

# Young Diamantaires Rallying to Sustain Antwerp Trade

## Q&A with Ayelet Lerner, Spokesperson of Antwerp's Young Diamantaires Club

Antwerp's Young Diamantaires Club is an initiative aiming to provide a supportive network and structure for diamond entrepreneurs under the age of 40. Launched in 2014, the club aims to host workshops exploring all aspects, challenges and opportunities of the diamond trade to help participants grow their businesses and advance the trade in Antwerp. *Rapaport News* spoke with Ayelet Lerner, spokesperson for the Young Diamantaires Club, about the club's goals, and some of the challenges facing its constituents:



### What led to the establishment of the club?

The seed was planted during the 36th World Diamond Congress that took place in June 2014 in Antwerp. The World Federation of Diamond Bourses (WFDB) invited members of the trade under the age of 35 to participate in certain sessions of the congress. Ernie Blom, president of the WFDB, urged the bourses to engage with the younger generation to ensure some leadership continuity.

I attended the congress and followed up with the Antwerp Diamond Bourse to give us a platform. So the initiative was supported by the bourse. However, it's open to everyone and you don't have to be a member of a bourse to participate.

Our aim is to create networking opportunities for young diamantaires and also to open a line of communication with Antwerp's industry representative bodies, including the Antwerp World Diamond Centre (AWDC) and the different bourses. We want to start a dialogue and make them understand our needs.

The bigger idea behind the club is that we are invested in creating a sustainable future for Antwerp, which is not a given for any center today. We are investing to keep Antwerp alive and relevant as a diamond center.

We have an organizing committee that meets every two to three weeks to decide what to do next, understand the feedback we're getting and discuss the way forward. We have to stay relevant considering all the challenges in the industry and we want to engage with people.

### What were your first activities to get the club off the ground?

The first thing we did was send out an invitation to anyone under 40 to meet about the Young Diamantaires Club. That was in November last year. We had an open forum where we did an analysis with the bourse to set out the strengths, weaknesses, opportunities and threats that we face in Antwerp.

Since then, we've had three events. In December, we had a workshop with the CEOs of the three biggest banks operating in Antwerp – Antwerp Diamond Bank (ADB), ABN Amro, and the State Bank of India – because there is a banking crisis taking place at the moment.

It was a very successful event both in terms of the turnout and in the sense that it wasn't a hostile atmosphere as one might have expected when engaging with the banks. We had an open and honest dialogue even if it was unpleasant to hear some of the things they said. There was a sense that something was being created that was different.

We then hosted a New Year's networking event in January which gave us a chance to explain what the Young Diamantaires Club is and what are our goals. Toward the end of January we held an interactive session with Nele Bouchier, head of public relations and communications at the AWDC, to understand the AWDC's strategy and begin a more open dialogue with the AWDC, which some feel has been lacking.

### What is your background?

I come from a long line of diamantaires that dates back to the 1890s. My parents built a very active business that was primarily a buying office for the U.S. market and I joined the business 14 years ago.

Our business was always based on the knowledge of buying, which is a skill, especially with the non-certified piqué goods that we mainly deal in. You really need to have a knowledge and understanding of what you're doing.

However, with everything changing around us, things changed for us too. Today, you can't just focus on buying; you have to go out and sell, and sell yourself too.

We're still very much a buying office but we've had to learn to go out and get new customers. That's something that we didn't have to do back when the industry was thriving with people here every week.

### What are the biggest challenges facing Antwerp's diamond industry today?

It's a sluggish time for the global market but there are several factors affecting Antwerp locally. One of them is that \$1.4 billion is being removed from our market with the closure of ADB. So people who would typically buy for stock are not doing so anymore. People are extremely selective about what they're buying and there is a gap between demand and prices. Goods are expensive even though demand is soft. People expect to be able

to buy cheaper but availability is so low that you tend to get stuck on things that you wouldn't imagine.

The factories are producing less polished and rough purchases have reduced due to less available financing. So there's not necessarily a fresh flow of goods coming onto the market. Financing is a big challenge.

There is also the fact that the industry is not very dynamic and that's part of what we're trying to contribute at the Young Diamantaires Club. It's very easy to become isolated in your business, especially in such a market where there's not a lot of trading going on. So people kind of give up or do just what they need to survive.

There is a lack of communication in our industry and a certain inability to look outside of ourselves. We're a very profit-oriented industry so our time is dedicated to making money. But even in industries that make tremendous amounts of money, like in hi-tech, companies such as Google and Apple realize that you need to open up to a sense of community and create a sharing platform. This is something that the global diamond trade has a lot of difficulty with, particularly in Antwerp.

#### **What are Antwerp's strengths and weaknesses?**

Antwerp still has an advantage in its geographic location and there is still a large volume of rough and polished traded here.

Given our heritage, and the fact that we are the biggest diamond hub, we have the infrastructure in place and the proximity to other markets to enable good business. We also have incomparable know-how. We don't have much manufacturing here anymore but there is still great knowledge and skill, particularly for big important stones.

#### **How has Antwerp been affected as the market has evolved, for example, with De Beers moving its operations to Botswana?**

The fact that De Beers moved to Botswana means that rough supply is further away. Similarly on the polished side, a lot of goods are being kept and sold in India today. So the market is changing all the time.

However, Antwerp is still a major center. There are still a lot of rough tenders happening here. We just have to make sure that continues.

Nothing can be taken for granted. We can't just sit back and wait for customers to come in as they used to. For the previous generation, buyers naturally came to Antwerp, but today you can't just sit and wait in your office. You have to go out and sell.

#### **As a result, it seems there is a competitiveness between the centers to bring in goods and drum up activity.**

The fact of the matter is that everyone is fighting for business. So it really is a matter of staying strong and making

sure your center is vibrant, interesting, desirable and relevant. These are issues that we're discussing at the club and it's absolutely part of our mission to create a sustainable future for Antwerp.

The industry is going through changes everywhere, not only in Antwerp. We have strength in Antwerp but we need people to engage again. It's difficult in a changing environment, especially when those changes affect our infrastructure – be it in regards to banking or our relationship with government.

#### **In what way has that changed?**

The Antwerp diamond trade used to be supported and encouraged by the government, but things are changing in that respect too.

There are also no Belgian banks financing the industry anymore. Not only that, but the regular banks in Belgium don't want anything to do with diamonds. You say the word diamonds and you're lucky they don't hang up on you.

#### **How do you envision the Antwerp industry developing in the next five to 10 years?**

I hope that some of the mind frame motivating the Young Diamantaires Club will be part of this market. That means that you will see more open platforms and communication between the bourses around the world to encourage business.

This year may be difficult but there are good times ahead. The banks always want you to have some sort of a long-term plan and strategy, but right now, short term is a very good way to look at the market. If I'm doing business every day and every week, and I stay focused on what I need to do to further the business for myself and in Antwerp, then I'm doing very well.

Of course there will be business in Antwerp. I'm not sure if things will look like they do today, but hopefully it will be a motivated business and one that connects with other centers. The industry has to work together and not in isolated sections.

I think that the bourses are going to have a very important role to play in promoting their centers in an open and honest way to bring in as many diamond buyers as possible, be they dealers, jewelry retailers or wholesalers. The trade has a responsibility to be present when events occur and be supportive when initiatives are launched. People need to step out of their offices and participate in order to sustain Antwerp as an important center.

The Young Diamantaires Club can play a role in that. The idea is also to create a network through which we will be able to invite young diamantaires from around the world and cooperate with them.