

## **WFDB concludes 34th World Diamond Congress, urges responsible trading practices following global crisis**



JULY 13, 2010: The World Federation of Diamond Bourses (WFDB) has concluded its meetings at the 34th World Diamond Congress in Moscow, calling on the industry to internalise the lessons learned during the global financial crisis of the past 18 months, during which time diamond dealers reduced significantly the volume of goods being sold on consignment and also cut the standard periods for which terms of credit are extended.

"Without a doubt, the past 18 months represented the most difficult economic period that any of us currently working in the diamond sector remember, but at the same time we can be proud that our industry came through in relatively good shape," said WFDB President Avi Paz. "The WFDB calls upon its members to continue implementing policies such as a greatly reduced dependence upon memo sales and a reluctance to extend lengthy terms of credit. US President Obama said that one should never waste a global recession, and the same is true for us."

The WFDB General Assembly discussed at length the conclusions that should be drawn from the global economic recession, and in addition to the issues of memo and credit terms called for increased cooperation with banks financing the diamond industry, so that credit will be available to all sectors of the industry as the diamond market enters a new growth phase. "It is of paramount importance that small and medium-sized companies are also provided with the tools to benefit from the recovery. Ultimately, this is important for the entire industry," Mr. Paz stated.

The WFDB General Assembly called on rough diamond producers to allocate sizable volumes of merchandise for sale outside of the tender system, which places smaller and medium manufacturers at a disadvantage. Furthermore, it was stated, since when buying on tender it is impossible to know for certain what goods will be obtained and at what price, it is difficult for members of the diamond sector to implement any long-term strategic planning, including manufacturing and marketing programmes. This is essential for the health of the industry, and a healthy industry is critical to the sustainability of the producers themselves.

The WFDB resolved to accept for the first time in its history representatives of governments of diamond producing countries as "nation-affiliated members," which would allow them to participate in World Diamond Congresses and Presidents' Meetings, and to receive benefits accruing from their membership.

The WFDB General Assembly confirmed Dubai as the venue for the 2011 Presidents' Meeting, where the host will be the Dubai Diamond Exchange, and Mumbai as the venue for the 35th World Diamond Congress in 2012, where the host will be Bharat Diamond Bourse.