



World Diamond Council

For more information please Contact:

Eli Izhakoff, 212-575-8848

Matthew Runci, 646-658-0246

World Diamond Council Endorses Historic Decision by Kimberley Process Chair

(New York, NY: 16 July 2004) The World Diamond Council welcomes the announcement by the Chair of the Kimberley Process that the Congo Republic (Congo-Brazzaville) has been expelled from the Kimberley Process Certification Scheme based on the results of a visit by its team of experts to that country last month. While it is certainly regrettable that any country should have to be expelled, in the Council's view this decisive step demonstrates that the KPCS process is robust and has teeth.

Eli Izhakoff, chairman and CEO of the WDC said, "A credible and effective KPCS is essential to the continued viability of the legitimate diamond trade and to the positive image and reputation of the product. These are core elements in the foundation of consumer confidence in diamonds as a symbol of love. The diamond industry fully supports the Chairman's decision."

The World Diamond Council believes that it is absolutely vital to the credibility the KPCS scheme that its tolerance standards be rigorous and systematically applied. In its report, the KPCS fact-finding mission stated that it found Congo was exporting diamonds at a rate approximately 100 times greater than its estimated production. Moreover, the report cited the inability of authorities to account for the massive discrepancy between the volume of exports on the one hand and of domestic production and imports on the other. Given the explicit evidence that large quantities of diamonds have moved from Brazzaville with KPCS certificates into the legitimate diamond trading stream, the conditions cited by KP Chair Tim Martin as justification for the decision to expel this the Congo Republic from the system are entirely justified.