



BMW to buy cobalt from mines in Australia



BMW will buy cobalt directly from mines in Australia and Morocco to ensure the metal purchased for its electric vehicles is sourced responsibly.

BMW's head of sourcing Andreas Wendt said at a briefing "The newly sourced metal will be used in BMW's next generation of electric vehicles that will be built from 2020. The company won't buy directly from small scale Congolese mines in the short term.

Mines in Morocco and Australia operate in line with our sustainability standards and there are no issues with working conditions such as child labor."

The measure comes as the London Metal Exchange carries out a supply-chain review to address concerns that cobalt stored in its warehouses may be linked to child labor. The supply of the commodity, mostly mined in the Democratic Republic of Congo, faced scrutiny in recent years as humanitarian groups said that it is being produced in unethical conditions.

While the commodity is mainly extracted from large industrial mines by companies including Glencore, about 17% is dug by hand by thousands of miners operating in the southeastern Katanga region, before being sold on to intermediaries, according to trading house Darton Commodities. Glencore will supply cobalt to BMW from its Murrin mine in Australia. ■

Hindalco launches Aluminium Beverages Can consortium

A consortium called Aluminum Beverages Can Association of India is to be launched.

Hindalco Industries Ltd, Ball Beverage Packaging (India) Pvt. Ltd and Can-Pack India Pvt. Ltd. The motto is to increase the use of aluminum cans to pack beverages. ABCAI intends to partner with governments, corporates, trade bodies and consumers to spread awareness on the economic and environmental benefits of aluminum beverage packaging. It will commission studies to showcase the benefits of such beverage cans in logistics, refrigeration, and water and power conservation.



PrakashNedungadi, Group Head, Consumer Insights & Brand Development, Aditya Birla Group, said aluminum plays a key role in the burgeoning packaging industry in India and that the consortium sees a need to bridge the awareness gap. He said "We aim to convert one in every four beverage packages in India to aluminum by 2030."

At just one, India's annual per capita consumption of cans is a far cry from countries such as Brazil (97), China (39), the US (288) and Vietnam (70). Currently, aluminum constitutes about 5 per cent of beverage packaging in India. The number of beverage packages consumed in India is expected to reach 50 billion a year by 2030 from the current 20 billion. ■

Hong Kong Exchange in talks for metals warehousing in China



Hong Kong Stock Exchange Chief Executive Charles Li said that the bourse was in official talks with Guangdong authorities on metals warehousing. It is going to be a major step towards its long-held ambition to expand in mainland China.

He said "We have been talking about LME warehousing in China, it's not going to be an easy subject. We are working with the Guangdong government to see if we can experiment a pilot scheme for warehousing."

He added that the plan involving Guangdong, a province in southern China, would come under the country's Greater Bay Area project. The project aims to better integrate the economies of Guangdong and Hong Kong, spurring growth in both regions.

Li, Head of Hong Kong Exchanges and Clearing Ltd, has long wanted a China warehousing foothold to boost its London Metal Exchange franchise, but faced reluctance from Chinese regulators concerned with protecting emerging domestic exchanges in the world's biggest metals consumer.

Warehouses are a critical part of the LME's price-setting function because it acts as a market of last resort; a place of storage for sellers in need; and a store of metal for buyers in a mechanism that roots exchange prices in the physical market. ■