

July, 2009

## Companies involved in the trade in minerals from eastern DRC

NB: This is a selection of the main companies named in the Global Witness report, *Faced with a gun what can you do? War and the militarisation of mining in eastern Congo*.

Unless otherwise stated, the full references for the information quoted here can be found in the report, available at [www.globalwitness.org](http://www.globalwitness.org).

### Thailand

<b>THAILAND SMELTING AND REFINING CORPORATION (THAISARCO)</b>
<b>Address:</b> 80 Moo 8 Sakdidej Road, Tambon Vichit, Amphur Muang Phuket 83000, Thailand
<b>Description:</b> THAISARCO is the fifth-largest tin-producing company in the world. It was founded in 1963 and has been a subsidiary of AMC since July 1995. <sup>1</sup>
<b>Ownership / management:</b> The British company Amalgamated Metal Corporation PLC (AMC) owns 75.25% of THAISARCO, through a complex chain of ownership (see diagram below). The Chairman of THAISARCO is Giles Robbins, also a major shareholder of AMC, ranked 1,477 <sup>th</sup> on the Sunday Times Rich List in 2009 (see below). David Michael Spratt is the Managing Director of THAISARCO. <sup>2</sup>
<b>Links with eastern DRC:</b> THAISARCO's main supplier in South Kivu is Panju, one of the <i>comptoirs</i> identified by the UN Group of Experts as complicit in pre-financing <i>négociants</i> who work closely with the FDLR.

### United Kingdom

<b>AMALGAMATED METAL CORPORATION PLC (AMC)</b>
<b>Address:</b> 55 Bishopsgate, London EC2N 3AH, United Kingdom
<b>Description:</b> The Amalgamated Metal Corporation (AMC) group is a large international group which trades, distributes and manufactures metals, metal products and construction materials. The Sunday Times valued the business at £300m in its 2009 Rich List.
<b>Ownership / management:</b> Victor Herman Sher, Geoffrey Charles Leacroft Rowan, Giles Robbins and Susan M. Farmer are the largest individual shareholders of AMCO Investments Ltd, which, according to the AMC PLC 2007 and 2006 annual report, is the immediate and ultimate controlling entity of Amalgamated Metal Corporation PLC. These four individuals collectively own more than 52% of the shares in AMCO Investments Ltd.
Robbins, Rowan and Sher have all appeared in the Sunday Times Rich List. <sup>3</sup> According to the Sunday Times, Sher, 62, holds a stake in AMC worth £78m. He was ranked 600 <sup>th</sup> on the Rich List in 2009, with a total worth of £90m, derived from 'metal'. In 2008 he was ranked 644 <sup>th</sup> . <sup>4</sup>

<sup>1</sup> THAISARCO website: [http://www.THAISARCO.com/THAISARCO\\_overview.html](http://www.THAISARCO.com/THAISARCO_overview.html)

<sup>2</sup> THAISARCO website (accessed July 2009): [http://www.THAISARCO.com/board\\_of\\_directors.html](http://www.THAISARCO.com/board_of_directors.html)

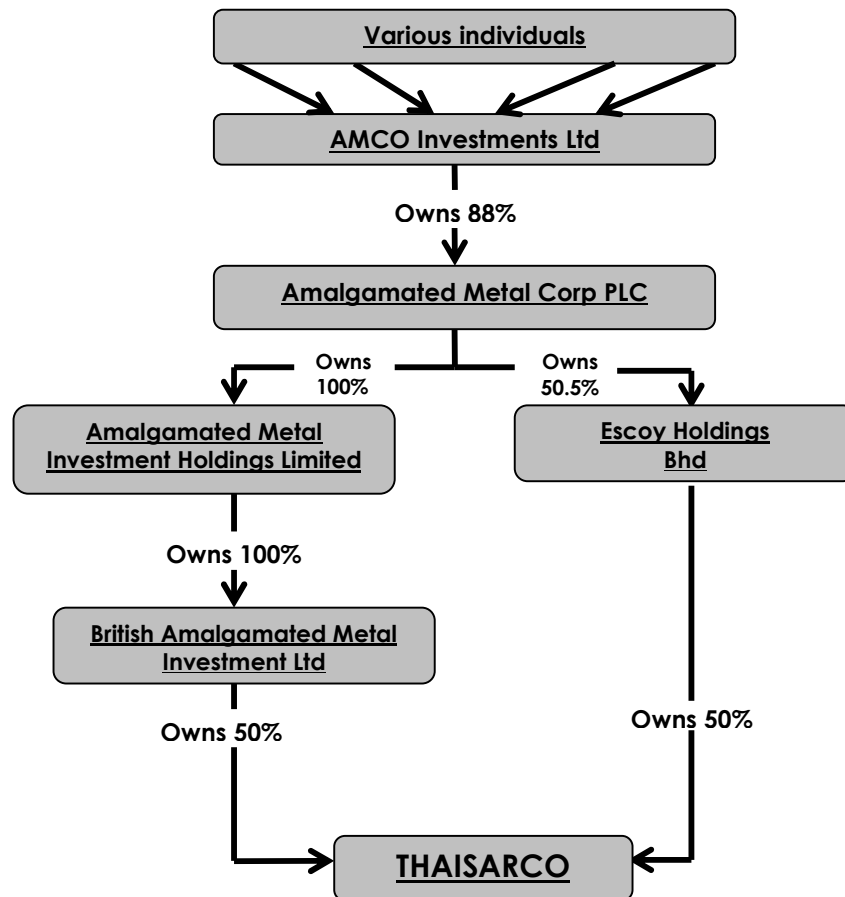
<sup>3</sup> The Sher who appears in the Rich List is a Harold Sher and not Herman Sher. We assume that it is the same person, as he is listed as Chief Executive Officer of the AMC Group.

<sup>4</sup> Sunday Times Rich List: [http://business.timesonline.co.uk/tol/business/specials/rich\\_list/](http://business.timesonline.co.uk/tol/business/specials/rich_list/)

Geoffrey Charles Leacroft Rowan, the AMC group's financial control director, was ranked equal 1,477<sup>th</sup> in the Rich List in 2009, alongside his AMC colleague Giles Robbins, director of business development. They were both worth £38m in 2009 and £50m in 2008.<sup>5</sup>

**Links with eastern DRC:** AMC is the owner of THAISARCO, which is one of the largest buyers of minerals from eastern DRC (see above).

### Links between the AMC Group and THAISARCO:



Amalgamated Metal Corporation PLC owns 75.25% of THAISARCO

<b>AFRIMEX</b>
<b>Address:</b> Ramnik House, 8-10 Kingswood Road, Wembley Park, Middlesex HA9 8JR, United Kingdom
<b>Description:</b> Afrimex is a small trading company based in the UK, founded in 1984. It trades in minerals as well as food items and other goods.
<b>Ownership / management:</b> Ketan Kumar Ramniklal Kotecha and his wife Diti Ketan Kotecha are the directors of Afrimex. Each holds 50% of the company's shares. <sup>6</sup>
<b>Links with eastern DRC:</b> Afrimex has been trading in minerals from eastern DRC for many

<sup>5</sup> Ibid.

<sup>6</sup> UK Companies House, Annual Return for Afrimex, period ending 23 November 2008.

years. It has done so via Congolese-registered companies Société Kotecha and SOCOMI. It has bought minerals from *comptoirs* who made payments to armed groups and pre-financed *négociants* that work closely with armed groups.

In February 2007, Global Witness filed a complaint against Afrimex alleging that its trade in minerals during the war in the DRC amounted to a breach of the OECD Guidelines for Multinational Enterprises.<sup>7</sup> The UK Government's National Contact Point (NCP) for the OECD Guidelines investigated the case and, in August 2008, published its final statement, upholding the majority of Global Witness's allegations. It concluded that Afrimex had "failed to ensure that its trading activities in DRC did not support armed conflict and forced labour."<sup>8</sup>

The UK government has since failed to take any further action on these findings. Afrimex claims it stopped trading in minerals from the DRC in September 2008. Global Witness is urging the British government to carry out an independent verification of this claim.

### Malaysia

#### MALAYSIAN SMELTING CORPORATION BERHAD (MSC)

**Address:** B-15-11, Block B, 15th Floor, Unit 11 Megan Avenue II 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Malaysia

**Description:** MSC is the fourth largest tin-smelting company in the world. For more information, see [www.msmelt.com](http://www.msmelt.com)

**Ownership / management:** The immediate holding company of the MSC is The Straits Trading Company Limited, incorporated in Singapore.<sup>9</sup> The Chairman of MSC is Norman Ip Ka Cheung, a British national who is also the President and Group Chief Executive Officer of The Straits Trading Company.<sup>10</sup>

**Links with eastern DRC:** According to Congolese government statistics, MSC was one of the main buyers of cassiterite from the DRC in 2007. However, Congolese statistics are incomplete and there are discrepancies with importing countries' statistics. Malaysia has reported much higher cassiterite imports from the DRC than those cited by the Congolese government.<sup>11</sup>

### Belgium

#### TRADEMET

**Address:** Place Gustave Baugniet 2, B.7 B 1390 Grez-Doiceau, Belgium.

**Description:** Trademet is a small company, established by Freddy Muylaert in 1989. It is involved in trading ores, primarily tantalite and cassiterite.<sup>12</sup>

**Ownership / management:** Freddy Muylaert (Founder), Michael Winterton (Manager).<sup>13</sup>

**Links with eastern DRC:** Trademet was the largest buyer of cassiterite from South and North

<sup>7</sup> Global Witness, "Afrimex (UK) – DRC: Complaint to the UK National Contact Point under the Specific Instance Procedure of the OECD Guidelines for Multinational Enterprises", 20 February 2007.

<sup>8</sup> See Final statement by the UK National Contact Point for the OECD Guidelines for Multinational Enterprises: Afrimex (UK) Ltd, 28 August 2008, and Department for Business Enterprise and Regulatory Reform (BERR) press release "Mineral trade helped fund rebels", 28 August 2008.

<sup>9</sup> Malaysia Smelting Corporation Berhad, 2008 annual report, p. 49. Available at: [http://www.msmelt.com/investor/annual\\_report2008.pdf](http://www.msmelt.com/investor/annual_report2008.pdf)

<sup>10</sup> MSC website: <http://www.msmelt.com/corporate/bod.html>

<sup>11</sup> United Nations Commodity Trade statistics database.

<sup>12</sup> Minor Metals Trade Association: <http://www.mmta.co.uk/members/memberDetails.php?id=89>

<sup>13</sup> IPIS report, *Culprits or Scapegoats? Revisiting the role of Belgian mineral traders in eastern DRC*, May 2009: [http://www.ipisresearch.be/att/20090513\\_IPIS\\_Culprits\\_Scapegoats.pdf](http://www.ipisresearch.be/att/20090513_IPIS_Culprits_Scapegoats.pdf)

Kivu in 2007, according to Congolese government statistics. A report by the Belgian research institute IPIS on the involvement of Belgian companies in the DRC stated that most of Trademet's minerals were shipped to customers in Malaysia, Thailand and China.<sup>14</sup>

#### **SOCIETE POUR LE DEVELOPPEMENT ET L'EXPANSION D'ENTREPRISES (SDE)**

**Address:** Rue de Livourne 66, B.6 1000, Bruxelles, Belgium.

**Description:** SDE is a trading company based in Brussels, Belgium.

**Ownership / management:** SDE is part of the Blattner Elwyn group. Elwyn Blattner is the Managing Director and James Blattner the Administrator. Elwyn Blattner is an American national who has been based in the DRC for many years. He operates in several different sectors including agriculture, telecommunications, banking and logistics. Most of the Blattner Elwyn group's operations are based in the DRC, but it has also operations in Europe, for example in Belgium and France.<sup>15</sup>

**Links with eastern DRC:** SDE bought cassiterite from Sodexmines, a *comptoir* in the DRC which is also part of the Blattner Elwyn group. Sodexmines was one of the main buyers of cassiterite from the notorious Bisie mine, when it was still under the control of the 85<sup>th</sup> brigade of the Congolese army.

#### **TRAXYS S.A.**

**Address:** Avenue du Boulevard 21, 1210 Bruxelles, Belgium

**Description:** Traxys S.A. is a Brussels-based trading company, created in 2003 following a merger between Sogem and Considar.<sup>16</sup> According to its website, Traxys primarily focuses on the marketing and sourcing of base metals and concentrates, minor and alloying metals, industrial minerals and chemicals, materials for steel mills and foundries, and carbon products. It had a \$2.8bn turnover in Financial Year 2006, has 250 employees worldwide, and 25 global offices. See [www.traxys.com](http://www.traxys.com) for more information.

**Ownership / management:** Alan K Docter (Chairman), Mark S Kristoff (Chief Executive Officer), Jean Dominique Sorel (Chief Operating Officer).<sup>17</sup>

**Links with eastern DRC:** Traxys has been one of the main buyers of cassiterite and coltan from South and North Kivu. In May 2009, Traxys announced that it would suspend sourcing minerals from eastern DRC.<sup>18</sup> This was in response to the December 2008 Group of Experts report which asserted that Traxys purchased minerals from suppliers who had links with armed groups such as the FDLR.

### **Russia**

#### **NOVOSIBIRSK INTEGRATED TIN WORKS (NOK)**

**Address:** 62, Mira str., Novosibirsk, 630033, Russia

**Description:** NOK is Russia's biggest producer of tin.<sup>19</sup>

**Ownership / management:** According to Business Week, Alexander Dugelniy is NOK's General Director and Vladimir Sherstov its Deputy General Director. Its other directors are Yelena Dugelnaya, Anatoliy Novinkov, Vadim Fedorov, Irina Lozhkina, and Vladimir Rudi.<sup>20</sup>

**Links with eastern DRC:** The *comptoir* Pan African Business Group (PABG) informed Global

<sup>14</sup> IPIS, May 2009.

<sup>15</sup> See [www.gbedrc.com](http://www.gbedrc.com)

<sup>16</sup> IPIS, May 2009.

<sup>17</sup> Traxys website: <http://www.traxys.com/Gui/Content.aspx?Page=Management>

<sup>18</sup> Traxys press release, "Traxys suspends sourcing of minerals from eastern Democratic Republic of Congo", 11 May 2009.

<sup>19</sup> NOK website: [www.nok.ru/engl/about.html](http://www.nok.ru/engl/about.html)

<sup>20</sup> Business Week: <http://investing.businessweek.com/research/stocks/people/board.asp?ric=NOKN.RTS>

Witness in December 2008 that in the 13 months that it had been trading, it had bought 850 tonnes of cassiterite and that its business partner was Novosibirsk Integrated Tin Works. One of the mines from which PABG sourced cassiterite was Bisie, when it was under the control of the 85<sup>th</sup> brigade of the Congolese army.<sup>21</sup>

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<sup>21</sup> Letter from Thierry Kituli Kaoma, General Director of Pan African Business Group, sent to Global Witness by e-mail on 16 December 2008.