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DIAMONDS IN THE LOUPE

All you need to know about selling diamonds, plus a special report on why Israel's diamantaires are looking at the UK



Gem-quality stones waiting to be cut and polished

How to sell diamonds

You don't need to go on a diamond-grading course to sell diamonds. A few key facts will help you sell the stone

WORDS Marijan Dundek

Thanks to the internet, customers who want to invest in a piece of diamond jewellery are becoming more knowledgeable about the stones, the cuts, the quality and the values, along with the issues surrounding the diamond trade. A new publication called *Diamonds* by diamantaire Marijan Dundek of Noble Gems will help retailers selling diamonds answer the kind of questions that a customer who has spent some hours on Google may ask.

How old are diamonds and how are they formed?

The exact origin of diamonds is still something of a mystery. It is known that diamonds were created by nature at least 990 million years ago and many are up to 4.2 billion years old.

The elemental forces of heat and pressure transformed carbon into diamonds 100km to 200km below the surface of the earth. The volcanic mass in which this crystallisation took place then thrust upwards and broke through the

earth's surface to cool in kimberlite or lamprolite pipes, where diamonds are found today.

Why are diamonds so rare and valuable?

It is not an easy task to recover gem-quality diamonds, and around 100 to 250 tonnes of ore must be mined and processed from the average kimberlite pipe to produce a single 1ct, gem-quality diamond.

The transformation of a rough diamond into a polished stone also requires hours of work by skilled craftsmen who can reveal the remarkable beauty within.

Where are diamonds mined?

Diamond mining has expanded worldwide. The major diamond producing countries by volume are Russia, Botswana, Democratic Republic of Congo, Australia, Canada, South Africa and Angola, with the African continent seeing the most development.

Mining can take many forms, depending on the environment and

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terrain, be it underground, alluvial or opencast. Some diamonds are even mined underwater from the sea-bed.

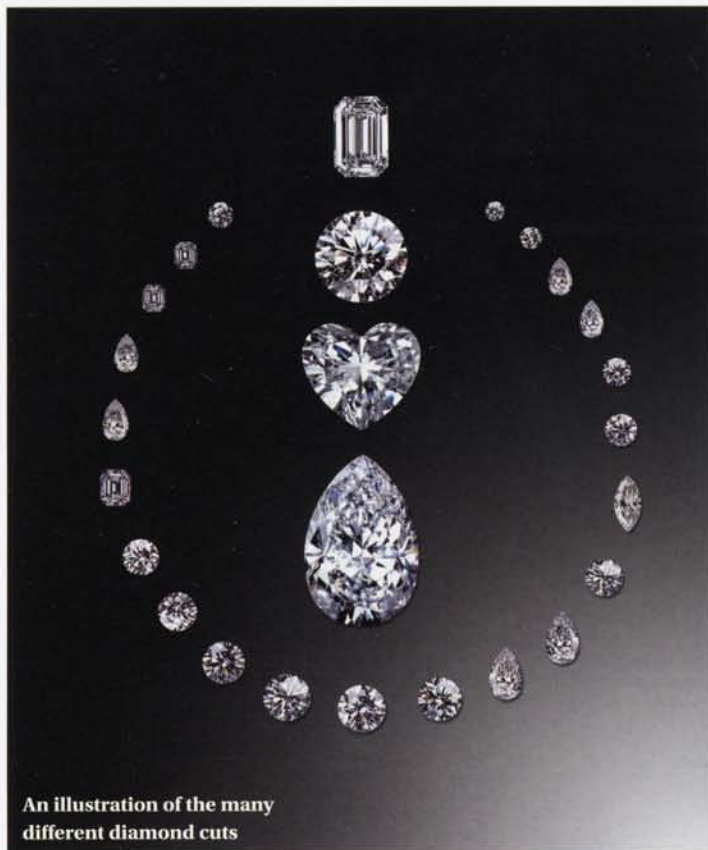
The main diamond mining companies are De Beers, Alrosa, BHP Biliton, Gem Diamonds, Leviev, Petra, Rio Tinto and Steinmetz.

What happens to the diamonds between the mine and the shop?

Once mined, rough diamonds are sorted into over 12,000 categories according to their shape, size, colour and quality before being sold to specialist diamond cutters and polishers around the world.

Diamonds mined by De Beers in South Africa are sorted locally and distributed via their clients (called sightholders).

Today, the major cutting centres are in New York, Tel Aviv, Antwerp and Mumbai, each with different strengths. New York crafts the larger diamonds, while Tel Aviv is a major player both as an innovative high-tech manufacturer and as a trader (for more information, read the Israeli diamond report, p36).



An illustration of the many different diamond cuts

Antwerp remains a key trading centre and Mumbai specialises in cutting smaller diamonds, claiming to process at least nine out of ten diamonds polished worldwide.

There are newly emerging diamond mining companies also focusing on southern Africa, establishing their own sorting, cutting and polishing operations, which will help bring prosperity to the region. Secondary cutting and polishing industries also exist in China, Canada, Russia and Thailand.

How can I be sure that the diamond I am buying is not a 'blood diamond'?

In the late '90s, the world became aware that rough diamonds from some African countries were being traded in order to fund military conflicts by rebel movements. These became known as blood or conflict diamonds.

In response, an initiative was launched in 2000 by the international diamond industry, governments and NGOs to ensure that diamonds were not used to fund such activities. In 2002, this initiative led to the introduction of the Kimberley Process Certification Scheme (KPCS), a system to ensure diamonds have been bought from legitimate sources and comply with specific requirements.

Today, strict guidelines regarding production and trade must be adhered



Diamond rings, Tacori

"A well-cut diamond can make light perform in breathtaking ways, resulting in a magnificent display"

to and all rough diamonds must be accompanied by a Kimberley Process Certificate during their transportation, and detailed records must be kept.

Why is colour important to the value of a diamond?

There are four main factors by which the value and quality of a diamond is determined (which are popularly called the Four Cs), and the value of a stone is determined by a combination of these four factors. These are: colour, clarity, cut and carat.

Colour is one of the key factors and the ideal colour is the total absence of all body colour, except in fancy colour diamonds, where an intense hue is an asset.

A very precise scale of colour grading, as defined and developed by the GIA, is universally used today in the diamond trade. The colour grade begins with the letter D, representing the most rare and desirable white or colourless diamonds, and descends to the letter Z, which has a slight hint of yellow or brown.

What does clarity mean?

The clarity of a stone is assessed by an examination of imperfections – that is inclusions (internal objects) and blemishes (external marks) – under a loupe, which has a 10X magnification. Almost all diamonds contain minute traces of non-crystallised carbon or small non-diamond crystals, and are nature's fingerprint, making every diamond unique.

Diamonds without any inclusions or blemishes are exceptionally rare, and rarity affects a diamond's value. Using the GIA international diamond grading system, diamonds are assigned a clarity grade that ranges from flawless (FL) to IF (loupe clean, internally flawless – minor surface blemishes), VVS1 to VVS2 (very, very small inclusions), VS1 and VS2 (very small inclusions) to SI1 and SI2 (small inclusions) and I1-3 (inclusions visible to the naked eye).

I've read about coloured diamonds. Are these natural or artificial? And are they worth more or less than white stones?

Technological developments allow us to create diamonds of almost any colour, either completely artificially or from natural diamonds whose colour is unattractive (not clearly defined, yellowish, brownish etc).

A natural colour diamond is unique. It is the product of nature, shaped by millions of years. Its colour is the product of chance and no two natural colour diamonds can be identical: it is this uniqueness, this rareness, that gives them their high value.

Natural colour diamonds are to be considered like any authentic piece of art. Treated colour diamonds are only imitations, created by the thousands and sold at low cost.

It is crucial then, that fancy colour diamonds are sold with a guarantee that they are natural and untreated. Certificates issued by gem laboratories are an indispensable part of this guarantee.

The most rare and valuable coloured diamonds are red, blue and violet. However, other natural coloured diamonds can be much less valuable than white stones. These are black, grey and brown stones. The most popular colours after white are yellow and pink and the value depends on the intensity of the colour (along with the other Cs).

What cuts should I consider buying?

A well-cut diamond can make light perform in breathtaking ways, resulting in a magnificent display of three important diamond attributes: brilliance – the total light reflected from a diamond; fire – the dispersion of light into the colours of the spectrum; and scintillation – the flashes of light, or sparkle, when a diamond is moved. There are three different styles of cut: round, step and the mixed cut.

The round, brilliant cut is the most popular diamond shape. It was cut for centuries, but in 1919 Marcel Tolkowsky defined specific angles and proportions that would provide a balanced return of light (brilliance) and dispersion, forming the basis for the modern round brilliant-cut diamond.

The step cut has a row of facets and is usually four-sided and elongated. The other variations of the same cut are square, emerald and the Asscher cut.

“It is important for the customer to try on a range of styles and different cuts to decide which stone best suits them”

◀ And the mixed cut has both brilliant and step-cut facets. Examples of mixed cuts are cushion, radiant and princess cuts.

The cut a customer chooses should depend on the type of jewellery style that appeals most. It is important for them to try on a range of styles and different cuts to decide which stone best suits them.

How many carats should I get for my money?

Carat weight is the most obvious factor in determining the value of a diamond. One carat (1ct) weighs 200 milligrams and is divided into 100 points, so that a diamond of 50 points is described as half a carat, or 0.5ct.

However, it is important to remember that two stones of equal size can have very different values depending on the other members of the Four Cs.

It is also important to understand that carat weight does not affect the value of diamonds proportionally. The larger the stone, the more disproportionate the increase in cost per carat.

Do I get any certification on the authenticity or value of the diamond when I buy it?

Yes. A diamond grading report (or certificate) is issued by gem trade laboratories and is widely issued for stones of very fine quality over 1ct. Smaller diamonds are often certified by reputable shops themselves. The purpose of a grading report is both to confirm that the stone is genuine and to give an indication of its value.

The certificate is useful for insurance purposes and each certificate has a unique identification number, like a passport, so that an individual stone can always be linked back to the grading laboratory's database.

NATURAL COLOR DIAMOND
THE LANGERMAN SELECTION

Mint	Lime (Grade 3)	Lime (Grade 5)	Vanilla	Yellow (Grade 4)	Yellow (Grade 2)
Yellow (Grade 1)	Jonquille	Pumpkin (Grade 2)	Apricot (Grade 1)	Saffron (Grade 2)	Honey (Grade 3)
Champagne (Grade 3)	Champagne (Grade 2)	Old Rose (Grade 4)	Old Rose (Grade 3)	Burgundy (Grade 2)	Red
Black	Chocol�te (Grade 1)	Bronze (Grade 1)	Chameleon	Cognac (Grade 3)	Amber (Grade 3)
Raspberry	Raspberry	Pink (Grade 1)	Pink (Grade 2)	Baby Pink	Baby Pink
Silver (Grade 3)	Grey	Green (Grade 3)	Peacock	Indigo	Blue
Blue (Grade 2)	Blue (Grade 3)	Blue (Grade 3)	Steel (Grade 4)	Lilac (Grade 3)	Lavender (Grade 1)

www.langerman-diamonds.com

Examples of all the graded natural fancy colours for diamonds. Diamonds can also be coloured artificially

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