

PRESS RELEASE

FOR IMMEDIATE RELEASE

WDC Communications
communications@worlddiamondcouncil.org



**Through defense of our integrity and astute business management,
I am confident about the future, Eli Izhakoff tells Dubai Diamond Conference**

DUBAI, UAE: MARCH 18, 2013 – “Our role as leaders of this industry, on the one hand, is to ensure that the foundation of our enterprise is secure for the future, and that we do by defending the integrity of both diamonds and the diamond industry, as well by ascertaining that all stakeholders benefit fairly from the revenues that are generated,” World Diamond Council President Eli Izhakoff has told the opening session of the Dubai Diamond Conference. “We also need to be astute managers, investing wisely in infrastructure, technology, human resources and market research, and taking long-term advantage of opportunities as they present themselves. ‘Carpe diem,’ or seize the day, as the Romans used to say.”

The following is the full text of his address:

Ladies and gentlemen,

Standing here in this remarkable city, I am reminded – of all things – of a movie about baseball. Some of you may have seen it. It was called “Field of Dreams,” and it featured Kevin Costner playing a farmer from Iowa called Ray Kinsella, who one day hears a voice whispering to him: “If you build it, they will come.” And then, with his family, friends and neighbors looking on skeptically, he builds a baseball diamond in the middle of a corn field.

I won’t spoil the movie for those who have not yet seen it, but I will just describe the closing scene, where you view hundreds of cars driving through the Iowa countryside, heading for Ray Kinsella’s baseball diamond to see a game.

It was in Dubai that I understood the “Field of Dreams” concept is not simply fantasy. More than 10 years ago, when I first visited the city, I was taken by the DMCC to an empty lot, and there I was told about the intention of His Highness Sheikh Mohammed bin Rashid Al Maktoum, today the UAE Vice President, Prime Minister and Ruler of Dubai, that in the near future there would stand on the spot a great diamond and

jewelry center. I looked out, and all I saw was desert. But he had the vision. The DMCC complex was built, and we all have come.

In preparing for today's address I discovered that this ability not only to foresee the future, but also to initiate its outcome, was a talent passed down from father to son. His Highness Sheikh Mohammed himself tells of how, as a young boy, his father, His Highness Sheikh Rashid bin Saeed Al Maktoum, took him to Jebel Ali, which then was a stretch of sand and sea water. His father looked at him and said "Mohammed, I'm going to build the biggest sea port in the world." And there, on that spot was built one of the busiest deep-water harbors on the face of this earth.

I am immensely proud of my association with the Dubai Diamond Exchange, which in the nine years since it opened has developed into one of the world's busiest gemstone bourses. A great deal of credit goes Ahmed Bin Sulayem, DMCC's Executive Chairman, who as a young man took over a project of truly massive proportions and, still as a young man, has seen it come to fruition.

Congratulations are also due to DMCC's other movers and shakers, and in particular Peter Meeus, the Chairman of the Dubai Diamond Exchange, who has proven himself remarkably adept in transplanting a tradition and mode of operation that had been developed and refined over more than a century in Antwerp to the dramatically different landscape of the Arabian Gulf.

The DMCC's readiness to consider the natural diamond as a fully-fledged precious commodity, alongside gold, was visionary as well. For decades, this was an approach that was avoided by the industry, which was apprehensive about a system in which prices were governed by the forces of free supply and demand. But the situation began changing at the end of the last century, and today, with multiple rough suppliers and transparent pricing, the diamond is able to take its rightful place alongside other precious commodities as an inherent store of value.

During the turbulent economic times that have characterized much of the 21 century, the diamond has been a remarkably steady financial performer, outdoing the leading stock market indices. And with the rise in demand for polished diamonds expected to outpace the rise in the supply of rough diamonds over the next seven years, by almost 4 percentage points per annum, the attractiveness of the diamond as an investment asset can be expected to grow significantly.

This high profile of the diamond as a precious and preferred commodity is one that will enhance business opportunities for our industry. It also will require us to review many of the precepts and assumptions that have governed our way of thinking and operating for so long. Some of them, I am sure, will be discussed by our banker colleagues at this

conference, and it is a subject that will require continuing attention by our industry's leadership.

The Government of Dubai and the DMCC have been strong supporters of the Kimberley Process and the World Diamond Council since the early days of both organizations, and in 2004 hosted the Third Annual Meeting of the WDC right here in this city. The patron of the event was His Highness Sheikh Mohammed bin Rashid Al Maktoum.

While the DMCC was envisioned as a project that would proactively instigate the development of a major diamond and jewelry center in the Arabian Gulf, the Kimberley Process, and indeed the WDC, are bodies that were established in reaction to an existing phenomenon – namely the illegal and immoral trade in diamonds from areas of civil conflict.

It could be said that one was created to encourage growth and development, while the other was set up to suppress a practice that posed a direct threat to our business and its stakeholders. But that, of course, provides only a narrow perspective of the respective roles of the KP and WDC. Growth and development of the type striven for by bodies like the DMCC will only be possible if the foundations of our business are sound and secure. They most certainly will not be if they are threatened by challenges to our integrity of the type posed by conflict diamonds.

And we are committed to ensuring that these foundations remain intact. It is for this reason that the industry, as represented by the World Diamond Council, will continue to work together with government and civil society to ensure that the both our tools and frames of reference are appropriate for the changing times in which we live.

The basic structure of the Kimberley Process remains the same, and that is that every legitimately traded diamond must be traced to a verifiable KP certificate. And the most effective way of doing that is by way of the World Diamond Council's Chain of Warranties. But we agree that, in endorsing the integrity of diamonds, the KP certificates must address the challenges that are prevalent today. As such, we need to consider expanding the definition of conflict diamonds, so that it incorporates all the instances of armed conflict and armed violence that may be associated with the rough diamond business.

This spirit of reform and renewal within the Kimberley Process is critical, and I am confident that it will continue under the new KP Chair, Ambassador Welile Nhlapo of South Africa, who we have just heard speaking and with whom I was privileged to meet with recently in Johannesburg. He has impressed me greatly as an individual who will be steadfast in his mission of moving the process forward.

And, when it comes to reform, we in the World Diamond Council have shown our readiness to contribute. At the Kimberley Process Plenary in Washington, D.C., in November last year, we agreed to take responsibility for the management of the permanent Administrative Support Mechanism, or ASM, which will provide logistic, organizational and communications support to the KP on an ongoing basis. We will do so with the collaboration of four diamond centers, one of which is based in Africa.

The empowerment of the African producing countries in the diamond industry, not only as rough suppliers, but also as manufacturers, traders and full participants in the decision-making processes, has been a consistent theme within the KP over the past several years, and today it is a given in the process. We are no longer a business sector where policy shifts can be decided by decree. They require discussion and engaged analysis, and the green light is given only when there is wide-spread agreement. Consumer concerns are always critical, but so are the economic and social requirements of individuals living in the mining areas.

I congratulate the organizers of the conference for articulating the winds of change in the diamond industry through their selection of the “New Silk Road” theme. The attendance of so many representatives of African mining producers is most significant and we are privileged to be honored by the presence of senior ministers from the governments of South Africa, Botswana, Zimbabwe and Angola.

The campaign to eradicate the incidence of conflict diamonds in the legitimate diamond pipeline brought about a significant shift in the way that we perceive our industry’s role in the greater society. What we came to understand more comprehensively is that how we act has a fundamental influence upon all of our stakeholders, and here I refer not only to suppliers and clients, employees and family members. Our stakeholders are all those millions of individuals who have a vested interest, directly or indirectly, in the business in which we are involved. Many of those are people are Africa, living in communities that are in close proximity to where we mine the rough diamonds that we handle.

As members of a socially responsible industry we must strive to ensure that our products and activities do not impact negatively upon our stakeholders. But we also need to be proactive, for the diamond and jewelry business has a tremendous capacity to stimulate economic growth and development, and to nurture stronger and healthier societies. You only have to look at about you at this place, which once was a wind-swept stretch of desert, to appreciate how powerful and positive an economic force our industry can be.

As you are aware, on June 30th I will be stepping away from the presidency of the World Diamond Council, after 13 interesting and satisfying years in the position. I am

immensely proud about what has been achieved over the period, and I have been privileged to be work together with a group of dedicated individuals from industry, government and civil society.

I intend to remain active in the public life of the industry, remaining true to the principle that the business of diamonds and jewelry can play a positive and productive role in creating a better life for all those who are associated with it.

Our role as leaders of this industry, on the one hand, is to ensure that the foundation of our enterprise is secure for the future, and that we do by defending the integrity of both diamonds and the diamond industry, as well by ascertaining that all stakeholders benefit fairly from the revenues that are generated. We also need to be astute managers, investing wisely in infrastructure, technology, human resources and market research, and taking long-term advantage of opportunities as they present themselves. “Carpe diem,” or seize the day, as the Romans used to say.

I am confident about our future, and believe that the best is still to come.

I would like to conclude by quoting His Highness Sheikh Mohammed bin Rashid Al Maktoum:

“You got where you are because of determination and positive thinking. And positive thinking is always the right thing. If you doubt yourselves, then you’ll face failure. If you don’t learn every day, then you are not leaders and the world will pass you by. So, we all have to learn in this life and you have to aim high. And you have to reach out and catch the moon and stars.”

I thank you.

* * * *