



Press Release

Record figures confirm leadership Antwerp diamond industry

Antwerp, 2 February 2015 – Over the past twelve months, Antwerp clearly confirmed its leadership role in the global diamond trade and remains the preferred partner for diamond trade worldwide. Despite heavy competition from rivaling diamond hubs, more goods were traded year on year. A total of 227,2 million carats of rough and polished diamonds were traded, with a total value of 58.8 billion USD, surpassing the 2012 record of USD 56.5 billion.

ROUGH TRADE UP 10% IN VALUE

Both exports and imports of rough diamonds rose significantly compared to 2013. 114.5 million carats of rough diamonds were exported, valued at 15.7 billion USD, equaling a volume increase of 7.5% and an increase in value of 7%.

As for imports, the increase is even more apparent. Compared to 2013, imports rose 10% in terms of volume, amounting to an increase in value of 13%. In total, no less than 99.9 million carats of rough diamonds were imported, for a total value of USD 14.9 billion.

POLISHED TRADE UP 4% IN VALUE

Contrary to the rough trade figures, polished trade is clearly under increased pressure. On average, in terms of volume, exports of polished goods fell by 5%. At the same time, the total value of exported polished diamonds rose by 4%, indicating more high value goods were traded. Total exports of polished diamonds amounted to 6.4 million carats, with a value of USD 14.4 billion.

MAIN TRADING PARTNERS

Looking at Antwerp's most relevant trading partners in terms of polished exports, we can identify the same markets as last year. Hong Kong remains the number one destination for polished diamonds, followed by the United Arab Emirates and the United States on respectively second and third place.

From a value perspective, the ranking is somewhat different, with the United States in pole position, followed by Hong Kong in second and Israel in third place.

Antwerp's main import partners for polished goods are consecutively India, Hong Kong and the United Arab Emirates. Similarly, the top three differs in terms of imported volumes, with the United States ranking first, followed by Hong Kong and India.

The bulk of rough diamonds leaving Antwerp is destined for India, followed by the United Arab Emirates and Hong Kong. In terms of rough imports, the Russian Federation remains Antwerp's first trading partner. The top three of countries of origin in terms of rough imports is completed by the United Arab Emirates and Botswana.

Diamonds love Antwerp¹



DIFFICULT SITUATION FOR THE ANTWERP DIAMOND DEALERS

In spite of these record figures, 2014 was a tough year for diamond traders throughout the global diamond industry.

The announced wind down of the Antwerp Diamond Bank and the continued uncertainty due to the lack of liquidity and diminishing access to diamond financing and banking services weigh heavily on the industry.

In addition, traders in diamond hubs worldwide are being confronted with narrowing profit margins. This evolution is largely due to strong rough prices, caused by a combination of natural scarcity and the main mining companies' solid positions, whereas polished prices haven't risen at the same pace. Diamond traders were forced to sell their goods at lower prices, with average profit margins of 2 to 3% falling steeply.

FUTURE: DIAMOND AS AN INVESTMENT

Antwerp remains positive about the future. Once the economic crisis and consequent troublesome years have passed, global demand for diamonds will pick up, largely due to emerging economies, and will outpace rough supply over the next decade.

In its most recent report (December 2014) commissioned by the AWDC, Bain & Company estimates the US diamond market, currently the largest retail market for diamonds, will grow by 2 to 3% over the next decade, while the Chinese market is expected to double. By 2024, the middle class in India is forecast to triple in size, resulting in a positive outlook for the Indian diamond market as well.

According to the report, **besides being a luxury product, diamonds will become increasingly more important as an investment product.** Currently an estimated 5% of polished diamonds are bought for investment purposes, a marginal phenomenon compared to investment purchases of other precious metals such as gold or silver. Nonetheless, diamonds can be considered a valuable product, which are become scarcer as existing mines are nearing depletion and only a few significant new deposits were discovered over the past years.

The trend to invest in diamonds is specifically noticeable in the East, where people have been investing in precious metals such as gold and silver for decades. More recently, a similar evolution became apparent in the Russian Federation.

The 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 Belgian diamond community. In this capacity, AWDC liaises on behalf of the Belgian diamond sector with governments and actively promotes support for the diamond sector 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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