



## PRESS RELEASE

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### **WFDB concludes Presidents Meeting in South Africa, looks to alleviate difficulties caused by Supplier of Choice**

*Sun City, July 1, 2003:* Leaders of the World Federation of Diamond Bourses (WFDB) have concluded their meeting in Sun City, South Africa. The meeting was highlighted by an intense discussion into the effects of the implementation of the Supplier of Choice (SoC) program by the Diamond Trading Company (DTC), as well as a number of other important subjects on the diamond sector's agenda.

In its final session, the delegates of the Presidents Meeting passed a resolution in which they expressed their opinion that SoC has created a situation in which the rough market has become concentrated in fewer hands, seriously threatening the business structure of the established wholesale diamond sector, and is likely to have a major adverse effect on the future of the entire wholesale diamond trade and industry.

The resolution also resulted in the creation of a committee, which will investigate any actions that will protect the best interests of the members of bourses affiliated to the WFDB. This will include an approach to all major diamond producers to discuss the future commitment to the overall health of the international diamond sector, and more specifically the future supply of rough diamonds to the open market.

Participants in the committee will be Shmuel Schnitzer, president of the WFDB and Israel Diamond Exchange; Jacob Banda, President of the Diamond Dealers Club of New York; Anoop Metha, president of the Bharat Diamond Bourse of Mumbai; Willy Roti, president of the Diamantclub van Antwerpen; Ernest Blom, president of the Diamond Dealers Club of South Africa; Eli Izakoff, honorary life president of the WFDB; Derek Parsons, president of the Diamond Bourse of the South East United States; and Freddy Hager, president of the London Diamond Bourse and Club.

Earlier in the day the Presidents Meeting was addressed by Gareth Penny, the director of sales and marketing of the DTC, who explained in detail the criteria according to which the DTC selected its SoC clients. Responding to the grave concerns voiced by WFDB members whereby fewer rough and polished diamonds will reach the open market under his organization's new sales policy, he revealed that the number of rough diamonds which will be sold through De Beers' Diamdel rough dealerships to non-sightholders will be increased to \$500 million per annum.

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The Presidents Meeting also tackled the issue of High Pressure High Temperature (HPHT)-treated diamonds on the market. In this respect it passed a resolution in which it was agreed that a committee would be created to liaise with the major gemological labs and investigate ways in which HPHT-treated diamonds can be prevented from infiltrating the market undisclosed. The chairman of the committee will be Jacob Banda, president of the Diamond Dealers Club of New York Representatives of the DTC and the International Diamond Manufacturers Association also will be invited to participate. De Beers disclosed to the meeting that it will be making available to the gemological laboratories an instrument that will help in identifying HPHT-treated diamonds. The instrument will become available in September.

Participating in the meeting was the chairman of the Shanghai Diamond Exchange, which has applied for WFDB membership. Its chairman delivered a report on the bourse's activities. Also addressing the meeting were Abby Chikane, chairman of the Kimberley Process, and Mark Van Bockstael, the director of the International Affairs Department of the Antwerp Diamond High Council (HRD), who discussed recent Kimberley Process developments. Izakoff, who is also chairman of the World Diamond Council (WDC), updated the members about the council's participation in the process.

The Presidents Meetings confirmed that the next World Diamond Congress will be held in the spring of 2004, in New York.

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