

Mining Its Business: How AIM Came to Help the DRC

Written by Mike Buetow

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Top 5 solder materials supplier **AIM** has [announced it was joining the **Conflict-Free Tin Initiative**](#), an organization whose goal is to create regulated tin supply chains from the South Kivu region of the Democratic Republic of Congo.

The group seeks to establish a secure supply chain, ensuring that no so-called "conflict minerals" mined by armies using slave labor enter the electronics manufacturing market. Moreover, it hopes to ensure that those legitimate mines in the DRC are able to function on the international market unhindered by legislative or social pressure.

AIM executive vice president, Assembly Materials Division David Suraski and product marketing manager Kelly Cardone spoke with CIRCUITS ASSEMBLY editor in chief Mike Buetow about the partnership on Oct. 12.

CA: How did AIM get involved in the CFTI?

DS: We got a call from one of our big customers who wanted to talk about conflict-free tin. At the time, we had Andy Dolan, Dave Colmer and Matthew Germain, who is in charge of our environmental programs. People from our customer's various manufacturing sites were on. We went in thinking, this would be one more call of the same: A customer heard of conflict tin issue and wants to be assured by us that when they buy our solder materials, no tin from the DRC would be included.

Then the call went in a totally different direction. They told us of an initiative supported by the Dutch government whose goal was to support non-conflict tin mining in the DRC. It dawned on me that people are not buying conflict tin, which is a positive, but I had never thought about what that was doing to the legitimate businesses there.

There's a mine in South Kivu, in the DRC, that is part of this program, and Malaysia Smelting Corp., is part of this as well. Our customer wanted to know, can we buy our tin from there? We said we'd be happy to investigate the possibility to doing so. We couldn't do it just buying a few

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kilos; MSC would have to sell several tonnes each month to make it work from their end. We had to compare the quantity and use by the customer, what MSC would offer us, the economic reality. We had to make sure that all of this would work, and if it would work, when it would work. Eventually the answer was yes, MSC could get the concentrate from South Kivu, smelt it, put it in ingot form, and get it on a boat to us, all at near-market rate. It's not the lowest price on the market, but it's not so expensive that it would kill us or our customer.

The customer then wanted to know how we could ensure that the tin we would get from MSC would be conflict-free. We confirmed to the customer that we could do this. We talked about various markings – a stamp or label – to assure them that we put the right tin in the furnace when we made the solder.

We're not switching everything to the DRC; we have some customers who don't want anything from the DRC. It's easier for them to stick with the supply chain from China, Indonesia, Malaysia, South America.

CA: When will the program begin?

DS: It hasn't kicked off yet. I don't think that South Kivu has furnished any concentrate yet.

KC: The actual opening was supposed to kick off Oct. 10.

CA: What are you committing to?

DS: South Kivu will send concentrate to MSC, who will smelt it. Then we place the PO. They place 20, 40 tonnes on a boat and we receive it 3 to 4 weeks later and put into pipeline for this customer immediately. That means probably a month or two later the customer will get it, depending on inventory. So it would be early in the new year; probably first quarter 2013 when our customer will start to get this material.

Since this has started, other manufacturers have reached out to us as well. Some challenges as well, for example, minimum order quantities. If they are buying a few kilos a year, that's hard to do economically.

On a professional note, I'm really happy to participate in this. I'm often quite cynical about political activities that cross over into the business world, but I think this one can positively

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impact and help a struggling impoverished area. I had overlooked the effects of this boycott on minerals from the DRC. We look to participate on a long-term basis.

CA: Why was the South Kivu mine selected? It is considered to be more secure and stable than others in the DRC?

KC: As to why the mine itself was chosen, we're not sure. We've been part of the conversation as to how the mine will be monitored now it has been chosen, but weren't involved in the mine selection.

DS: I would imagine it has something to do with the current ownership and security of the mine, but we weren't privy to that conversation.

CA: How is mine security handled?

KC: PACT, an international NGO, is overseeing the security of the initiative. They are implementing the ITRI Supply Chain Initiative (iTSCi). Pact is being supported in the Kivus by local NGOs including Bureau d'Elaboration des Projets et d'Application Techniques (BEPAT) and the Observatoire Gouvernance et Paix (OGP). Basically, the International NGO Pact and local NGOs have local groups monitoring security and the actual mining procedure. Everything is bagged and tagged so it can be tracked along the route and we can be sure the material is right from that mine. The amount from that mine is also monitored so that if suddenly there is more material than could be expected, that will be investigated. So it's local committees and local mining authorities and overseen by National Minister of Mines in the DRC. All the companies involved in the process undergo background checks to verify there are no connections to conflict.

CA: Will AIM take any additional steps to ensure the minerals are legitimate?

DS: They are inviting members to go as observers to ensure that what they say is happening, is happening. We may go at some point. But at a certain point we have to take it on faith that the security measures are adequate. This bag and tag program is what we are relying on, as well as monitoring and any announcements on suspicions.

CA: Does it make economic sense today to buy conflict minerals?

DS: Yes, it would make economic sense for some smelters to buy conflict tin. The cost to extract ore from mine is not insignificant. So for a smelter, it pays to get the ore from the cheapest source. They can sell off their ore at a fraction of the cost of legitimate mines around the world. Obviously moral and legitimate businesses are not going to buy conflict tin to save a few bucks, but it's something that could and probably does happen, unfortunately. We take several measures to prevent acquiring any such tin, including buying directly from mines. Buying from MSC as part of this program is an exception, but we have faith in the program.

CA: It appears AIM and Alpha Metals are the only two solder companies involved. Have you had discussions with them or any other suppliers at the CFTI?

DS: This is strictly between us and CFTI at this point. We've found people are a little afraid of this issue: It's going to take some explaining to manufacturers who are not involved in this. We

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are going to broach this with manufacturers around the world, especially those who have social interests. Hopefully more will become involved over time.

On Oct. 22, chat with Mike Buetow about PCB West and SMTAI at [PCB Chat](#).

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