

CONTENTS

PREFACE	XIX
I. ECONOMIC AND POLITICAL TRENDS	I
Facing a Myriad of Corporate and Consumer Issues	3
The Diamond Industry in a Global Context	6
Strained Government-Producer Relations	6
From Supply-Controlled to Demand-Driven	8
Prioritisation of Resource-Management Objectives	10
Economic Organisation of the Diamond Industry	12
Who Defines the Consumer's Best Interests?	13
Transfer of Custodian Functions	14
The Essence of Supplier of Choice	16
DTC Sightholder Criteria	19
Interim Evaluation of SoC	20
Status Quo versus Change	21
Inventory Ceases to Function as Equity	22
PART ONE: PUBLIC & PRIVATE INTERESTS	
2. HISTORICAL PERSPECTIVE	27
Amsterdam and London as Trading Centres	28
Transportation Control	29
Brazilian Discoveries	30
South African Ascendancy	32
Value Added (1915-40)	35
Subsidising Cutters	37
The Eve of World War II	40
World War II	41
De Beers' Wartime Control	42
The War's Aftermath	43
3. DIAMOND VALUE CHAIN	45
Analysing the Diamond Pipeline	45
Little Growth in Diamond-Jewellery Market	48
Polished Diamond Market	50
Link between Product and Price	52
Implications of New Business Models	56
Impact of Market Distortions	59
Value Added at Producer Levels	60
Diamond Trade's Ripple Effect	63
Entry Barriers – Producer Levels	64
Box: Segmentation – The Unconventional Business	66
Measuring Pipeline Volume and Velocity	67
Box: Latest Discovery – New Diamond Data Mine	68

4. MARKETING ARRANGEMENTS **71**

Revenue Optimisation	72
No Rough Price Benchmarks	73
Brokerage Function of the DTC	74
Transaction Costs	75
Pricing	78
Benchmarks	78
Cartel Beneficiaries	80
De Beers as Price Setter	82
Function of the GDV	83
Book versus Spot Prices	84
Single-Channel Marketing	85
DTC's Producer Agreements	87
Buffer Stocks	88
Dissatisfaction	90
Price Control	91
Stabilisation Policies	91
Alternative Pricing Schemes	92
Futures Market	93
Widening Price Brands	94
Other Rough Marketing Options	95
Selling Through Tenders	95
Exclusive Buyer	95
Contemporary Preferences	96
Single to Multiple Channel Evolution	97
Belgium's Role	98
Role of Bourses	99

5. DE BEERS AS SUPPLIER OF CHOICE **103**

Compromise Between Legal and Market Imperatives	104
Sightholder Selections and Rough Allocations Prior to SoC	107
Supply Uncertainties in the 2001-2003 Period	109
Stewardship Rule of European Commission	109
Approved SoC Framework	111
Sightholder Profile	111
Sightholder Criteria	112
Policy Statement	115
Best Practice Principles	116
Ombudsman and Dispute-Resolution Procedures	117
Judicial Review of Ombudsman Decisions	118
The Omnipotent Ombudsman	119
EC's Outsourcing of its Monitoring and Investigation Responsibilities	121
Changes Imposed by the EC	122
Discussion and Assessment of SoC	123
Competing on Value Rather than Price	125
Uses of the Scorecard	127

6. ANTI-MONEY LAUNDERING STRATEGIES	131
Compliance Deliberation	132
Laundering and Financing Terrorism	133
Nicky Oppenheimer Calls for Joint Efforts	135
Tackling a Trade-Based Commodity	135
Banks: From Safe Havens to Quasi-Intelligence Agents	137
BOX: Rules Discriminate Against Foreign Diamond Suppliers	137
FinCen's Agenda: Ambitious but not Realistic	140
EC Policy Shift	141
Commitment to Transparency	143
7. CONFLICT AND ILLICIT DIAMONDS: TURNING STONES INTO THE WORLD'S MOST REGULATED COMMODITY	145
NGOs Link Up with US Congress	147
South African Government took Initiative	148
Essence of the Kimberley Agreement	150
Curbing Production and Trade in Conflict Diamonds	152
Industry's Role within Kimberley Process	153
Historical Observations	155
Conflict versus Illicit	156
Misnomer for Traditional Trading	157
Conflicts Seldom End – but KPCS Reduces their Incidence	159
Greed versus Grievance	160
Conflict Prevention	161
PART TWO: PRODUCERS	
8. ROUGH DIAMOND PRODUCTION: AN OVERVIEW	165
Pricing and Volumes of Rough Diamonds	168
BOX: How Many Large Stones	170
Looking at the Future	172
BOX: Role of Synthetics	174
9. ANGOLA: A NEW DAWN	177
Deficient Production Records	180
UNITA Sanctions led to Kimberley Process	180
Growing Contribution to Economy	183
Independent Endiama	185
Endiama: Conflicts of Interests?	186
Struggle for Control	187
Civil Strife Resumes	190
Expanding Role of Endiama	193
Experimenting with Marketing Systems	194
Towards a Competitive Buying System	195
Government Stewardship	196
Mining Fiscal and Legal Environment	198

Security Regulations	200
Taxation Regime	200
Future Prospects	201

10. AUSTRALIA: ALMOST THREE DECADES WITHOUT A 'BIG' DISCOVERY 203

Political Environment	205
Argyle Production	207
Government Moves the Sorting and Valuing to Antwerp	209
Ellendale Mine	211
Merlin Mine	212
Royalty Regimes and their Impact	213
Added-Value Opportunities	216
Determining 'Real' Value	218
Marketing Strategies	220
Defection and Life Thereafter	222
De Beers: Renewed Fight for Control	224
'Argyle' Brand	225
Government Intervention	226
Aboriginal Issues	227
Globalisation of Diamond Politics	230

IV 11. BOTSWANA: FINALLY IN FULL PURSUIT OF SELF-INTEREST 233

Ramifications of Change of Business Models	235
Competition Also Within De Beers Group	239
Shared Marketing Costs	240
Rough Supply to Local Factories	241
Economy Needs Diversification	242
A Nation Dependent on Diamonds	243
Towards Significant Beneficiation; Folly Becomes Reality	246
Governance in Botswana	249
BOX: Every Diamond Recorded and Reported	250
Diamond Story	252
De Beers-Botswana Relationship	253
Resource Management: Needs Improvement	254
The 'Suit of Agreements' Signed	257
Threats and Co-Operation on Gem-Quality Synthetics	258
New Marketing Arrangements	258
Establishment of DTC Botswana	259
Sorting and Valuation	260
Government Policies	260
Debswana's Corporate Strategies	262
Debswana's 'Strategy 2010'	262

12. BRAZIL: FORBIDDEN DIAMONDS	265
Historical Perspective	268
Portuguese Colonial Rule Until 1822	268
Portuguese Decrees	271
Portuguese Control	273
Brazil Gains Independence	
Geographical Spread	276
Small Miners and Diggers	276
Ancestral Claims versus Contemporary Interest	277
Unregulated Small-Mining Partnerships	278
Unions and Labour Co-Operatives	279
Brazilian States	279
Diamantina	279
Coromandel	280
Juina	280
Mining Laws and Fiscal/Regulatory Regime	281
Institutional Arrangements	283
Enterprise Reform and Privatisation	283
Identification of Major Players	283
Opportunities in Small-Scale or Mechanical Mining Operations	284
Exploration	285
Mining	286
Rough Diamond Export System	287
Black and Gray Markets	287
Money Laundering and Other Compliance Issues	290
Uncertainties and Obstacles	293
13. CANADA:AWAITING THE SECOND AND THIRD WAVES	295
Canada's Rough Diamond Position	296
Canada: The Different Producer	297
Tasks of Federal Government	298
Policies Towards Beneficiation	300
Veto Right to Miners?	303
History of Diamond Mining in Canada	304
Ekati (BHP Billiton) – ‘Fat Mine’	304
Diavik (Rio Tinto and Aber)	306
Mining + Retailing = Perfect Price Information	307
Snap Lake (De Beers)	309
Victor (De Beers)	310
Jericho (Tahera)	311
Rough Supply Policies to Manufacturers	312
Choking Mining Companies	314
Miner Markets Both Rough and Polished	315
Manufacturing Still in Infancy	315
Future Sources of Supply	316
Governmental and Corporate Policies	318

Implications for Diamantaires	319
Government Fears Money Laundering Threats	320
BHP Billiton Fears False Reporting	321
False or Unjustified Reporting and Ruined Reputations	322

14. CENTRAL AFRICAN REPUBLIC: A FAILED STATE – DRIVEN BY DIAMONDS **325**

History of the Country and its Diamond Industry	327
Diamond Production	330
Bokassa Wanted Domestic Diamond-Cutting Industry	331
Structure of Contemporary Mining Sector	332
Economic Contribution of CAR’s Diamond Sector	334
Way Forward	335

15. DEMOCRATIC REPUBLIC OF CONGO: A JUNCTION BETWEEN DESPAIR AND SPARKLE **337**

The Nation’s Diamond Sector	339
Congo’s Historical Ties to Belgium and the Turbulent Years	342
Marketing System Experiment	345
From MIBA Tenders to IDI Monopoly	347
Gertler Dominancy	248
MIBA: From Plunder to Accountability	351
MIBA: Development Underwritten by DGI	354
Sengamines Saga	355
Sengamines Rescued by Mike Nunn	358
Corrupt Officials Force ‘Undervaluations’	358
Inability to Collect Diamond Taxes	362
Establishment of Clear Taxation Rules	364
Diamond Exploration Companies	364
Government Wants Beneficiation	367
Perspective on Reputational Issues	367

16. GUYANA: ANCIENT PROVINCE **371**

Guyana’s Diamond History	372
Geography and its Effects on Diamond Production	374
Informal Mining Structure	375
Legal Arrangements for Mining	376
Licensing and Taxation	377
BOX: Taxation	378
Phantom Miners	379
Buyers, Traders, Exporters	380
BOX: Diamond-Exploration Companies	381
Challenges to the Diamond Industry	381

17. LESOTHO: MOUNTAIN MINING	383
Lesotho's Diamond History	385
Decisions Made on Wrong Valuations	388
Valuators Also Act as Auctioneers`	391
Economic Climate and Fiscal Regime	391
Government's Mineral Policy	392
Future Beyond Letšeng?	393
18. NAMIBIA: FUTURE IN THE WATER	395
Political Landscape	395
Current Generation	397
Diamond Production	398
Values and Valuations	400
Mining History and German Control	404
De Beers and Namibia – Enduring Stormy Weather	405
Current Mining Conditions	407
Taxation, Marketing and Processing	408
Value-Added Development	411
Local Decision Making	413
Developing a Diamond Strategy	415
Future in the Waters	417
19. RUSSIA: IN SEARCH OF A FUTURE WITHOUT DE BEERS	419
Multi-Pronged Rough Pricing Mechanism	421
Natural Resource Driven Economic Growth	424
Marketing Through the Cartel	426
Mining Sector's Early Days	430
De Beers Warns Against Cartel Breakdown	434
Yeltsin's Diamond Policies	436
Changing Cost Environment	436
Market Economy Transition	437
Development of Cutting Industry	438
Monopoly Position in the Local Market	441
Russia's Secondary Market	442
Development of Alrosa	443
Alrosa's Operations	444
Alrosa's Rough and Polished Sales	445
Diamond Sorting and Valuation	446
Links with Angola	449
Going Without De Beers	451
Challenges to Stability	452
20. SIERRA LEONE: SCARRED BUT SURVIVING	455
Government Policy on Mining and Marketing	457
Historical and Political Background	459

War and Post-War	462
A Diamond Economy	464
Foreign Investments	467
Current Rate of Production	468
BOX: Mining Operations	469
Governance in Diamond Mining and Marketing	469
Regulatory Framework Affecting Buyers	470
Lebanese Fight to Protect Local Cartel	472
Access to Working Capital	473
Smuggling – A Necessity?	474
Transactions Operate Solely in Parallel Market	476
Flawed Export Procedure...	478
...and a Weak Domestic Banking System	478
Export Licensing Systems	479
Entry Barriers	480

21. SOUTH AFRICA: INDUSTRY UNDER A LEGISLATIVE AND POLITICAL CLOUD 483

Uncertainty Reigns	487
The End of Oppenheimer Rule?	488
Organisation of Rough Distribution	489
De Beers' Position	490
Objectives of the New Act	492
Can South Africa be Competitive?	494
Export Duties and VAT	496
Focus on the Small Diggers	497
Expanded Role for Rough Dealers	498
Function of the Diamond Bourse	499
BOX: Diamond Discoveries	500
Historical Attempts to Create a Domestic Industry	501
Export Duty Imposed to Protect Domestic Industry	503
Subsidising Foreign Cutters	505
Failure of Pre-World War II Value-Added Policies	507
Incentives Eventually Ruined the Industry	508
Looking to the Future	510
Government Diamond Valuator's Role	511
South Africa: Quo Vadis?	514
BOX: SADC Diamond Trading Area	515

22. TANZANIA: COME A LONG WAY 517

Diamond Destiny	518
Williamson versus De Beers	519
Domestic Beneficiation	521
Diamond Production Hopes	522
Integrated Economy	523
Addressing Humanitarian Concerns	525

23.VENEZUELA: COMING TO A HALT	527
Local Diamonds	528
Historical Background	529
Diamond Miners	530
Diamond Buyers and Exporters	532
Mining Control	533
Taxes Drive Business Underground	534
PART THREE: MANUFACTURERS AND TRADERS	
24. MANUFACTURING AND TRADING CENTRES:	539
AN INTRODUCTION	
Profit Squeeze	539
Governmental Appetite for Beneficiation	541
Holding Stocks	543
Gross Margins	544
Cutting Centres	545
Fluctuating Fortunes	
Proliferation of Manufacturing Activities	546
Uncertainty of Performance Data	546
Test for De Beers	547
Bourses as Instruments for Governmental Policy	548
25.ARMENIA:AT THE MERCY OF ROUGH SUPPLIERS	551
Economic Isolation Advances Diamond Industry	552
History of Diamond Processing	554
Diamond Manufacturing Scene	555
BOX: Active Synthetics Production	557
Investment Climate	557
Future Prospects	558
26. BELGIUM:THE ROYAL DIAMOND CENTRE	561
Government Needs Diamond Industry	562
Oldest Cutting Centre	564
Congo Links	565
Early Government Stewardship	567
British Role in Recovery	569
Fiscal Pact	572
Tax Incentives Aimed at Capital Formation	573
Tax Free	575
Laws Apply to all Sectors	575
Formal versus Informal	577
Belgium’s Informal Economy	578
AML/CFT Compliance Programmes	580
Diamond High Council	582
Value Added Tax Exemption	583

Belgian Cost Factors	584
Antwerp's Bourses	585
EC Licensing Laws	586
Legal Framework for Trade	588
Imports and Exports	589
Sparkling Future for Antwerp	589

27. CHINA: THE SPARKLING DRAGON 593

Diamond Manufacturing Sector	595
Descendents of the Dragon as Diamond Consumers	597
De Beers Promotions Target the Urban Middle Class	599
Shanghai Diamond Exchange: Trade Monopoly	601
How Did the SDE Earn Such Enormous Economic Benefits?	601
Mechanism to Control Shanghai Diamond Exchange	603
Chronic Lack of Financing Availability	605
Insignificant Domestic Diamond-Mining Output	606
Early Beginnings to the Present	607

28. DUBAI: THE INDUSTRY'S NEW GARDEN OF EDEN 611

Buoyant Domestic Cash-Based Consumer Market	616
Developing a Sustainable Diamond Policy	617
De Beers – Transfer Pricing and Clients' Laundering Needs	620
Burden of Proof	621
BOX: Transfer Pricing – International Issues	622
Changing Behaviour	623
Diamond Trade from a Dubai Perspective	625
Dubai's Diamond Future	627

29. INDIA: CRADLE OF THE DIAMOND INDUSTRY 629

Rise of Contemporary Industry	630
Creative Accounting Concern	632
Cut in India	633
Eligibility for Export Credits	634
Rediscovering Ancient Deposits	635
Diamond Industry: Genuine Enigma	636
Informal Economy Operations	638
Local Levies Skillfully Evaded	639
Couriers and Bankers: Systems of Trust	641
Domestic Jewellery Market	643
Export Markets	644
Near-Gem Monopoly	646
Role of Argyle Mine	647
Rough Relations	648
Import Licenses and Taxation	649
BOX: Diversification and Restructuring	650

India's Regional Breakdown	651
Worker Productivity	652
Official versus Informal Finance	652
Improved Trading Environment	653
Diamond Dabbawalas: Paper Companies	653
30. ISRAEL: DEFENDING THE QUALITY DIAMONDS NICHE	657
Pre-State History	658
1950s – Period of Decline	664
Return of De Beers	664
Ongoing Government Role	666
Added-Value Contribution	667
Provision of Capital	669
Fiscal Arrangements	673
Rough Imports and Exports	677
Polished Diamond Exports and Manufacturing	678
BOX: The Leviev Phenomenon	679
Trends Toward Consolidation and Concentration	681
Future Directions of the Israeli Industry	681
BOX: The Schnitzer Heritage	682
31. THE NETHERLANDS: AMSTERDAM – CITY OF DIAMONDS	685
Earliest Cutting and Polishing Industries	688
Brazil's Influence on Amsterdam Diamond Industry	690
On the Upswing – The Cape Period	692
Industry Exodus to the US	693
Amsterdam Diamond Bourse	694
Early and Mid-1900s: Roller Coaster of Inconsistency	695
World War II – Diamonds for Hitler	696
Nazis Establish Diamond Factories	699
War's Aftermath	701
Dutch Domestic Diamond Market	702
BOX: Oppenheimer Rescued Jewish Relatives in Holocaust	703
32. US: THE BIG APPLE DIAMOND GATEWAY	707
Value of the Middlemen	710
History of US Diamond Industry	715
World War II	716
US Diamonds as Foreign Assistance	717
Protective Tariffs	720
Current Cutting and Trading Industry	721
Added Value and Margins on Wholesale Levels	723
Added Value and Margins in the Jewellery Retail Sector	724
Understanding the Supply and Demand Equation	725
Changing Distribution Patterns	727

Re-Export Market	728
Lack of Availability of Rough Diamonds for Processing	728
9/11 Changed the Industry's Landscape	730
Rules Discriminate Against Foreign Suppliers	731

PART FOUR: GLOBAL ISSUES

33. POLITICAL AND LEGAL CONSTRAINTS: 737

UN-CARTELLING THE DIAMOND CARTEL

Proud to be Illegal	738
In Search of Legal Compliance	739
Settling First in the US	740
Private Actions Against De Beers	742
Friendly Environment for Class Actions: Katie versus Nicky	744
US\$300 Million to Satisfy all Suits	746
Status of Sullivan: Disbursement of Funds	747
Landmark Case: Leider versus Ralfe	749
Prove that Diamonds are Forever	750
Position of the Sightholders	751
The Court of Public Opinion	752
History of De Beers' 'Trouble' in the US	754
First Criminal Indictment Against De Beers	758
Political versus Commercial Concerns	758
Next Indictment: 1974	760
FTC Investigates De Beers' Clients	762
Can the Diamond Industry Survive Without a Cartel Structure?	763
De Beers in Europe	765
Gary Ralfe 'Saved' the Company	
Co-Operating With the Authorities	768
Restriction of Competition (Article 1)	772
Abuse of Dominant Position (Article 82)	774
SoC's First Test in Antwerp Court	775
SoC Procedures Tested in British Court	777
The Essence of the Jayam Claim	778
Ombudsman to Filter Information into Allocation Model	779
BOX: Omni-Powerful – Albeit Conflicted	781
EC's Outsourcing of its Monitoring and Investigation Responsibilities	781
Legal Compliance: From Elusive Dream to Reality Within Reach	782

34. BRANDING REVOLUTION: 785

PRODUCER-INDUCED STRATEGIES

De Beers Opposes Generic Diamond Marketing	787
Branding in Diamonds	788
Vertical Integration: Preferred Branding Option	789
Rough Diamond Supply to Jewellery Brand Owners?	791
Franchising the De Beers Brand	792

Five Different Types of Diamond Branding	795
Losers and Winners	796
Attaching a Label to the Diamond	797
Benefits of Product Differentiation	797
Looking to the Future	798
35. DIAMOND BANKING:	801
HIGHER RISKS IN A POST-CARTEL ENVIRONMENT	
Annual Interest Costs Close to US\$1 Billion	802
Cartel's Stability as Worldwide Justification for Leverage	803
Globalisation of the Niche Expertise	804
Margins Attract New Banking Players	805
Increased Loss Provisions	807
Financing Product Development and Risk Hedging	811
Risks of Financial Meltdown	812
Basel II and Diamond Financing	813
Worldwide Diamond Industry's Banking Debt	815
Insuring the Default Risks	817
Indian Banking Scene	818
Israel Banking Scene	820
Monitoring the Added Value	821
Collapse of Subsidised Finance	822
Analysis of Israel's Contemporary Banking Scene	822
Active Israeli Banks	823
Internal Clearing System	823
US Scene	824
Belgian Scene	825
Internationalisation of Diamond Banking	828
Distress Hedge Funds Drawn to Industry Debts	829
Industry Liquidity	830
APPENDICES	
A. ANTI-MONEY LAUNDERING RULES: US vs BELGIUM	835
B. DEFINING CONFLICT DIAMONDS	841
C. DTC – DIAMOND BEST PRACTICE PRINCIPLES	863
D. CRJP CODE OF PRACTICE	865
E. DE BEERS OWNERSHIP STRUCTURE	881
F. EC SOC DECISION	885
G. EC ALROSA-DE BEERS DECISION	891
H. EC DE BEERS-LVMH DECISION	893
GLOSSARY	909
BIBLIOGRAPHY	915
INDEX	931

TABLES

Diamond Pipeline (2005)	46
Diamond Jewellery Markets (By Country)	49
Estimated Annual World Supply of Polished Stones	51
US Polished Imports of Diamonds	52
Polished Trade Flow From/To Four Main Centres	54
Rough Diamond Trade Through the Dubai Free-Trade Zone	60
Rough Diamond Trade Through the Swiss Free-Trade Zone	60
Hypothetical Diamond Retailer's Sales and Inventory Movements	64
World Production (2005) According to Kimberley Process	69
World Natural Diamond Production (2005)	166
World Natural Diamond Production: By Country and Type	171
Production Qualities: By Mine	171
World Production By Size and Value	172

ANGOLA:

Official Diamond Output (2001-2005)	180
Formal Sector Production By Mine	181
Diamond Sector's Contribution to Government Budget	183
Historical Diamond Statistics	195
Diamond Production (1995-2001)	197
Diamond Export Values (1995-2001)	197

AUSTRALIA:

Map of Australian Mining Operations	205
Argyle Parameters	207
Australian Diamond Royalty Receipts	216

BOTSWANA:

Diamond Exports	244
Diamond Production (2002)	244
Diamond Production (2003)	244
Contributions to Changes in Mineral Revenue	256
Debswana's Key Performance Indicators	256

BRAZIL: Diamond Production (1997-2003)	267
---	-----

CANADA: Rough Diamond Production (1998-2005)	297
---	-----

CAR:

Rough Diamond Exports	334
Export Tax Components (%)	334

CONGO (DR):

Official Diamond Production	339
Historical Diamond Output (1980-2002)	341
Recent Diamond Output (2003-2005)	341
Miba Production	353
Government Revenue from Mining	360
Diamond Tax and Royalty Revenue (2004)	361

Revenue from Mining Taxation, Royalties and Trading Licences	361
Revenue from Exploration and Mechanised Mining (2004)	362
Mining Taxation	363
NAMIBIA:	
Rough Diamond Exports (1999-2005)	398
Namdeb Production Statistics (2004, 2005)	403
Namdeb Diamond Sales (2001-2005)	403
RUSSIA:	
Price Differentials in Multi-Tier Pricing	423
Value of Diamonds Extracted (2001-2005)	446
Alrosa's Rough Diamond Sales (2000-2005)	448
Alrosa's Polished Diamond sales (2000-2005)	448
Alrosa's Audited Financial Highlights (2004, 2005)	448
SIERRA LEONE:	
Cost and Revenue Split Between Stakeholders	464
Diamond Production Distribution	468
Artisanal Costs	473
License Fees for Dealers and Exporters	480
SOUTH AFRICA:	
De Beers-DTC Balance: Better Goods (2004)	491
De Beers-DTC Balance: Cheaper Goods (2004)	491
DTC Sightholders in South Africa (March 2007)	494
Alluvial Production Valuation	497
BELGIUM:	
Effect of a 10% Cost Rise on the Cost of the Finished Product	585
Polished Diamond Imports and Exports (2004, 2005)	589
Imports of Polished Diamonds (2004, 2005)	590
Exports of Polished Diamonds (2004, 2005)	590
DUBAI:	
Rough Diamond Trade Through Free-Trade Zone (2003-2005)	613
Rough Diamond Imports by Origin (2005)	613
Rough Diamond Re-Exports by Destination (2005)	614
Polished Trade (2002-2005)	615
INDIA:	
Rough Imports and Polished Exports, and Value Contribution (1990-2005)	632
Major Suppliers of Rough Diamonds (1997-2005)	644
Share of DTC Sales (1990-2004)	645
Replenishment License Entitlement	646
Regional Production and Cost Breakdown	649
ISRAEL:	
Diamond Industry Contribution to Balance of Payments (2000-2006)	667
Diamond Industry Banking Debt (end 2006)	668
Banking Debt Statistics (1980-2006)	670
Rough Diamond Imports and Exports (2005)	672
Rough Diamond Trade (Imports and Exports by Country; 2005)	673

Polished Gross Exports (1996-2005)	674
US Polished Imports and Israel's Share (2005)	675
Export Industry Concentration	676
Share of Banking Credit (1995-2005)	676

US:

Diamond and Jewellery Wholesale Traders and Jewellery Stores (2003)	722
Worldwide Diamond Pipeline and Margins (2004)	723
New York State Employment in Diamond and Jewellery Sector	724
Diamonds and Jewellery Margins	724
Performance of US Jewellers (2005)	725
Polished Imports of Diamonds (2002-2006)	725
Polished Diamond Imports (2002-2006)	726
Large Polished Diamond Imports (2002-2006)	726
Small Polished Diamond Imports (2002-2006)	727
Polished Diamond Exports (2001-2006)	727
Rough Diamond Import Values (2002-2006)	728
Re-Exports of Rough Gem-Quality Diamonds (2001-2006)	729

BANKING:

Leading Diamond-Industry Financing Institutions	803
International Diamond Industry Banking Indebtedness (1997-2006)	817
Israel Diamond Industry Banking Indebtedness (2004-2006)	824
Israel Diamond Industry's Debt-Export Ratio (1999-2005)	824
Antwerp Diamond Financing	828

XVI

FIGURES & DIAGRAMS

Diamond Jewellery Markets (by Region)	50
2005 World Production by Value	53
Complex Distribution System	55
Estimated Polished Supply	61
Value Addition in Diamond Pipeline	61

SUPPLIER OF CHOICE:

Client Assessment	104
Sightholder Eligibility	105
Scorecard System	106
Assessment Schematic	107
Financial Standing and Reliability	108
Market Position	112
Development Plan	116
Distribution	118
Marketing: B2B	120
Marketing: B2C	123
Technical and Manufacturing	124
BHP Billiton Diamond Strategy	126

Typical Money-Laundering Scheme	139
Value of Mined Rough Production	167
World Supply	167
Primary v Secondary/Alluvial Deposits	168
World Production (Size and Value Breakdown)	169
GIA Intake Percentages (2002-2007)	170
Real Rough Diamond Prices (Indexed)	172
Forecast Diamond Supply-Demand (2005-2015)	173
ANGOLA: Location Map	179
BOTSWANA:	
Real GDP Growth and Per Capita GDP	235
Diamond Production (1970-2005)	237
BRAZIL: Geological Map	275
CANADA:	
Mines in the Northwest Territories	300
Diamond Exploration Expenditure (2004)	317
CAR: Location Map	328
GUYANA:	
Location Map	372
Administrative Regions	376
NAMIBIA:	
Land v Sea Production (1908-2003)	397
Namdeb Production (1999-2010)	399
Stone Size Distribution	402
RUSSIA:	
Alrosa Operating Structure	445
Diamond Mining Production	447
SIERRA LEONE:	
Location Map	456
Conflict Areas	469
Main Stakeholders in Artisanal Mining	472
TANZANIA: Location Map	519
VENEZUELA: Location Map	529
MANUFACTURING:	
Clarity v Cost (1 ct stone)	540
Consumer Preferences (Colour v Clarity)	545
Armenia: Location Map	552
China: Structure of the Diamond Administration	604
INDIA:	
Destination of Exports (2005-06)	641
Size of Retail Market (1995-2004)	641
Exports of Gems and Jewellery (2000-2005)	644
US:	
Retail Sales Growth (1991-2005)	713
Jewellery Store Sales Distribution	714