

## KP comes under fire at Rap conference

By Michelle Graff  
September 11, 2009



The final session at the annual Rapaport International Diamond Conference grew lively as the subjects of the Kimberley Process and the current situation of alleged human-rights violations in Zimbabwe were debated at the table. The conference was held on Thursday in New York.

New York--A discussion on the economic downturn and its impact on jewelers turned lively when the Kimberley Process (KP) was mentioned during the final session at the annual Rapaport International Diamond Conference, held on Thursday in New York.

The session, titled "Human Rights and the Diamond Industry," inevitably came to focus on the current situation in Zimbabwe, a diamond-producing country that has become a center of controversy due to the alleged abuse of diggers in the Marange diamond fields.

During the session, panelist and Diamond Development Initiative Chairman Ian Smillie, a leader in the inception of the KP who walked away from the organization earlier this year, blasted the process, saying that it had "no teeth."

"In my view, the Kimberley Process is failing badly," he said.

Smillie said there is no method of voting within the process (to take action, all members must agree unanimously) and that issues drag on for long periods of time for no reason.

He also called the KP's peer-review mechanism, which dictates that participating countries visit and review other participating countries every three years to ensure compliance and offer suggestions, a "disaster."

He cited a 2008 peer-review trip to the African nation of Guinea where members spent less than two hours outside the capital city and didn't finish the review report for 11 months.

In Zimbabwe, Smillie said, the KP review team who visited the country this summer recommended that the nation be suspended from the KP, but KP Chairman Bernhard Esau said that wouldn't happen, a statement he has since publicly denied.

Cecilia Gardner, head of the Jewelers Vigilance Committee and director of the U.S. Kimberley Process

Authority Institute, however, defended the KP and the steps it has taken in Zimbabwe.

She said there are three sources of diamonds in Zimbabwe, two of which have "spotless" records of KP compliance.

She acknowledged that while the problems in the third source area, the Marange diamond fields, which produce mostly industrial diamonds, are "incredibly serious," the KP is taking the lead on addressing those issues, noting that it is the only organization of any kind that is working with the government in Zimbabwe on a solution to the problems in Marange.

She also pointed out that while there are problems in countries such as Zimbabwe, other large-producing diamond countries, such as Botswana and Russia, are completely KP compliant.

"What we have been talking about here are the problem countries," she said.

Other highlights of the conference included:

In a speech entitled "Now What?" Chris Ellis, president of Boston-based Consensus Advisors, gave retailers tips on how to thrive in these trying economic times, noting specifically that jewelers should streamline their offerings and spice up their stores.

He said there is too much product in jewelry stores, so instead of covering every inch of floor space with display cases, jewelers should think about doing something different such as putting in a coffee bar or children's play area.

"But just don't fill the cases up with memo goods that don't sell," Ellis said.

In a portion of the day dedicated to new consumer markets in India, C.K. Venkatraman, of Indian retail chain Tanishq, discussed the need to make the jewelry-shopping experience more appealing to women both today and in the future, making a place they go to relax, a "stress-buster."

Tanishq opened two U.S. stores in late 2008 and the brand garnered praise for its unique, Zen-centered design. The stores, however, were closed this summer because they were not living up to the company's expectations.

"We seem to have gotten something right, but the economics were not that good," he said, noting that although the stores were not successful, they might be a good model for where to take jewelry store design in the coming years.

In an address before lunch titled "New Realities," Rapaport Group Chairman Martin Rapaport told the audience that the economic crisis has created a new reality, and that those retailers who "go with the flow" of the current situation and act on the opportunities it presents will be the ones who thrive.

"Yes we can," Rapaport said, echoing the campaign rally cry of President Barack Obama. "That's the new reality: Yes we can."

**Links referenced within this article**

**Find this article at:**

[http://www.nationaljewelernetwork.com/njn/content\\_display/diamonds/supply/e3i7d5b5d86635a9f8211f19433408c040f](http://www.nationaljewelernetwork.com/njn/content_display/diamonds/supply/e3i7d5b5d86635a9f8211f19433408c040f)

Uncheck the box to remove the list of links referenced in the article.

© 2008 Nielsen Business Media, Inc. All rights reserved.