



## PRESS RELEASE

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### **WFDB president criticizes Supplier of Choice policy at the start of the Presidents Meeting in South Africa**

SUN CITY, SOUTH AFRICA, June 30, 2003 – The Presidents Meeting of the World Federation of Diamond Bourses (WFDB) has opened in the South African resort of Sun City, with a speech by WFDB President Shmuel Schnitzer, in which he took De Beers to task for undermining the stability of the diamond industry in the way it has chosen to implement its Supplier of Choice program. Schnitzer was speaking to a WFDB leadership that had expressed great concern and disquiet about the recent policy decisions of De Beers.

“Our trade is built like a pyramid, with a wide base. At the top, there are a few big companies; in the center there are medium-sized companies; and at the base there are many, smaller sized companies. I have always expressed the opinion that, without a strong basis, the future of the whole industry is jeopardized. Obviously, Supplier of Choice did not take this situation into consideration,” he said.

Schnitzer was addressing a joint session of the Presidents Meeting, which is being held together with the International Diamond Manufacturers Association (IDMA). In his speech, Schnitzer referred to a meeting held in London in May, involving a delegation from the WFDB and senior executives of De Beers' Diamond Trading Company (DTC), led by the DTC's director of sales and marketing, Gareth Penny. “Our main proposal was to expand the Supplier of Choice plan to all those who contribute added value to the trade. They don't necessarily have to be manufacturers. They can be dealers or wholesalers as well,” he said.

At the meeting in London, Schnitzer stated, the DTC promised to respond to the WFDB proposal. To date, he said, the DTC has not done so. But the WFDB president expressed his hope that Penny would explain his organization's position when he addresses another joint session of the Presidents Meeting on Tuesday.

In his speech, Schnitzer also outlined other issues that will be raised at the Presidents Meeting. These include the implementation and enforcement of the Kimberley Process, as well as High Pressure-High Temperature (HPHT) diamonds. He also expressed his confidence that the diamond jewelry markets are set for an upswing, following the end of the war in Iraq and the apparent halt in the spread of the SARS virus in Southeast Asia.

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