

Apple in Talks to Buy Cobalt Directly from Miners By Inayat Chaudhry, LL.M. Candidate 2018 | March 14, 2018

In an effort to avoid potential production issues of its devices, for the first time ever, [Apple Inc.](#), is in talks with miners to buy cobalt directly from them. Cobalt prices have soared of late because of an expected growth in demand thanks to the electric vehicle boom and there has been some fear of a shortage driven by this aforementioned boom. Apple wants to ensure that it will have enough of the key battery ingredient to avoid any problems, according to insiders.

Apple, is one of the largest users of cobalt for batteries in its electronic devices, but up until now it had left the buying of metal for its batteries to the companies that actually make its batteries. According to a [Bloomberg report](#), citing an anonymous source, Apple is seeking contracts to buy several thousand metric tons of cobalt for five years or longer. Because Apple is still “in talks,” there is a possibility that Apple’s discussions will fall apart. Last year, rights group such as Amnesty international [said](#) that about a fifth of Congo’s Cobalt production is mined by hand by informal miners including children, often in dangerous conditions, which struck a nerve. To that end, almost a year ago, Apple announced that it would [stop buying cobalt mined in the Congo](#) by hand until it could ensure that companies in its supply chain had eliminated child labor practices and dangerous work conditions.

According to [Darton Commodities](#), today, over half of the worlds’ cobalt supply is consumed in rechargeable batteries which are used in portable electronics, energy storage systems, electric vehicles and other applications. Although smartphones only use about eight grams of refined cobalt, the battery of an electric car requires over 1,000 times more. This means that in the future, Apple will be in direct and intense competition with carmakers such as [BMW and Volkswagen](#) who plan on going electric as well as battery producers like Samsung to secure supplies for its products in the future.

