



STATE DIAMOND TRADER

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NEWSROOM 2nd Quarter 2016 (July – September)

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.

Although there has been much softening in the global market, the State Diamond Trader has had a much better trading quarter analysing from July to September 2016. This was as a result of the special purchasing models that the State Diamond Trader has designed with some of its producers, where selection of suitable goods can be purchased in difficult market conditions.

The rand/dollar exchange rate remained volatile throughout the quarter.

Diamond Beneficiation Industry Transformation Projects (DBITP)

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

Projects

South African Diamond Indaba

Following months of preparations and planning, the State Diamond Trader executed its second Diamond Indaba Conference at Gallagher Estate Convention Centre on the **26th September 2016** which ran concurrently with Jewellex Africa 2016. This year’s Diamond Indaba was facilitated under the theme *“Driving Competitiveness for Growth and Transformation in the Diamond Industry”*. The Conference saw the attendance of the Deputy Minister for the Department of Mineral Resources, Honourable Godfrey Oliphant as well as local and international delegates from Ghana, Antwerp and Thailand Embassy among others. The conference’s intentions were to open the platform for robust discussions about the industry, with the ultimate goal of Driving Competitiveness for Growth and Transformation in the general South African Diamond Beneficiation Industry.

The facilitation of the Second Diamond Indaba Conference also led to the launching of the Enterprise Development Programme (EDP), in which the State Diamond Trader and its four partners have now absorbed 18 young Historically Disadvantaged South Africans as EDP trainees. The EDP is a training programme designed to introduce young South Africans to the diamond Industry with the long term goal of them being entrepreneurs.

September Hong Kong Gem and Jewellery Show 2016 (13th – 19th September 2016)

The State Diamond Trader in partnership with the Department of Trade and Industry facilitated a 4th South African National Pavilion at the September Hong Kong Gem and Jewellery Show 2016. Facilitation of these National Pavilions at international events such as the Hong Kong Gem and Jewellery Show, are done in an effort for the State Diamond Trader to implement its marketing plan which consists of the following key factors:

- Promoting the State Diamond Trader
- Promoting the State Diamond Trader's Clients business through creation of access to markets
- Promoting the South African Diamond Beneficiation industry

As a result sixteen (16) South African companies participated at the show, of which eleven (11) of the participants were State Diamond Trader clients.

Jewellex Africa 2016

Additionally the State Diamond Trader in partnership with the Jewellery Council of South Africa and other Jewellery Industry stakeholders facilitated the execution of Jewellex Africa 2016 show at Gallagher Estate Convention Centre from **25th to 27th September 2016**. The execution of the 2016 Jewellex Africa Show led to the sustaining of the Diamond Pavilion at the show which was established in 2015 Jewellex Africa Show.

Right through the planning and preparation stages, the State Diamond Trader was among others tasked of ensuring participation of loose diamond traders at the show, to occupy the exhibition space within the Diamond Pavilion. Consequently, the State Diamond Trader in partnership with the Department of Trade and Industry (DTI) and Small Enterprise Development Agency (SEDA) ensured participation of twenty-nine (29) State Diamond Trader Clients; eighteen (18) having standalone exhibition booth while eleven (11) clients exhibited within the State Diamond Trader procured booth.

Provincial Promotional Visits

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

- Learners Focus Week – 3 to 7 July 2016: Ventersburg
- Career Day – 30 to 31 July: Phuthaditjhaba QwaQwa

The intentions of these visits are to inform South Africans particularly youth of the existence of the diamond industry and raise awareness of career opportunities that exist within the diamond industry. It has been very encouraging for the State Diamond Trader when receiving feedback from the audience, indicating that they indeed never knew of the existence of this industry and its opportunities.

Enterprise Development Programme

During the quarter the State Diamond Trader once more recruited a group consisting of three young Historically Disadvantaged South Africans for the Enterprise Development Programme. These aspiring entrepreneurs were placed with another diamond processing company that has partnered with the State Diamond Trader for this initiative. The number of diamond companies that are now in partnership with the State Diamond Trader has increased to a total of three (3) large companies.

Generally these eighteen (18) EDP trainees, who are absorbed in the programme, are excited and grateful to be part of this programme. The trainees constantly express that the light at the end of a tunnel continues to be visible day by day and assuring them of the set goals.

China Mining Conference 2016

The State Diamond Trader participated at the China Mining Congress and Expo 2016 in support of the Department of Mineral Resource Minister, Honourable Mosebenzi Zwane. The congress was hosted by the Ministry of Land and Resources - China in partnership with Tianjin Municipal People's Government and China Mining Association. This event took place at Tianjin Meijiang Convention and Exhibition Centre from **24th to 26th September 2016**. This year's congress marked the show's 18th year anniversary and South Africa through the Department of Mineral Resources was participating for the ninth (9th) time. What encouraged Minister Zwane's presence at the congress was the desire to see the implementation of the bilateral Memorandum of Understanding (MOU) which was signed in September 2011 between DMR and the Ministry of Land and Resources, China. The event also afforded South African State Owned Entities and the departments an opportunity to exhibit their services. The following are entities that exhibited:

- The Department of Mineral Resources
- The Department of Trade and Industry
- The State Diamond Trader
- Council for Geoscience
- Mintek
- South African Diamond and Precious Metal Regulator
- Brand SA

Public Relations

ABC Guide

The State Diamond Trader continues to share educational knowledge on the general diamond industry on its website. For this quarter the ABC Guide focused on the following topics:

- The 4Cs of Diamond Grading
- The Manufacturing process of a diamond
- Diamond inclusions in rough and polished diamonds

The aim of the ABC Guide is to theoretically educate the general South African public of diamonds, the diamond processing and to further raise awareness of the industry.

Women in Mining Conference

The State Diamond Trader once again participated at the Women in Mining Conference which was organised by Mine Health and Safety at Turbine Hall on the **27th August 2016**. The conference was facilitated under the theme “Developing and empowering the next generation of Women in Mining”. The discussed topics thus included the following:

- Mine Health and Safety
- Mining Strategies
- Research Outcomes
- Personal Protective Equipment and
- Careers in mining

The majority of attendees were female, people from South African Universities (lecturers & student), Mining Houses and other Mining Stakeholders. The conference was layout in two sections, accommodating both delegates for formal presentations and exhibition spaces.

The following State Owned Entities were among the exhibiting companies:

- State Diamond Trader
- Mine Health and Safety Council
- South African Diamond and Precious Metal Regulator
- Department of Mineral Resources

New Clients Application

Once again this year in September 2016, the State Diamond Trader circulated a clientele advertisement calling for companies who would like to become clients of the State Diamond Trader. The advertisement was place in the DFA Newspaper in Northern Cape, the State Diamond

Trader website and placed within the Jewel City Complex as well as the Jewellery Council of South Africa at 27 Ridge Road in Parktown. The closing date for the applications is 14th October 2016.