]

Shifting the balance requires targeted EU support for processing, refining, recycling, and circular-economy - goals that are highlighted in the CRMA but have so far been neglected in practice. Aluminium and copper represent particularly promising entry points, given existing industrial bases and cross-border linkages.

## think nea - New Narratives of EU Integration

Policy brief no. 6 | May 2026

Pilot projects combining EU technology, Western Balkan resources, and strict ESG standards could demonstrate viable alternatives to China-centric value chains and attract responsible investment. Achieving this also requires greater engagement by European firms. Instruments such as the Instrument for Pre-Accession Assistance, the Reform and Growth Facility, InvestEU, as well as EIB and EBRD financing, should be used more systematically to support joint ventures, guarantees, and off-take agreements that embed European capital and standards in regional value chains.

### The Knowledge and Governance Gaps

The Western Balkans' raw materials potential is not only significant but also geographically dense. The region hosts a wide array of operational mines, dormant deposits, legacy production facilities, and planned projects spanning copper, aluminium, nickel, lithium, antimony, magnesium, cobalt, and rare earth elements. These assets are unevenly distributed across countries but collectively form one of Europe's most promising nearshoring opportunities. However, much of this potential remains under-appreciated. Geological surveys in several countries still rely on exploration data from the 1970s and 1980s, which do not meet modern technical, environmental, or commercial standards. This lack of up-to-date, harmonized geological data constrains investment decisions, fuels public mistrust, and complicates strategic planning at both national and EU levels. [13]



A comprehensive, region-wide effort to modernize geological surveys and consolidate existing data is therefore a strategic prerequisite for effective CRMA implementation. Mapping, surveying and exploring operational and planned deposits, mines, and production facilities across the Western Balkans would not only improve transparency and investor confidence, but also allow the EU to identify complementarities, bottlenecks, and opportunities for value-chain integration. Such a research foundation, placed at the centre of EU-Western Balkans raw materials cooperation, would underscore the region's role as part of Europe's industrial ecosystem rather than as a collection of isolated national resource enclaves.

Regional integration is equally critical. The Western Balkans' economies are too small for national strategies to succeed by themselves.

Restoring and modernizing value chains that once spanned the former Yugoslavia - from extraction to smelting, refining, and processing - would generate economies of scale and reduce inefficiencies. EU-led frameworks such as the Berlin Process and the Single Market Highway initiative offer platforms for coordinating standards, infrastructure, and investment. A regional initiative, building on the EIT Raw Materials Regional Innovation Centre in Albania, could support training, research, and knowledge exchange.

### **Anchoring Raw Materials Partnerships in the EU Accession Process**

In order to advance beyond the existing limited cooperation, the EU and the Western Balkans need to rethink their resource-based partnerships and embed them in the accession process. Raw materials cooperation that is decoupled from accession conditionality risks reinforcing perceptions that the EU prioritizes strategic interests over its core values. Nowhere is this tension more visible than in Serbia's lithium debate. The Jadar project, which holds an estimated 10% of global lithium reserves and could supply up to one fifth of Europe's battery needs, has become emblematic of the political and societal risks associated with extractive projects.

Following mass protests, the Serbian government suspended the project in 2022, citing environmental and social concerns. The reinstatement of licences after a Constitutional Court decision in 2024, reignited public opposition.[14] For many local stakeholders, EU support appeared to legitimize a project associated with opaque procedures, contested environmental impact assessments, and serious concerns over water contamination and waste management.[15] Rather than strengthening Europe's strategic position, this perception risks eroding trust in the EU and fuelling anti-European sentiment.

Comparable dynamics can be observed across the region. In Bosnia and Herzegovina, lithium, nickel and magnesium projects have encountered strong resistance rooted in environmental concerns and weak institutional credibility.[16] In North Macedonia, citizen mobilization successfully halted the Illova-Štuka gold-copper project in an agriculturally sensitive region.[17] In Albania, pollution linked to copper mining has fuelled local opposition[18] despite the fact that the country is a member of the Extractive Industries Transparency Initiative, aimed at better governance of mining projects.[19] These cases highlight a central lesson: without credible governance and social legitimacy, raw materials projects aligned with EU strategic objectives can become political liabilities.

The EU enlargement framework provides a ready-made mechanism to address these challenges. Chapter 20 (Enterprise and Industrial Policy) offers a framework for supporting value-chain upgrading and industrial competitiveness, while Chapter 27 (Environment) imposes binding obligations on environmental protection, waste management, and industrial pollution. Alignment with Chapter 15 (Energy) is also essential given the energy intensity of mining and processing, particularly in the context of CBAM (Carbon Border Adjustment Mechanism) and carbon pricing. If the Western Balkans do not decarbonize their mining energy (coal-heavy grids), their minerals will become too expensive for the EU market regardless of geographic proximity.

Chapter 1 (Free Movement of Goods) and Chapter 8 (Competition Policy) are critical for ensuring that Western Balkan products can enter the Single Market under fair and transparent conditions. Above all, rigorous adherence to the 'Fundamentals' cluster - specifically the rule of law and anti-corruption frameworks - must serve as a non-negotiable prerequisite for strategic cooperation and the granting of mineral concessions in the extractive sector. Linking CRMA strategic project designation, EU funding, and market access to EU support for alignment and demonstrable progress under these chapters would strengthen both strategic autonomy and enlargement credibility.

## Strategic Autonomy through Enlargement

The EU's raw materials relationship with the Western Balkans stands at a critical juncture. Continuing current patterns risks entrenching a value-chain asymmetry that benefits rival powers, fuels social opposition, and undermines enlargement credibility. By contrast, embedding CRMA implementation within the accession framework, prioritizing value-chain upgrading, exploring opportunities to extract secondary raw materials, and enforcing governance conditionality can transform shared resources into shared prosperity.

For the Western Balkans, this means moving beyond raw ore exports towards EU-aligned industrial development that generates jobs, revenues, and public trust. For the EU, it means securing critical raw materials not by bypassing values or lowering standards, but by extending its industrial ecosystem to its immediate neighbourhood. Strategic autonomy and enlargement are not competing agendas; properly aligned, they are mutually reinforcing pillars of a resilient European future.

## think nea - New Narratives of EU Integration

Policy brief no. 6 | May 2026

[1] Critical Raw Materials Act, available at [https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act\\_en](https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act_en).

[2] Krstinovska, Ana, and Vuk Vuksanović. "Win Some, Lose Some": China's Involvement in the Extractive and Raw Materials Industries in the Western Balkans. Prague: Association for International Affairs (AMO), 2023. [https://chinaobservers.eu/wp-content/uploads/2023/06/win-some-loose-some\\_policy-paper\\_A4\\_09\\_web-1.pdf](https://chinaobservers.eu/wp-content/uploads/2023/06/win-some-loose-some_policy-paper_A4_09_web-1.pdf).

[3] Krstinovska, Ana, and Wolf, André. 2025. Raw Materials for a Resilient Europe: The EU's Strategic Partnership with the Western Balkans. ELIAMEP, think nea – New Narratives of EU Integration, Thematic Report No. 3. October 2025. <https://www.eliamep.gr/en/raw-materials-for-a-resilient-europe-the-eus-strategic-partnership-with-the-western-balkans/>.

[4] Zijin Mining Group Co., Ltd. "Bor Copper Complex." Accessed October 22, 2025. <https://www.zijinmining.com/global/program-detail-71737.htm>.

[5] Just Finance International. "Despair among Serbian Farmers When Their Land Is Confiscated." Just Finance International, February 23, 2024. <https://justfinanceinternational.org/2024/02/23/despair-among-serbian-farmers-when-their-land-is-confiscated/>.

[6] Rio Tinto is a dual-listed company - PLC in London and Ltd in Australia. Chinalco's stake is specifically in Rio Tinto PLC. DFC Modelling. "Exploring Rio Tinto Group Investor Profile: Who's Buying and Why?" November 2025.

[7] Rio Tinto. "Rio Tinto and China's State Power Investment Corporation Partner to Trial Battery Swap Truck Technology." November 2024. <https://www.riotinto.com/en/news/releases/2024/rio-tinto-and-chinas-state-power-investment-corporation-partner-to-trial-battery-swap-truck-technology>.

[8] Bucim DOO Radovish. "About Us." Accessed October 22, 2025. [https://bucim.com.mk/about\\_us/](https://bucim.com.mk/about_us/).

[9] Pela Global. "Krstov Dol Antimony Mine Restart Project." Accessed October 22, 2025. <https://www.pelaglobal.com.au/krstov-dol-antimony-project>.

[10] The British-Australian firm Adriatic Metals developed and operated the mine through its local subsidiary, a structure that was fully acquired by Canada's Dundee Precious Metals in 2025.

[11] Ekin Maden, Beralb's mother company has strategic partnership with Jiangxi Copper and sold to them 50% of Beralb in May 2014.

[12] The 'legal fog' surrounding Trepça's ownership serves as a deterrent to EU capital, often leaving a vacuum for non-EU actors with higher risk tolerances. For the EU to designate Trepça as a 'Strategic Project' under the CRMA, the underlying property disputes must be addressed through the Belgrade-Pristina Dialogue to satisfy the financing criteria of European multilateral lenders.

[13] Krstinovska, Ana, and Wolf, André. 2025. Raw Materials for a Resilient Europe: The EU's Strategic Partnership with the Western Balkans. ELIAMEP, think nea – New Narratives of EU Integration, Thematic Report No. 3. October 2025. <https://www.eliamep.gr/en/raw-materials-for-a-resilient-europe-the-eus-strategic-partnership-with-the-western-balkans/>.

[14] RFE/RL's Balkan Service. "Rio Tinto CEO Says 'Well-Organized' Disinformation Targeting Serbian Lithium Project." *Radio Free Europe/Radio Liberty*, September 15, 2024. <https://www.rferl.org/a/serbia-lithium-tinto-stausholm-mine/33120768.html>.

[15] Todorović, Igor. "RERI: Rio Tinto Divides Up Jadar Lithium Project in Serbia to Avoid Overall Environmental Assessment." Balkan Green Energy News, October 10, 2024. <https://balkangreenenergynews.com/reri-rio-tinto-divides-up-jadar-lithium-project-in-serbia-to-avoid-overall-environmental-assessment/>; Spasić, Vladimir. "Faculty of Biology: Optimal Measure to Prevent Negative Impact Is to Abandon Jadar Project." Balkan Green Energy News, September 9, 2024. <https://balkangreenenergynews.com/faculty-of-biology-optimal-measure-to-prevent-negative-impact-is-to-abandon-jadar-project/>; Serbia Energy; "BiH: Vardiste Conceals Million Tons of Nickel; the Obstacle Is Environmental Pollution Risks." Serbia SEE Energy Mining News, March 25, 2013. <https://serbia-energy.eu/bih-vardiste-conceals-million-tons-of-nickel-the-obstacle-is-environmental-pollution-risks/>.

[16] France 24. "Bosnia's Lithium Discovery Raises Hopes and Fears." France 24, March 14, 2024. <https://www.france24.com/en/live-news/20240314-bosnia-s-lithium-discovery-raises-hopes-and-fears>. Lippman, Peter; "Grassroots Resistance to Environmental Destruction in Bosnia-Herzegovina: Majevica." Lefteast, June 7, 2025. <https://lefteast.org/grassroots-resistance-to-environmental-destruction-bosnia-herzegovina-majevica/>.

[17] Гаџовска Спасовска, Зорана. "Струмичани на протест поради Иловица, како што го нарекоа, 'рудникот на смртта'." Слободна Европа, 15 јули 2023. <https://www.slobodnaevropa.mk/a/strumichani-na-protest-poradi-kako-shto-go-narekoa-rudnikot-na-smrtta-/32504769.html>.

[18] Daci, Merxhan, "The copper factory in Fushë-Arrëz pollutes the present and the future." Albanian Centre for Quality Journalism. July 2020. <https://acqj.al/en/fabrika-e-bakrit-ne-fushe-arrez-ndot-te-tashmen-dhe-te-ardhmen/>.

[19] Extractive Industries Transparency Initiative (EITI), <https://eiti.org/our-mission>.

