



World Diamond Council

WORLD DIAMOND COUNCIL 2ND ANNUAL MEETING
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Nicky Oppenheimer
Chairman
De Beers Group

Self Regulation

The Diamond Industry and the demands of the 21st Century

Mr. Chairman, leaders of the international diamond industry, esteemed guests from government, civil society and the media. Thank you for inviting me to address you here today. On behalf of us all, may I begin by thanking Dr. Gaetano Cavaleiri, President of CIBJO, for hosting this gathering here in Milan.

This, the third full meeting of the World Diamond Council, is of the greatest importance for our industry and resonates far beyond our immediate commercial interests and concerns. Assembled here today are distinguished representatives from each and every part of our unique industry. United in one purpose: helping to bring to an end the insidious trade in conflict diamonds.

Under the skilful leadership of Eli Izhakoff, the WDC now commands respect on the international stage and is recognised as *the* official voice of the industry. However, I am sure Eli would be the first to remind me that this could not have been accomplished without the support of the many organisations that form the WDC, and of the many individuals within our industry who have given their time and commitment.

In particular, Matt Runci and Cecilia Gardner have demonstrated outstanding dedication and hard work in supporting Eli and helping to achieve the objectives set out before the Council. Mark van Bockstael deserves the thanks of us all for his invaluable technical input. From De Beers, I must commend the role played by Rory More O'Ferrall and his dedicated conflict team, together with Blackie Marole, Barbara Masekela and Andy Coxon, now of De Beers LV.

Above all, however, I pay special tribute to the leaders of the World Federation of Diamond Bourses and the International Diamond Manufacturers Association, Bram Fischler and Sean Cohen, without whose vision the WDC would not exist at all. They, with Shmuel Schnitzer of the Israel Diamond Exchange, Uri Schwartz of the Israeli Diamond Manufacturers Association and Bumi Traub of the Kidum, Charlie Bornstein and Peter Meeus of the HRD, the Indian Gem and Jewellery Council, led by

its Chairman, Sanjay Kothari, the representatives of the American diamond industry, Jacob Banda and Jeffrey Fischer, and Ernie Blom, representing the South African diamond merchants, are the key to the successful implementation of the industry's measures of self-regulation.

There are many others here from the producers, the diamond banks, the trade press, from Russia, China, Botswana, Namibia, Australia, the Democratic Republic of Congo and from Canada – I am sure you will forgive me for not naming you each individually – who have each made their own contribution and will continue to play a vital role.

The creation of the World Diamond Council was a daring and innovative move not without risks. This is an industry made up of many competitive and disparate companies and organisations. What the creation of the Council has shown, however, is that we are able to unite behind a just and challenging cause, joining governments and the international community in the Kimberley Process and in the fight against conflict diamonds.

We must continue our efforts to bring the trade in conflict diamonds to an end. Not just because it has the potential to damage our industry and the integrity of diamonds, but *because it is right to do so*. We are the leaders of the industry and have a clear duty to the societies in which we operate to act, and act effectively.

As leaders, we must continue our efforts because we also have a responsibility to the more than 2 million people around the world, many of them in developing countries, whose livelihoods depend on the survival and prosperity of the legitimate diamond industry. An industry that has shown itself ready to carry out its business in a transparent and responsible way.

It has been said before – and I am happy to repeat it today – that it is without precedent that a global industry has collaborated with the United Nations, governments and civil society to address a major humanitarian issue in this way. Although the Kimberley Process is convening once again in Ottawa to refine some of the detail of the proposed measures, the fact that *together* we reached consensus in Gaborone at the end of last year is a remarkable achievement.

Let us celebrate that achievement, and then redouble our determination to complete the task.

From the industry's perspective, the first prize would be for the Kimberley Process to be elevated to the status of a UN Security Council Resolution – that would not only make its provisions binding on nations and individuals, but would also transcend World Trade Organisation and GATT concerns. I urge governments to work towards this goal.

We must acknowledge the magnificent efforts of Abbey Chikane, chairman of the Kimberley Process, and Rina-Louise Pretorius, of the South African Foreign Affairs

Department, whose leadership of the Kimberley Process and administrative skills have helped maintain the necessary momentum.

In addition, it would be remiss of me not to acknowledge the role and commitment of the NGOs that have been so instrumental in bringing our attention to this issue and showing the way forward in seeking a solution. Charmian Gooch and Alex Yearsley of Global Witness, Ian Smillie and Ralph Hazleton of Partnership Africa Canada and Rory Anderson of World Vision, amongst others, deserve our respect for the intelligent, forthright and constructive way they have engaged with industry.

Finally, we should not forget the ongoing, and I hope successful, legislative campaign in the United States, led by Congressman Tony Hall and his supporters in Washington. The WDC has, from the outset, called for government legislation and we support the Clean Diamonds Act. Eli and others have been tireless in their lobbying efforts in Washington and I trust the current delay in the Senate will be resolved swiftly to the satisfaction of all parties.

What we deplore, however, is unsubstantiated allegations that a link exists between terrorism and the diamond industry. Government sources on both sides of the Atlantic have indicated that their intelligence agencies have found no evidence to show that a link exists and it is irresponsible to alarm the American consumer – so vital to our business, but understandably emotionally vulnerable – with such scare stories. Let the industry be fully aware, however, that the possibility of any such connection, even inadvertently, makes it of paramount importance that we all ensure our suppliers are beyond reproach.

Each of us has differing needs and priorities, but we all now share the same objectives: an end to the trade in conflict diamonds, the protection of the legitimate diamond industry, the preservation of the integrity of our beautiful product and, above all, the retention of consumer confidence.

So it is time for our industry to finish the job, to capitalise on the progress we have made to date. Time to turn words into action, our proposals into binding and effective self-regulation.

Never was there a time when the world's attention has been so focussed on the activities of the diamond industry. We are clearly in the spotlight and we must not flinch or turn away.

Above and beyond the measures contained in the Kimberley Process, the international community demands, quite rightly, that the diamond industry takes more responsibility for itself.

Credible and effective self-regulation is what is required. No gimmicks, no empty gestures.

The system of warranties, as proposed by the WDC and now enshrined in the Kimberley Process document to be placed before the United Nations, meets that requirement.

It complements and strengthens the international certification regime that awaits ratification by the General Assembly. It is a fair, equitable and transparent form of self-regulation that – as required by the Assembly – will not place undue burden on the industry. It will not only provide assurance amongst ourselves on the integrity of rough diamond supplies, but will, most importantly, significantly increase consumers' confidence that the diamonds they buy have come from non-conflict sources.

Some might think that the tentative peace in Sierra Leone, or recent developments in Angola, mean that we can relax, slow the pace a little, or even go back to 'how it always used to be'.

They must think again, *because there is no going back.*

There can be no going back to the days when rebel movements, malicious criminal organisations and individuals were able to become parasites on our industry and, through the lack of simple but effective controls, able to fund their ruinous activities with impunity. I very much hope other mineral resource and extractive industries will follow the example of the Kimberley Process and act to protect their businesses from this menace.

Courage and vision has brought us this far. We must now go that extra mile if we are not to waste the opportunity to demonstrate that gathered here today are leaders of an industry who wish to embrace the challenges and values of the 21st Century, and to establish a modern, transparent diamond industry, robust in its ethical practices.

That is why I commend to you the system of warranties, to be implemented without delay throughout our industry, to protect our business and to bring to an end this abhorrent association of diamonds – our unique and wonderful product – with human suffering and war.

Thank you.