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JAN 2017

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KP  
PLENARY  
ENDS WITH  
APPROVAL  
FOR KEY  
PROPOSALS

SMALL DECLINE IN DIAMOND  
PRICES IN DECEMBER

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US FINE JEWELRY SALES JUMP IN  
OCTOBER, SPECIALTY JEWELERS  
SEE STRONG RISE

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OPTIMISTIC END TO 2016 WITH  
IMPORTANT TAX CHANGES IN  
BELGIUM AND ISRAEL





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LOOK FOR THE VIEW MORE BUTTONS TO SEE MORE OF THE COLLECTIONS





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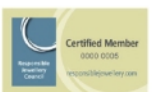
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BY ALBERT ROBINSON

## EDITOR'S NOTE

# Challenging year ends on optimistic note with tax changes



It won't come as anything of a surprise to readers that 2016 was another challenging year for the global diamond industry.

We have all felt – whether you are a diamond manufacturer, trader, wholesaler or jewelry maker, or even just a humble industry journalist – the difficulties the trade is going through. I have visited a range of diamond hubs during 2016, and the subdued atmosphere was very striking. Unfortunately, there are still people leaving the trade for other lines of business because they simply cannot make enough profit to continue.

The year started off with solid rough diamond sales as manufacturers re-stocked following the slowdown in the second half of 2014 in protest at what were seen as unrealistically high prices. And, at the end of year, De Beers came in with sales of around \$5.8 billion. Although that is down significantly on the previous year's \$6.3 billion, it can nonetheless be regarded as a considerable achievement.

And talking of De Beers, its mother company – mining giant Anglo American – was the highest riser on the London Stock Exchange with an increase in its share price of around 280 percent. That was quite a surprise after the deep difficulties it found itself in during the year.

Meanwhile, the American economy more or less marked time during 2016. Uncertainty surrounding the US presidential election had an effect on industry and commerce. Although the US economy is in far better shape than it was exactly eight years ago, just after the financial crisis, it still seems to be missing that spark that will get it back onto a really strong growth path. Can President Trump bring that about? Time, as they say, will tell.

Speaking of finances, the year ended with the 'Carat Tax' being approved by Belgium's parliament, and the signing of a new agreement between the heads of the Israeli diamond sector and the country's Tax Authority.

The so-called Carat Tax will come into effect for all official diamond traders in the 2017 tax year applying to income generated this year. The new Diamond Regime means that diamond firms will not pay tax on profits, but rather on a fixed percentage of turnover.

Although diamantaires are likely to pay more tax overall, the advantage of the regime is that it makes the amounts of tax they will pay more predictable. That will also bring an end to complex discussions and uncertainty regarding tax bills. The new arrangement may also have the effect of persuading financiers to provide credit to diamond companies, according to the Antwerp World Diamond Centre (AWDC).

Meanwhile, after almost a year of intensive negotiations, the Israeli diamond industry in December finalized the terms of an agreement with the Israeli Tax Authority. One of the achievements of the agreement is that diamantaires will no longer pay taxes when they incur losses. Moreover, they will now be able to deduct all of their expenses from income and will pay tax only when they show a profit.

Since the new tax agreement puts diamantaires in compliance with international financial guidelines, expectations in the industry are that it will now become easier to access much needed lines of credit. As IDE President Yoram Dvash said, the new agreement greatly reduces the risk factor for banks and he expects a significant increase in bank credit.

Let's hope that he is right and that in both Israel and Belgium – two of the world's major hubs – as well as in the rest of the worldwide diamond business, 2017 brings more cheer than did 2016.

Happy New Year!

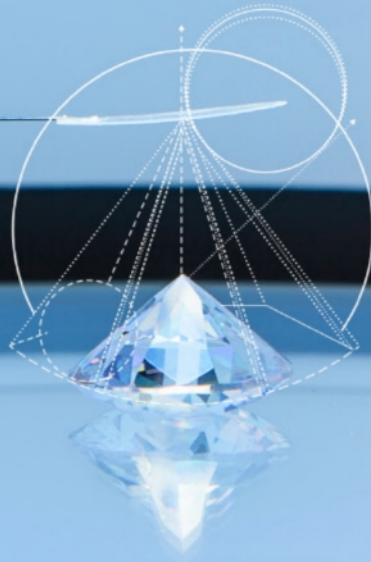
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2017



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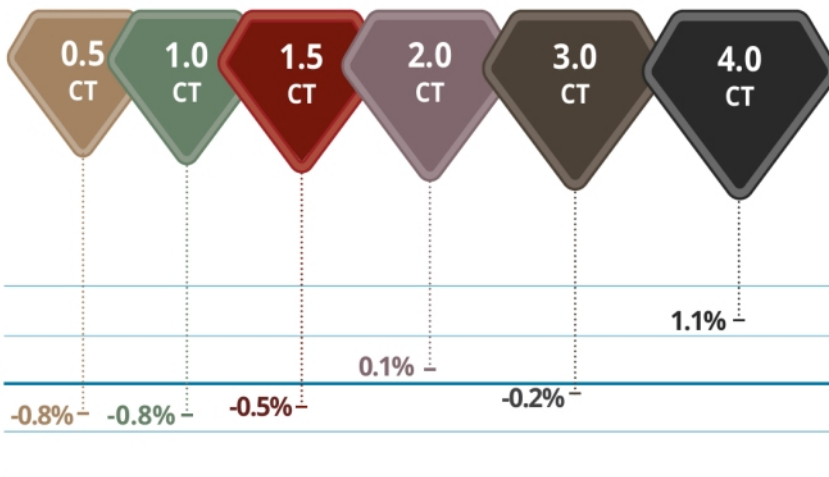
# MARKET SNAPSHOT



PRICES UP  
0.5% IN  
DECEMBER

## POLISHED DIAMONDS

IN DECEMBER, POLISHED PRICES DECLINED SLIGHTLY. ON A MONTH-TO-MONTH BASIS, DECEMBER'S GLOBAL POLISHED DIAMOND PRICES SAW **A RISE OF 0.5 PERCENT** OVER NOVEMBER.

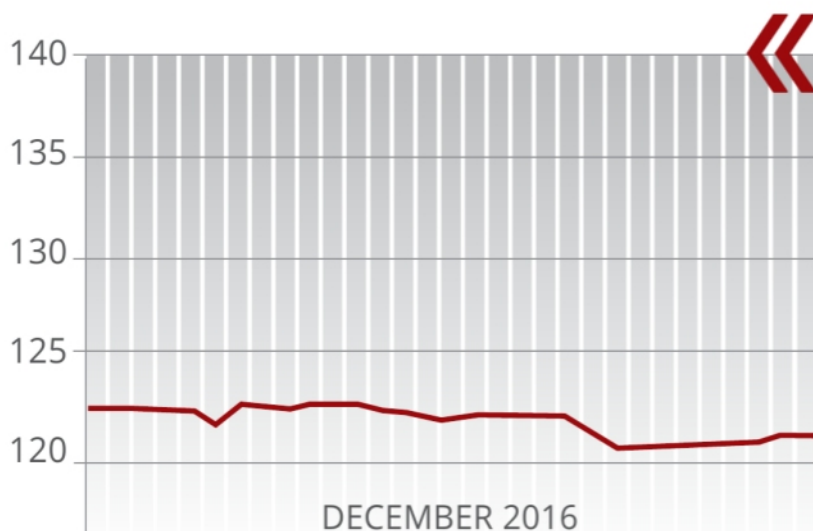


ON A MONTH-TO-MONTH BASIS, THERE WERE TWO RISING CATEGORIES AND FOUR DECLINERS.



## POLISHED DIAMONDS DAILY INDEX

THE INDEX BEGAN THE MONTH **AT 122.4** AND ENDED AT **121**.



## METAL PRICES IN NOVEMBER US\$ PER OUNCE

\*Prices as of 31.12.16  
Source: Amark.com



Palladium 674.0 (-12.3%)  
Platinum 905.0 (-0.5%)  
Gold 1160 (-1.1%)  
Silver 16.22 (-0.7%)

## ROUGH DIAMONDS

WITH THE CHINESE NEW YEAR APPROACHING AND VALENTINE'S DAY NEXT MONTH, THE INDUSTRY WILL BE LOOKING TO SEE ROUGH DIAMOND SALES IN JANUARY. ROUGH DIAMOND TRADING WAS SUBDUED LAST MONTH WITH DE BEERS' SALES CYCLE RESULTS BEING LOWER THAN IN NOVEMBER.

## US JEWELRY SALES

FINE JEWELRY SALES **ROSE BY AN ESTIMATED 7.4 PERCENT** IN OCTOBER, WHILE FINE WATCH SALES **JUMPED BY 8.6 PERCENT**. TOTAL SALES OF FINE JEWELRY AND FINE WATCHES IN THE US MARKET IN OCTOBER WERE AN ESTIMATED **\$5.8 BILLION**. SPECIALTY JEWELERS POSTED A SALES **INCREASE OF 4.7 PERCENT** IN OCTOBER.

BY ALBERT ROBINSON

# MEMO

## Indian Gems and Jewelry Trades Still Feeling Shockwaves from Demonetization

A month after the sudden announcement by the Indian government that it was withdrawing 500 and 1,000 rupee notes as part of a battle against corruption, the shockwaves are still being felt by the country's diamond industry from the so-called demonetization.

Around 85-90 percent of the world's rough diamonds end up in India for cutting and polishing. Those goods are usually bought in cash and then sold on credit by several thousand companies in the sub-continent.

Cash is king, and it is the oxygen that is vital for the Indian gems and









jewelry business all the way from small plants in Surat to the major retailers.

Anecdotal evidence appears to show that there has been a drop of around half in the number of visitors and buyers to jewelry retailers in India since panic set in after the demonetization. And since India is the world's third-largest diamond consumer, a decline in domestic demand is certain to have effect on the global trade as well.

Diamond polishing businesses are being hit hardest since they have the lowest operating margins in the business, meaning that Prime Minister Narendra Modi's demonetization campaign is hurting the gems and jewelry trade at the most vulnerable part of the pipeline. And that is ironic given his publicly stated support for an industry that brings in huge amounts of much-needed foreign currency.

Many of those firms are already hurting from lower demand, particularly due to a slowdown in China and polished prices which have been static, though there have been slight rises in recent weeks. With payments from customers delayed, paying salaries and other expenses is becoming difficult.

And it's not as if the cutters and polishing companies can rely on volume

to make up for the losses. Demand has been little changed for the past several years, and predictions by De Beers are that revenues this year for the global diamond jewelry sector will come in at the 2013 level of \$79 billion.

And it is not just Indian diamantaires who have been hit: gemstone miner Gemfields Plc, the world's largest producer of rubies and emeralds, as well as other precious gemstones, last week announced that it would delay its December auction of mostly higher-quality emeralds to February. The reason? Indian gemstone manufacturers and exporters – who play a critical role at such sales – have been hit by demonetization.

All of which has created an uncertain outlook for much of the Indian gems and jewelry industry as we approach the new year.

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# ROUNDS | JANUARY 2017

# PRICEREPORT

There was a degree of price movement in round goods in December and there were mixed trends, with most movement being downward. The larger items – 4.0 carat and 5.0 carats goods – saw relatively few changes. There was a noticeable decline of 2-3% in 0.50-0.69 carat goods in IF-VVS1, D-H colors.



**ROUNDS 0.50-0.69** 01-JAN-17

	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3
D	80.5	62.5	49.5	44.0	41.0	33.0	28.0	27.0	22.0	20.5	13.0
E	63.5	53.0	43.0	41.5	37.0	31.5	24.5	24.0	20.5	19.0	12.0
F	53.0	48.0	42.0	38.5	35.5	30.5	24.0	21.5	19.5	18.0	12.0
G	47.5	42.5	39.0	36.5	33.0	30.0	23.5	21.0	19.0	16.5	11.0
H	42.0	36.0	34.5	32.5	31.0	27.0	22.0	20.5	18.0	15.0	10.5
I	37.0	31.0	28.0	26.5	26.0	23.5	20.5	19.0	16.5	13.5	8.0
J	30.0	25.5	24.0	23.5	22.0	21.0	19.5	18.0	14.0	10.0	8.0
K	24.5	23.5	22.5	20.0	19.0	18.5	17.0	15.0	13.0	8.0	8.0
L	21.0	19.5	19.0	18.5	17.0	16.5	15.5	13.5	11.0	8.0	6.5
M	20.0	19.0	18.5	18.0	16.5	14.5	13.0	12.0	9.0	8.0	6.5
N	19.5	18.5	18.0	17.5	16.0	14.0	12.5	10.5	8.0	8.0	6.5

**ROUNDS 0.50-0.69 CARATS**  
 **M-N / SI3 UP 3%**  
 **D-H / IF-VVS1 DOWN 4-5%**

**ROUNDS 0.70-0.79** 01-JAN-17

	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3
D	96.0	77.5	63.0	57.0	55.0	47.0	38.5	34.0	30.5	21.5	13.0
E	75.0	71.0	59.0	53.5	50.5	44.5	36.0	33.5	28.0	20.5	12.0
F	65.5	61.0	52.0	50.5	45.5	42.5	34.5	32.0	26.5	19.5	12.0
G	58.0	54.0	48.5	46.0	42.5	39.0	31.5	30.5	25.5	19.0	11.5
H	54.5	49.0	44.5	43.0	39.0	35.0	31.0	29.0	23.0	17.5	10.5
I	44.5	39.5	37.0	36.5	34.5	31.5	26.5	25.5	21.0	14.0	9.5
J	32.0	30.0	28.5	27.5	27.0	25.5	23.0	22.0	18.5	11.5	8.5
K	27.5	27.0	24.5	24.0	22.5	21.5	19.0	17.5	15.5	10.5	8.0
L	25.0	24.0	23.0	21.5	20.0	19.5	18.0	16.0	14.5	10.0	8.0
M	24.0	21.5	21.0	19.0	17.5	17.0	15.5	14.5	13.0	8.0	8.0
N	21.0	19.5	19.0	18.0	17.0	16.0	14.5	12.5	10.0	8.0	7.0

**ROUNDS 0.70-0.79 CARATS**  
 **G-H / VS1 UP 3%**  
 **D-E / VVS1-VS2 DOWN 2-3%**

**ROUNDS 0.90-0.99** 01-DEC-16

	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3
D	141	112	92	80	74	64	55	48	38	25	16
E	109	102	82	72	67	58	51	45	36	24	16
F	100	92	78	70	64	56	49	42	35	22	15
G	83	75	67	65	59	54	44	38	30	20	15
H	73	71	61	56	55	48	41	36	29	19	14
I	62	58	54	49	48	45	38	32	24	16	12
J	55	47	46	40	39	35	32	29	22	15	11
K	37	34	33	32	30	29	28	26	16	14	10
L	31	30	29	28	26	24	23	21	16	12	10
M	29	28	26	24	23	22	18	17	16	12	10
N	28	24	21	20	19	18	17	16	14	11	9

**ROUNDS 0.90-0.99 CARATS**  
 **J / VVS2 UP 3%**  
 **K-L / VVS2 DOWN 2%**





# FANCIES | JANUARY 2017

## PRICEREPORT

In fancy goods, there were also mixed trends as with round goods. There was a notable downward trend in many items in the 1.00-1.24-carat category of around 3 percent in the D-H, I-F-SI1 category.

**FANCIES 0.50-0.69** 01-DEC-16

	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3
D	69.5	58.0	46.5	41.0	<b>39.0</b>	33.0	28.0	25.0	19.5	15.5	9.5
E	<b>56.0</b>	<b>49.5</b>	42.0	38.0	35.5	30.0	26.0	21.5	18.0	12.0	7.5
F	48.0	43.5	37.5	35.5	33.5	28.5	25.0	20.5	17.0	11.5	6.5
G	42.0	39.0	34.5	33.0	30.0	27.0	23.5	19.5	16.5	11.0	6.5
H	37.5	35.5	32.0	30.5	28.0	25.0	22.5	18.0	<b>15.5</b>	10.5	6.5
I	<b>34.0</b>	31.5	28.0	<b>26.5</b>	26.0	23.5	20.0	16.5	13.5	8.0	6.0
J	24.5	24.0	<b>23.0</b>	<b>22.5</b>	<b>22.0</b>	21.0	<b>19.5</b>	15.0	13.0	7.0	5.5
K	20.5	<b>19.5</b>	19.0	18.0	<b>16.5</b>	16.0	13.5	13.0	10.5	6.0	4.5
L	18.5	16.5	15.5	15.0	13.0	12.5	11.5	8.0	6.0	4.5	4.0
M	18.0	16.0	13.5	12.5	11.0	<b>10.0</b>	8.0	7.5	5.5	4.5	3.5
N	16.0	13.5	12.5	10.5	9.5	7.5	7.0	6.5	5.0	4.5	3.5

### FANCIES 0.50-0.69 CARATS



J / VVS2-VS1 UP 2%



J / SI1-SI2 DOWN 2%

**FANCIES 0.80-0.89** 01-DEC-16

	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3
D	<b>84.0</b>	66.0	59.0	53.0	51.0	49.0	40.5	38.0	34.0	24.0	13.0
E	66.0	57.5	<b>53.5</b>	<b>51.0</b>	48.0	45.0	38.5	33.0	31.5	22.0	12.0
F	61.5	56.5	51.5	48.0	47.5	41.5	34.0	30.5	29.0	20.5	11.0
G	<b>53.5</b>	50.5	49.5	43.5	43.0	41.0	32.5	29.5	27.0	18.0	11.0
H	50.0	48.0	45.0	40.5	39.0	34.5	29.5	26.0	<b>24.5</b>	16.0	9.5
I	43.5	40.5	37.5	34.5	<b>33.0</b>	32.5	27.0	22.5	21.0	14.0	8.0
J	35.5	31.0	30.0	27.5	26.0	25.5	22.5	16.5	15.0	8.0	6.0
K	26.0	24.0	22.0	21.5	20.5	20.0	18.5	15.5	11.0	7.0	5.0
L	22.5	18.5	17.0	16.5	15.5	15.0	14.5	13.5	10.5	6.5	4.5
M	21.0	17.5	16.5	15.5	13.0	12.0	11.5	10.5	8.0	5.5	4.5
N	19.0	14.5	13.5	11.5	10.5	9.5	8.5	7.5	6.5	5.0	4.0

### FANCIES 0.80-0.89 CARATS



E / VVS2-VS1 UP 3%



E-F / IF DOWN 1-3%

**FANCIES 1.00-1.24** 01-DEC-16

	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3
D	<b>174</b>	143	113	<b>91</b>	81	<b>70</b>	62	47	37	25	15
E	131	<b>119</b>	<b>103</b>	<b>84</b>	<b>79</b>	69	61	44	35	23	14
F	117	100	<b>86</b>	81	75	68	58	43	34	22	12
G	89	84	77	71	<b>70</b>	64	54	42	31	21	11
H	77	67	<b>65</b>	62	<b>61</b>	56	51	37	<b>30</b>	19	10
I	<b>61</b>	59	<b>55</b>	<b>54</b>	51	50	<b>45</b>	34	<b>29</b>	16	10
J	<b>51</b>	49	47	45	43	41	37	31	<b>26</b>	13	10
K	42	<b>41</b>	37	36	<b>35</b>	32	<b>30</b>	27	21	13	9
L	33	32	30	29	27	26	25	22	16	13	9
M	23	22	21	20	19	18	15	14	14	11	8
N	21	20	19	18	17	15	14	11	10	9	8

### FANCIES 1.00-1.24 CARATS



G / VS1 UP 3%



D-E / VVS1-VVS2 DOWN 2-3%







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# KP PLENARY ENDS WITH APPROVAL FOR KEY PROPOSALS







*"Taking on the Chairmanship of the KP this year has been a historic event, but also, I hope, a natural one," Bin Sulayem said in his speech at the outset of the meeting.*



**Ahmed Bin Sulayem**



The Plenary meeting of the Kimberley Process which took place from November 13 to 17 featured proposals from KP Chair Ahmed Bin Sulayem to establish a Permanent Secretariat and to set up a common fund for NGOs being approved. The decisions followed four intensive days of discussions and panel debates.

Regarding the common fund for NGOs, the UAE will contribute \$25,000 towards the establishment of the fund, and has called for the rest of the industry to make up the remaining amount in order to create a total fund of \$105,000. Both proposals have gone before the UN General Assembly for adoption. Meanwhile, diamond valuation workshops, designed to establish a consensus on a set of generic criteria, will continue to be discussed.

"Taking on the Chairmanship of the KP this year has been a historic event, but also, I hope, a natural one," Bin Sulayem said in his speech at the outset of the meeting. "We have extended a welcome to every part of the Kimberley Process family. As you know, this welcome has been rejected by some [the Civil Society Coalition]. But we have been determined not to allow our Chairmanship to be defined by obstruction, and I hope you will agree that no agenda has been bolder, no issues more fundamentally critical to the success of the organization, than what we are here to discuss today."

In addition, a roadmap to implementing Blockchain technology will be further explored in one of the KP working groups this year, and a new KP web site is being launched. DMCC Director of Marketing and Corporate Communications, Peter Jacobson, spoke about a proposed new KP website, and said it would give a more modern interface and user experience. "The site is not just for the KP family but it also communicates and educates the general public. It is proposed that the new site will be fully responsive and work on any device and in all five KP official languages. It was developed by the UAE and launched at the end of 2016.

In addition, Australia will be the KP Chair in 2017, and the meeting agreed that the EU is to be Vice-Chair in 2017 and Chair in 2018, while India will be Vice-Chair in 2018 and Chair in 2019.

## Rough diamond valuation

The KP voiced support for the valuation work done to date, and noted that a consistent methodology, and building on training and technical assistance for government officials, would be beneficial to ensure artisanal miners receive fair value for their stones. The incoming 2017 KP Chair, Robert Owen-Jones, said Australia will continue the work on rough diamond valuation that the UAE started in 2016.

The week of meetings began on November 13 with KP Chair Ahmed Bin Sulayem giving an introduction to previous forum meetings on their rough diamond valuation proposal. It is important to reach a consensus on the issue of the valuing of diamonds in Africa in order to make a positive impact on artisanal and other miners in African producing countries, he told the meeting. And Dubai Diamond Exchange Chairman Peter Meeus explained that the aim of the meeting was to make as much progress as possible to enable African countries to get the most from their resources and create a level playing field for import and export centers. This would lead to a more formalized approach to diamond valuation.

The UAE's suggested criteria for valuation programs were based on seven principles. These are solid governance, independent and objective, universally applied, with reverse engineering methods for arriving at diamond prices, based on up to date transactions and factoring in fluctuations on the market.

At a panel discussion on the issue, Ernie Blom said the key factor in evaluation was knowing what is happening in the market otherwise "you are in a precarious position, especially as a buyer. What concerns me is how we are going to help the artisanal miner sitting in very difficult conditions. How does he get fair value? Every country has the

ability to bring in a pricing system and that is OK but what about the small players on the riverbed with a parcel of stones to send once a week to feed his family and needs our protection? The problem is with the proposed methodology and we need to take a long-term view to make sure we get it right."

There were claims that there is no clear connection between rough and polished prices. Polished prices depend on many issues and are pretty static. Rough however is bought for different issues: factories need to be kept open. So the price of rough is volatile and not dependent on the price of polished.

Meeus said there was a wide range of specialists and general consensus that it is feasible. "We understand that it is disruptive for the trade and might not be immediately liked but we have to look at the broad picture. In the long run it must be tried because otherwise you fail in bringing long term transparency to the trade.

Dorothee Gizenga of the Diamond Development Initiative said that artisanal miners don't know how to value of their stones and very much need cash so they sell to the first available buyer. "You cannot educate them all on value but you can provide them with information so they have a better idea of how to price their goods. So if the methodology is developed, it should be made available

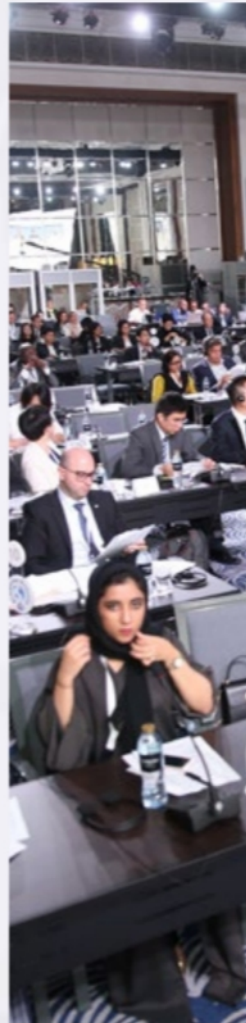


to the artisanal miners whoever they sell to. That means the cooperation of governments is needed. We must agree that something needs to be done and a methodology developed. We need to move forward. Artisanal miners need access to whatever is agreed for the valuation system." The need to teach diamond cleaning goods due to the lower prices for uncleaned diamonds was also mentioned.

Other participants explained that some artisanal miners have knowledge but others are illiterate so education would be a problem for them. They need cash, so they don't have time to look for fair prices and take the first offer as they need to sell as soon as possible. Appropriate training needed and it doesn't matter who does it as long as they receive it.

## Common fund for NGOs

Ahmed Bin Sulayem spoke about the vital role of the KP and support for the Civil Society Coalition and Permanent Secretariat. The UAE has pledged \$25k for the funding of expenses for the Civil Society Coalition (CSC). He said the UAE was "saddened by the presentation of civil society groups which we feel are unnaturally corralled into supporting a single voice. The very essence of civil society is plurality, and the representation of grass roots, not centralized discipline."



*There were claims that there is no clear connection between rough and polished prices. Polished prices depend on many issues and are pretty static. Rough, however, is bought for different reasons.*

Peter Meeus



*The aim of the meeting was to make as much progress as possible to enable African countries to get the most from their resources and create a level playing field for import and export centers. This would lead to a more formalized approach to diamond valuation.*



"We have been gratified by the tentative support from all sides for the Funding initiative for civil society. I would simply commend it to the Plenary by saying that in my travels as the Chair, I have been struck by the dedication of civil society organizations in the most basic and challenging locations. I know that this is not a new observation, and frontline civil society has been supported by Participants and others, indirectly, for years. But we need to accept a reality.

"For civil society to contribute to the integrity of our decisions, they need the resources to take part alongside us in the actions that industry and the KP Participants undertake. These are individual missions and committees, attended by individuals whose experience and perspective we need to hear and to nurture, uncomfortable as it sometimes may be. So if we are to support them, we need also to make sure that civil society organizations are accountable to nobody but their own constituencies and the populations they care about. Our proposals meet both these needs.

"The net cost of such a proposal is very modest, compared to the impact that it will have both at the grassroots level, and in the quality of our work. We are proposing to put this urgently in the wing of the CPC to set up.

"We feel strongly that this is the way to go. Advocacy needs to be matched with

commitment: For its immediate funding, I will inject twenty five thousand dollars into the Common Fund. I hope that I can prevail upon my successor as Chair to match that contribution, so that we can start work straight away.

"Next year, we are looking to Industry to step up to contribute costs on a 'one-for-one' basis, and we will move fast to get the system fully established and operating independently during 2017."

Meeus said: "It is a bad year to make this proposal when CSC has not been involved but we need active involvement and this should not be dependent on their finances. We have a duty to ensure that our product is free from violence. We can and should institute a new level of accountability and funding of CSC groups. We will all want to know that our money is being well spent. CSC needs to be independent of each other and governments and other industry players or other NGOs."

## Permanent Secretariat

On the issue of a Permanent Secretariat, Bin Sulayem explained: "We are unusual as a supra-national organization in that we are under-bureaucratized. We are so lean as to be incapable of effective action where we find ourselves – as we have been in the Central Africa Republic – making and implementing decisions that affect the livelihood of whole

populations. As an organization, too many of our required skills cannot be delivered by the voluntary actions of a rotating Chair.

"We are not looking to do different things, but to do things differently, better, more professionally. It is a testament to the extraordinary dedication and commitment of what is essentially a voluntary organization that we have achieved so much. But now we need to create a skilled, lean, efficient, small permanent organization with permanent skills and experience, and to exploit the existing reach and resources that the UN already has in place, all over the world.

Peter Meeus said there is a need for changes that bring value and make the KP more effective. "Anything that locks in trust with consumers is good. Progress has to be right. In the diamond fields, we have a duty to be fair and consistent and not skilled part-timers without the resources to do the job effectively. We are not proposing something different but to do things more efficiently.

The UAE believes the KP needs a permanent secretariat because any skill developed or initiative that does not get taken forward is lost when the Chair changes at the start of each year. There is a structural deficiency. We do this as volunteers. When a country is sanctioned, there is no interface available to bring the country back when it makes changes as we did with the

CAR. We need a permanent secretariat properly funded by consuming countries and led by an African candidate.

## Blockchain Technology

There was a presentation on Blockchain technology and it was reported that many countries and organizations are adopting it and money has been invested by the UAE in seeing how it can help in sourcing and hoped the KP family will adopt it.

It was argued by the hosts that the KP must invest time and effort in the technology. Diamonds are traded and re-traded leading to a supply chain nightmare, and Blockchain would digitize the supply chain. The technology would give the KP the power to provide information about every shipment and reduce the risk of fake certificates to zero. The data would be stored by all 54 KP participants at the same time and not on a central server.

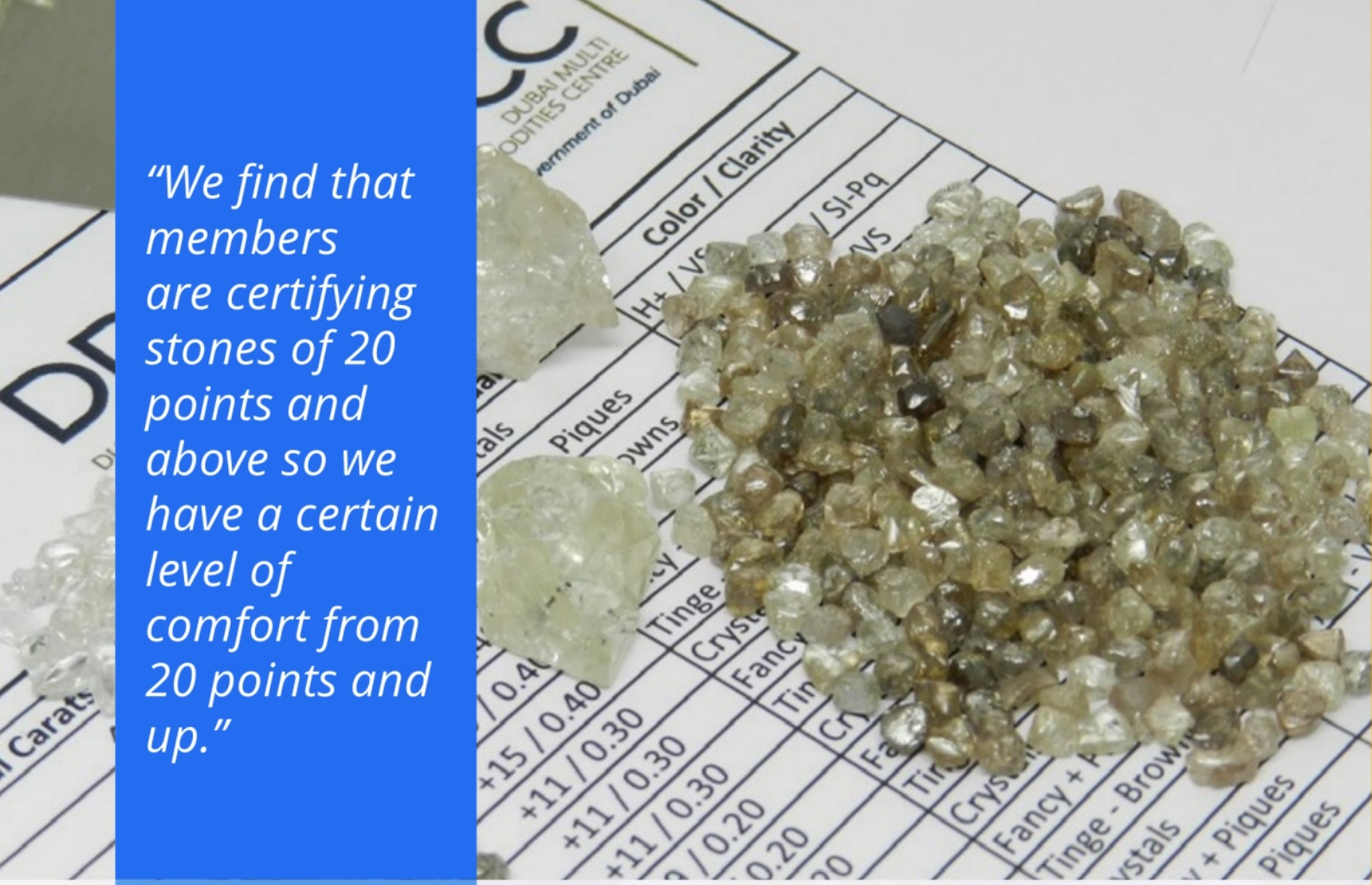
## Synthetic Diamonds

There was a major presentation by Chaim Even-Zohar on synthetic diamonds who pointed out that these are real diamonds that were simply made in a factory and not in the ground. Synthetic diamonds are a tremendous scientific achievement, he said. People have tried to make diamonds for hundreds of years but



*"It is a testament to the extraordinary dedication and commitment of what is essentially a voluntary organization that we have achieved so much."*





*“We find that members are certifying stones of 20 points and above so we have a certain level of comfort from 20 points and up.”*



this was only achieved in 1953, and General Electric did so a year later. There are now huge presses for synthetic production. Although most production is for industrial use, they are now being diverted to gem-quality goods.

He spoke of one factory which has 10,000 presses working 24/7. Although the technology is not simple, it is widely available. It took Gemesis about seven years to start production even after bringing in scientists and technicians.

And it's not just small diamonds anymore but large diamonds as well, he said. Diamonds of 42 carats in weight are being produced. "One Russian producer has standard production of 5-15 carats and is experimenting with 40-60 carats. You can grow 100 diamonds and more growing simultaneously in the same press. You can now order the size, quality clarity that you want and request specific impurities. Fancy color and shape diamonds are being created. Total annual production for industrial and gem quality is 8-10 billion carats. Gem and near gem quality is just 4.5 million carats with a production value of \$600 million-\$650 million.

"The industry needs government assistance; there needs to be a level playing field and regulation regarding anti-money laundering, audits and responsible sourcing in the same way that it is required for natural diamonds.

Retailers need to take responsibility for quality. Lack of profitability is an incentive to some firms and individuals to mix in undisclosed stones."

## Synthetic Diamonds Panel Discussion

CIBJO President Gaetano Cavalieri said the organization's position has always been very clear and clearly stated in Diamond Blue Book. "We have no problem with the product and it is legitimate as long as it's disclosed."

WFDB President Ernie Blom said the organization has accepted that synthetics are a niche product and there is a place for them but we have zero tolerance for transgressions. "Our biggest concern is that further down the pipeline they may not be disclosed as synthetics and we need governments and law enforcement agencies to work together. We have been actively promoting the idea that consumers buy from a reputable retailer who is a recognized trade body member. If there is then a problem, the customer has redress.

"We find that members are certifying stones of 20 points and above so we have a certain level of comfort from 20 points and up, but the problem is with small stones and melee, although machines have been developed to deal with melee."



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# JEWELS OF THE TRADE

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DUBAI

From jeweled birds to priceless information,  
CEO of Dhamani Jewels Group and GIA board member

**AMIT DHAMANI** talks about  
capturing the high-end consumer.

**Is that a hawk?** A falcon, the national bird of the United Arab Emirates. 10,000 gems, 500 carats. People come from all over to see it.

**How does a Jaipur jewel business become a Dubai luxury brand?** We looked beyond where we were. Markets change. Clients change. You can't predict. But you can position yourself.

**What was your tipping point?** We let go of generic jewelry business ideas and took a high-end approach. Which is also a very global approach. Sell an experience rather than just selling a product.

**Who is the new fine jewelry customer?** Think highly mobile, connected and curious. And they don't always come in with something specific in mind.

**So what motivates them?** Information. The more you offer, the more they engage. Every month, we hold classes in diamond education, the 4Cs and GIA grading.

**Why GIA?** Dubai has many nationalities. The global consumer is everyone. Familiarity with GIA crosses many different markets and countries.

**Do GIA grading reports influence a purchase?** GIA reports represent transparency and assurance. I think we're a success in the region because the biggest question in a customer's mind is already answered when they walk in our door.

**Parting insight on the high-end consumer?** It starts with a connection. GIA gives retailers an amazing tool. With gem quality established, you're free to talk about design, artistry or the occasion being celebrated. That's when the magic happens.

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to further world expertise in gems. Invest in your success at [WWW.GIA.EDU](http://WWW.GIA.EDU)

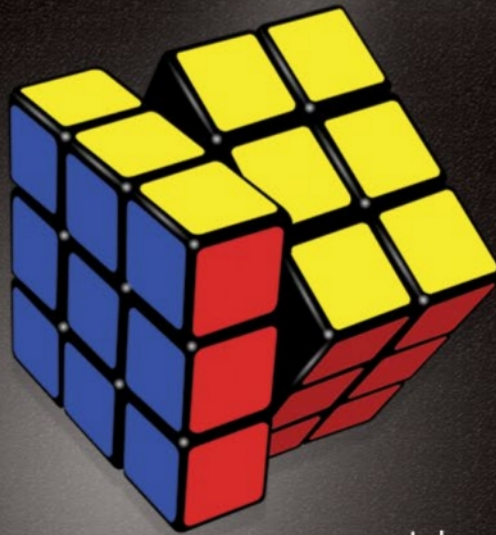


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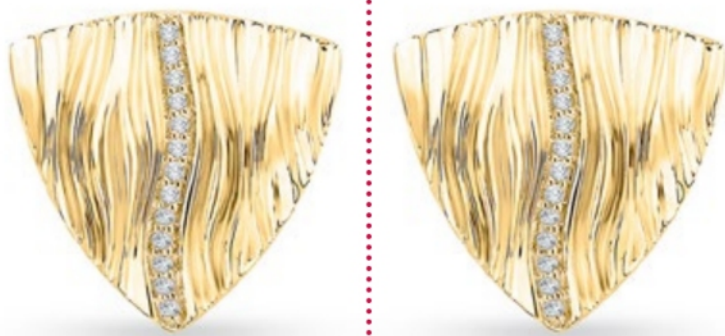
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# RETAIL RENDEZVOUS



## COLLECTIONS AIM TO CREATE HOLLYWOOD GLAMOUR

The glamour of Hollywood comes to life in the **Duomo** – **Cathedral** and **LeCirque** collections from Carizza both created by **Shah Luxury**. The company says its aim is to avoid the status quo and seek always to create jewelry that stands out from the crowd.



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## MAPLE LEAF DIAMONDS SEASONS COLLECTION CELEBRATES NATURE

Designed exclusively by **Shelly Purdy**, the **Maple Leaf Diamonds Seasons** Collection "celebrates the delicate buds of Spring, sparkling Summer lakes, earthy Autumn forest trails, and the beauty of Winter's gently falling snow.

Nature is at the heart of this collection, both in design direction and its ethically sourced materials, specifically Canadian diamonds and certified Canadian gold.

Millennials want to feel a deeper connection to the Earth, gravitating toward getting back to nature and protecting it. The growing 'mind, body, and spirit' movement prefers ethical diamonds and gold, which in itself evokes nature-inspired organic textures and symbols."



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BY KEN GASSMAN

# IDEX Online Research



## Total U.S. Jewelry Sales Rise in October, Specialty Jewelers Post Increase

TOTAL SALES OF FINE JEWELRY AND FINE WATCHES IN THE U.S. MARKET **ROSE BY 7.5%** ON THE YEAR IN OCTOBER 2016.

SPECIALTY JEWELERS, WHO GENERATE A MAJORITY OF THEIR BUSINESS FROM JEWELRY SALES, POSTED AN **INCREASE IN SALES OF 4.7%**.

OTHER RETAILERS WHO SELL JEWELRY – MOSTLY MULTI-LINE MERCHANTS SUCH AS WAL-MART, J.C. PENNEY AND OTHERS – POSTED A **9.2% GAIN** IN SALES DURING OCTOBER.

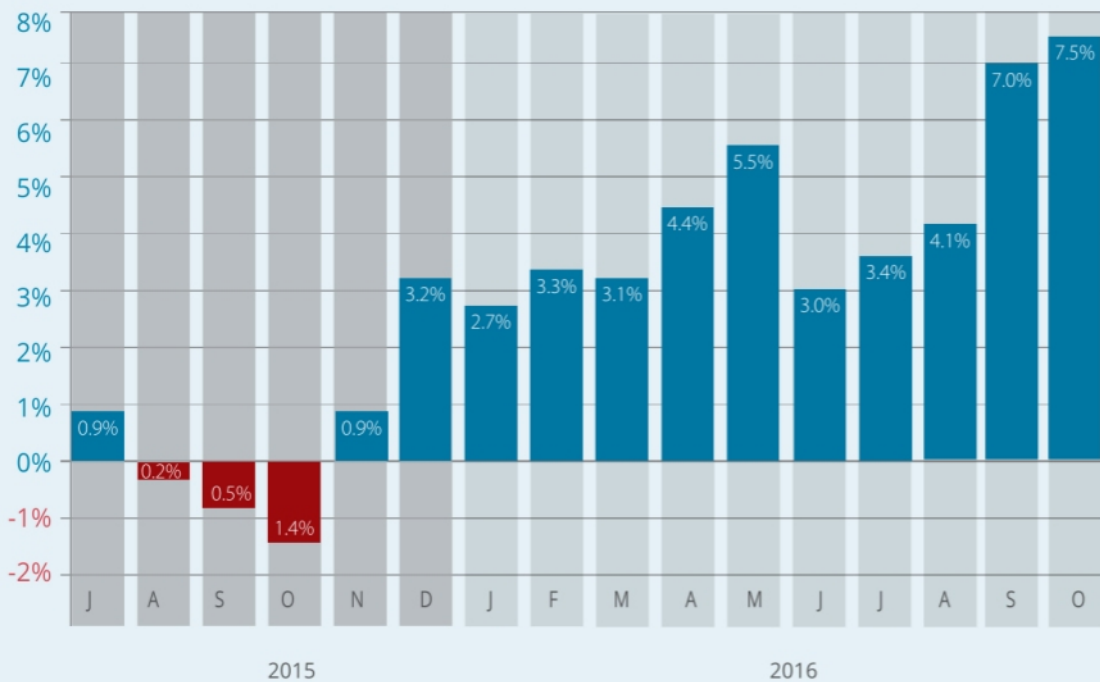
TOTAL U.S. JEWELRY SALES **ROSE BY 7.5%** IN OCTOBER, WHILE TOTAL SALES OF FINE JEWELRY AND FINE WATCHES ON THE YEAR IN OCTOBER WERE **\$5.8 BILLION**.





## FINE JEWELRY SALES

FINE JEWELRY SALES (APPROXIMATELY 88 PERCENT OF THE MARKET) ROSE BY AN **ESTIMATED 7.4%** IN OCTOBER, WHILE FINE WATCH SALES (APPROXIMATELY 12 PERCENT OF THE MARKET) **INCREASED BY 8.6 PERCENT.**



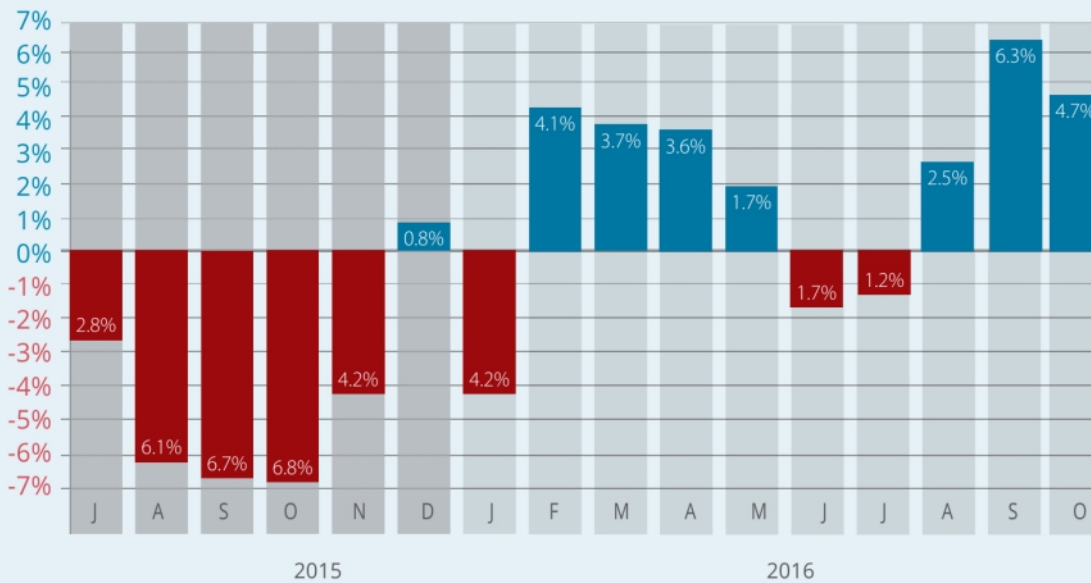
US TOTAL JEWELRY & WATCH SALES TRENDS 2015 - 2016  
% Change Y/Y

Source: US Dept. of Commerce



## SPECIALTY JEWELERS' SALES RISE IN OCTOBER

SPECIALTY JEWELERS' SALES DURING OCTOBER WERE AN ESTIMATED \$2.2 BILLION, A 6.2% RISE FROM OCTOBER 2015. THIS MONTHLY SALES INCREASE WAS BELOW THE OVERALL JEWELRY INDUSTRY AVERAGE (ALL U.S. RETAILERS WHO SELL JEWELRY) SALES GAIN OF 7.5% FOR OCTOBER.



US SPECIALTY JEWELERS SALES TRENDS 2015-2016 % Change Y/Y

Source: US Dept. of Commerce

## JEWELRY'S SHARE OF WALLET WAS UP SHARPLY IN OCTOBER

TOTAL U.S. JEWELRY SALES ROSE BY 7.5 PERCENT IN OCTOBER. THIS IS SIGNIFICANT BECAUSE AVERAGE RETAIL SALES (ALL RETAIL CATEGORIES) POSTED BY ALL U.S. RETAIL MERCHANTS WERE UP JUST 0.8%. AS A RESULT, THE U.S. JEWELRY INDUSTRY TOOK SHARE OF WALLET FROM OTHER RETAIL MERCHANTS.

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# RETAIL NEWS

## SWISS WATCH EXPORTS SHOW SMALLER DECLINE IN NOVEMBER

The decline of watch industry exports reported for almost two years softened in November, in particular because there was one more working day than in the same month in 2015.

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## PANDORA BUYS BELGIUM AND LUXEMBOURG DISTRIBUTION RIGHTS

Jewelry giant Pandora is to acquire Gielen Trading's Pandora store network in Belgium and Luxembourg as of June 30, 2017, when Gielen Trading's distribution rights to Pandora jewelry in the two countries expires.



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TIFFANY STORE



## TIFFANY POSTS SMALL IMPROVEMENT IN Q3 RESULTS

Tiffany & Co. reported that worldwide net sales increased 1% to \$949 million, and comparable store sales declined 2% in the three months ended October 31, reflecting mixed results across geographic regions and product categories.

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## CARTIER UPSET AT \$18,000 WATCH AD ON WAL-MART SITE

Cartier has said in a statement that it cannot vouch for the authenticity of the \$18,000 diamond watches that Wal-Mart is currently selling on its web site.

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## RICHEMONT CUTTING JOBS AS LUXURY WATCH SALES SLUMP

Luxury products giant Richemont plans to axe 210 watchmaking jobs in Switzerland as high-end watch sales drop across the world.

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## CHOW TAI FOOK OPENS FIRST STORE IN THE UNITED STATES

Hong Kong-based jewelry retailing giant Chow Tai Fook has opened its first store in the US, inside the Macy's department store in Flushing, New York.



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## HONG KONG BODY PREPARING FOR MAJOR TRADE SHOWS IN Q1

Two of the jewelry industry's leading trade fairs are set to take place in Hong Kong in the first quarter of 2017.

Organized by the Hong Kong Trade Development Council (HKTDC), the 4th Hong Kong International Diamond, Gem & Pearl Show will take place from February 28 to March 4 at the AsiaWorld-Expo, while the 34th Hong Kong International Jewellery Show will take place from March 2 to 6 at the Hong Kong Convention & Exhibition Centre.

The two shows will welcome more than 4,380 exhibitors from over 50 countries and regions.

The shows attracted over 80,000 trade buyers from 147 countries and regions in 2016. There will be trade pavilions from China, Taiwan, Japan, Korea, Thailand, Myanmar, India, Sri Lanka, Tanzania, Israel, Turkey, the UK, France, Germany, Italy, Spain, the US, Peru, Columbia, Brazil and other countries. There will also be a new exhibitor from Vanuatu, the organizers said.

The International Jewellery Show will feature a wide range of finished fine jewelry, with a number of themed zones with the prominent Hall of Fame bringing more than 30 internationally acclaimed jewelry brands, including Roberto Coin s.p.a. and Piero Milano Jewellery from Italy, Pranda Jewelry Public Co., Ltd. from Thailand, and Hong Kong's Lady Heart Collections Ltd and Unrounds (HK) Limited.

Meanwhile, the Hall of Extraordinary will house the most prestigious jewelry collections, including Crivelli s.r.l. from Italy, Thomas Faerber SA from Switzerland, and Hong Kong's

Dehres, On Tung Company and Karen Suen Fine Jewellery Limited.

Other themed zones include Designer Galleria with stylish pieces and collections; World of Glamour, spotlighting the craftsmanship of Hong Kong exhibitors; Hall of Jade Jewellery, with a wide range of exquisite jade pieces; the Antique & Vintage Jewellery Galleria which emphasizes the charm of classic jewelry; the Treasures of Craftsmanship parades sophisticated decorative items; the Hall of Time presents luxury watches and clocks; and Wedding Bijoux.

Meanwhile, the Diamond, Gem & Pearl Show will focus on jewelry raw materials such as loose diamonds, precious and semi-precious stones and pearls. Dedicated zones include the Hall of Fine Diamonds for quality diamonds, the Treasures of Nature for precious gemstones, the Treasures of the Ocean for exquisite pearls, and the Rough Stones & Minerals zone for unpolished and uncut precious stones.

The HKTDC, together with the Hong Kong Jewellers' & Goldsmiths' Association, the Hong Kong Jewellery & Jade Manufacturers Association, the Hong Kong Jewelry Manufacturers' Association and the Diamond Federation of Hong Kong, China, will be holding the 18th Hong Kong Jewellery Design Competition which aims to foster local creativity and innovation in jewelry designs. With the theme of Follow Your Heart, works have to present the passion of the designer while displaying the uniqueness of jewelry art. Entries of open group and student group will be evaluated based on creativity and innovation, aesthetics,

craftsmanship, wearability and relevance to the theme. Open Group entries will also be judged on marketability.

Judges on this year's panel include Kevin Ng, Chairman, Hong Kong International Jewellery Designer Association; Dr Adam Lau, Chairman, Hong Kong Jewelry Manufacturers' Association; Victor Chan, Executive Director, Continental Holdings Limited; Donald Tung, Managing Director, Emperor Jade Timepiece Limited; Derek Put, Founder and Chief Operating Officer, Mastermind Manufacturer Ltd; David Lo, Chairman, Hong Kong Designers Association; fashion designer Mountain Yam and top model Sofie Lee, who is also the co-founder and director of Savvy Advertising.

Meanwhile, the biannual International Jewellery Design Excellence Award (IJDE), aims to recognize outstanding jewelry designers and facilitate information exchange in design, professionalism and craftsmanship. The award gathers the champions of various jewelry design competitions worldwide. The judging panel includes Lawrence Ma, Chairman, HKTDC Hong Kong International Jewellery Show 2017 Fair Organizing Committee; Michelle Ong, Founder and Design Director, Carnet; Emme Wong, Executive Director, Galtiscopio Limited; Jeff Chan, Specialist, Christie's Asia; Irina Slesareva, Chief Editor, Jewellery Review from Russia; Fei Liu, Director, Fei Liu Fine Jewellery and editor of l'Orafo Italiano from Italy. Award presentation ceremony will be held on the first day of the Jewellery Show (2 March) and winning entries will be on display at the show.



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# POLISHED NEWS



THE ISRAEL DIAMOND EXCHANGE

## ISRAEL DIAMOND INDUSTRY SIGNS AGREEMENT WITH TAX AUTHORITY

After months of intensive negotiations the Israeli diamond industry has finalized the terms of an agreement with the Israel Tax Authority. The boards of directors of the Israel Diamond Exchange (IDE) and the Israel Diamond Manufacturers Association (IsDMA) unanimously ratified the agreement on Sunday, while a special assembly of IDE members also endorsed the new arrangement.

[READ MORE >>](#)



ANTWERP TRADING HALL

## BELGIAN PARLIAMENT APPROVES 'CARAT TAX'

The so-called 'Carat Tax' was endorsed in mid-December by the Belgian parliament, allowing it to come into effect in the 2017 tax year applying to income generated 2016.

[READ MORE >>](#)



## GSI EXECUTIVE'S INTERVIEW AIRS OVER 140 TIMES, SEEN BY MORE THAN 3M VIEWERS

Debbie Azar, Co-Founder of GSI, was interviewed as part of a media tour to educate consumers, dispel diamond-buying myths and to talk about the good that diamonds do.



DEBBIE AZAR

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SHAI, BEN AND SHMUEL SCHNITZER WITH THE JAPANESE AMBASSADOR



## S. SCHNITZER WINS OUTSTANDING EXPORTERS AWARD TO JAPAN

Israeli diamond manufacturer and exporter S. Schnitzer Diamonds has been awarded the Prize of Excellence for diamond exports from Israel to Japan for the year 2015.

[READ MORE >>](#)



THE MUMBAI DIAMOND BOURSE

## INDIA EXPORTS DROP 10% IN NOVEMBER TO \$1.18 BILLION

Indian exports of polished diamonds in November period fell 10 percent on the year to \$1.18 billion, according to provisional figures from the GJEPC.

[READ MORE >>](#)

## 20,000 SURAT DIAMOND WORKERS JOBLESS AS DEMONETIZATION HITS POST-DIWALI RETURN

More than 20,000 diamond workers employed in small diamond units have been left essentially jobless as their employers have not reopened following Diwali.

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INDIAN DIAMOND POLISHING WORKERS



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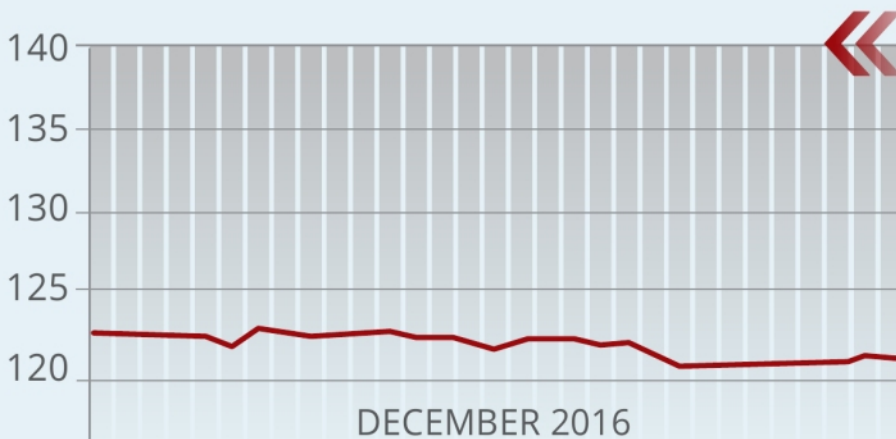
BY ALBERT ROBINSON

# POLISHED PRICES



## Polished Diamond Prices Down Slightly In December

IN DECEMBER, THE IDEX POLISHED DIAMOND PRICE INDEX SAW A SMALL DECREASE. THE INDEX BEGAN THE MONTH AT **122.4** AND ENDED AT **121.0**.



### DAILY IDEX POLISHED DIAMOND PRICE INDEX

ON A MONTH-TO-MONTH BASIS, DECEMBER'S GLOBAL POLISHED DIAMOND PRICES SAW A **DECLINE OF 0.5 PERCENT** OVER NOVEMBER.



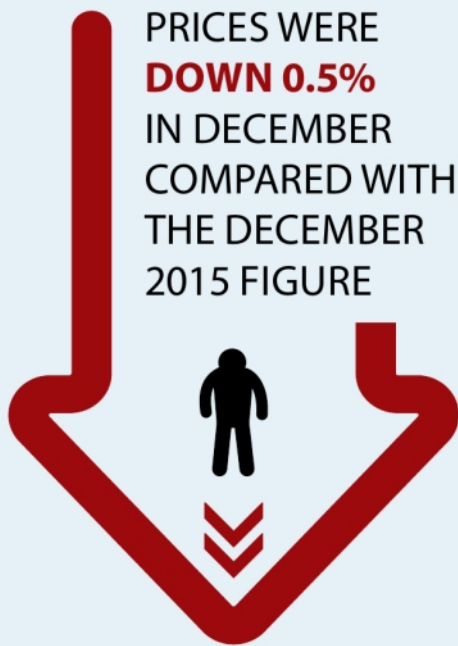
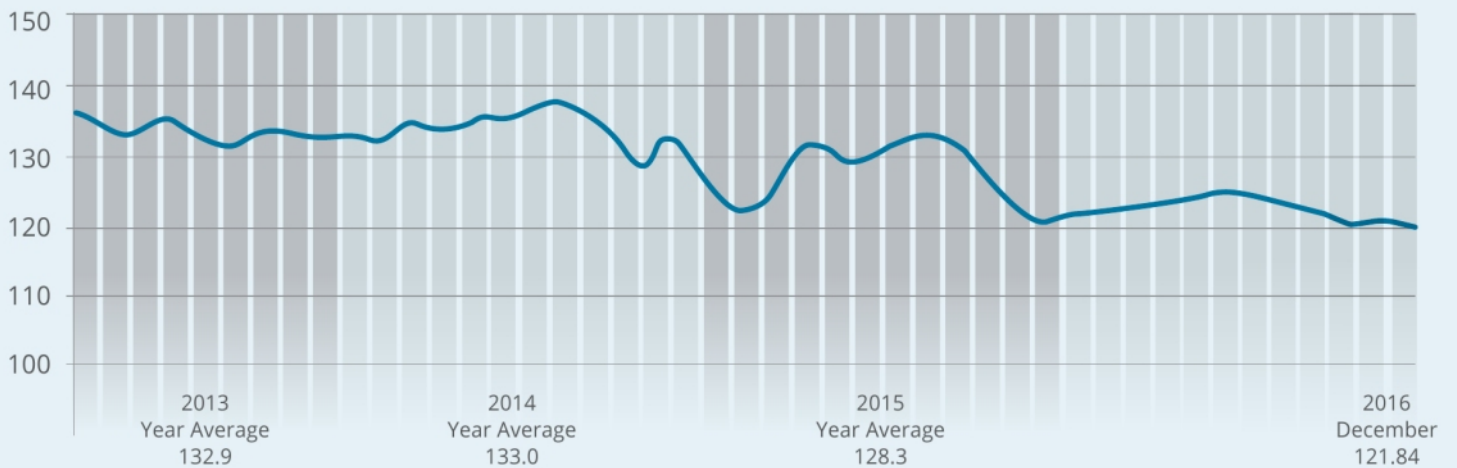


THE DECLINE IN DECEMBER FOLLOWED A **SLIGHT RISE IN NOVEMBER**. ON A YEAR-OVER-YEAR BASIS, DECEMBER'S AVERAGE PRICE SHOWED A **1.7-PERCENT DECREASE**.

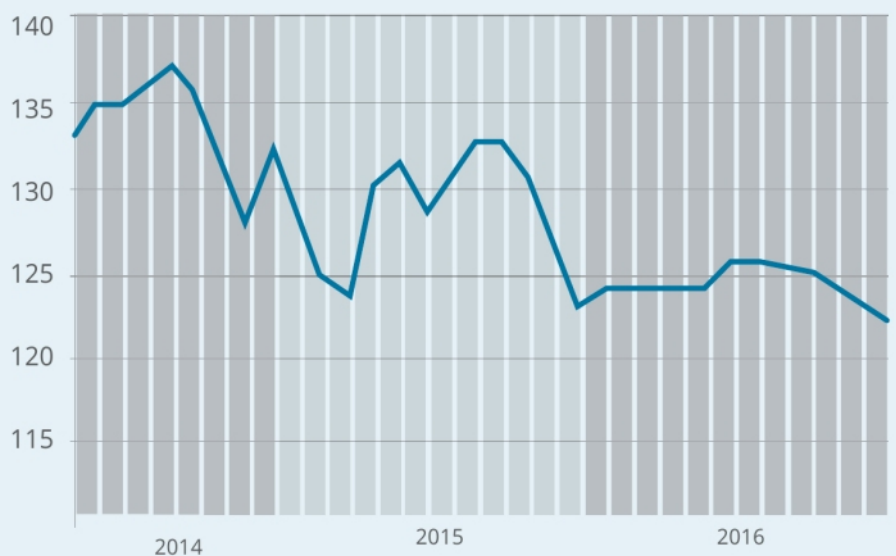
ON A MONTH-TO-MONTH BASIS, DECEMBER'S GLOBAL POLISHED DIAMOND PRICES SAW A **DECLINE OF 0.5 PERCENT** OVER NOVEMBER.

## IDEX ONLINE POLISHED DIAMOND PRICE INDEX

POLISHED DIAMOND PRICES WERE STABLE WITH ONLY MINIMAL FLUCTUATIONS IN THE FIRST HALF OF 2016, BUT HAVE BEEN DECLINING SINCE THE MID-POINT OF THE YEAR.

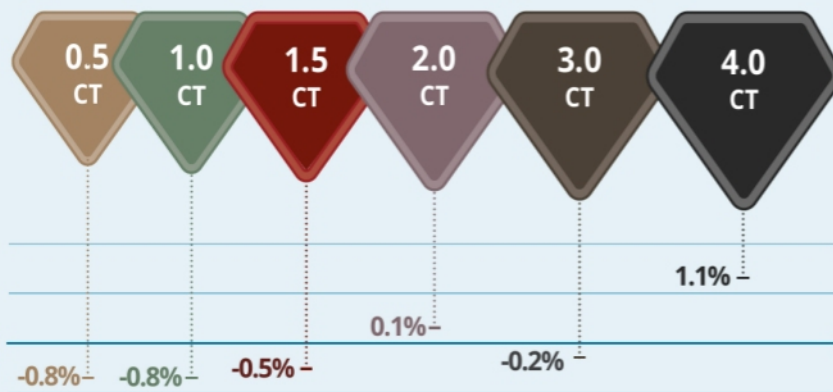


## IDEX DIAMOND POLISHED PRICE INDEX

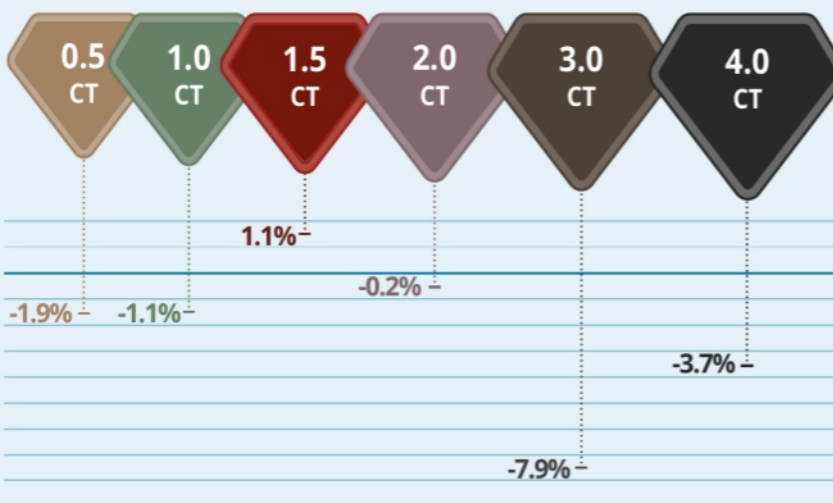




ON A MONTH-TO-MONTH BASIS, DECEMBER'S GLOBAL POLISHED DIAMOND PRICES SAW FOUR DECLINERS AND TWO RISING CATEGORIES.



ON A YEAR-OVER-YEAR BASIS, MOST CATEGORIES WERE DOWN WITH JUST 1.5-CARAT STONES SHOWING A RISE.



## OUTLOOK

Trading volumes were relatively low last month in the run-up to the Christmas period. With the holiday season entering its last few weeks, all eyes were on jewelry sales levels, data regarding sales will more fully become available in January and February.

With the Chinese New Year approaching and Valentine's Day next month, the industry will be looking to see rough diamond sales in January. Rough diamond trading was subdued last month with De Beers' sales cycle results being lower than in November.

The next De Beers sale is on January 17. The demonetization program in India has impacted sales of rough and polished, especially smaller stones, so industry members will be interested to see how the withdrawal of the larger rupee banknotes will affect sales going forward.

BY GEMEWIZARD

GEMEWIZARD

# 2016 Hammer Prices For Colored Diamonds: Unique Pinks, Giant Blues And Rare Greens!



The new year is now officially here, just barely over the doorstep, and with it the promise of new amazing gems that will crown this year's sales. But before we bid goodbye to 2016 forever, it is time to take a small step back and look at the major gem achievements of last year. 2016 was a busy year when it came to auctions of colored diamonds, and what fascinating gems it brought with it!

Yellow colored diamonds are known as veteran members on the "most desirable" list of the auction scene every year. Accordingly, several large- straight-color items were sold during the year.

It started in April at Christie's Magnificent Jewels & the Jubilee Ruby auction in New York when two noteworthy Fancy Vivid Yellow diamonds were sold. The first was a round-cornered rectangular modified brilliant-cut stone weighing 54.62 carats, and with a VVS1 clarity grade. It was mounted in an 18K gold ring, and sold for \$2,461,000. The second was a modified rectangular-cut cornered diamond with a VS2 clarity grade weighing 30.48 carats, mounted in a platinum 18K gold and diamond ring which sold for \$1,325,000.

Then, a month later, at Christie's Magnificent Jewels auction in Hong Kong, a square-shaped Fancy Vivid Yellow

diamond, VS2 clarity-graded weighing approximately 10.76 carats, mounted in gold and trapeze-cut diamonds, was sold for \$1,526,177. Also in May, at Sotheby's Magnificent Jewels and Noble Jewels auction in Geneva, a briolette-shaped Fancy Intense Yellow diamond weighing 81.40 carats and displaying a VS2 clarity was sold for \$2,836,065.

Also in May, Christie's Magnificent Jewels auction in Geneva realized one noteworthy non-straight yellow sale. The Oriental Sunrise, a unique pair of earrings set with 12.20- and 11.96-carat oval-cut Fancy Vivid Orange-Yellow diamonds of VVS2 clarity flanked by colorless diamonds achieved a hammer price of \$11,598,087.

These three yellows were followed by a 51.06-carat radiant-shaped Fancy Intense Yellow diamond displaying VS1 clarity, which was sold at Christie's Magnificent Jewels & the Cullinan Dream auction in New York in June for \$1,625,000.

The trend continued throughout the year, and the fourth quarter noted a few significant yellows as well. In October, Sotheby's Magnificent Jewels and Jadeite Hong Kong auction sold a 10.81-carat oval-shaped VS2 clarity grade Fancy Vivid Yellow diamond accented with circular-cut diamonds, mounted in an 18k white and



yellow gold ring for \$1,248,139.

This sale was followed by two Christie's November sales. In Hong Kong, a 28.78-carat Fancy Vivid Yellow VVS1 emerald-cut diamond sold for \$2,028,091, and in Geneva, a square emerald-cut Internally Flawless Fancy Vivid orangey Yellow diamond weighing 10.30 carats realized a price of \$2,122,809.

Pink diamonds continued to spur excitement and achieved staggering prices. The first stone brought to the spotlight was a modified cushion-cut Fancy Intense Purple-Pink VS1 clarity diamond weighing 10.07 carats, mounted in a platinum, gold and colorless diamond ring, accompanied by a GIA report, a working diagram indicating that the clarity may be improved, and a supplemental letter stating that the diamond had been classified as a rare Type Ila diamond. The stone was offered at the Christie's Magnificent Jewels & the Jubilee Ruby auction in New York in April, and sold for \$8,845,000.

Almost simultaneously, still in New York, Sotheby's Magnificent Jewels auction sold a 12.45-carat modified cushion-cut VS2 clarity Fancy Purplish Pink diamond for \$4,562,000.

But all these sales were just teasers

for the real blockbuster! In Sotheby's Magnificent Jewels and Noble Jewels May auction in Geneva, an extremely rare 15.38-carat pear-shaped VVS2 clarity Fancy Vivid Pink diamond, known as the Unique Pink, sold for \$31.6 million, making it the most expensive fancy vivid pink diamond ever to sell at auction. The diamond was accompanied by a GIA report and a Type Ila confirmation letter.

The Unique Pink hammer price eclipsed the previous record for a fancy vivid pink diamond set by the Sweet Josephine at a Christie's auction in November 2015.

After such a sale, all other sales of pink diamonds seemed to pale into insignificance, yet a few sales from the following events during the year are still worth mentioning. These are the most important ones:

In Sotheby's Geneva, at the same Unique Pink May auction, a modified pear-shaped Fancy Pink diamond weighing 18.51 carats and displaying VVS1 clarity sold for \$9,773,672. The diamond was accompanied by two letters, one stating that the diamond may be internally flawless after minor re-polishing, and another that it is a Type Ila diamond.

Christie's Geneva auction in November achieved the sale of a 9.14-carat pear-



shaped VS2 clarity Fancy Vivid Pink diamond for \$18,259,176, or nearly \$2 million per carat.

Sotheby's Magnificent Jewels and Noble Jewels November auction in Geneva realized several important pink sales as well:

**A 17.07-carat** emerald-cut VS1 clarity Fancy Intense Pink diamond, with a letter stating that the diamond may be internally flawless after minor re-polishing, was sold for \$20,778,352, or \$1,217,244 per carat.

**A 13.20-carat** pear-shaped Internally Flawless Fancy Intense Pink diamond was sold for \$16,232,308.

**A 40.30-carat** pear-shaped VS2 clarity Fancy Light Pink diamond realized a \$7,533,088 price.

Blue diamonds were also big stars this year, literally. The remarkably large-sized blue diamonds were the highlights of some of the auctions.

The first was the De Beers Millennium Jewel 4, an oval-cut diamond weighing 10.10 carats, and graded as Fancy Vivid Blue, Internally Flawless. It was sold for \$32,013,223 (or \$3.16 million per carat) at Sotheby's Magnificent Jewels and Jadeite Hong Kong in April.



The second was The Oppenheimer Blue, a VS1 clarity Fancy Vivid Blue rectangular-cut diamond weighing 14.62 carats, accompanied by a GIA report confirming the rarity and provenance of the gem. This rare gem fetched \$58,002,681 at Christie's Magnificent Jewels May auction in Geneva, blowing away the previous record for a diamond sold at auction by nearly \$10 million. (The 12.03-carat polished Blue Moon diamond sold for \$48.5 million).

Other interesting blues that sold in May at Sotheby's Magnificent Jewels and Noble Jewels in Geneva included:

**A 7.32-carat** Internally Flawless pear-shaped Fancy Vivid Blue diamond sold for \$17,112,629.

**A 6.64-carat** marquise-shaped Fancy



Intense Blue diamond highlighted with two pear-shaped Fancy Intense Blue diamonds weighing 2.01 and 1.01 carats, clarity graded as SI1, VVS2 and VS2, respectively, sold for \$ 13,672,493.

And then, in June, we were exposed to yet another blue giant. The Cullinan Dream, a modified cushion-shaped Fancy Intense Blue diamond, clarity graded as VS2 and weighing 24.18 carats, was offered with a supplemental GIA letter determining its Type IIb structure. It was sold at Christie's Magnificent Jewels & the Cullinan Dream auction in New York for the unimaginable sum of \$25,365,000, and became the largest and most expensive Fancy Intense Blue diamond ever sold at auction.

And this was not the end of it... other blues garnered nice prices in the following events till the end of the year. To name a few:

**In November at Christie's Hong Kong auction**, a 4.29-carat marquise-shaped Internally Flawless Fancy Vivid Blue diamond (offered by the famous London jeweler Moussaieff) sold for \$11,818,873, or \$2.755 million per carat, a record for total and per carat price for such a color and size combination.

**At Sotheby's November Geneva auction**, the Sky Blue diamond, an

8.01-carat square emerald-cut VVS1 clarity Fancy Vivid BlueType IIb diamond mounted in a ring by Cartier, sold for \$17,074,168 (below its \$25M pre sale estimation).

**At the same auction**, a 7.74-carat oval-shaped VVS1 clarity Fancy Deep Blue diamond sold for \$13,706,728, or \$1,770,895 per carat.

However, with all due respect to all other colors, this was the year of the green colored diamonds with regard to media buzz and price records. This color is rarely presented at auctions and having three significant stones at auctions in the same year is mind-blowing!

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[TO FIND A SUMMARY OF ALL THE SALES PRESS HERE](#)

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# MINING NEWS

A VIEW OF THE SNAP LAKE MINE



## DE BEERS CANADA TO FLOOD SNAP LAKE AFTER NO BUYER FOUND

De Beers Canada is to flood its Snap Lake diamond mine in the Northwest Territories after failing to find a buyer for the operation.

[READ MORE >>](#)

## BLUE DIAMOND RECOVERED AT MERLIN DIAMOND MINE IN AUSTRALIA

Merlin Diamonds has recovered a blue diamond from its Merlin diamond operation in the Northern Territory of Australia during the ramp-up phase of its operations currently underway.



MERLIN'S BLUE DIAMOND

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A DE BEERS DIAMOND SORTER

## DE BEERS SALES OF \$418 MILLION AS DEMONETIZATION HITS LOWER VALUE ITEMS

De Beers said the value of rough diamond sales (Global Sightholder Sales and Auction Sales) for the tenth sales cycle of 2016 was a provisional \$418 million.

[READ MORE >>](#)

## LUCARA'S KAROWE MINE EXCEEDS \$1.0 BILLION IN SALES

Lucara Diamond Corp. has passed the \$1 billion mark in accumulated sales since the start of production in June 2012 following the closure of the fourth regular tender of 2016.



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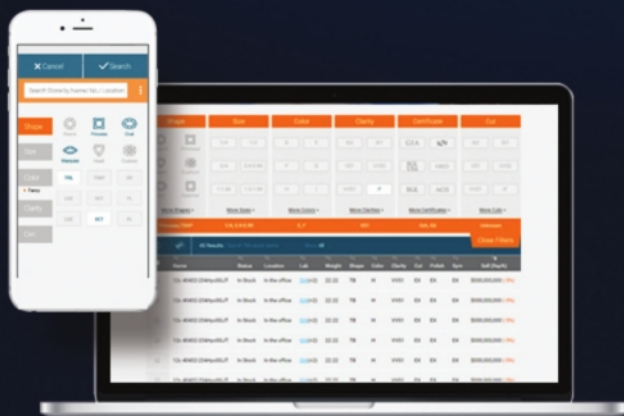


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