

Dazzling down the ages

WRITER: PATRICIA KELLY

A polished peek at the past and present of the diamond industry.



A rich friend once lent me her diamond necklace – there were around 40 stones, whoppers, and it was worth a small fortune. She travelled with it attached to her bra strap with a huge nappy pin, claiming this was the safest way to transport jewellery. “Careful,” she warned. “Everyone will admire it, but the women who recognize the stones as being real won’t speak to you.” She was right. One glance from several women, intimidated by the real bling hung round my neck, was all it took for me to become the object of their envy. Diamonds were, indeed, my best friend on that occasion.

HARD CURRENCY

Thousands of years before they were worn for adornment, diamonds were used to ward off evil and provide protection in battle; they were swallowed to cure illness and ground up in food to kill people.

Confiscated by conquerors as the spoils of war, which is how the Koh-i-Noor arrived in the British crown jewels, diamonds have more recently been smuggled and sold to finance conflict in countries such as Sierra Leone – so-called blood diamonds. Made of carbon, one of the planet’s most common elements and brought up from deep in the bowels of the Earth by volcanic activity, diamonds are the hardest natural



substance known to man, with the majority of mined gems destined for industrial use in dentists’ drills and the like.

In their natural state, diamonds look like rough glass pebbles, and lose up to half their weight when cut and polished. They were first mined in India, appearing in European jewellery in the 13th century – a Hapsburg marriage is the first recorded betrothal sealed with a diamond ring in 1477 – remaining the

prerogative of royalty until the 19th century, when the exploitation of diamond mines in South Africa by the English-born businessman and politician Cecil Rhodes who founded De Beers, the biggest diamond firm in the world, made them available to anyone who could afford them. Since then, most of the world’s gem-quality diamonds have been mined in Africa, although diamond deposits have been discovered in 35 countries, including Botswana, Russia and Canada, which are the top producers


– output from the world’s richest deposit, however, which was discovered in Australia in 1979, has fallen sharply as the diamonds have been depleted.

DIAMOND DEMAND

Some of the largest diamonds in the world are owned by British royals and the Thai king – the French, having got rid of the monarchy, sold off their crown jewels in 1887, mainly to wealthy Americans. The United States remains the world’s largest market, where

around half the world’s polished diamonds are sold. It was there that the diamond industry became an early victim of the US banking crisis during Christmas 2008, when sales slowed down. Diamond dealers depend on credit, because they have to bridge the gap between acquisitions and sales – dozens of companies in the diamond centres of Antwerp and Israel with unsold stock have gone under. Other industries slashed prices during the recession to shift excess stock, but diamond-mining companies simply turned back production to bring supply in line with lowered demand and support a recovery in demand and prices.

In India, where nine out of ten diamonds sold worldwide are cut and polished, half a million workers were laid off, more than half the workforce. But the pace of recovery is picking up and, while the recession meant top-end demand for gems from the rich temporarily dried up, small gems used in engagement rings have kept the market alive – a legacy of the industry marketing diamonds as a symbol of love and commitment.

And the slogan identified by Advertising Age as the 20th-century’s best? It was coined by a copywriter working on a De Beers campaign – ‘A diamond is forever’. 

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THE WRITER

Patricia Kelly is a former CNN correspondent and bureau chief.