



**Welcome to the
Israel Diamond Exchange
February 2015**

Israeli Diamond Industry in Numbers

- ✓ Total annual turnover of app. \$28 Billion
- ✓ Annual exports of rough and polished – app. \$ 10 Billion
- ✓ Polished export destinations - U.S. 37%, Hong Kong app. 29%
- ✓ Number of license holders – 2,000
- ✓ Number of employees in the sector - 20,000
- ✓ Number of employees, including overseas - 55,000
- ✓ Total credit to the industry - \$1.5 Billion
- ✓ Diamonds constitute 20% of Israel's total industrial export





Almost 80 Year Heritage

Solid tradition + dynamic progress = success

- Established in 1937 by six pioneers who set up factories and a trade union
- During World War II the Israeli Diamond Industry was the only active diamond manufacturing center.
- 1950 - First De-Beers visit to Israel;
- In 1961 Israel is recognized by De-Beers as the main client of Melee.
- 1966 – The first Diamond Exchange building is populated.
- 1979 – A severe global diamond crisis raises.



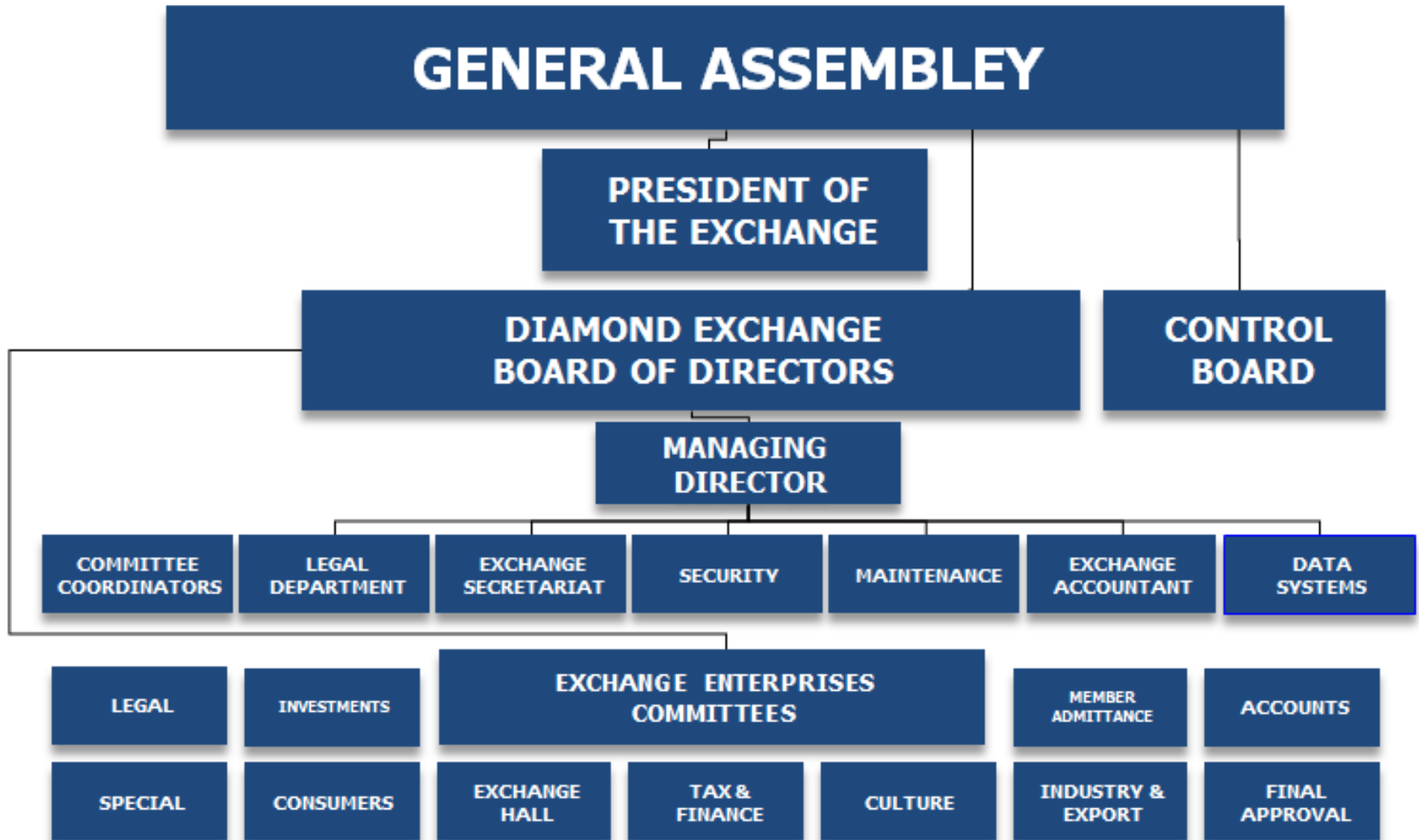
Almost 80 Year Heritage

Solid tradition + dynamic progress = success

- 1988- After a period of prosperity the 3rd tower is built.
- 1991 - Due to the Gulf War Israeli Diamond companies open worldwide offices, developing an aggressive and effective marketing approach.
- The 90's also see Israeli companies open manufacturing plants in countries where labor is less costly.
- As the new millennium begins Israeli diamantaires adopt the **DTC** new marketing strategy and leverage the opportunity to increase sales.



Israel Diamond Exchange - Organizational Chart



*Sister company : **Israel Diamond Exchange Enterprises** is directly responsible for building and infrastructure administration and maintenance

A Glance at the Israeli Diamond Scene

- * Four dedicated, interconnected, secure Office Towers and dedicated trading floors for polished, rough and other gemstones.
- * 1,400 companies in 2,200 offices
- * Five banks only serving the diamond trade and industry (including State Bank of India)
- * Number of Bourse Members: 3,500

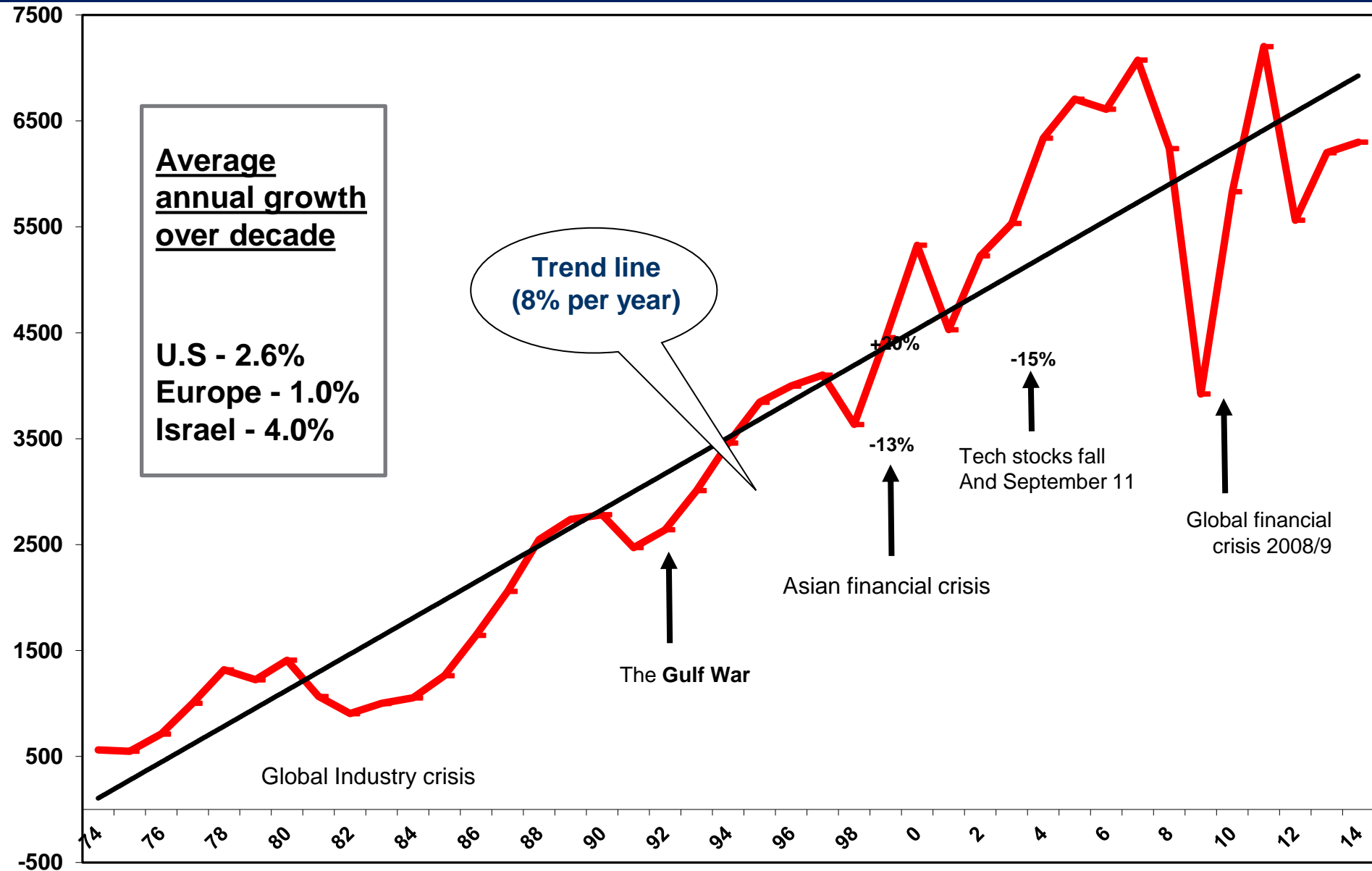


- * Manufacturers and Related fields: approximately 8,000
- * Number of visitors to the Diamond complex: 330,000 per year
- * Number of government licensed company principals: 2,000
- * Number of people working in the industry including overseas: 55,000
- * World's largest diamond trading floor

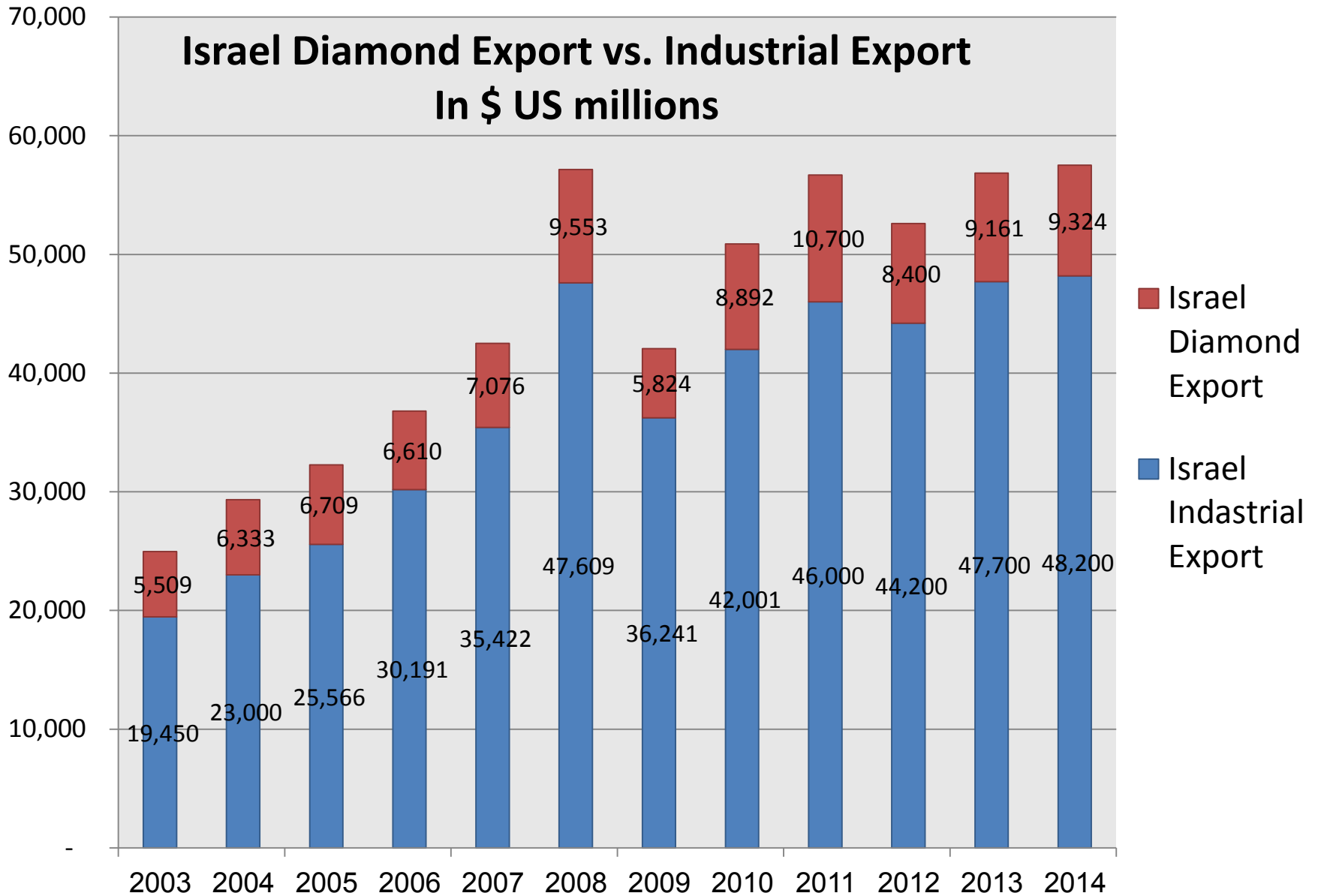


Net Polished Exports (\$M)

1974 - 2014



Israel Diamond Export vs. Industrial Export In \$ US millions

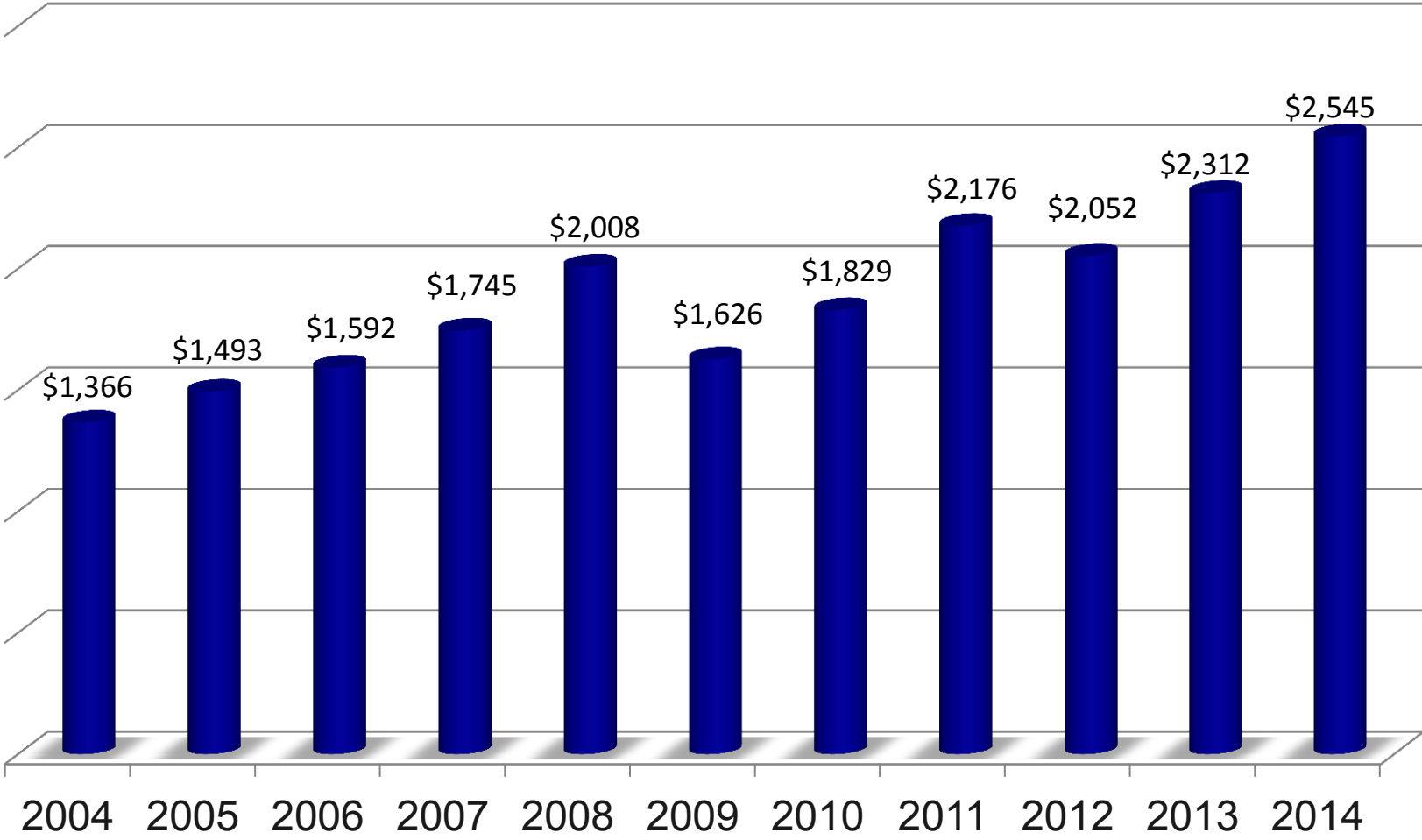


Polished Export and Rough Import over the past 70 years

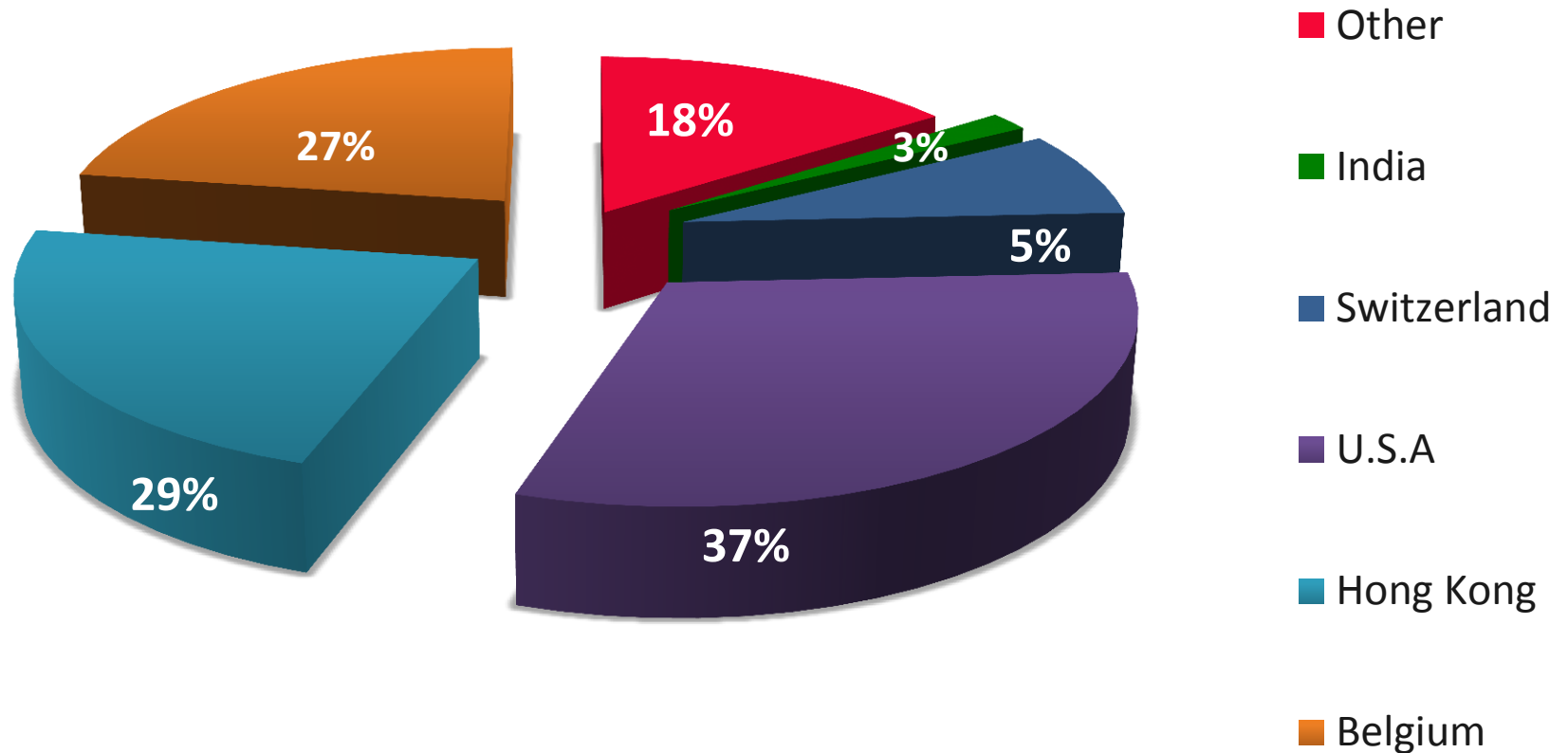
year	polished export (\$1,000)	rough import (\$1,000)
1940	70	56
1950	8,800	9,000
1960	58,000	49,200
1970	202,000	154,000
1980	1,409,000	995,000
1990	2,783,000	2,168,000
2000	5,322,000	3,869,000
2011	7,200,000	4,413,000
2012	5,563,000	3,832,000
2013	6,222,208	3,990,531
2014	6,324,000	4,023,000



Average price per carat exports in us\$



Israel Polished Export Destinations 2014



Annual Rough
Trade

\$ 8

Billion

30

Million Carats



Direct contribution and added value of the Israeli Diamond Industry to the Economy in 2013 \$US millions

Financial Services	116
Insurance, legal and business services	46
Transportation, communication, catering	70
Electricity, water, maintenance	20
Real-estate. Software, public services	20
Industry	20
Hotels & Tourism	120
<u>State & municipal taxes</u>	235
Total	647



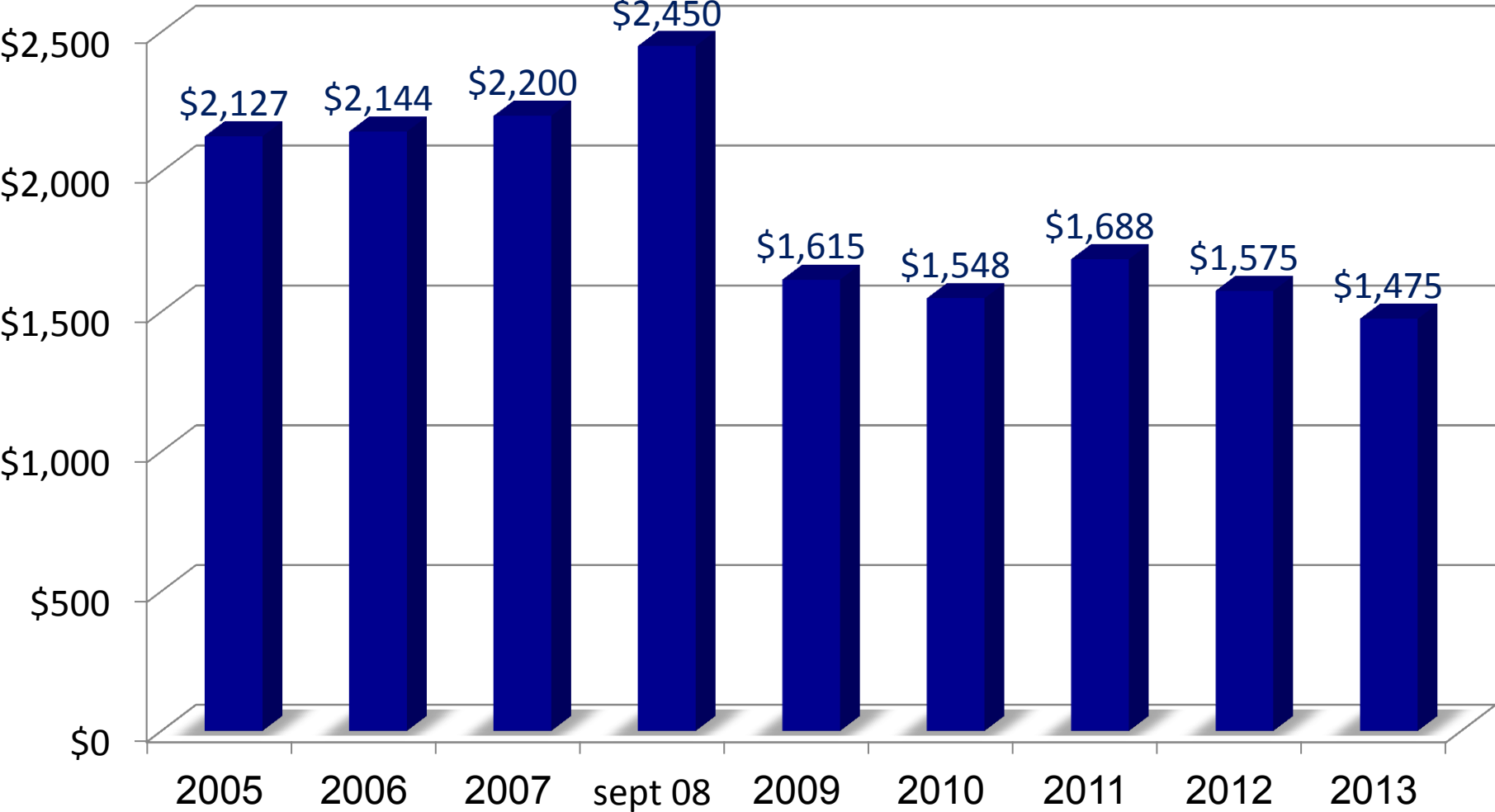
Bank Credit

ISRAEL WORLD DIAMOND CENTER ישראל מרכז היהלומים העולמי



UNION BANK 

Israel Diamond Industry Annual Average Bank Credit (\$ Millions)



Regulations

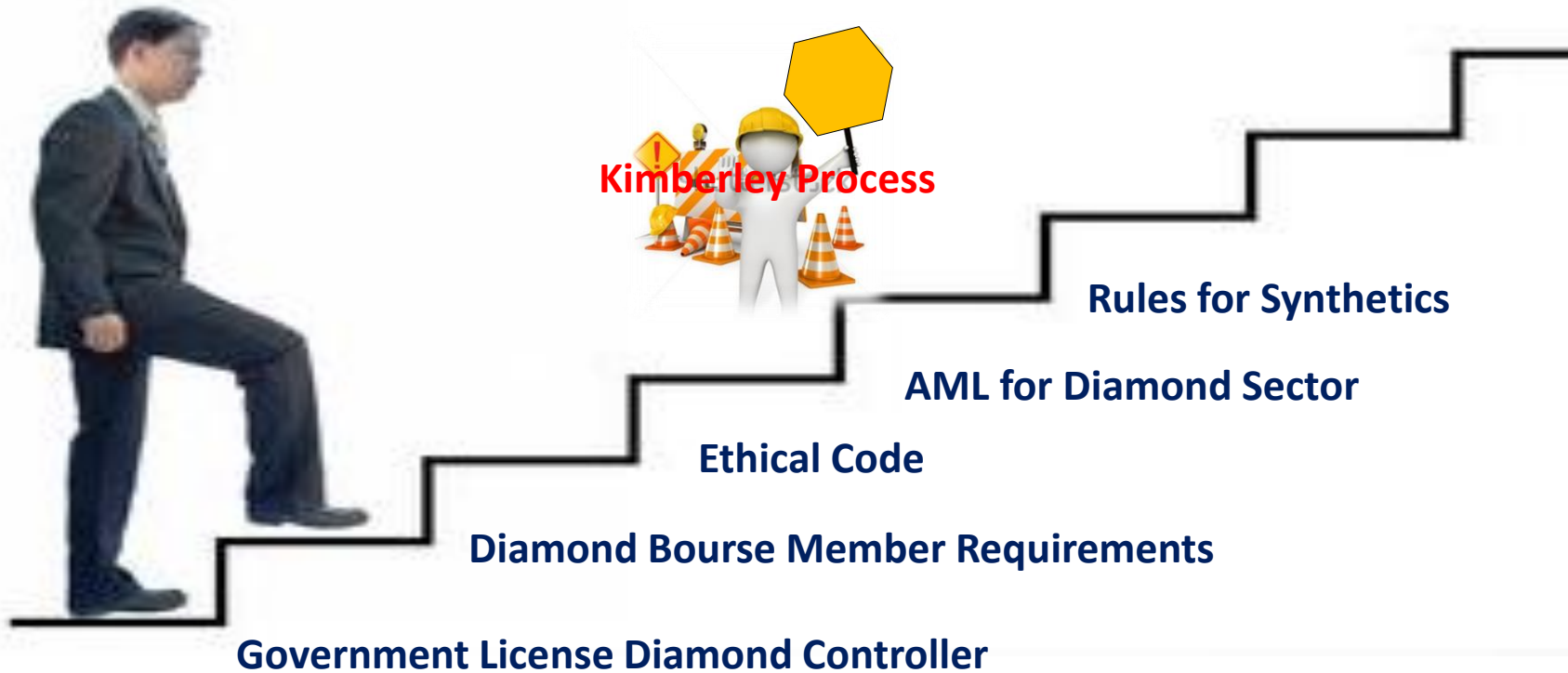
ISRAEL WORLD DIAMOND CENTER **ישראל מרכז היהלומים העולמי**





**Anti-Money Laundering Law among
Diamond Dealers**

Stairway to better compliance with regulation & ethics



Added Value

- Exhibitions- “zero cost”
 - Manufacturing
 - Income Tax
- Legal /bylaws/arbitration
- Secured environment
- Young generation (sights, education..)
- The strong support the weak
- All you could ask for in one

ISRAEL WORLD DIAMOND CENTER ישראלי מרכז היהלומים העולמי



UNION BANK

The Business Leverage We Offer Our Members

- Cooperation among bourses to promote business for their members.
- Business promotion at minimum cost (booths, advertising, couriers or insurance)
- Hundreds of buyers from all over the world



The Business Leverage We Offer Our Members

Business promotion at minimum cost –

No expenses on booths, advertising, couriers or insurance

- Israel Diamond Week at the DDC, December 2012***
- US & International Diamond Week in Israel, March 2013***
- US & International Diamond Week in Israel, August 2013***
- Israel Diamond Week at the DDC, November 2013***
- US & International Diamond Week in Israel, August 2013***
- International Rough Diamond Week , April 2014***
- Israel Diamond Week at the DDC, November 2014***
- US/Belg. & International Diamond Week in Israel, Feb. 8th 2015***
- US/Belg. & International Diamond Week in Israel, Aug. 30th 2015***

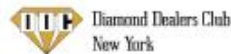


International Diamond Week

ISRAEL, FEBRUARY 8-12 2015



Partnership of three leading diamond exchanges:







INTERNATIONAL ROUGH DIAMOND WEEK

MARCH 9-13, 2014



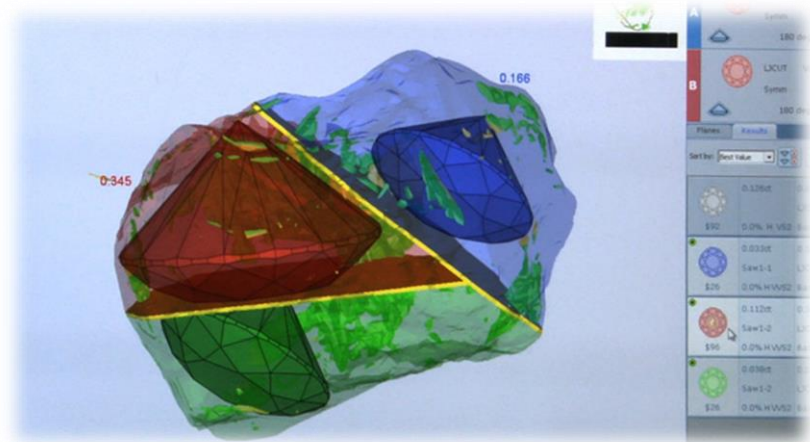
Tenders from leading Companies:

- DE BEERS AUCTIONS SALES
 - ALROSA
 - RIO TINTO
 - FUSION ALTERNATIVES / I. HENNIG
 - TZOFFEY'S 1818
-
- **Next Rough Diamond Week—April 2015**



Modern Polishing Center

- **Manufacturing Wing;**
Polishing Wheels, Sawing, Laser Cutting, Polariscope (pressure machine)
- **Technological Services;**
Sarine, (Galaxy) ,OGI, Color machine
- **Gemological Services**



SECURITY

- * ALL FACILITIES UNDER ONE ROOF
- * ENTIRE COMPLEX MONITORED BY SOPHISTICATED CENTRAL CONTROL SYSTEM
- * ACCESS WITH ENTRY TAG & BIOMETRIC IDENTIFICATION ONLY
- * ROUND THE CLOCK INTERNAL & EXTERNAL SECURITY



Diamond Exchange Activities for Exchange Members & the Community

- Training courses for new members: about 75 students per year in rough, gemology, ethics, marketing, sales management and security.
- Excellence in management courses - about 20 students per year in marketing, sales, international law and business culture.
- Enrichment classes - about 150 students per year: gemology, mediation/ negotiation, online sales and jewelry registrations.
- Contribution to the community - around \$600,000 are donated per year: Hospitals, IDF, charity , regional development.
- Welfare Fund "Friends for Friends" - the strong supporting the weak.





בורסת היהלומים הישראלית
מרכז היהלומים העולמי מאז 1937



The Israel Diamond Exchange
World Diamond Center Since 1937

