



Press release

## **Belgian Princely Mission Sets Sights on Malaysian Diamond Market**

**The Malaysian diamond market is at a turning point. "Last year, Malaysia, which is particularly fond of gold, saw its diamond demand increase," says Ari Epstein, CEO of the Antwerp World Diamond Centre. Malaysia's economic instability and fluctuating gold prices, however, remain a challenge for evolution of the diamond trade.**

Malaysians are hooked on jewelry. They love accessorizing with necklaces, earrings, rings and bracelets, but the jewelry they tend to wear is usually fake. The diamond market in Malaysia is thus facing some obstacles, but diamond dealers are hopeful thanks to a number of events that took place last year. The Malaysia International Jewellery Fair (MIJF) and the Malaysia International Jewellery Festival 2013 have contributed to an increase in Malaysia's demand for luxury jewelry. Diamond producers such as De Beers and Gubelin opening retail stores is a testament to the upturn in the demand and constitutes a boost for Malaysia's diamond trade.

Antwerp and Malaysia have been trading polished diamonds for some years now, but trade figures are somewhat volatile. In 2013, Antwerp exported 1,058 carats of polished diamonds, with a total value of \$1.9 million. In the first ten months of this year, Antwerp exported the same amount of polished diamonds to Malaysia, but the value of the goods increased to approximately \$3.7 million. It is not only the demand for luxury and diamond jewelry that has propelled the diamond market in Malaysia. "Malaysians are known for investing heavily in gold. For the first time now, they appear to have discovered that diamonds can be just as interesting an investment," says Ari Epstein.

### **Unlocking growth potential**

Currently, only 25% of all jewelry sold in Malaysia is set with diamonds. Gold jewelry is particularly favored and accounts for almost half of all jewelry sold. Platinum takes second place and accounts for about 35% of the jewelry market.

"We have noticed that an active approach to this market is proving fruitful," says Epstein. "Needless to say, the princely missions to Malaysia and Singapore could not have come at a better time for us." 140 Belgian companies will join Princess Astrid of Belgium on this mission. During the Princess' stay in Malaysia, the Antwerp World Diamond Centre will organize a B2B networking event in collaboration with Malaysian jewelry organization FGJAM, Federation of Goldsmiths and Jewellers Associations of Malaysia. "It is an ideal occasion for our ten accompanying diamond dealers to network with the local market," says Epstein. "Previous events have already proved that this way of doing business is very effective."

### **Consumers benefit as unit price drops**

Experts believe that the Malaysian jewelry market will expand by some 1.6% in volume and 0.9% in value in 2015. On average, the Malaysian jewelry market is expected to grow by 1% every year until 2018. This increase will be mainly due to the augmented demand for fashion jewelry, but will also be a result of the rising number of jewelers entering the market, resulting in a positive price effect for consumers. Finally, as online purchasing is becoming increasingly popular, online sales are expected to have a positive impact on the Malaysian jewelry market as well.



"Thanks to the arrival of De Beers and Gubelin stores and other retailers such as Gold Heart, the unit price for diamond jewelry has dropped for the first time," says Epstein. "That makes diamond jewelry affordable for the average Malaysian, and Malaysia an interesting market for diamond dealers."

**Antwerp World Diamond Centre (AWDC)** is the coordinating body and the official representative of the Antwerp diamond sector, and as such is recognized internationally as the host, spokesperson and intermediary for the diamond community at home and abroad.

84% of all rough diamonds and 50% of all polished diamonds pass through Antwerp. Diamonds represent 5% of the total Belgian exports and 15% of all Belgian exports outside the EU, making diamonds the most important export product outside the EU.

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