

World Federation of Diamond Bourses



From the office of Ernie Blom,
President,
World Federation of Diamond Bourses

May 28, 2019

Dear Members,

I am writing to you about proposals recently sent by Martin Rapaport in a communication to his clients where he asks two questions:

1. How does the industry feel about starting a price list for synthetic stones
2. What is the response to creating a “natural diamond organisation”

Following consultations with members of the WFDB Executive Committee, I am providing you with their consensus view.

On the first question, the WFDB firmly believes that publishing a list for synthetic diamonds would mislead the public and be very much against its interest. We are all aware that indexes and pricelists reflect financial activities and the value of commodities at any moment in time. Indeed, that is why a price list for natural diamonds was needed in our industry and turned out to be successful. Because diamonds are rare and are a great store of value, they need a price index/Rapaport price list unlike lab-grown diamonds which are not controlled by the Kimberley Process, have no provenance and are not natural.

A price list for synthetics would have no relevance and, indeed, is unrealistic since any man-made product – from zirconia to TV screens – lose value from the day that they are made. Such a list would also create the wrong impression that synthetics are commodities, in the same way that diamonds are, and therefore will cause great harm to the public who might believe that the stones are a store of value.

Regarding the second question, the WFDB finds it to be vague and rather misleading. What would be its aim? Would it be for profit or non-profit? Would it be a marketing organization and, if so, how would it be any different from the bodies that already exist?

To summarize, the advice of your Executive Committee is as follows:

1. We commend the Rapaport organization for its many years of work on behalf of transparency and protecting consumers in general, and it is in that spirit that we urge Mr Rapaport to refrain from publishing any price list for synthetic diamonds, and or any listing of synthetics on Rapnet.
2. We appreciate the "natural diamond organisation" initiative, but find it to be simply a source of confusion and which would not serve our members and the industry in any way. We believe that there are already too many diamond industry bodies and that we do not need another. Instead, we need all members of the trade globally to come together to work for its common good.
3. Our advice to WFDB members who are taking part in the poll is, therefore, to vote NO to both questions.

Yours sincerely,

Ernie