



World Diamond Council

WORLD DIAMOND COUNCIL 4TH ANNUAL MEETING
ANTWERP, BELGIUM ~ July 1, 2008

Vincent Van Quickenborne,
Minister of Economy, Belgium

Ladies and gentlemen,

It is my pleasure to be standing before you today in Antwerp, not only because of the privilege that has been bestowed on this city by being able to host the Sixth Annual Meeting of the World Diamond Council, but also because this is the very place that your organisation was established almost eight years ago.

You were founded in the midst of a crisis that to a great degree has subsided, largely because of your contribution. But you continue to meet regularly, and that is a credit to the commitment and moral backbone of the diamond industry. The scourge of conflict diamonds can be likened to a dangerous virus, and the Kimberley Process to a vaccination that keeps it dormant. Like a virus, conflict diamonds can mutate and try to attack once again, threatening the market and lives of innocent men, women and children. But if the Kimberley Process stakeholders – meaning the World Diamond Council, the member governments, the United Nations, European Community and NGOs – if they remain vigilant, then the Kimberley Process vaccination will continue to deal effectively with any renewed breakout.

My country is one of a handful of nations that considers its diamond industry as a strategic asset, and we consider the Kimberley Process as a key means of defending that asset. We also are a member of the family of nations, and never should lose sight of the fact that conflict diamonds were first and foremost a menace to humanity.

In the modern world, there is no divergence between economic and humanitarian interests. On the contrary, an absence of basic human rights – and that includes the right to a sustainable economic future – threatens the economic wellbeing of everyone concerned. Your industry recognised that fact in the year 2000, and you responded by creating the World Diamond Council and helping initiate the Kimberley Process. You voluntarily agreed to subject yourself to a regulatory system, not only because it made business sense, but because it was

the right thing to do. We salute you for that, and we are proud to be associated with you and the process.

In Belgium the diamond industry is not just another business sector. It is an industry that has been a fixture in our part of the world for more than half a millennium, and as such has integrated itself into our region's history, character and, of course, economy.

Antwerp remains the world diamond capital, but it clearly is not the same type of diamond centre that it once was. The city used to hum to the sound of diamond wheels, polishing the stones that would grace the jewellery sold worldwide. Today, only a small number of diamonds are actually cut and polished in Antwerp, but the city did not lose its position in the industry because it evolved into what primarily can be described as the industry's business capital – literally the axis around which the diamond trade turns. What New York is to the financial markets, Antwerp is to diamonds.

In many respects it was a transition that took place across the Belgian economy.

We are a country with a small domestic market, but an excellent trading platform, financial and logistical infrastructure, and talented and cosmopolitan workforce.

More than 80 percent of our GDP comes from foreign sales, which is one of the highest percentages among the industrialized nations. More than 8 percent of our country's total exports is derived from rough and polished diamonds. You will thus appreciate what I said when I described the diamond industry as a strategic asset.

As we know today, the Kimberley Process Certification Scheme has been remarkably successful. It's not perfect, certainly; if it was, we most probably would not be meeting today. It also was not the only element in what certainly was a multi-faceted campaign, which also included political, economic and diplomatic action, not to mention the introduction of peace keeping troops into various areas of Africa.

The success of the Kimberley Process Certification Scheme is living proof of the degree to which government and the private sector can act as a potent and positive force when they work in tandem with a common goal. Once upon a time, governments took care of foreign relations and business took care of itself. In the modern global economy, however, it is very difficult to draw clear lines between the two. But, as our areas of influence have merged, so have our interests. To be effective, we often have to find ways of working together.

In October last year, the Antwerp World Diamond Centre chose as the theme of its 2007 Antwerp Diamond Conference “Producers in Transition” and it specifically examined the growing insistence of the African producer countries that they be enabled to capture a larger portion of the production chain, and so increase the amount of added value that they receive from the rough diamonds mined in their countries. The conference was attended by a good number of political and economic leaders in Africa, and the gala dinner was addressed by Liberian President Ellen Johnson Sirleaf, who is the first woman ever to be freely elected to the highest political office in an African country. In her speech, she thanked the Kimberley Process and all its participants for helping create the conditions for economic recovery in her once war torn nation, and she thanked the Antwerp World Diamond Centre for assisting in the restructuring of the way in which the Liberian mining sector is regulated. President Johnson Sirleaf also described how Liberia planned to use its diamonds to jump start the local economy.

The goal of the producer countries in Africa is to use their natural wealth as resources for sustainable economic development. Rough diamonds in and of themselves, of course, are not sustainable, but the income generated by these diamonds should be used to create sustainable jobs, work and prosperity. This may help remove many of the social ills that are the root cause of civil conflict.

The call of the African producer states has fallen on attentive ears in the diamond industry, which has already proven ready to address problems in the region, and most notably conflict diamonds. It is still too early to say whether the economic conditions in the producer countries will permit the creation of viable cutting and jewellery industries, but the principle by which the international diamond business should remain a positive force in these areas remains crystal clear. When government and business listen to each other, great things can be achieved. The conflict diamond crisis showed us that.

In conclusion, let me thank the World Diamond Council and its chairman Mr. Eli Izhakoff for enabling me to address you today, and let me congratulate you and your colleagues for what you have done, and what you no doubt will still do. Let me salute the hosts of this conference, the Antwerp World Diamond Centre, its president, Mr. Jacky Roth, its CEO, Mr. Freddy Hanard, and its hard working staff. You all make Belgium very proud.

I thank you.