



News Release

Contact: secretariat@wfdb.com

WFDB President Ernie Blom: Diamond Industry Can Be Positive Heading Into Holiday Season

Antwerp, Belgium – September 22, 2015: World Federation of Diamond Bourses (WFDB) President Ernie Blom believes the global diamond trade can be positive ahead of the upcoming holiday sales season due to recent events.

Blom said that initial indications from the September Hong Kong Gems and Jewellery Fair were that it had been solid. Meanwhile, price cuts by De Beers and Alrosa were bringing prices of rough diamonds down to more realistic levels. In addition, much-needed reductions in polished production had been carried out, particularly by the Indian manufacturing sector.

"I feel there is reason to be optimistic, even though conditions do, of course, remain challenging overall," Blom commented. "The Hong Kong show, due to the global nature of its exhibitors, buyers and visitors serves as a useful barometer of industry sentiment so it is very promising that demand at the fair was stable.

"And on the rough supply side, we have seen the world's two main producers – De Beers and Alrosa – take meaningful steps recently to reduce prices. Just last week, Alrosa said it would cut prices by up to 10 percent at its September sale. That followed De Beers' decision to reduce prices by similar levels at its August Sight. The producers have accepted our arguments that diamond manufacturers simply cannot be expected to pay such high prices for rough at a time of falling polished prices. I believe we need to see a further reduction in rough prices, but these moves by De Beers and Alrosa are encouraging, and we expect to see the trend repeated at other diamond sales and tenders."

Blom also said that the decision by many diamantaires to hold off on manufacturing will help put a firm floor under prices. "We had a situation where there were simply too many polished goods on offer. Now that some major players have cut production, there will be lower levels of polished inventories and possibly shortages in some items. I believe this will lead to a rise in business transactions."

Regarding the all-important consumer demand for diamonds and diamond jewelry, Blom said the work of the World Diamond Mark (WDM) was continuing to bear fruit. "The WDM continues to create alliances with leading companies to help build generic marketing of diamonds. We all know that the situation remains far from easy, but these developments should certainly give us all reason to be more optimistic in the coming months."



WFDB President Ernie Blom.

ABOUT THE WFDB:

The World Federation of Diamond Bourses has 30 affiliated bourse members and exists to protect the interests of affiliated bourses and their individual members, and also to further the amicable settlement or arbitration of disputes between individual members of the affiliated bourses and/or between affiliated bourses. The WFDB participates in the promotion of world trade and encourages the establishment of new diamond bourses. In 2012, it established The World Diamond Mark, a not-for-profit organization, to promote consumer desirability and confidence in diamonds.

Members of affiliated bourses pledge to uphold the traditions, principles of mutual trust, consideration and friendship which prevail among the members of the bourses world-wide. They also pledge themselves to abide by and hand down these principles and to ensure that they will forever serve as a basis in business relations between members of affiliated bourses.