



Press Release

2013 second best year ever for Antwerp diamond industry

Antwerpen, January 27th 2014 – 2013 has been a highly successful year for the Antwerp diamond industry. Both import and export of rough and polished diamonds grew significantly, with no less than 8% for rough and 4% for polished trade. The total value of traded goods amounted to US\$ 55 billion, very close to the record US\$ 56.6 billion in 2011, making the 2013 the second best year ever for Antwerp. The 2013 annual figures are in line with the trade analysis of the past decade, once again confirming Antwerp's leadership as the world's first and foremost diamond-trading hub.

ROUGH TRADE UP 8%

Over the past ten years, the average annual diamond production worldwide decreased from 160 million carats to a steady 128 million carats in the past three years. Over that same period of time, the average price per carat nearly tripled, from US\$ 50 up to US\$ 140 per carat. In that highly competitive market, Antwerp clearly demonstrates its resilience as the most stable diamond-trading centre worldwide. Especially the past three years indicate the city has clearly reinforced and even further expanded its position as market leader.

In 2013 90,6 million carats were imported and 106,5 million carats of rough diamonds were exported, equaling a combined value of more than US\$ 27.8 billion or an increase of 8% compared 2012. These excellent figures are the result of Antwerp's strategy to actively expand the industry's scope around the globe. Undoubtedly, the in-house tender facility, now fully up to speed and allowing both large and smaller producers can sell goods fast, efficient and at the best price, has contributed to these results. In addition, AWDC reinforced its ties with major trading partners, such as the Russian mining giant Alrosa, the largest producer in volume worldwide, through a new cooperation agreement. Today, already a stunning 65% of Alrosa's diamond production is traded in Antwerp.

This long-term strategy is also designed to bear fruit over the next coming years, for example through the further intensifying of the trade relationships with Zimbabwe, which will according to experts account for at least a quarter of the world production over the next decade. According to the report issued by the Zimbabwean government, the first trial tender of Marange goods, held in Antwerp in December last year, provided valuable insights, thanks to a fully transparent procedure, and demonstrated the potential of selling the Marange rough in Antwerp. A second, larger tender including goods of higher quality is scheduled to take place in February. Also through future cooperation with the Canadian company Stornoway in the Renard project and other initiatives that are currently being developed, Antwerp's position will be secured.

POLISHED TRADE UP 4%

In terms of polished trade, the total value of traded diamonds amounted to US\$ 27.2 billion, up 4% year-on-year. The steep increase of rough prices and the consequent decrease of profit margins for

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the diamond traders and manufacturers resulted in a highly competitive trading environment. Antwerp, renowned for its expertise and craftsmanship, clearly benefits from a global trend to focus on larger, more valuable stones.

The US remains Antwerp's first destination for polished diamonds, closely followed by China. Furthermore, we notice a significant raise in the trade with both Dubai and South Africa, while the European market remains relatively stable.

THE FUTURE: CHALLENGES AND OPPORTUNITIES

While Antwerp remains the industry's first and foremost diamond trading hub, it is no secret competing diamond hubs, such as Dubai, Mumbai and Tel Aviv are keen to take over Antwerp's leadership position. In addition, the industry is still facing serious challenges, like the more strict rules and regulations regarding industry financing, the lack of an equal level playing field that highly increase the degree of competition. To safeguard its position, Antwerp will continue to strengthen its position by maximizing its assets as defined in the strategy that was set out in the Antwerp Diamond Masterplan, launched two years ago.

This strategy focuses on further boosting trade, in terms of rough and polished trade, and promoting Antwerp as the world's largest, oldest and most comprehensive trade centre, both in established as in new markets. In addition, Antwerp will continue the ongoing dialogue with government, both on national and supra-national levels, aimed at securing the competitive strengths of the Antwerp diamond companies, for example through the implementation of a so-called carat tax. This specific tax system, which entails a fixed tax on a predefined percentage of turnover, would allow companies to make reliable assessments on the fiscal burden, and a such provide the much-needed oxygen for the Antwerp companies. In addition, the AWDC will continue its dialogue with various partners to strive for an equal level playing field throughout the global diamond industry, for example through multilateral negotiations.

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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