



World Diamond Council

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SURVEY SHOWS THAT U.S. JEWELERS REASSURING CONSUMERS ABOUT CONFLICT DIAMONDS

NEW YORK, NY – February 5, 2007 – As part of an ongoing effort to eliminate conflict diamonds from the supply pipeline, the World Diamond Council (WDC) has worked to educate both consumers and retailers about conflict diamonds, encouraging consumers to ask tough questions—and retailers to give straight answers—whenever diamonds are bought or sold.

The diamond industry, non-government organizations (NGOs) and individual governments have been working aggressively for years to stamp out the trade in conflict diamonds. While more remains to be done, the results of a national survey released today by the WDC provide evidence that its education efforts are playing a part in helping to eradicate conflict diamonds from the legitimate diamond pipeline.

Conducted in the United States in January by GfK, one of the world's largest independent research agencies, the study reports that 88% of the jewelers had asked for or received guarantees from their suppliers that all their diamonds are conflict-free.

The survey also found that two-thirds of the jewelers surveyed said some customers had asked them about conflict diamonds—and virtually all of the retailers (97%) were prepared to answer the questions.

What's more, 89% said they had trained their staff to handle customer questions about the issue, while four out of five said they felt confident of their ability to explain the United Nations-mandated Kimberley Process. The Kimberley Process is the government-regulated system that makes it possible for retailers to guarantee that the diamond jewelry they sell is from a conflict-free source.

“While more work needs to be done to completely eliminate conflict diamonds from the supply chain, we are encouraged by the extent to which both consumers and retailers seem to be aware of and addressing the issue,” said Eli Izhakoff, chairman of the World Diamond Council.

Under the Kimberley Process Certification System, which was developed by the diamond industry in partnership with the UN, NGOs and individual governments, only diamonds certified as coming from conflict-free sources may be exported or imported by member nations. Today, the United States and 70 other nations, representing 99.8% of world diamond production, are members of the Kimberley Process.

The legitimate diamond trade is generating jobs and revenues that are essential to the prosperity of countries like Botswana, Namibia, South Africa, and Tanzania. The diamond industry employs over 10 million people around the globe not only throughout the African continent but also in key producing and cutting areas in Canada, Russia and India. Diamonds allow governments to provide free education and health care, and have helped to build much needed infrastructure such as roads, railways, and modern telecommunications. Diamonds also provide hope for recovering nations like Sierra Leone. As Nelson Mandela has said, “The diamond industry is vital to the Southern African economy.”

About the Survey

The GfK survey was conducted in the United States in early January and involved 318 jewelry retailers, ranging from small independent stores to national chains, department stores, and Internet outlets. The sample is considered representative of 90% of the U.S. retail diamond business.

Full survey results for the January 2007 US Diamond Jewelry Trade Sentiment Study are available on www.diamondfacts.org

About the World Diamond Council

Amid growing concern over human rights violations and atrocities committed against innocent victims in diamond producing countries of war-torn central and western Africa, the World Federation of Diamond Bourses and the International Diamond Manufacturers Association passed a resolution at their Antwerp meeting in July 2000, creating the World Diamond Council.

The resolution called for the newly formed WDC to include representation from the diamond industry itself and also from among countries where diamonds play a major economic role and from the international banking sector. The ultimate mandate for the World Diamond Council is the development, implementation and oversight of a tracking system for the export and import of rough diamonds to

prevent the exploitation of diamonds for illicit purposes such as war and inhumane acts.

The World Diamond Council represents over 50 industry organizations – from mining companies and trade associations to manufacturers and retailers – worldwide.

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