

THE DIAMOND CONFERENCE 2016
GABORONE, BOTSWANA
8 NOVEMBER 2016

REMARKS BY BRUCE CLEAVER, CEO, DE BEERS GROUP

CHECK AGAINST DELIVERY.

His Honour the Vice President of Botswana, Hon Mokgweetsi Masisi.

Acting Honourable Minister of Mineral Resources, Green Technology and Energy Security,
Mr Nonfo Molefhi.

Honourable Ministers here present.

Permanent Secretaries here present.

Resident director, De Beers Botswana: Mr Neo Moroka.

Chair of the Kimberley Process.

Executive Vice President of De Beers Global Sightholder Sales: Mr Paul Rowley.

Captains of industry.

All protocol observed.

Esteemed guests, dumelang!

Good morning everyone and welcome.

Thank you all for joining us at the 2016 Botswana diamond conference.

First and foremost, I would like to pay tribute to all our partners in government – it is only because of your excellent work to support the diamond industry that we are all able to be here enjoying Gaborone’s hospitality while we address topics that will shape the sector’s future. And my thanks go out especially to the Ministry of Mineral Resources, Green Technology and Energy Security, our co-hosts of this conference.

As many of you know, last year we hosted an event here in Gaborone that sought to understand how Botswana might best turn its finite resources into enduring opportunity – in short, we were looking at how the nation’s stunning diamond success story could continue to help the country achieve its socioeconomic objectives.

This year we turn to look more closely at the diamond sector itself and to consider how we might overcome the challenges we face.

And let's be clear, we do face a number of challenges. Issues such as the future of financing, industry efficiency and changing consumer trends are all set to test us in the years ahead.

But as challenging as each of these may be, they also represent opportunities for us to improve the way we work and to become even stronger in the future:

While industry financing has been an area of difficulty, the outcome of this has been greater financial transparency and robustness that is improving the competitiveness of the diamond sector.

And while the diamond sector has been less efficient than some others in the past, we are now starting to see this catalyse improvements to inventory management practices, value chain relationships and cost containment.

And while we are seeing changing consumer trends, the same forces that drive these are also delivering the creation of millions of new middle class households around the world as well as the financial maturation of the Millennial generation.

So there are undoubtedly many opportunities on the horizon if we can agree an effective roadmap for the way forward. And there can be no better location for such discussions than Botswana, the beating heart of the global diamond industry.

All stages of the diamond value chain are represented in Botswana, so the country has a direct stake in making sure that we engender success for all the businesses, organisations and individuals involved in the diamond pipeline.

And with so many different industry stakeholders converging in Botswana for so many different reasons, hosting this conference here also enables us to maximise the benefits of collaboration.

And, ladies and gentlemen, this really is the key.

As I have said before, the entire diamond industry is built on partnership and collaboration, at every stage of the pipeline and in a variety of ways.

First, we sell a product that is the ultimate symbol of enduring partnership.

Second, we are increasingly marketing that product through collaborative programmes and campaigns that allow the whole to be more than the sum of the parts.

Third, the diamonds that we market are cut and polished by some of De Beers' key commercial partners – Sightholders – who together are responsible for the great majority of the world's trade in rough and polished diamonds.

And of course those same diamonds are brought out of the Earth by a range of mining operations, all of which require a high degree of partnership or collaboration.

Whether it's our joint venture with Mountain Province for our new Gahcho Kué mine (the largest diamond mine in two decades); or whether it's our partnership with the Botswana Government that runs through our mining operations, our sorting and valuation business and even the very shareholding of De Beers – whichever way you look at the diamond sector, collaboration is at the heart of all our success.

And that's exactly why I'm so pleased to see you all here at the conference so that we can combine our efforts to arrive at mutually beneficial solutions for all parts of the value chain – solutions in which we all have a stake and solutions for which we can all take our share of responsibility.

None of us will ever maximise our potential by acting alone and I therefore urge you all to speak openly and to air your views frequently over the next couple of days.

Because progress in the diamond industry is too important – not only for the businesses involved, but also for the huge numbers of people around the globe whose livelihoods depend on diamonds – for us to shy away from tackling the issues head on and with a united front.

If we can come up with some concrete proposals at the end of these two days, then together we will be stronger and together we will build a brighter tomorrow.

Thank you.