

■ SPECIAL REPORT ■

ARGYLE PINK

MAGNIFICENT WORKS OF ART

Limited life span of the mine is escalating the global desire for these tiny marvels of nature, writes **MELISSA PEARCE**

Not only do Argyle pink diamonds offer an intensity and range of colour that is unmatched by any other pink diamond, these diminutive diamonds, found in a remote desert landscape, are Australian treasures that command millions per carat. The gemstone contains a miniature world, with hues that evoke its place of origin – the East Kimberley outback, more than 3,000km from Perth in Western Australia. The Argyle Diamond Mine accounts for around 90 per cent of the world’s pink diamond supply. Of the approximately 130 million carats of rough diamonds produced in the world each year, less than 20,000ct are rough pink diamonds. The company’s “Tender” stones are one in a million, as for every 1 million carats of rough diamonds, only 1ct of polished stones are offered for sale. They have more in common with rare, fine art than their colourless cousin, the white diamond, with a pink diamond 20 to 50 times more valuable. The gemstones’ complicated structure makes them harder to cut, and polishing can take three to four times longer than white diamonds, requiring highly

skilled cutters who specialise only in Argyle pinks. Just 0.1 per cent of the Argyle Diamond Mine’s production is pink – and a year’s worth of Argyle pink diamonds over half a carat would fit in the palm of your hand. The best of these – in an offering of 63 precious finds from a year’s mine production, including 57 pink, four red and two violet diamonds, called the Chroma Collection – are on show in Hong Kong as part of Rio Tinto’s 2016 Argyle Pink Diamonds Tender. The annual invitation-only Tender started in 1984 and this year the five hero stones, in the tradition of naming the most spectacular examples, are Argyle Violet, a 2.83ct oval shaped violet diamond; Argyle Ultra, a 1.11ct pear shaped violet diamond; Argyle Viva, a 1.21ct pear shaped Vivid purple-pink diamond; Argyle Thea, a 2.24ct radiant cut Vivid purplish pink diamond; and Argyle Aria, a 1.09ct oval shaped Fancy Red diamond. Rio Tinto energy and minerals chief executive Alan Davies said before the Tender global tour kicked off in Copenhagen: “The Chroma Collection is one of the finest we have ever seen across all rarity factors with an unprecedented spectrum of colour, size and



Alan Davies. Photo: Edward Wong

clarity. We are already seeing strong global interest from established and emerging markets.” The limited life of the Argyle Diamond Mine is also escalating desire for these tiny marvels, with the estimation of less than 500 tender quality specimens remaining to be discovered. An underground block cave mine is under development but it is still only likely to extend diamond production until 2018. In diamonds, rarity leads, and while Argyle pink diamonds might be flakes of nature, the investment confidence in these specimens cannot be understated. Prices of Argyle pink diamonds greater than 0.15ct have seen, on average, sustained double-digit growth for the past 12 years. The price of one of the most concentrated forms of wealth on earth has risen steadily year-on-year, and Argyle pink diamonds continue to outperform major equity indices. From the palest blush through soft rose to the deepest scarlet – colour grading is the key to their pricing, with Fancy Red the most desirable, of which only a sprinkling see the light of day. The largest ever Fancy Red Tender gem was the 1.56ct

Argyle Phoenix which, in 2013, secured the highest per carat price for a diamond ever produced from the mine. The mine operators, on principles of buyer confidentiality and security, do not favour revealing prices to the public, but media reports at the time wrote of a record US\$2 million purchase by an international party. While last year’s tender was notable for comprising four Fancy Reds (only 17 have ever been seen at the event), this year an enchanting violet discovery, the 2.83ct oval Argyle Violet, has been accruing admiration. Violet and blue diamonds are rare, with the Argyle mine only sporadically yielding them (for every 25 million carats of rough diamonds unearthed from the mine, a single polished blue or violet tender stone is produced) and the Argyle Violet is the largest violet diamond ever recovered from the Argyle Diamond Mine – the only source of hydrogen-rich violet diamonds in the world, with uniquely potent cornflower hues. Blue and violet diamonds typically contain the presence of boron. The distribution of the pink diamonds that are not sold through the Tender will be carefully managed. An exclusive group of master craftsmen, known as select



An Argyle pink diamond. Photo: Edward Wong



Argyle Blossom Ring



Calleija Leading Lady



Musson Loire pink diamond ring



Rohan Milne Argyle pink and Blue diamond pear shape ring



The Chroma Collection includes the 2.83ct oval shaped Argyle Violet.

Seeking a real connection

NEW CAMPAIGN

Almost 70 years after “A Diamond is Forever”, viewed as the most successful marketing campaign ever created, the Diamond Producers Association (DPA) – comprising the world’s seven major diamond mining companies – decided it was time to woo a newer generation with a different message. “Real is Rare. Real is a Diamond” is the result of six months’ research into millennials, those born from 1980 to the early 2000s. The new tagline reflects the revelation that millennials have a deep desire for genuine relationships, which they feel are rare. While previous generations dutifully went through rites of passage and integrated the message of diamonds and eternal love, this generation is more sceptical. It has seen more marriages break down than any other – diamonds or not. Around 50 per cent of marriages end in divorce worldwide. Millennials face continuous exposure to superficial online interaction as a downside to their tech-savvy nature. “Diamonds can be an ideal metaphor for what’s hard to find, hence rare,” says the DPA’s chief executive Jean-Marc Lieberherr. “You can’t get more real than a diamond; it’s been there for billions of years.” He says that while the tagline may seem to be a rebuttal to lab-grown diamonds, it was never part of its rationale. The industry still relies most on the bridal and romance category, where synthetic diamonds are not considered a threat. The new campaign is a long overdue attempt to start a dialogue with the millennial customer. This sort of industry-wide advertising used to be sponsored by De Beers when it had a monopoly. That mantle has been taken up by the DPA, which was formed in May last year, and comprises De Beers,



Stephen Lussier



Jean-Marc Lieberherr

Alosa, Rio Tinto, Dominion Diamond Corporation, Petra Diamonds, Lucara Diamond Corporation and Gem Diamonds. Although they do not have the same spending power as their predecessors, millennials are an even bigger group than baby boomers. The three-year campaign has an US\$18 million budget. Pamela Danziger, a luxury market expert at Unity Marketing, says: “The problem for jewellery marketers isn’t that millennials are rejecting diamond engagement rings, but marketers need to talk with the next generation in a way that is relevant to their lifestyles.” The DPA’s study found that millennials find diamonds appealing, but are unsure about how the meanings they represent relate to their view on life. Thus, the industry had to change its narrative. “The campaign is about shifting perceptions from diamonds commemorating

specific milestones and social rituals to them marking genuine moments that are chosen by the individual,” Lieberherr says. Younger consumers have long been noted for their sharp differences with baby boomers and generation X-ers, who readily equated diamonds with undying love – the bigger the diamond, the more love was being shown. Millennials tend to eschew tradition, preferring to forge their own path. In terms of engagement rings, this often translates into choosing sapphires, emeralds or other coloured gemstones. They also have a different idea of luxury, choosing emotional experiences like concerts or holidays over products. When they do spend on tangible goods, it tends to be on technological gadgets. Indeed, technology might be jewellery’s biggest competitor since both categories have similar price ranges and levels of pre-purchase research that have to be done by the consumer. Millennials care about where their products come from and what kind of social and environmental footprint they’ve left behind – areas that the diamond business has lost major points in. But Johan Dippenaar, chief executive officer of Petra Diamonds and a member of the DPA board, says the industry is changing. “Twenty years ago, we probably marketed secrecy as a sort of mysterious benefit. Now it’s all about transparency driven by the importance of protecting the reputation of your product.” The campaign will not be aired until the end of September. But the DPA says it will focus on digital advertising such as Youtube and social media channels, as well as pay TV. It believes that the new tagline will go beyond millennials and resound with the wider public. Stephen Lussier, chairman of the DPA, says: “The members coming together to launch this campaign will create a new cultural movement around diamonds that we are confident will benefit the entire industry.”



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