

Balkans gold rush prompts pollution fears

September 24 2013, by Mihaela Rodina



A man wears a Guy Fawkes mask as protesters demonstrate in Bucharest against the Rosia Montana Gold Corporation, September 15, 2013. Plans by mining companies to dig for gold in Romania and Greece have triggered massive opposition, with academics and environmentalists

Plans by mining companies to dig for gold in Romania and Greece have triggered massive opposition, with academics and environmentalists stressing that risks far outweigh benefits for the Balkan nations.

In Romania, Canadian firms Gabriel Resources and Eldorado Gold as well as Kazakhstan's SAT & Company hope to start digging in 2016.

In Greece, Eldorado Gold has similar plans for two sites in the Halkidiki peninsula.

While the companies promise thousands of jobs and billions of dollars of investment in the two capital-starved economies, analysts and opponents stress the mines will leave deep scars on the picturesque regions, drive tourists away and spell the end of the local communities.

"Unlike other industries, the mining sector does not create many jobs, and indeed very few horizontally," economist Razvan Orasanu told AFP.

"For comparison's sake, four steel companies employing 5,000 people went bankrupt in Romania this summer and the government did nothing to prevent it," he added.

Gabriel Resources, which owns an 80-percent stake in the Rosia Montana Gold Corporation (RMGC), looks set to open Europe's biggest open-cast gold mine in the Transylvanian village of Rosia Montana.

With no previous experience in mining, the company plans to extract 300 tonnes of gold using 12,000 tonnes of cyanide a year.

It also promises a shower of benefits for Romania's economy, including 2,300 jobs in the construction phase and up to 900 during the 16 years the mine operates.

But four mountains will be levelled and environmentalists and archaeologists warn against major pollution risks and irreversible damage to unique Roman-era mining galleries.

"The mine is not a solution for long-term development and does not solve the region's social and economic problems," said the Romanian Academy, the country's top scientific body.

The Academy listed 21 arguments against the mine, including the risks of earthquakes triggered by blasts and of leaks from the dam holding cyanide-laced waste from processing.

"This project is too sensitive for a country like Romania, where public institutions are not prepared to deal with potential ecological disasters," economist Cristian Grosu told AFP.

Gabriel Resources' plan was met with sporadic resistance over the past years.

But a draft law adopted last month by the centre-left government allowing it to circumvent legislation was the catalyst for unprecedented protests.

Thousands of people look set to continue their movement until the project is spiked by parliament, which may not hold a vote until November.

In Greece too, plans by Eldorado Gold to dig on two sites close to Aristotle's birthplace have sparked massive protests which have occasionally turned violent.

The company says it will invest \$1 billion by 2016, the biggest private investment pledge on the table for crisis-hit Greece. And it promises to employ up to 4,200 people in a country where unemployment stands at 27 percent.

But local residents, [environmentalists](#) and the leftist opposition have

taken up arms against the project, denouncing ecological risks in a region famous for its historical sites and sunny beaches.

The Canadian group is also involved in an open-cast gold mine project in western Romania, at Certej.

The company last year obtained an environmental permit but had to suspend its activities after the Environment Ministry challenged the document in court, claiming it violated local and European legislation.

After campaigning against cyanide-based mining ahead of the December 2012 elections, the government reversed course in July and included both Rosia Montana and Certej in a list of "strategic investment projects".

But it was too late to block the lawsuit against Eldorado Gold.

"We have no choice but to wait for the court's ruling," said Nicolae Stanca, manager of Eldorado Gold's Romanian subsidiary, adding the company fully complied with legislation.

Eldorado plans to extract 50 tonnes of gold over 16 years and promises 800 jobs and benefits worth \$3.5 billion for Romania.

If residents of Certej, Rosia Montana or Halkidiki can only imagine what an ecological disaster would mean for their communities, people of the northern Romanian city of Baia Mare experienced one 13 years ago.

In January 2000, a tailings dam burst and 100,000 cubic metres of cyanide-tainted water flowed into a nearby river.

The spill which seriously contaminated the Danube was described as the biggest ecological catastrophe after Chernobyl.

The polluter, Australian company Esmeralda, has since gone bankrupt and the ore processing plant was closed.

But Romaltyn, a firm jointly owned by SAT & Co and Fribourg Investments plans, to reopen the plant.

"We have invested millions of dollars in modern technology, built a water processing plant and consolidated the dam," said Romaltyn manager Sergiu Chirca.

He said the company would invest a total of \$70 million over five years and employ 200 people, hoping to extract 5 tonnes of [gold](#) from 8.5 million tonnes of mineral waste.

But their plans have met with adamant opposition from the local authorities which are seeking to cancel their licence.

"We do not want to see a repeat of the 2000 disaster," mayor Catalin Chereches told AFP.

"We are talking about people's lives here and this matters more than anything else."

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