

RESPONSE TO NEWSWEEK. “Where Apple gets the tantalum for your iPhone” 4th February 2015
<http://www.newsweek.com/2015/02/13/where-apple-gets-tantalum-your-iphone-304351.html>

Newsweek published an article “Where Apple gets the tantalum for your iPhone” on the 4th February 2015 which made various assertions and criticisms of both the Conflict Free Smelter Programme (CFSP), and the ITRI Tin Supply Chain Initiative (ITSCI) Programme. The author did not contact ITRI for comment on this article and our response is therefore detailed below. In summary;

- Newsweek irresponsibly implies the entire country of DRC and the region are impacted by conflict, sensationalising and exaggerating the extent of insecurity
- Newsweek declares, based on no real evidence, and contrary to reality, that there is no, or insufficient paperwork to track minerals
- Newsweek ignores the efforts of ITSCI field teams who constantly report on production changes and security issues
- Newsweek quotes barely understandable and confused mineral tonnage figures in an attempt to support the implication of smuggling conflict mineral from the DRC into Rwanda
- Newsweek makes a number of other very basic errors which indicate very poor research and understanding of the subject

In reality, the quantity of conflict-free and traceable tantalum from both the DRC and Rwanda is on a clearly increasing trend offering new opportunity to miners and the economy of the region.

Exaggerated extent of conflict

Overall, the article exaggerates and simplifies both the extent of the conflict issue, as well as perceived difficulties in the control of the supply chain, and compounds errors in other reporting in a sensationalist and irresponsible manner that could affect the legitimate livelihood of miners in central Africa.

For example, the article discusses ‘areas racked by conflict’ and ‘warlords controlling exports’ with the implication that this remains a widespread and common situation across the region around eastern DRC. It refers back to the war of 1998, seventeen years ago, and does not recognise the existing security situation which, while still an issue of concern, is much improved.

The article ignores the presence of ITSCI on-the-ground teams who enable us to pinpoint specific mining areas in the region where there does remain some security concern (and encourage action to make improvements), while allowing those mining in areas not affected by armed groups to continue with their legitimate activities which are vital to the local economy. The ITSCI field teams have a constant presence and do not rely only on short visits or second hand information but continually follow local developments, feedback information to the Programme members, and help stakeholders resolve incidents. In 2014, around 2% of recorded field incidents related to security issues, and none related to direct control by ‘warlords’.

The ITSCI field teams are essential in enabling companies to continue to purchase minerals from the region by providing local knowledge and information, to help drive progressive improvements, and to avoid consumer product companies doing harm by implementing an embargo. The report of Newsweek irresponsibly implies the entire country of DRC and the region are impacted by conflict and that consumer product manufacturers should not allow any materials from the region in the supply chain.

Misrepresentation of traceability and issue management

The ITSCI field teams also provide vital back-up and cross checking of traceability data which is generated on all minerals from mines not implicated in the infrequent security incidents that do occur. Tagging/traceability is stopped at mines subject to insecurity. The article criticises the use of paper trails to record mineral trading data and suggests these provide ‘scarce’ information, and even goes as far as saying there is ‘no paperwork’ to

audit, yet there is no apparent basis for such a claim. The ITSCI Programme traced around 12,000,000 kg of minerals during 2014, all of which come from small scale and artisanal mining sites, some producing just a few kg a day but still vital to the miners in remote locations. The supply chain can be traced from those mines, no matter how small, through the international trading companies to smelters who are also participating in the CFS Programme and who have been independently audited on their sources of minerals. Around 35,000 data points on in-region local trading are recorded each week.

Newsweek considers minerals ‘hard to track’ yet there is extensive documentation which demonstrates that the majority of tantalum sourced from the DRC originates across a fairly wide area of Katanga, as well as from North Kivu. Traceability in North Kivu was established just a short time after the peace agreement with the most significant armed group in that area, the M23, and has brought new hope and prosperity from mining since peace was established in late 2013.

Unverified assumptions on smuggling into Rwanda based on confused data

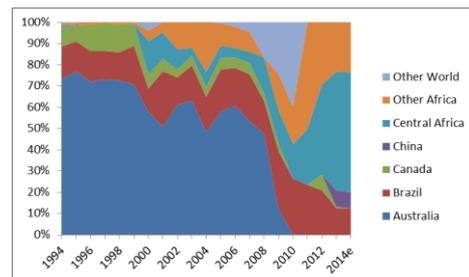
The article declares that anonymous ‘experts’ note there is ‘widespread smuggling’ without any specific evidence, nor any explanation of how smuggling, an illegal activity that occurs all over the world with all kinds of products and goods, relates to funding of conflict, nor the extent of possible support to conflict.

Newsweek quotes another article by KT Press¹ on the export of tantalum from Rwanda declaring that the figures show a ‘dramatic boost’ and a ‘spike’ which it feels can only come from smuggling. Yet the figures in both the original article from KT Press and Newsweek are confused, seemingly interchanging tantalite mineral concentrate, Ta2O5 volumes, and tantalum metal obtained from it, and entirely lacking in any credibility. Newsweek makes a truly basic error stating that tantalum is processed into coltan at smelters, which is of course opposite to the actual process of turning coltan into tantalum.

Newsweek quotes 1,931 tons of tantalum exported by Rwanda to October 2014, which would extrapolate to 2,574 for a full year, more than world production, seemingly confusing concentrate versus tantalum weight. Similarly, Newsweek quotes 8,800 tons of tantalum worldwide for 2013 which more likely could be a gross weight of concentrate.

Newsweek references the United States Geological Survey (USGS) declaring that ‘Rwanda has consistently produced around 1,500 tons annually’ of tantalum. In fact, USGS mineral commodity summaries² show the following for tantalum mine production, with no country producing 1,500 tons. The USA having no production, not having mined tantalum since 1959;

USGS commodity summaries						
	1994		2004		2014	
	tonnes	%	tonnes	%	tonnes	%
DRC	1	0	60	4	180	23
Rwanda	2	1	40	3	250	32
Australia	238	73	730	48	0	0
USA	0	0	0	0	0	0
<i>World</i>	<i>325</i>	<i>100</i>	<i>1511</i>	<i>100</i>	<i>787</i>	<i>100</i>



The proportion of tantalum mined across Africa is on an increasing trend as production in Australia and Canada has fallen, with Africa reaching 80% of the world total in 2014 (according to USGS). Both total production and circumstances in any country can vary significantly over short time periods with no relation to ‘smuggling’ or conflict - price being a crucial factor.

While the general trend can be observed from the USGS figures, these are in themselves also not accurate. USGS estimates 430 tons from Rwanda and the DRC in 2014, while in fact ITSCI can trace more than twice that quantity. The ITSCI field teams play an important role in the evaluation of production levels from mines in order to follow and account for changing, and particularly increasing production, to ensure that it is plausible. Rwanda is known to be investing heavily in its mining sector and the number of mining sites and companies

¹ <http://www.prnewswire.com/news-releases/rwanda-has-become-worlds-largest-coltan-exporter-reports-kt-press-300010371.html>

² <http://minerals.usgs.gov/minerals/pubs/commodity/niobium/>

has grown significantly over the last few years following the start of the ITSCI Programme. Rwandan production has certainly increased and is on an upward trend rather than a ‘spike’ as assumed by Newsweek.

Assuming an average Ta₂O₅ content of concentrates to generate the table below, it can be seen that ITSCI recorded exports from Rwanda and the DRC are both higher than the USGS estimates, and have both increased. It would be surprising if supposed ‘widespread smuggling’ from one country to another resulted in increased production in both.

ITSCI recorded exports of concentrate (estimated Ta ₂ O ₅ content)			
tonnes	Rwanda	DRC	Rwanda + DRC
2012	334	153	487
2013	665	119	784
2014 (estimate to year end)	700	404	1,104

Outdated or missed information

Newsweek also goes back two years to April 2013, prior to many improvements in supply chain monitoring and implies statements that ‘much of the tin, tantalum and tungsten produced in North and South Kivu’ in the DRC ‘benefits rebels and members of the state army’ are still true today. In April 2013 the first ITSCI mine in South Kivu had just begun producing; now the project covers a much wider area and many times more tonnage. Our analysis shows that at the beginning of 2013 traceable and conflict-free cassiterite (tin mineral) accounted for around 70%, while the remaining 30% (potentially related to conflict, mainly the Kivu’s), remained outside the ITSCI system. The prediction for 2014 is that 95% of cassiterite exported from the DRC is within the ITSCI programme³. Enormous improvements have been made through the joint work of ITSCI, companies and Governments in order to clean up the mining sector.

All supply chain information is audited both at the smelters by the CFSP, and during ITSCI company site audits performed by an independent evaluator. Newsweek claims that ITSCI audits are not made public which again indicates very poor research since audit reports are available online⁴.

Newsweek asserts that ‘ITRI tracks all four conflict minerals’ when this is not the case and even the simplest cross-checking would have shown. Other errors in the text are evident in discussion of a UN report from August when UN reports are published in June and January⁵, and discussion of ‘profit’ allegedly made by the ITSCI Programme which is operated by not for profit organisations.

ITRI member companies who smelt cassiterite to produce tin have driven due diligence on the ground in central Africa through the ITSCI Programme, and have made the extensive efforts that are required to be found compliant by the CFS audit which has also made significant improvements over the years to its own verification mechanisms. The combination of the two programmes has had a significant and demonstrated effect to improve the circumstances for miners in central Africa, while at the same time allowing them to continue to access the international market and benefit from the value of their resources. We are sure these improvements will continue in the future.

9th February 2015: ITRI Ltd, St Albans: www.itsci.org : itsci@itri.co.uk

³ https://www.itri.co.uk/index.php?option=com_mtree&task=viewlink&link_id=55233&Itemid=11

⁴ https://www.itri.co.uk/index.php?option=com_mtree&task=listcats&cat_id=193&Itemid=11

⁵ <http://www.un.org/sc/committees/1533/egroup.shtml>