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WFDB concludes 2009 Presidents' Meeting in Antwerp, underscores growing importance of trade in diamond distribution chain

ANTWERP: BELGIUM: NOVEMBER 18, 2009 – The World Federation of Diamond Bourses wrapped up its 2009 Presidents' Meeting today with a vote of confidence in the inherent strength of the diamond trade, which it credited with being the buttress that enabled the diamond business pull through through the global financial crisis intact.

In an address to the Presidents' Meeting, in which he reviewed the current state of the diamond industry, WFDB President Avi Paz credited the role played by the thousands of small and medium sized companies, whose representatives make up the bulk of the various WFDB bourses' membership.

“The reason our industry maintained its stability in a relative way during the past 12 months, is not only due to the large companies' reaction to the downturn but also, very much so, to the resiliency and leadership of the secondary market,” Paz said. “The behaviour of the small and medium size companies minimised the damage to the members of our industry and enabled the pipeline to continue working.”

“One can definitely say, that the small and medium sized companies proved themselves to be the backbone of the recovery – exactly as they were the backbone for recovery in the crisis years of the 1980s. They are not heavily indebted and they hold the liquidity that provides stability to our industry,” Paz added.



2009 PRESIDENTS' MEETING
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The Presidents' Meeting, which began on November 15, brought together the senior leadership of the WFDB global membership, which includes 28 diamond exchanges in 19 countries. Presidents' Meetings take place in consecutive years in which World Diamond Congresses are not held.

In an address to the Presidents' Meeting, industry analyst Chaim Even-Zohar delivered the results of a report commissioned by the WFDB to examine the relative contribution of the diamond trade to the diamond distribution pipeline. The data collected indicates that the diamond trade's position in the pipeline has not only not diminished over the past 10 years, but it actually stronger than it once was, Even-Zohar reported.

The expanded role of the diamond trading sector proved its worth during this most recent financial crisis, Even-Zohar said. "In every previous diamond-industry crisis or economic recession after World War II, it were the producers who maintained the industry's "buffer stock" and were willing to stockpile and wait for the storms to recede. But at the beginning of this century, producer policies changed; they would not use their stocks to support the market in adverse economic conditionsThe effect was that at the eve of the crisis, the industry's buffer stocks were held mostly by the trading community. What has been disparagingly referred to as the enormous 'fragmentation' of the industry, in fact turned out to have been a most fortunate dispersion of stocks and of economic and commercial risks."

Consumer confidence was a key theme of the President's Meeting. During the meeting, the WFDB endorsed a new price list for polished diamonds that is being introduced by IDEX Online.

At the conclusion of the Presidents' Meeting it was confirmed that the 2010 World Diamond Congress will take place in Moscow starting on Sunday, July 11. It will hosed by the Diamond Chamber of Russia and the Moscow Diamond Bourse. The 2011 Presidents' Meeting will be held in Dubai and will be hosted by the Dubai Diamond Exchange.

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