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At Antwerp gathering, WFDB Executive Committee emphasizes diamond trade's disclosure obligations

Antwerp, BELGIUM, May 6 2004 - Synthetics and color treatments topped the agenda when the Executive Committee of the World Federation of Diamond Bourses (WFDB) held its twice-yearly meeting in Antwerp, Belgium, on April 29. A wide range of other subjects affecting the diamond trade and the WFDB members were also discussed.

The WFDB Executive Committee noted that modern technology has made it possible to manufacture synthetics and to change a diamond's color with a variety of treatments. But, it stressed, the WFDB specifically requires its members to identify synthetics and to disclose any treatments used on diamonds.

WFDB President Shmuel Schnitzer said that maintaining consumer confidence in natural diamonds is of paramount importance to the industry. "To prevent any loss of consumer confidence, the WFDB will need to do all it can to mandate the disclosure of all synthetic diamonds that enter the trade," he said. "We must also work to facilitate the full identification of color treatments and their disclosure throughout the distribution chain, right down to the end consumer. Our failure to do so will have an undesirable effect on the entire diamond pipeline."

While the rise in diamond jewelry sales in 2003 is also attributed to the Supplier of Choice program of the Diamond Trading Company (DTC), at its Antwerp meeting the Executive Committee again expressed the federation's concern that Supplier of Choice has mainly yielded benefits for a limited number of diamond companies, while having a negative impact on other members of constituent diamond exchanges. The WFDB has always believed that a continuous dialogue, both with the DTC and with the other rough diamond producers, is necessary to secure a regular supply of diamonds for its members.

Speaking at the Executive Committee meeting, Derek Palmer, DTC Global Communications Director, reiterated his organization's commitment to supply rough diamonds to the secondary market through Diamdel. The DTC also agreed to continue to investigate the possibility of integrating non-sightholders into the SOC program.

WFDB EXECUTIVE COMMITTEE MEETING

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The Executive Committee hailed the achievements of the World Diamond Council (WDC), a joint venture between the WFDB and the International Diamond Manufacturers Association (IDMA), in stopping the flow of diamonds from war-torn areas into the legitimate trade. The committee also paid tribute to the Herculean efforts WDC Chairman Eli Izhakoff has personally undertaken in this regard. The committee noted while the process is ongoing, the WDC's mandate is limited to the fight against conflict diamonds.

The criminal use of diamonds to launder money is of great concern to the federation, the Executive Committee emphasized. As in the case of conflict diamonds, the WFDB will use all methods at its disposal to stamp out this practice in coordination with the relevant authorities.

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