



Press Release

Addressing diamond industry's global crisis, AWDC to focus on financial innovation

***Antwerp, 1 February 2016* – The diamond trade around the world is under duress. Antwerp, the most important international trade center, did not escape the year unscathed, but was the best performer. This past year, 48.3 billion USD worth of diamonds were imported to and exported from Antwerp.**

The world's diamond trade is currently under duress, with a global decline in sales across the board. Antwerp saw its total trade value decline from 58.8 billion dollars in 2014 to 48.3 billion dollars in 2015. While this represents a decline of nearly 18%, competitors such as India and Israel endured much steeper declines.

In this context, Antwerp World Diamond Centre is turning to new technologies to meet the industry's alternative financial services needs for international transactions. With a commitment to innovative new solutions for driving the industry forward, AWDC is starting a pilot program with two so-called FinTech companies to offer international transactions that are fast, transparent and instant.

AWDC CEO Ari Epstein explained: "The global diamond industry took a beating this year. Thanks to our strong foundations and ability to be agile and adopt innovative new technologies, Antwerp has succeeded in safeguarding its world-leading position with regard to rough as well as polished diamonds. Antwerp will consequently emerge from this downturn in a position of strength, poised for a profitable year ahead."

Causes of global downturn

As the diamond industry rises and falls on the waves of the global economy, the economic slowdown in the BRIC-countries and China, the second largest market for polished diamonds after the United States, had a huge impact on the diamond trade.

While the dramatic downturn in the diamond industry resulted in a slight decline in prices for rough diamonds for the first time in decades, soft prices for polished diamonds made it increasingly difficult for diamond traders to turn a profit. As a result, the average profit margins for wholesalers were between 0.11% and 0.37%, the same as in 2014.

Additionally, the banking and sovereign debt crises led to drastic changes in the availability of bank lending to businesses. As a result, many industries found it difficult to obtain financing. For diamantaires, this means that they had fewer resources available for purchasing rough diamonds, which has an impact on the global trade.

Diamonds love Antwerp¹

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AWDC to begin pilot project with two FinTech companies

AWDC CEO Ari Epstein said: “The international terrain on which the Antwerp diamond industry does business means that we, as the industry’s representative organization, are always searching for new technologies and ways to distinguish ourselves from our competitors. Last autumn we organized a Diamond Equity Investment Symposium, together with Morgan Stanley, with the objective being to promote transparency to institutional investors that are considering investing in the diamond industry. Today we announce that this has resulted in a concrete cooperation agreement with two FinTech companies: Uphold and FX4BIZ.”

Uphold CEO Anthony Watson comments: “With Uphold, AWDC and the thousands of diamond traders they represent can move, hold, transact, clear and settle in any currency or form of value they choose - all securely with real-time transparency and traceability. By removing all forex spreads, costs and settlement delays from Antwerp’s \$50bn yearly diamond trade, Uphold will save industry businesses tens of millions of dollars every year. Uphold's unique next generation platform will allow Antwerp diamond dealers to immediately transact, clear and settle all trades in over 190 countries with zero waiting, delays or limitations. In addition, we shall be opening our 3rd European office here in Antwerp: staffed locally (initially 6 hires), it will directly support AWDC and the diamond traders they represent on the ground and globally.”

FX4BIZ CFO Patrick Mollard said: “As a Belgian Payment Service Provider (PSP) licensed by the National Bank of Belgium we feel honored to have been selected to enter into such a cooperation agreement. We are highly motivated to work with AWDC in building a tailor-made and sustainable bank infrastructure for this industry. We are convinced that the key success factors on this project will be AWDC’s capacity to share its expertise and our ability to comply with strict international regulatory constraints.”

A total of 60 diamond companies will be able to sign up for these two pilot projects that will run for a full year. AWDC will be holding a seminar to explain the project to the diamond companies.

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