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Gems

Canada to unveil diamond market

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VANCOUVER — From Thursday's Globe and Mail Published on Thursday, Jan. 28, 2010 12:00AM EST Last updated on Saturday, Jan. 30, 2010 3:45AM EST



Both polished and rough stones will be bought and sold in country's first facility

Canada is set to open its first official diamond trading marketplace in downtown Toronto, a move spurred by the rush in recent years to mine and market the homegrown stones both nationally and worldwide.

The Diamond Bourse of Canada opens Monday and will be the first forum of its kind in the country where both polished and rough stones will be bought and sold.

There are 28 diamond bourses in places such as Belgium, Israel and South Africa. The Canadian bourse will become the 29th on the international circuit, which is overseen by the World Federation of Diamond Bourses. Canada produces about 15 per cent of the world's annual rough diamonds.

"It's only logical for Canada to establish a full-fledged bourse," federation president Avi Paz stated yesterday. "While Canada's population is small compared to its huge southern neighbour, the country's jewellery industry and trade, as well as its consumer market, have been growing steadily."

Diamonds were first discovered in Canada in the Northwest Territories in 1991. Since then, Canada has grown to become the third-largest producer of gem-quality stones valuing about \$2.4-billion in 2008. (Botswana and Russia are number one and two, respectively.)

The Canadian bourse will begin by trading polished diamonds, and expects to later move into the trade of rough diamonds. Currently, a small portion of Canadian rough production has been

available for sale in the NWT, which hasn't been considered a top buying destination for diamond dealers. It's considered more cost effective to travel to places such as South Africa, where there's also a wider selection.

Colleen Peyer, general manager at the Diamond Bourse of Canada, said the bourse is expected to change that, and will provide a secure space for people to trade the stones. "We'd like to see all Canadian diamonds traded on Canadian soil, rough and polished," she said.

To trade, you have to be a member of the bourse; there are now about 35 members. Only Canadian members can sell at the Canadian-based bourse, although any international members can buy there.

Bourse chairman Bhushan Vora, of diamond wholesaler Gemstar Inc., said the Canadian marketplace was a long-time coming. "This was one element in the industry was missing."

He said the Ontario government took the lead on the bourse project and matched the \$140,000 in funds raised to help create the bourse.

Mr. Vora said the bourse will be self-financed through its \$1,500 annual membership fees, as well as commissions on activities such as tenders, which are basically auctions for diamonds, and services such as storage and supplies.