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SPEECH TO OPENING SESSION OF 2018 CIBJO CONGRESS

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Ladies and gentlemen,

Bienvenidos a Bogotá y al congreso 2018 de CIBJO, la Confederación Mundial de Joyería, or, as we say in Sicily, welcome to Bogotá and the 2018 congress of CIBJO, the World Jewellery Confederation.

It has been a little than one year since we last assembled in Bangkok, Thailand, and here we are once again, members of the most international of business communities, in another fascinating city on the opposite side of the globe. It is a privilege to be able to greet you.

We are gathered in a country where the tradition of fine jewellery is as old as human culture. The legend of El Dorado, the mythical city of gold that many searched for but never found, was born from accounts of a ceremony of the Muisca people, which was an ancient nation that long pre-dated the arrival of Europeans in South America. “El Dorado,” or the Golden One in English, was the name given to the Muisca tribal chief, would be covered in gold dust before submerging himself in the waters of Lake Guatavita, just 60 kilometres northeast of here. Then, as he washed himself off in the lake, his attendants would throw into the water objects made of gold, emeralds and precious stones.

While the ancient customs of the Muisca have faded into history, the Colombian connection with precious metals and precious gemstones,

and in particular gold and emeralds, is as strong as ever. Indeed, it is why we are here today.

We need to pay special tribute to our hosts, and first and foremost Fedesmeraldas, Federación Nacional de Esmeraldas de Colombia, the national federation of the emerald industry in Colombia, and its Executive President Oscar Baquero. Founded in 1988, it brought together Aprecol, the emerald miners association; Asocoesmeral, the association of brokers and dealers; and Acodes, the emerald exporters association.

Over the past 20 years they have worked together not only to promote their individual business interests, but also those of the country, and in particular the people and communities living in the remote areas where emeralds are mined. They have built schools and hospitals, and worked together with the United Nation's International Organisation for Migration to develop a programme through which artisanal miners are provided training and funding to create new business in the regions that they live.

As we will discuss at length over the coming few days, this is true social value of our industry. It is an engine with the potential to provide hope and opportunity to people living in parts of the world where such elements are often in very short supply.

A special tribute needs to be paid to the Molina family, without whose support we would not be here today, and which truly is one of the great dynasties of our industry. A member of the fourth generation of the family to be involved in emerald mining is Edwin Molina, the president of Aprecol, who is one of our speakers this morning. As one will discover when you meet him, his vision extends way beyond the company balance sheet, seeing emeralds as a key element in helping his country seize the future.

Our other host is CDTEC, which is the most advanced gemmological institute in Latin America, having been founded with the help of the Government of Colombia in 2004. Pioneering the study of gemmology in this region, it also works to further knowledge in other industry-related fields, including gem cutting, marketing, technology

and Corporate Social Responsibility. Its director is Gabriel Angarita, who for the past several months literally has been CIBJO's man in Bogotá. He deserves all of our thanks.

I would also like to thank our generous sponsors, without whose help staging a CIBJO Congress would be almost impossible. There is a little dispute that what is done at congresses is of crucial importance to all who are involved in the jewellery and gemstone industries, but only a relatively small group of companies and organisations are ready provide tangible support. Let us thank the Italian Exhibition Group, De Beers, the International Institute of Diamond Grading and Research, the Chamber of Commerce of Bogotá, India's Gem and Jewellery Export Promotion Council, the Antwerp World Diamond Centre, HRD Antwerp and Roberto Coin.

An event like the CIBJO Congress has many planners, and as always I run the risk of inadvertently leaving someone's name out. So I will avoid that trap, by thanking all of you, for the time, effort and thought invested.

That said, I would be remiss not to mention one more individual, who over the past several months, and certainly over the past week, has possibly been the hardest working person in Colombia. That is Guillermo Galvis, the President of Acodes and the person who has been coordinating the planning of the World Emerald Symposium, and a good deal of the CIBJO Congress as well. One thing we have learned about Guillermo is that he apparently does not sleep, or at the very least he has taken a break from sleeping for the past several months. Send him a query at any time of the day or night, in whatever time zone you are located, and you get a reply back in minutes. Thank you Guillermo for all that you have done, and I hope you get at least a day or two's rest when things wrap up later this week. You certainly deserve it.

One other organisation that needs special mention is the Chamber of Commerce of Bogotá, which has gone out of its way to ensure that our congress is successful. This esteemed body, which represents and serves the business community of this city of more than 8 million

people, has been a pillar of support, right from the beginning. On Wednesday morning we will welcome members of its Jewellery Cluster, which is headed by Monica Rojas, who seek to make connections and learn from the knowledge and expertise of our delegates from around the world. We will be delighted to engage with them.

The sense of a jewellery industry tradition, which I referred to earlier, is very powerful in our industry. Ours is a community that not only feels like family, but it largely is made up of family-owned companies, passed down from generation to generation. My own firm was established in Sicily more than 200 years ago, and I was brought into the business by my father, just as he was by his father. I later did the same for my son. In such an environment, there is a popularly-held belief that very little changes.

But it is a false belief, because in our business, as in life, change is constant. In fact, I would dare to say that, if any one of us 20 years ago read through the topics for discussion on this congress' agenda, we would barely understand a great many of them, and certainly not know how they got there.

The ability to cope with change is quite possibly the greatest challenge of our time. Political systems around the world are being turned upside down by voters who feel that the world has left them behind. These are people who grew up believing that if they worked hard and followed the rules that they had grown up with, their futures would be secured. But new technologies – like the Internet, the cell phone and now artificial intelligence, as well as great geopolitical upheavals – like the end of the Cold War, 9-11 and the global financial crisis of 2008, changed all that. The frustration of established communities, who have come to the realisation that what they believed to be true is no longer the case, has exhibited itself in elections and referendums in countries around the world, from Britain to the United States, France, Greece, Austria and Italy as well.

The jewellery and gemstone business is not immune from the impacts of technology and geopolitics, and is being changed by them, often substantially. It is critical that we understand this, for our ability to adapt to these changes will, for many of us, be the decisive factors in deciding whether, in an industry of family-owned companies, the next generation will remain in business.

Charles Darwin once wrote: “It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.” It is a lesson that we all need to think about, and it is adapting to change that we are focusing on most keenly at this congress in Colombia.

More than 12 years ago, at the 2006 CIBJO Congress in Vancouver, Canada, it was formally announced that CIBJO had become the first, and only organisation in the jewellery industry worldwide to have special consultative status with the United Nations Economic and Social Council. In so doing, we committed ourselves, and by extension our members, to working with the international community to fulfil the UN’s Millennium Development Goals, which in 2015 were replaced by the Sustainable Development Goals.

One year later, at the 2007 CIBJO Congress in Cape Town, South Africa, we issued the Cape Town Declaration, which stated: “The jewellery industry, as a member of the international business community, shares a responsibility toward the greater society in seeking practical solutions towards the eradication of extreme poverty and hunger, as well as to developing a global partnership for development.” This statement was later quoted by the then-UN Secretary General Ban Ki-moon, speaking before the General Assembly. He said the time that the strategy proposed by CIBJO needed to be considered a peace asset.

Such sentiments are echoed by a great many industry bodies today, but 11 years back such a declaration was radical. Then, the dominant approach to Corporate Social Responsibility was to do no harm. We expanded the definition, stating that our industry should act as a

resource for sustainable societies, sustainable economies and a sustainable environment.

We have with us today Mr. Tyler Gillard, who soon will address this session. Tyler is the head of sector projects and is legal adviser in the Responsible Business Conduct Unit of the OECD's Investment Division. But, more importantly from our perspective, since 2009 he has led the multi-stakeholder negotiation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and has overseen the development of numerous government-backed sectoral due diligence standards and instruments at the OECD.

The OECD Due Diligence Guidance has essentially become the international standard. It provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. Originally prepared to address challenges in the tin, tantalum, tungsten and gold industries in Africa's Great Lakes Region, it is now being expanded to include all other mineral supply chains. It is officially adhered to by the 35 OECD Members, but also by eight non-members, one of which is Colombia.

Over the past year, we have been hard at work preparing a Responsible Sourcing Guidance document for the jewellery and gemstone sectors, and it will be presented and discussed in a session later this afternoon.

In the document, we expressly endorse the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and also state our support for the United Nations Guiding Principles on Business and Human Rights.

Let me stress, the adoption of the CIBJO Responsible Sourcing Guidance document in 2018 does not for one second imply that that we have not been responsible to date. What it recognises is that in today's business environment, we need to show that we operate in a structured and verifiably ethical manner. That is reality, and we have to adapt.

Technology is a fundamental component of any discussion about change. Also this afternoon, there will be a session on the adoption of Blockchain technology in the industry. Now I dare to say that, even one year ago, many of you had never heard of Blockchain, and even today a good number may struggle to explain what it is about. But, like the Internet, upon which it depends, and the cell phone, it is an innovation that is likely to transform how we live and do business.

One of the ways in Blockchain is being adapted for use in our industry stems from its ability to track the movement of data along of the chain of distribution, in a secure and transparent manner. In an industry that has long contended that traceability is an almost impossible challenge, this is a very significant development.

Blockchain is most closely associated with the new crypto or digital currencies; in fact, it is the technology that has driven their development. These too are almost certainly going to become a factor in our industry, providing new tools for managing commerce and also for obtaining financing.

Technological development is also at the foundation of a what has become one of the most intriguing challenges to face our industry in recent years, and I refer here to synthetic diamonds, or as the FTC would prefer that I say, laboratory-grown diamonds.

Once regarded a theoretical possibility, they are today a full-grown phenomenon, and dare I say an acknowledged component of our industry. They have the potential to disrupt our business, but also the potential to help it grow, by opening us to markets that previously were more difficult to penetrate.

Our objective is not to alienate the producers of such materials, but rather to welcome them into our community. At the same time, we seek to protect the established diamond industry, and in particular their stakeholders in developing countries, for whom diamond mining is source of livelihood and economic opportunity.

The commodity that we handle at CIBJO Congresses is infinitely precious, but it is not diamonds, coloured gemstones, gold, silver,

platinum, pearls or coral. It is knowledge, which ultimately is the most important element that any of us need in order to adapt and change to new realities.

I will end my address by quoting Simón Bolívar, the revered liberator of this region and the man who was president of Gran Colombia from 1819 to 1830. “Nations will march towards the apex of their greatness at the same pace as their education,” he said. “Nations will soar if their education soars; they will regress if it regresses. Nations will fall and sink in darkness if education is corrupted or completely abandoned.”

Let us all strive to learn more. That is what we intend doing in Bogotá over the coming three days.

Thank you.