



## PRESS RELEASE

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### **Chinese diamond industry enlists WFDB to assist in development of diamond sector**

*Antwerp, BELGIUM: October 2, 2003* — The heads of China's fast developing diamond industry, with the encouragement of the Chinese government, have requested from the World Federation of Diamond Bourses that it act in an advisory capacity to assist the development of the country's fast growing diamond sector. The request was made formally to Shmuel Schnitzer, the WFDB president, during a recent visit he made to Southeast Asia.

To further the project, the WFDB has set up a task team that includes Schnitzer; Ernest Blom, the WFDB vice president; Eli Izhakoff, the former WFDB president and the chairman of the World Diamond Council; and Suresh Hathiramani, the president of the Diamond Exchange of Singapore. Schnitzer said he expects that other members of the WFDB leadership would join the committee at a later stage.

The development of the Chinese diamond market represents an absolutely essential goal for the world diamond industry, explained the WFDB president, for China in its own right constitutes a major portion of the growth potential of the diamond trade over the coming few decades. But, he added, there is a range of challenges that need to be met so that the market can grow unimpeded. But what is encouraging, he noted, is that the Chinese diamond industry is looking for ways to meet those challenges. This is well demonstrated by its recent appeal to the WFDB, Schnitzer said.

One issue that Schnitzer would like see addressed is the Chinese tax and customs regime. "In recent times, the Chinese government has been successful in liberalizing the trade in precious metals, such as gold and platinum. This was clearly beneficial to the jewelry industry. In the same spirit, we urge the Chinese government to also liberalize its policy of taxation on diamonds. This would encourage the import of diamonds into the country, and help meet the increasing demand for polished goods in the local marketplace," he said.

For its part, the WFDB expects to welcome the Shanghai Diamond Exchange as its first fully-fledged Chinese member, when the general assembly of the WFDB meets at the World Diamond Congress in New York in May 2004. Representatives of the Shanghai bourse briefed the WFDB leadership when it met in late June at the Presidents Meeting in South Africa.

Schnitzer will visit Shanghai in November, where he will be a featured speaker at the International Diamond Summit Forum that is scheduled to be held in the city.

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**WORLD FEDERATION OF DIAMOND BOURSES**