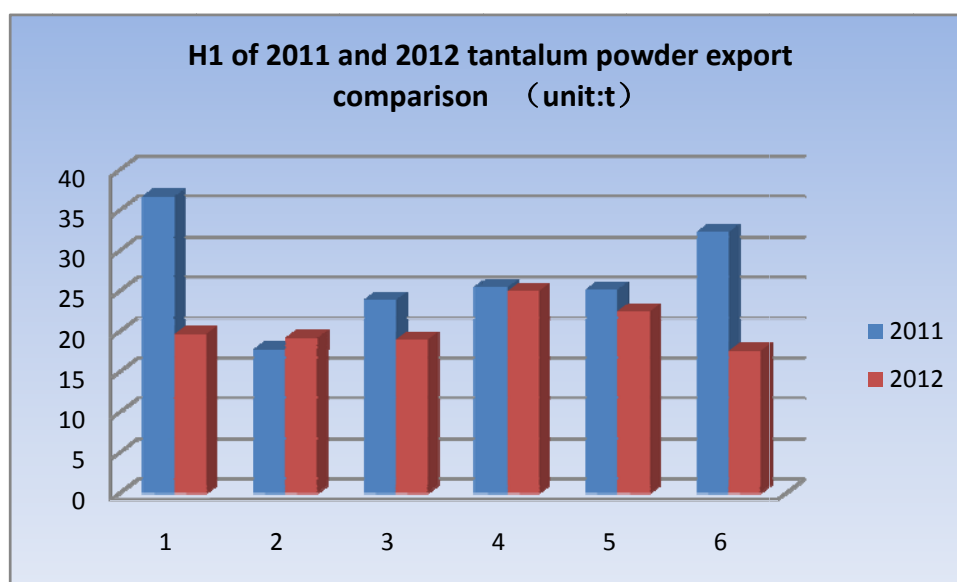


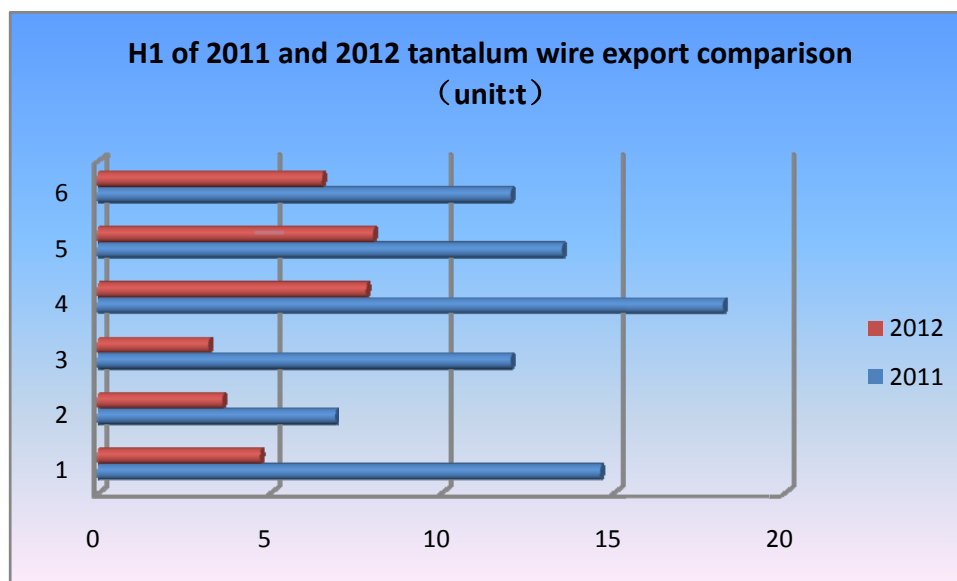
### **AM Insight: Getting the certificate from EICC becoming an irreversible trend with tantalum end product export meeting obstruction**

BEIJING (Asian Metal) 10 Aug 12 – According to the latest statistics released from China Customs, in the first half year of 2012, China exported about 123t of capacitor grade tantalum powder in total. The export decreased by about 23.8% compared with the same period of 2011. The capacitor grade tantalum wire export volume was 33.8t, which decreased by about 56% compared with the export volume of 77.2t in 2011.

According to the traditional domestic producers of tantalum powder, with the weak demand their export volume of tantalum wire went down continuously in the first half year of 2012. And they even did not get any orders from market abroad in July. The reduction of capacitor grade tantalum powder and wire was not only due to the dim demand which resulted by the gloomy economy, but also due to the strict monitor of the Electronic Industry Citizenship Coalition (EICC) on tantalum industry. As the end application for tantalum powder and wire is the electronic industry, and EICC does not allow the raw materials which used into producing tantalum wire and powder from the Conflict area, which defined as Democratic Republic of Congo and other eight countries and areas.

#### **Capacitor grade tantalum powder and tantalum wire export comparison between the first half year of 2011 and 2012:**

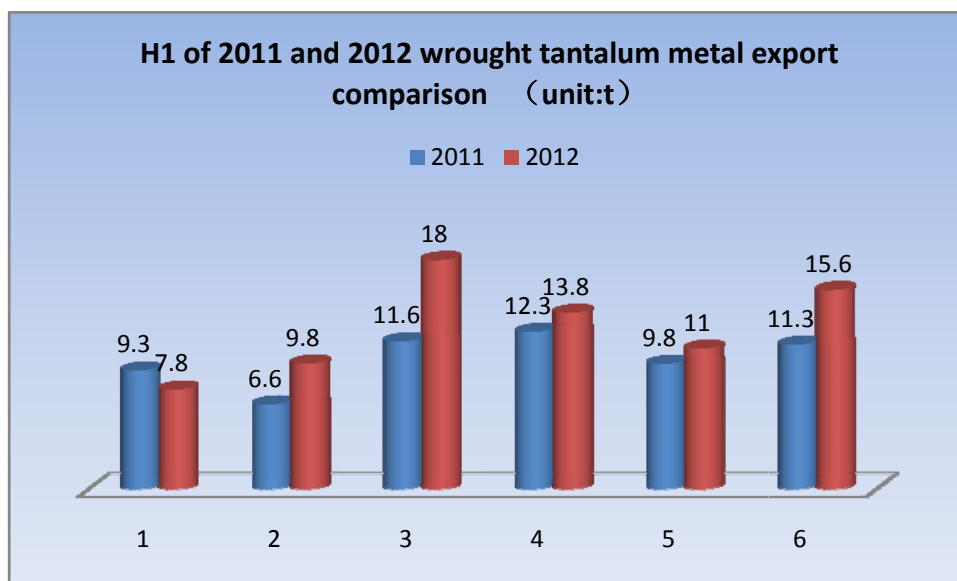




Contrasted with the export situation of tantalum powder and wire, wrought tantalum metal materials export in the first half year of 2012 did not decrease, but increased by different degree every month. According to the statistics, China totally exported about 76t of wrought tantalum metal, which increased by 20% compared with 60.9t of the same period of last year.

It is reported that wrought tantalum metal is different from the tantalum powder and wire and is mainly used in the aerospace and super alloy industries. The audit process of EICC has not reach these industries at the present time, which take new chances for domestic tantalum and niobium plants. However, there are also prediction that the audit process for tantalum raw material will sooner or later reach these industries, so domestic processors of wrought tantalum metal should also avoid use the raw materials with unclear resources.

**Wrought tantalum metal export comparison between the first half year of 2011 and 2012:**



Market insiders noted that Chinese capacitor grade tantalum powder and wire export market will not get rebound until most of the domestic processors get the certificate from EICC, which will take at least one or two years.