



News Release

Contact: secretariat@wfdb.com

WFDB Presidents Meeting Finance Seminar Hears About Industry Challenges, Alternative Financing

Antwerp, Belgium – February 6, 2016: The 2017 Presidents Meeting taking place in Mumbai this week heard at a special Finance Seminar on Monday about the financing challenges facing the global trade and possible solutions, including alternative forms of credit. Addressing the seminar, WFDB President Ernie Blom said the meeting aimed to lay out the reasons that the diamond trade finds it increasingly difficult to secure credit and possible solutions that had not been discussed by diamantaires in the past.

Blom spoke about the withdrawal of some banks from the diamond industry in recent years and the difficulty that diamond companies face in securing credit due to some financial institutions believing that it is a high-risk sector. It was against this background that the diamond financing seminar and roundtable discussion had been organised, he commented.

"We simply cannot afford any longer for the current situation to continue. Our members want action and we are committed as their representatives to work to provide answers to their demands. Our industry depends on it. This seminar will investigate the reasons for the lack of financing available. It will search for the answers as to why current solutions have not been fully successful.

"We would like to find out which additional financing institutions are available to us. And, related to that, alternative financing techniques and how these could bring extra liquidity to the diamond trade which is so badly needed. This means bringing new financing organisations into the dialogue which have not been involved with diamond financing in the past. Beyond this, we would like to establish a regular and ongoing dialogue with banks and other credit providers to develop financial solutions for the diamond industry."

He added that a programme to take the issue forward following the meeting was needed, including finance seminars in Antwerp, Tel Aviv and New York, online information and courses to reach out to all members of individual diamond bourses and the development of financing and risk management tools to help the diamantaires to improve their own risk profile and access to financing. Blom said that the diamond industry was working to ensure that it was in full compliance with regulatory requirements, and that he was optimistic that diamantaires would realise the importance of doing so and move ahead to bring this about.

Bharat Diamond Bourse President Anoop Mehta said that the diamond industry is one of the safest in the world. "The small and medium-size firms, which have been hit by demonetisation, may not be up to date with the measures needed, but we are holding seminars for them to provide the information needed by the banks to ensure they will be in line with requirements."

GJEPC Chairman Praveenshankar Pandya said the diamond industry has to commit to new levels of transparency and to be more forthcoming. "The banks have been supportive, but they must show us the next level needed because the industry has grown in India and we would like to create a committee with the banks to enable a dialogue with them to allow them to have full confidence in the industry. We also believe there should be a uniform rate of interest for diamond firms because now there is a range of 6-7%, and there needs to be a level playing field."

Among the other speakers were former Diamond Trading Company CEO Varda Shine and ABN Amro's Head of Diamond & Jewellery Clients, Erik Jens, who spoke about the nature of the financing challenges facing the diamond trade.

The Presidents Meeting began on Sunday and ends on Wednesday.



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.