



Press release

Wealthy Singaporeans Increasingly Keen on Jewelry Purchases

Singapore is becoming a booming retail market for jewelry. Having traditionally acted as a link in the diamond supply chain between Antwerp and India, today, an increasing number of luxury brands are now opening retail stores in Singapore due to rising consumer demand. "Over the next five years, Singapore's jewelry market is expected to increase by an average of 3% each year," says Ari Epstein, CEO of the AWDC. "Diamonds could play a major part in that development, which makes diamond funding interesting for Singapore as well."

Since 2009, 1.6 million carats of rough diamonds have been exported from Antwerp to Singapore, with a total value of \$283 million. More than 42% of those diamonds were exported in 2014, which clearly demonstrates an upward trend in the rough diamond trade between Antwerp and Singapore. In terms of polished diamonds, approximately 184,000 carats were exported from Antwerp to Singapore in the last six years, valued at \$315 million.

"Just like Malaysians, Singaporeans are particularly fond of gold, which they consider an ideal investment product," says Epstein. "In recent years, however, Singaporeans have been greatly influenced by the bigger luxury brands. As a result, they have developed a taste for accessorizing designer clothes with exclusive jewelry."

Jewelry sales in Singapore increased by nearly 5% in volume and 8% in value last year. Currently, the Singaporean jewelry market is worth approximately \$3.5 billion, with 26% of jewelry sold containing diamonds. These positive trends are likely to continue and to potentially grow. "Singapore's middle class is forecast to grow in the coming years, which would have a positive effect on the diamond market," Epstein continued.

To introduce Antwerp diamonds to Singapore, the AWDC organized an exclusive gala evening attended by HRH Princess Astrid, as part of the Belgian princely mission. Belgian and Singapore diamond dealers had an opportunity to interact during a networking event, which preceded the gala.

Diamond funding

Singapore is not only a growing retail market for diamonds, but also a financial hub that is home to numerous branches of international banks. However, few of those branches specialize in diamond funding. In the framework of the Belgian princely mission, which focuses on strengthening the financial ties between Belgium and Singapore and on the technological developments in the financial sector, AWDC organized a seminar on diamond funding.

"Diamond funding is very much a niche market. Only 5% of all financial institutions are familiar with this specific type of financing," says Ari Epstein, CEO of the Antwerp World Diamond Centre. "Now that Singapore is no longer just a transit market, but also a growing retail market, diamond funding may prove interesting for a number of Singaporean banks."

With that in mind, AWDC organized a seminar on the basic principles of diamond funding. Banks such as First Gulf Bank PJSC, CTBC Bank Co. Ltd., Deutsche Bank AG, Union Bancaire Privée, UBP SA



Singapore Branch and Indian Overseas Bank were among the participants.

The banks learned that in order to start trading, diamond dealers open a credit line with a bank. The credit line amount depends on the size of the diamond company. In Antwerp, \$4 billion in credit lines are open on a daily basis.

"The money borrowed from the bank is used to buy rough diamonds," says Ari Epstein. "The bank basically pre-funds the diamond dealers' trade, until the dealers have sold polished versions of their rough diamonds and are able to pay back their loans." It usually takes three to six months to purchase rough diamonds, have them polished and sell them.

With this seminar, AWDC hopes to have contributed to the Belgian princely mission to Singapore, strengthening the financial ties between Belgium and Singapore, and sharing technological knowledge. AWDC was pleased with the Singaporean financial world's interest in Antwerp's diamond activities.

AWDC, short for Antwerp World Diamond Centre, is an industry-established foundation, whose mission is to serve and support the diamond business in Antwerp, the world's most important diamond trade hub. AWDC is the coordinating body and the official representative of the Antwerp diamond sector, and as such are 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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