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## **WFDB deplors breakdown of KP talks in Kinshasa, says impact on downstream of supply pipeline may be disastrous**

*Antwerp, Belgium, June 27, 2011* – Avi Paz, president of the World Federation of Diamond Bourses (WFDB), said that the uncompromising positions taken by some Kimberley Process (KP) members and the ensuing lack of agreement regarding the future of rough diamond exports from the Marange region in Zimbabwe would be detrimental in particular to the downstream end of the diamond supply pipeline. Following the breakdown last week of the Kimberley Process Intersessional Meeting in Kinshasa, Paz said the impasse had the potential to hit the well-being of the entire, global diamond industry.

"When there are quarrels in a household, such as the KP, one expects the members of that household to sit down together and resolve their differences through negotiations," Paz said. "However, by walking out of the house, and by upending the discussions, some members clearly do not realize the enormous negative and, I fear, disastrous impact their conduct has and will have on the entire diamond supply pipeline," Paz stated.

The WFDB president pointed out that the effect would be felt most immediately at the lower end of the diamond supply pipeline, but would soon have an overall negative impact on the upper end of the diamond industry as well.

"Millions of people, both in Zimbabwe, as well as in the major diamond manufacturing centres, such as India, who do not have any other means of income, are affected directly and soon enough the industry at large will fall victim to the lack of resolve of the KP. It is very sad that through the politicization of the KP talks, some of the KP members have lost sight of what the original objectives of the KP are. At the same time, they are using the unique structure of the KP, with its consensual decision making process, to hold up the process and serve secondary goals that are foreign to the KP," Paz noted.

"The WFDB deplors the KP members' failure to resolve the central issue of rough diamond exports from Zimbabwe and demands all parties return to the table without delay. The clock is ticking and it shows it's five minutes to midnight. Disaster is awaiting around the corner for the international diamond trade," Paz concluded

Paz reiterated, once again, that in spite of the recent developments and the KP's lack of resolve, all members of the WFDB are to continue to follow the KP's and the WFDB's directives on rough diamond trading.

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