

**SPEECH BY NICKY OPPENHEIMER, CHAIRMAN OF DE BEERS,**  
**CIBJO CONGRESS, CAPE TOWN**  
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Madam Deputy President, Honourable Ministers, Dr. Cavaliere, President of CIBJO, Abbey Chikane, Chairman of the Jewellery Council of South Africa and our kind host today, distinguished guests and members of CIBJO, I am very pleased to be able to add my welcome to South Africa to those who have come from all over the world to be here in Cape Town for this Congress.

South Africa is a most remarkable place. Rising Phoenix-like from the bitter ashes of the past, this dynamic country and its vibrant people have forged a new dispensation of equality under the law with an instinctive understanding that only by working together can we all prosper and bring the benefits of the democratic process and economic empowerment to all the citizens of our great country. The Government of South Africa deserves great credit for its vision and commitment to right the wrongs of the past. De Beers fully embraces the political and moral imperatives and is proud to have in place its own Black Economic Empowerment partners in Ponahalo Holdings, which now owns 26% of De Beers here in South Africa. We are very pleased, too, to be working with Government in a number of other areas - all of which will help develop our industry further to the benefit of all.

De Beers believes in partnerships. It is the foundation of our relationships with governments, customers, employees, civil society and other stakeholders in our business. I am firmly of the belief that also in the wider diamond, precious metals and jewellery industry we can together achieve those things that seem unachievable on one's own, together we are stronger than apart, that - like South Africa - from our very diversity we can combine energies, creativity and passion to deliver a responsible, sustainable and profitable global jewellery business that makes a real contribution to the communities in which it works and on which it depends for its raw materials.

It is particularly appropriate that this CIBJO Congress is being held here in South Africa, the home of gold and diamonds. Our presence here in Africa must remind us all of the great responsibility we have to ensure that the benefits we enjoy through the fruits of the earth become a blessing also for the people of Africa. For all the great benefits brought to the countries of southern Africa through mining revenues - health care, education and employment - there remains the unacceptable face of the informal mining sector in countries further north. In all our discussions here, let us consider at every stage just what we can do to make a real difference.

So it is excellent that CIBJO is here in South Africa, and our thanks are due to the Jewellery Council for hosting this Congress. But there is another reason why I am delighted to see you all here. CIBJO - under the energetic leadership of your President, Dr. Gaetano Cavaliere - is transforming itself into a highly dynamic



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organisation, bringing together the many and varied parts of the worldwide jewellery industry into one, single confederation that represents the interests of all its members and which now enjoys both international recognition and United Nations' representation. All this is a far cry from the fractured, discordant and frankly often ineffective organisation of the past. I salute you therefore for this remarkable transformation that makes CIBJO's voice - along with those of the other key trade organisations and associations - one of the most important to be heard on the essential issues and challenges facing our industry. De Beers is proud to be an associate member of CIBJO and you are welcome indeed.

My theme today is about working together, about partnerships, about *unity*. The theme of this Congress is *delivering a responsible, sustainable and profitable global jewellery industry*. I contend that we cannot deliver any such thing without unity. Working together in the kind of partnerships I mentioned earlier, seems to me to be the only way forward.

Look at CIBJO itself - now united in purpose you have real status and authority in the international arena.

Look at the Council for Responsible Jewellery Practices (CRJP) - a remarkable coming together of companies in the gold and diamond mining and jewellery industry, competitors even, to forge and implement a united code of ethical conduct.

Look at the World Federation of Diamond Bourses and the International Diamond Manufacturers' Association - both organisations steadfast in pursuit of united industry excellence. I am pleased to see here both Ernie Blom, President of the WFDB, and Jeff Fischer, President of IDMA.

Look at the World Diamond Council, created by WFDB and IDMA, which represents the entire spectrum of the diamond business - from mining through manufacturers and jewellers to retailers - in the fight against conflict diamonds. Under the tireless leadership of Eli Izhakoff, the WDC has been the champion of the industry in the Kimberley Process, speaking with one, united voice on behalf of all of us.

It is the WDC that has led the united industry educational awareness and compliance programme which has done so much to ensure that everyone in the diamond business knows about the Kimberley Process and their obligations under its provisions. In the face of recent negative publicity surrounding the *Blood Diamond* film, the WDC has been telling the *whole* diamond story - the good that responsible mining and ethical behaviour brings to the major diamond producing countries - to the media and the public in the United States and around the world. The effectiveness and success of the WDC in this respect is due to the fact that everyone in the industry, too often divided by competition and individual interest, united in one common cause. We must now ensure that the real diamond story continues to be heard loud and clear.

We must remember, too, that the Kimberley Process itself - initiated with such vision by you, Madame Deputy President, when you were Minister of Minerals & Energy,



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and chaired with consummate diplomatic skill by Abbey Chikane - that extraordinary collaboration between the United Nations, 71 governments, civil society and industry - is a perfect example of unity in action.

So we know we can do it, that partnerships work and that they are the vehicle for continuing cooperation as we look ahead to tackling the further political, economic, social and development challenges facing our business. They are the cement that binds us together in determination to consolidate what we have achieved, and in our commitment to accelerate efforts to secure our industry from external threats.

We cannot, however, rest on our laurels. There is still much to do. Just because the movie has come and gone, we cannot now revert to complacency. Diamonds, precious metals and jewellery remain especially vulnerable to attack from criminals and terrorists in their search for ways to raise money and to launder the proceeds. Governments legislate, investigate and prosecute - and there have been some notable successes in this regard here in South Africa - but we, all of us, must join the battle to protect our business.

I have spoken often before about the responsibilities we bear and I am most encouraged by the way the organised diamond industry, represented by many of its leaders here today, has united to establish a policy of zero tolerance for conflict diamonds and those who deal in them. Nonetheless, we are only as strong as the weakest link amongst us, and the whole supply chain from the mines to the retail store can be damaged irrevocably by the thoughtless or wilful actions of individuals motivated solely by greed or personal advantage.

Good reputation, as we know, is difficult to gain but all too easy to lose. Our reputation as an industry is paramount. As purveyors of luxury goods, we are entirely at the whim of the consumer, who has many alternative choices for his spending. In our modern world, perception is often more important than reality. It only takes one incident to tarnish the name of the whole industry in the court of public opinion. All the good things we do, the enormous contribution the gold, diamond and jewellery industry makes, could be as nothing in a single moment. Furthermore, it is not just us in this hall today who would suffer, but much more importantly the millions of people around the world who depend on our industry for their livelihoods, to feed and clothe their children. The negative impact on the economies of those countries that rely on their diamond and gold revenues - some of them struggling to emerge from years of conflict - would be devastating.

This is why today I call for us all to reunite in a new effort to secure and safeguard our business. We must not only work even closer with the relevant authorities to identify and report any wrongdoing, we must also ensure beyond any possibility of doubt that everything we - and others in the industry - do is absolutely proper and appropriate. Turning a blind eye to so-called "traditional activities" by others on the grounds that "*I'm* not doing anything wrong" is simply not acceptable. The guy in the next office who operates in blatant disregard of the law and ignores the rules that govern our business is not a 'naughty colleague' or a 'rogue element' unconnected with the respectable trade, but your enemy - he has the ability to destroy your



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business and will do so, and disappear back into the shadows with his ill-gotten gains.

Thus part of the renewed effort must be to make sure that we and our suppliers all use the System of Warranties that is the industry's commitment in the Kimberley Process. It is also an essential part of our defence against those who say the industry is not doing enough. It is such a simple matter to require Warranties from suppliers and to issue them to customers, and to be able to show you have done so. I really do not understand why anyone running a legitimate business cannot see a positive commercial advantage in being able to demonstrate to their customers that their product is free of the taint of conflict, organised crime or terrorism!

We need, therefore, to support the work of the World Diamond Council with action, not mere lip-service, so when next year surveys are conducted around Valentine's Day, it will be seen by all that a hundred per cent of companies are fully compliant. We need, too, to support the initiatives of the CRJP, CIBJO, WFDB and IDMA and find ways to pull these together so we have united standards for our industry as a whole. In these matters that transcend the particular interests of countries, organisations, associations or individuals, we must renounce any partisan preference or professional rivalry and park our sometimes fragile egos. This is not about *me*, it is about *us* and the people who depend on us. We have to continue to work together, to be united and determined to protect the reputation of our industry and the integrity of our product.

This is the least we should do. As an industry encompassing the whole diamond, gold, platinum and jewellery business, I believe we should pay far greater attention to those matters perhaps not immediately related to our own individual businesses, but that could very well have a considerable impact upon them. A case in point is the informal alluvial mining sector - not just in diamonds, but in gold and other precious minerals as well.

Quite literally, millions of people in central and West Africa and in parts of South America are engaged in small-scale digging, often in unacceptable circumstances of poverty, at risk to their lives and subject to human rights abuses. Unlike regulated formal mining activities that provide essential revenues that help transform the lives of people by advancing local economies, in these cases neither governments nor local communities, nor even the diggers themselves, derive benefit from these activities. Diggers do not receive fair prices for the product and governments do not receive their proper share through taxes and royalties.

Given that we are not engaged in these activities ourselves, what can we do? We cannot stop or prevent people from digging - it is inevitable they will do so in order to support their families. You cannot just remove the livelihood of millions of people. No, we need to devise ways to embrace these activities into the legitimate, official, formal industry so that the interests of both the individual workers and those of governments are protected.

Members of the diamond industry are working on this in partnership with responsible NGOs and some affected governments. The *Diamond Development Initiative (DDI)* is

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looking at creating a model that will address the political, economic, social and development issues involved. However, without the united backing of the whole industry such initiatives are unlikely to succeed. Dr. Cavalieri, I should like to invite and encourage CIBJO - and thus all of you - to become engaged in DDI. If we are not working proactively together to address problems that both affect our business and create real human suffering, we will - in that court of public opinion - be considered complicit and guilty by association.

You may feel I have strayed somewhat from the theme of this Congress, but I don't believe that is the case. I am convinced that unless we do the things I have outlined and work even more closely together in united resolve, we simple cannot *deliver a responsible, sustainable and profitable global jewellery industry*.

Here in Africa, we must recognise that it is through developing and maximising all its natural resources that a sustainable future for this extraordinary continent and its people can be secured. We, as producers and consumers of Africa's precious minerals, have a real responsibility to ensure that our business is a key component of the campaign to "make poverty history". United, together, we can.

Thank you.



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