



STATE DIAMOND TRADER

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The State Diamond Trader

The Diamond Market continues experiencing trading difficulties as a result of inverse trends between prices of rough and polished diamonds. For some time now selling prices of rough have been higher than that of polished, *whereas* the ideal scenario was to be the other way round.

However there has been stability in the market due to the system constantly working towards correcting itself. In the second half of 2015, manufacturing levels reduced drastically subsequent to tightened profit margins and thus resulted in the shortage of polished inventory that edified the market in the first half of 2016. The global industry is recording a huge exit of financial institutions as well as narrowed credit facility. This in the long run is expected to correct prices of rough mostly in the secondary market.

Diamond Beneficiation Industry Transformation Projects (DBITP)

Over years, the State Diamond Trader has been facilitating DBITPs, with the intention of ensuring a *Promotion, Defence and Execution* of the Diamond Beneficiation Mandate. The slogan that the State Diamond Trader has adopted is “the heartbeat of diamond beneficiation.” Below is extracts of the projects that the State Diamond Trader continued facilitating during the quarter.

South African Diamond Indaba 2016

In further perusal of ensuring the Diamond Industry Transformation in South Africa, the State Diamond Trader established a Diamond Indaba Conference, aiming at gathering relevant stakeholders together annually in one room. The gathering’s purpose is to facilitate a platform where industry stakeholders can collectively diagnose the challenges facing the industry and to possibly recommend solutions to such. As a result, the Diamond Indaba Steering Committee continues meeting every two weeks in order to ensure adequate preparations for the upcoming Diamond Indaba scheduled for 26th September 2016 at the Gallagher Estate in Midrand.

Jewellex Africa 2016 – Diamond and Jewellery Pavilion

The State Diamond Trader further serves as a member of the Expanded Jewellex Africa Committee which seeks to sustain Jewellex Africa as a leading Gem and Jewellery Show in Africa. The Jewellex Africa is scheduled to take place at Gallagher Estate in Midrand from the 25th to 27th September 2016. Thus far preparations are on-going and the committee promises a better and bigger Jewellex Africa 2016.

September Hong Kong Gem and Jewellery Show 2016

Since March 2014, the State Diamond Trader through partnership with the Department of Trade and Industry has been facilitating participation of South African Diamond and Jewellery Manufacturing Companies at the Hong Kong Gem and Jewellery shows either in March or September every year. As a result South Africa will be having its 4th successful National Pavilion at the September Hong Kong Gem and Jewellery Show 2016 scheduled to take place at Asia World Expo and Hong Kong Convention Center from 13th to 19th September 2016. During this show 11 State Diamond Trader clients will be participating with ten (10) at the diamond side and one (1) at the jewellery side.

Transformation through Knowledge Sharing

Provincial Promotional Visits (PPV)

The State Diamond Trader ensured its presence at the following Youth intended events:

- Imbizo on Mining Development
- Cullinan Diamond Mine Career Day
- Youth in Mining Procurement Transformation Summit
- Youth Information Dissemination Session

The intention of the State Diamond Trader's participation at these events is to inform South Africans particularly youth of the existence of the diamond industry and raise awareness of career opportunities that exist within the industry. To this point this exercise has been extremely meaningful and invaluable to the people where the PPVs were executed. Such follows the highlight by attendees indicating that indeed they never knew of the existence of the industry together with the economic developmental opportunities that exists thereof.

Enterprise Development Project

During the quarter the State Diamond Trader recruited two groups consisting of seven young Historically Disadvantaged South Africans for the Enterprise Development Project. These young trainees are currently placed with two well established Diamond companies where they will get 6-12 months factory training. At factories of three State Diamond Trader clients continued. The placement thus far seems to be worth it as the feedback from the trainees is positive. The placement objective is to ensure that trainees are given an opportunity to learn how to run a small business and also get more information on how to sustain their businesses in the cutting and polishing industry. The first two groups are still undergoing their training respectively. Judging from the feedback they constantly give to the State Diamond Trader they are learning a lot.

ABC Guide

As part of the Diamond Indaba and information sharing the State Diamond Trader has developed an ABC Guide on the diamonds. This guide is a basic introduction to the diamond looking at mining and formations, characteristics and later at the manufacturing. This guide covers different topics every month and it is uploaded on the State Diamond Trader website for access to the public.