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## **Key industry figures address Joint Session of WFDB and IDMA**

*Mumbai, India – 16 October 2012:* The first Joint Session of the WFDB and IDMA was addressed by a number of key industry figures. Avi Paz, WFDB president, expressed that the US market remains a difficult trading area at this stage and that the instability of the global market remains a concern. He also noted how the present currency problems in the local Indian market have had a negative effect on the diamond industry, but sincerely thanked the banking industry for the support they have given and emphasised that they are considered valued partners. Paz continued by describing the diamond industry as very resilient, which has stood it in good stead through difficult times and made the industry adaptable to changing conditions.

IDMA president Moti Ganz drew attention to shrinking margins for manufacturers due to various responsibilities they were taking on without compensation during his presentation, issues previously taken care of by other arms of the industry that has been done away with due to budget restraints. The thread of synthetic diamonds was highlighted as these provided higher margins and could potentially fight for the space currently occupied by diamonds. The constant and regular supply of rough remains essential to ensure stable growth for the industry. Ganz called on the industry to unite and fight towards a common goal and emphasised the retention of margins in the diamond trade as these are vital in ensuring that the trade remains a profitable one and has the ability to expand in the future.

The South African Minister of Mineral Resources, Susan Shabangu, a keynote speaker at the Congress noted that on the 10<sup>th</sup> anniversary of the Kimberley Process (KP) it was fitting that South Africa took over the chair of this organisation founded in Kimberley, South Africa in 2003. Shabangu expressed how African countries benefited from the KP as this allowed them to trade in diamonds to an international market while complying with all legislation. The review of the KP process raised in Italy earlier this year was welcomed by the Minister and she confirmed that she was in favour of any review as long as it did not move away from the original concept of the Process. Shabangu once more committed herself and the South African government to the KP and what it sets out to achieve. She further voiced her conviction that producing countries must share in wealth creation and encouraged African countries to take ownership of the KP process and become part of it in order to extract maximum benefit from it. Shabangu stressed the importance of beneficiation and her wish for this to be implemented in more producing countries in order to create employment and skills development. The Minister explained that the South African government



had created the State Diamond Trader in the country in order to ensure the supply of rough diamonds to small industry players and in so doing ensuring development and the survival of small entities. She praised India for its well-developed infrastructure and the example it is setting for countries such as South Africa. “India and South Africa have shared a long history going back over many years and this relationship must be nurtured for future development.” In closing, Shabangu called for the implementation of the KP process to be made even stronger as every sector of the industry benefits by it.

Gillian Milovanic, ambassador from the US State Department and current chair of the Kimberley Process said that while the KP has been very successful, change must not be feared and that a new definition of conflict diamonds must be developed. She stressed that a “give-and-take” relationship between parties must be formed in order to strengthen the Process even further. She called for positive ideas and advice from Congress delegates in order to develop the way forward. She also noted the importance of the KP website which remains an active tool in assisting with the management of the Process and its communications. This site is used to upload any cases involving false certificates to assist officials around the world in managing the Process and to take action against offenders. She concluded by reiterating the importance of consumer confidence.

Eli Izhakoff, in his presentation, drew attention to the fact that India is currently producing nine out of every 10 diamonds in the world and as a consumer market they are the second largest. He called on the entire industry to endorse change for positive results for the KP.

Varda Shine, CEO of the DTC, also addressed delegates and stated that to date it is estimated that five billion carats of diamonds have been introduced to the market and reminded attendees that the market must be consumer driven and based on consumer demands. She continued by stressing the three points which are critical in order to grow the market: securing supply, maintaining consumer confidence and stimulating consumer demand.

Shine highlighted an agreement signed in Botswana which secures a supply chain for 10 years, supports investment in South Africa for under ground mining research, assists with beneficiation and the delivery of sustainable benefits to southern Africa. The creation of Botswana as a global trading hub further encourages travel to this part of the world which generates added business opportunities in the southern African region. In addressing synthetic diamonds, Shine referred to the 3 Ds: disclosure, detection and differentiation.

The Forevermark will also be introducing a new range called HALO jewellery, consisting of a large centre stone with smaller stones surrounding it. It is believed that the marketing of this new range will stimulate further diamond jewellery sales across the board. Shine noted that although the Chinese market is slowing down, growth of double-digit figures are still expected from this market in the current year.

Donna Baker from the GIA, who was the final speaker to address the Session, assured the industry of the company’s commitment to investing in people, research and education. She confirmed that synthetic stones must be declared and that the GIA labs will continue working towards exposure of treated diamonds as and when they see them in GIA labs.