

Bargain prices for Zimbabwe diamonds

VICTORIA FALLS, ZIMBABWE: Cash-strapped Zimbabwe is selling its diamonds to few takers at give-away prices as most foreign buyers shun the country isolated by its former western allies, an expert said on Monday (12 November).

Chaim Even-Zohar, president of the Tel Aviv-based diamond consulting service Tacy Limited, said that Zimbabwe has the potential to produce between eight and ten percent of global demand but was not selling as many diamonds as it could because potential buyers were concerned about trading with Zimbabwe.

"Although you are totally KPCS-compliant, major companies are scared, insurance companies are afraid of OFAC (the US Office of Foreign Assets Control). This means you sell your goods at 25% less in value," Even-Zohar told delegates attending the event.

The conference was organised by the Zimbabwe government to try to spruce up the country's tainted diamond sector.

"We want you to unlock the diamond wealth because we all need it. You are not capturing the full value of your goods."

Zimbabwe's diamond mining sector has been blemished by allegations of graft and labour and human rights violations, which occurred when Harare used security forces to drive away illegal miners from the eastern Marange diamond fields.

Global watchdog Kimberley Process suspended exports from mine but lifted the ban after the government said it had pulled the security forces out of the area.

Natural resource extraction watchdogs accuse President Robert Mugabe's party of paying profits to senior military and political leaders but on Monday defence minister Emmerson Mnangagwa denied the charges in an interview with the state-owned *Herald* daily. He dared those making the accusations to present proof.

Finance Minister Tendai Biti, a member of the anti-Mugabe Movement for Democratic Change (MDC) party, complained in July that of the US\$600m diamond revenue projected for this year, had seen just US\$46m in revenue materialise.

The two day conference is seeking to "manage perceptions of the Zimbabwean diamond industry and lure more investors invest in it," according to the mines ministry.

Among notable speakers are Kimberley Process chairman, Gillian Milovanovic, an American diplomat, former South African President Thabo Mbeki and representatives from African Diamond Producers.

Source: AFP via I-Net Bridge