

WEALTH AND POWER: HISTORICAL AND ECONOMIC SIGNIFICANCE OF DIAMONDS IN GLOBAL TRADE

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Abstract: Diamonds are one of the most popular and extensively studied precious metals on a global scale. They find wide application in numerous sectors of production and trade. The subject of scientific investigation is diamonds, as one of the most ancient precious metals, a source of wealth and power. The focus of the research is the historical and economic significance of diamonds in global trade. The goal is to explore the place and role of diamonds in the global economy.

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Introduction

Diamonds, as a form of noble metal, have been known to society since ancient times and have been symbols of wealth and power. At present, they continue to be the subject of heightened industrial and investment interest by economic agents. From a historical perspective, the trade in this noble metal demonstrates that its value is enduring. Scientific research aims to trace both the trade in diamonds from a historical perspective and to analyze the role and economic significance of diamonds as part of global trade.

The historical context of diamond trading

Diamonds have a rich history intricately woven with human civilization. Their allure, rarity, and intrinsic value have made them sought-after commodities for centuries, from ancient times to the present day.

Even when we examine world history through the lens of human development, it is challenging to pinpoint when the interest in the noble natural element (mineral) diamond, known as “elmaz”, began and has persisted. It is difficult to specify who and where the first diamond was discovered in world history. There are numerous researchers who dedicate their professional careers to exploring the history of diamonds.

When examining ancient manuscripts that have reached us, it is revealed that information about diamonds existed over 3000 years ago. In fact, the first diamond deposits date back to India, where they were initially mined. Historical records indicate that around 1400 AD, trade routes were established to distribute diamonds from India to the bustling markets of the Old Continent. It should be noted that the ability of diamonds to reflect light in a special way intrigued the ancient Indians, who attributed supernatural and divine powers to these gems. As demand grew, these precious stones began to appear not only in India but also in Venice, and subsequently in the royal courts of Europe.

During the Middle Ages, new avenues for the use of diamonds emerged in their history. Undoubtedly, during the medieval period, diamonds were favored as decorative elements and valuable jewelry. Possessing them was a distinct symbol of the highest social status, but at the same time, ground diamonds were used as components in certain medicines. Certainly, the diamond possesses an energy field; it is a kind of powerful gemstone, which is why people in the past believed it could cure certain illnesses or aid in their recovery. At the same time, the peoples inhabiting South America regarded diamonds as a natural gift, a product to be used in construction, even embedding crystals in walls and roads, crafting game pieces for backgammon from them, and placing these precious elements in the statues of their deities.

The distribution, demand, and utilization of diamonds as minerals undoubtedly began during the Middle Ages, in the era of the Renaissance. From this period, the changing, transparent crystals became highly popular. A significant portion of the yield was obtained in the territory of the Indian subcontinent, with diamonds from this region being renowned for their uniqueness, exceptional quality, and high carat weight. It was during this period that the famous 'Hope Diamond' became known. In fact, some of the richest diamond deposits from this era are found in India, and Indian artisans had already mastered the art of transforming a rough and unattractive stone into a true gem, with a special allure for the eyes. Unfortunately, the precious stones from these well-known Indian deposits were quickly depleted, and the hunger for this precious mineral increased. Thus, the era of the Renaissance in the history of diamonds necessitated the search for new and lucrative deposits for diamond mining. Such new deposits were found in the territories of South Africa and Australia, and they were exceptionally rich.

Diamonds possess a unique and extraordinary mystique, an almost divine allure, which humanity places on a pedestal akin to the noble metal, gold. Swiftly, they transform into an unconditional value, a currency sought after and relevant in every corner of the world, both nationally and internationally. This is a sphere of immense interest and profitability for economic entities, for national governments, and for stock transactions, with diamond mines becoming coveted workplaces on the planet. It should be noted here that both mine owners, aiming to amass wealth and increase their prosperity, and mine workers, who labor under inhumane conditions to extract these crystals, desire improved living conditions for themselves and their families. To realize this aspiration, they discover that they can discreetly appropriate discovered diamonds, smuggling them out of the diamond mines without the owner or gemstone inspector detecting it, and

subsequently selling them at a substantial price. Naturally, the price they receive is much lower than what is obtained in the legitimate diamond market. Their actions do not go unnoticed, and mine owners openly propagate myths of mineral poisoning to mitigate the losses from diamond thefts. In addition should be pointed out that often, the mine workers pay for this act, this attempt to smuggle out one or several smaller stones, with the price of their human lives, as dangers lurk both during the act itself and in the process of selling the stolen diamonds.

Interesting events also occur in the contemporary history of diamonds, which are mined in the South African region. Historical data and market information reveal that at the beginning of the 20th century, market values and demand for these transparent crystals sharply declined. The reasons for this are linked to the historical and political context on a global scale. For the first time in the history of diamonds, it was noted that the volume of production of precious minerals significantly exceeded the demand for these gems. This is also associated with the period of the First World War and the aspiration for a new redistribution of territories already allocated between the Great Powers, both in the Old World and in relation to their colonial empires. This undoubtedly dealt a devastating blow to the global economy, as well as to the companies engaged in the mining and processing of these crystals.

The production of diamonds experienced a revival, thanks to a well-coordinated and deliberate internal and external policy of the diamond industry. From that moment to the present day, the diamond industry has never again fallen into collapse or political crisis. The leadership of the international corporation De Beers skillfully guides, controls, and regulates the diamond market, striving to prevent sharp declines in mineral prices. Even in the conditions of a global economic crisis, diamonds remain one of the most sought-after and viable investment niches.

At the end of the 19th century, significant changes were observed in the diamond industry with the discovery of diamonds in Kimberley, South Africa. This led to a frenzied rush that transformed South Africa into the epicenter of the world diamond trade. The De Beers Mining Company was founded by Cecil Rhodes in 1888 and quickly gained a dominant market share in diamonds. Statistical data indicates that Cecil Rhodes was born into a priestly family in England. Due to the damp climate and health reasons, he was sent to live with relatives in Africa, where the climate was more temperate, in hopes of improving his health. During this period, mining companies of various nationalities entered into agreements with local rulers for concessions to mine diamonds and precious stones in their lands. Interest in this direction greatly increased after the Great Depression. Cecil Rhodes passed away in 1902, but he left the De Beers company in control of 90% of the world's diamond production. In fact, after his demise, the company was led by Ernest Oppenheimer, who transformed it into a diamond empire. It played a key role in controlling diamond supplies and exerted significant influence over the global diamond trade.

Since the late 1920s, the International Diamond Mining Corporation De Beers has been skillfully led by South African billionaire businessman Ernest Oppenheimer. He undertook efforts to modernize production and incorporate innovations from scientific and technological progress into

the diamond mining process. Simultaneously, he extended an appeal and proposals to all interested companies to sell their diamonds through the so-called central organization. In fact, the distribution center is a subsidiary of De Beers, thereby establishing the De Beers company as an intermediary in large-scale diamond sales operations, derived from diamond mines. This also eliminated the possibility of bypassing De Beers in contracts for diamond trade or diamond mining development projects. The company is the one that determines the quantities of diamonds that can be sold on the stock markets and fixes the price value of diamonds. In both a national and global context, the development of the accounting policy of an enterprise can be regarded as a collection of elements and undoubtedly can be perceived as a complex task. (Николова, 2012)

Statistical data reveals that even to this day, the De Beers company, managed by the Oppenheimer dynasty, not only controls global production but also global diamond sales. In recent years, under pressure from European and American legislation, the international corporation, headquartered in South Africa, has relinquished actual control over the diamond market.

In the 20th century, significant changes were introduced in the diamond trade. De Beers, recognizing the potential of marketing, launched the iconic campaign 'A Diamond Is Forever' in 1947. This campaign further solidified the diamond's status as a symbol of eternal love and increased its demand in the jewelry market. (Sullivan, 2013)

Today, the diamond trade is a global enterprise with major trading centers in Antwerp, Mumbai, and Dubai. The industry also faces challenges, such as ethical concerns regarding „blood diamonds“, which have led to the implementation of the Kimberley Process to ensure conflict-free diamond trade (Process, 2023)

In fact, the history of diamond trading is a testament to the enduring value and allure of diamonds. From the ancient markets of India to the modern trading hubs of Antwerp and Dubai, diamonds remain a prominent symbol of wealth, power, and romance.

When examining the process of discovery, mining, production, and distribution of so-called 'diamonds' from the diamond industry, we can responsibly point out several interesting myths about diamonds.

Despite the claim that diamonds are extremely hard and stable, maintaining precision requires careful handling and avoiding aggressive testing of their hardness, as they can turn into diamond dust rather than remaining a beautiful precious crystal.

Another myth about diamonds is that if you put them in a glass of water, they become invisible. This statement is absolutely impossible. The truth lies in the refractive index of light and our perception, but diamonds never disappear from our field of vision.

When we consider the value of a diamond, we encounter the misconception that its price depends on the location where it is mined. In modern times, diamonds are mined in various parts of the world, which does not affect their ultimate value. The high price of diamonds is closely related to specific parameters – size, carat, color, and the country of origin indicated in its “passport”, where the diamond is sourced, is only information listed in the certificate.

Furthermore, an attempt at deception in the sale and pricing of a given diamond is that the price of the crystal is not dependent on fluorescence. In fact, fluorescence in the sale of a diamond can be a reason for a discount or refusal to purchase that diamond. Diamonds with strong or very strong fluorescence possess a distinct milky or grayish hue, which reduces their value.

In certain global contexts, there is an understanding that diamonds with a diameter of up to 2 mm are mere chips and have no value. Yes, in a certain sense, they represent diamond waste and are not used in the creation of jewelry. However, even a diamond with minimal weight is still a diamond, requiring special processing. In fact, if the crystal, in the process of its treatment, passes through this stage, it means that it is now a diamond, regardless of its weight, no matter how small it may be, it is treated as a full-fledged gemstone. Despite their size, even the tiniest diamonds have a certain number of facets, most often 57, due to the round shape, which is the most popular cutting method for diamonds.

Attempts to present diamonds as the brightest gemstone also do not correspond to the truth because when placed in sunlight, many other minerals sparkle more brightly than diamonds. Proof in this regard is the mineral moissanite, which shines much more actively and appears even richer than faceted diamonds.

It should also be noted that another myth about diamonds is that they do not burn. The burning temperature for diamonds is 900 degrees Celsius, an extremely high temperature at which you risk losing your diamond jewelry.

There is a belief that diamonds are the most expensive gemstones in the world. Indeed, they are extremely costly, and not everyone can afford diamonds, but there are many gemstones that cost more per carat than diamonds. In this regard, several examples can be presented; the ruby, known as the “Sunrise” with its origin in Burma, is sold at auction for a record sum, with a price of \$1 180 000 per carat. Likewise, a blue sapphire known as the “Blue Beauty of Asia”, sourced from Ceylon, is sold for a record \$17 300 000, which equates to \$44 000 per unit of weight. In fact, the most expensive among diamonds are the red ones, which are exceptionally rare and, therefore, highly sought after. Statistical data indicate that the most expensive among red diamonds is a crystal named “The Red Musaeu”, with its origin in Brazil in the late 20th century, and it is sold at auction for \$1 580 000 per carat. All these data necessitate the understanding that even the high price of faceted diamonds is relative.

A somewhat common myth is that the best diamonds come from globally recognized brands, and only the highest-quality diamonds can be purchased from them. Yes, but also no. Renowned brands can afford high-priced advertising campaigns and sometimes sell stones at prices much higher than the market value. Therefore, in cases like this, it is advisable for buyers to contact a trusted seller if they have doubts about the quality of a particular diamond and to seek information very seriously. In the world of business and stock trading, anything is possible.

In this regard, it should be noted that as of today, only 4% of the natural diamonds on the world market have questionable origins. In fact, the rest can be traced back to the name of the miner who extracted the crystal. Diamond producers clearly understand contemporary requirements and higher standards, claims, and warranties from economic entities, which is why they actively implement traceability for precious stones.

The significance of diamonds in global trade

In addition to serving as symbols of luxury and romance, diamonds play a pivotal role in the ecosystem of global trade. Their significance on national and supranational trade levels is multifaceted and encompasses economic, geopolitical, and cultural dimensions. Exploring the current legislation within the territory of the Republic of Bulgaria, diamonds, from an accounting perspective, fall under group 51 and are classified as short-term financial assets (account 516 – Precious metals and precious stones)³ when accounted for. (Янков, В., Николова, Г. , 2018)

Regarding the economic importance of diamonds, it should be noted that they are a primary export product for numerous countries, significantly contributing to their GDP. For countries such as Botswana, Russia, and Canada, diamond exports play a crucial role in their economic policies. The revenues generated from diamond trade are of paramount importance for infrastructure development, job creation, and other socio-economic benefits and strategies in these nations.

Regarding the geopolitical impact of diamond trade, it should be noted that in the past, it has been a stable source of power and influence. Control over diamond mines and trade routes confers exceptional strategic advantages upon states and companies operating in this sector. At one point, the De Beers Group controlled over 90% of the global distribution of rough diamonds, granting it significant influence over worldwide diamond prices and trade policies.

Regarding the cultural and symbolic value of diamonds, it should be emphasized that they are deeply rooted in various cultures as symbols of wealth, power, status, and commitment. The global diamond trade is influenced not only by their intrinsic value but also by the cultural significance attributed to them, particularly in the context of engagement and wedding ceremonies. This cultural value is the driving force behind a significant worldwide demand for diamonds. (Rowlatt, 2013)

³ See Янков, В. и Николова, Г. Счетоводство на предприятието. Габрово, 2018, p. 186

Regarding the introduction of innovations and technologies, it should be noted that the global diamond trade also drives advancements in gemology and technology. The global nature of the industry encourages scientific research and innovation, from innovative techniques for diamond classification to the development of synthetic diamonds. (GIA, 2023)

It can be stated with confidence that diamonds are not just brilliant gemstones but are key elements in the mechanism of the global diamond trade and industry. Their economic, geopolitical, and cultural significance shapes the trade policies of individual nations, and their influence on global markets transcends national borders.

The global diamond trade is centered in several well-known trading hubs, each with its unique history, influence, and contribution to the diamond industry. Major centers for diamond trade include Antwerp, Mumbai, Dubai, and others. These hubs facilitate interactions among economic agents and serve as primary venues for diamond trading, classification, and distribution.

The established center of Antwerp in Belgium is often referred to as the "diamond capital of the world." It boasts a rich history in diamond trading dating back to the 15th century. The city is home to over 1500 diamond traders, making it a significant player in the trade of rough and polished diamonds. The Antwerp World Diamond Center (AWDC) serves as the official representative of the diamond sector and plays a pivotal role in advocacy, research, and global representation. (Epstein, 2023)

In India, the established center of Mumbai is also recognized as a cornerstone in the global diamond industry, particularly in the domain of diamond cutting and polishing. The majority of the world's diamond cutting and polishing takes place in the city of Surat, near Mumbai, earning it the nickname "Diamond City". When we examine the geographical distribution of diamond markets, we cannot overlook the significance of the Bharat Diamond Bourse in Mumbai as a major and expansive center for diamond trading worldwide. More than 2 500 companies engaged in diamond trading and manufacturing are located here.”

In fact, Dubai in the United Arab Emirates has become a significant player in the diamond trade in recent decades. The Dubai Multi Commodities Centre (DMCC) has played a pivotal role in this rise, as it provides a stable infrastructure for diamond trading, storage, and certification. The city's strategic location serves as a bridge between diamond producers in Africa and consumers in the East, further solidifying its position in the global diamond trade.

New York in the USA is another notable center. The famous Diamond District in New York is a major hub for retail diamond sales. This district has a rich history in the diamond trade and jewelry production.

The Israel Diamond Exchange in Tel Aviv, Israel, is definitely one of the leading global centers for diamond trading, known for its advanced trading technologies and significant expertise in the field of high-quality diamonds.

Additionally, Hong Kong in China is emerging as an important diamond trading center, especially considering its proximity to major consumer markets in China and Southeast Asia. (see Israel Diamond Exchange, 2023)

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In fact, Dubai in the United Arab Emirates has emerged as a significant player in the diamond trade over the past few decades. The Dubai Multi Commodities Centre (DMCC) plays a crucial role in this ascent, as it provides a stable infrastructure for diamond trade, storage, and certification. The city's strategic location serves as a bridge between diamond producers in Africa and consumers in the East, further solidifying its position in the global diamond trade.

Another notable center is New York City in the United States. The renowned Diamond District in New York City is a major hub for retail diamond sales. This area boasts a rich history in diamond trade and jewelry production.

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It can be stated with confidence that the geographical distribution of diamond markets reflects the global nature of the diamond trade. These centers undoubtedly influence the global diamond industry dynamics with their unique advantages, perspectives, and specializations, significantly impacting prices, trends, and innovations.

While traditional diamond trading centers like Antwerp, Mumbai, and Dubai have long dominated the industry with colorless diamonds, several emerging markets have gained popularity due to various economic, political, and technological factors. These emerging markets are reshaping the

global diamond trade landscape by offering new opportunities and challenges at both the national and international levels.

With the increasing economic influence of China, its authority in the diamond industry is growing as well. Shanghai is rapidly becoming a significant partner in the diamond trade. The changes in economic status, increased prosperity, higher demands, and living standards are having a positive impact. In fact, the country's middle class is expanding, and its desire for luxury goods, including diamonds, is on the rise. The Shanghai Diamond Exchange facilitates the import and export of diamonds, providing a platform for international diamond enterprises.

Another participant in the diamond industry is Gaborone in Botswana. A country traditionally known as a diamond producer, it is now taking steps to become a trading center. With the relocation of De Beers diamond sorting and sales activities from London to Gaborone, the country positions itself as a significant player in the diamond value chain, beyond just diamond mining. (Njini, F., Denina, Cl., 2023)

Another African country rich in diamond deposits is Angola. The government is implementing a series of measures and making efforts to establish Luanda as a diamond trading center. On a national level, the Angolan Diamond Bourse (ADB) established in Luanda aims to transform the country into a competitive player in the global diamond market by increasing transparency in the trade sector and attracting international buyers. These activities are also supported and guaranteed by the country's significant natural resources. (Eisenhammer, 2018)

In Singapore, political circles are recognizing and acknowledging the potential for growth in the diamond industry. Therefore, there is a definite aspiration for Singapore to become a new center for diamond trade. Its strategic location, stable financial infrastructure, and favorable business environment make it an attractive destination for traders and investors in the diamond sector.

The challenges and opportunities presented by these emerging markets lie in offering new growth prospects, requiring economic changes that enhance prosperity and attract new economic agents and promising participation in global stock markets. To achieve sustainable growth, issues related to regulatory frameworks, transparency, and ethical trade practices need to be addressed. Diversifying trade centers can also lead to a more sustainable global diamond trading ecosystem by reducing dependencies on traditional markets.

Quite responsibly, it can be stated that the emergence of new diamond trading centers illustrates the unique and dynamic nature of the global diamond industry. With the development of diamond trade, these emerging markets undeniably play a crucial role in shaping the future of diamond trading by offering new perspectives and opportunities.

Trading in these brilliant crystals has a specific nature, associated with requirements for carat weight, cut, color, and clarity in diamond processing.

The diamond industry is fascinating yet exceptionally complex due to its nuances and specificities, relying heavily on standardized measures for diamond evaluation and trading. At the heart of this standardization is the universally recognized classification system known as the 4Cs: carat, cut, color, and clarity. Each of these criteria plays a key role in determining the value and desired qualities of the diamond, which in turn raises its value in diamond stock markets.

When considering the carat (weight) of a diamond, it refers to the unit of weight for diamonds. One carat is equal to 200 milligrams, and the carat weight of the diamond directly influences its price. According to statistical data, it can be noted that larger diamonds are less common and, therefore, more valuable. It should also be mentioned that there is a specific aspect with diamonds, where two diamonds with the same carat weight can have different prices based on the other 3Cs - cut, color, and clarity.

The cut is a critical process that requires specific skills, without which the diamond is unsuitable for the market and loses its qualities and value. The cut refers to how well the diamond is shaped and faceted. It includes factors like depth, table size, symmetry, and polish.

It can be stated with confidence that a well-cut diamond is brilliant and sparkling. The quality of the cut affects how light is refracted in the diamond, influencing its brightness. Diamonds that are cut too shallow or too deep may lose light, diminishing their sparkle and, consequently, their value.

The color of diamonds is another element of specificity in the diamond industry, where classification is based on the absence of color. The GIA color scale ranges from D (colorless) to Z (light yellow or brown). Truly colorless diamonds are rare, and their value is high. Even slight color variations can significantly impact a diamond's value. There are exceptions to this rule as well, as some diamonds, known as fancy-colored diamonds, exhibit strong colors like blue, green, or pink, and they are valued precisely for these unique hues.

The last specificity in diamonds is the element of clarity. Clarity in a given diamond assesses the internal and external imperfections of the diamond, known respectively as inclusions and defects. Diamonds with fewer imperfections are rarer and much more valuable. The GIA clarity scale includes ratings from Flawless (no inclusions or defects visible under 10x magnification) to Included (inclusions and/or defects visible to the naked eye). These requirements are of great importance in the diamond processing industry and influence the values in the diamond market transactions.

In the field of diamond trading, the requirements associated with the 4Cs serve as fundamental frameworks that ensure that traders, buyers, and sellers have a common language, understanding, and fairness. This standardization is of paramount importance in maintaining trust and transparency in the diamond trade, allowing for accurate assessment and comparison of diamonds from different sources.

The introduction of certification in the diamond trade is an extremely important detail that respects and definitively guarantees the authenticity, territory of origin, quality, and ethical sourcing of diamonds. The diamond certificate is often referred to as a diamond appraisal report because it provides a comprehensive analysis of the diamond's qualities and confirms its specifications. This is, in a way, the diamond's story. This certification process plays a key role in establishing trust, transparency, and standardization in the diamond trade. Authenticity is a special guarantee of quality, and possessing a certificate for a given diamond provides a detailed assessment of the 4Cs, i.e., the four characteristics of the diamond (carat, cut, color, and clarity), as well as other characteristics such as symmetry, polish, and fluorescence.

In our contemporary world, this is of tremendous importance because by verifying the qualities of the diamond, the certificate ensures that buyers receive what they pay for. It removes uncertainty regarding the quality of the diamond and provides an objective analysis of its characteristics. The certificate in the diamond industry is security at both the national and international levels for economic entities.

Certainly, everything mentioned above indicates that apart from the quality characteristics, certification can also verify the ethical supply of diamonds to economic agents, ensuring that there are no conflicts of interest.

In this regard, the Kimberley Process is of significant importance. This is an international initiative aimed at preventing the flow of conflict diamonds. Diamonds certified under this scheme guarantee that they are sourced from conflict-free zones, which promotes ethical trade practices and ensures transparency in transactions involving these exceptional minerals.

Simultaneously, consumer trust is increased. With a certified diamond, consumers have greater confidence in their purchase because it's a fact that the diamond's qualities have been verified by an authoritative institution. Certification strengthens the trust between buyers and sellers. This certainly assures consumers that they are making an informed decision and are not misled regarding the quality or origin of the diamond.

In parallel, consumer confidence is bolstered. With a certified diamond, consumers have greater assurance in their purchase because it's a fact that the diamond's qualities have been verified by an authoritative institution. Certification strengthens the trust between buyers and sellers. This unequivocally ensures consumers that they are making an informed decision and are not misled regarding the quality or origin of the diamond.

Statistical data indicates that standardization in the diamond trade sector is carried out by certification institutes such as GIA, AGS, and EGL, which provide standardized classification systems and are globally recognized. This global standardization ensures that a diamond evaluated in one part of the world possesses the same characteristics if assessed in another part

of the globe, thus facilitating international trade, economic agents, and maintaining consistency in diamond assessment.

In fact, certification in the diamond trade is not a mere formality but a cornerstone in the diamond industry. It upholds principles of transparency, trust, and ethical trade, ensuring that both traders and consumers are protected and have sufficient information regarding the subject of their purchase.

Looking at the historical past, it should be noted that diamond trade, no matter how brilliant and lucrative, also has its dark sides, especially when it comes to diamond mining. This has attracted the attention of the international community, raised concerns, and led to political decisions in this regard.

Ethical considerations, when not adhered to, as well as the lack of certificates for available diamonds, lead to conflicts of interest, the Kimberley Process, and the so-called “blood diamonds”. The Kimberley Process is definitely an international initiative established in 2003 with the sole aim of preventing the trade in blood diamonds. Indeed, the significance of the Kimberley Process is to require members, including states and organizations from the diamond industry, to verify that supplies of rough diamonds are not conflict-related. In reality, the process significantly reduces the flow of conflict diamonds, ensuring that over 99% of traded diamonds are not conflict-related.

The term “blood diamonds” or “conflict diamonds” refers to diamonds that are mined in war zones and sold to finance armed conflicts against certain governments and their policies. The ethical consequences of trading in such diamonds have led to global initiatives, especially the well-known Kimberley Process in this regard. Its cases are meant to help limit the flow of conflict diamonds and require assurances that diamonds are mined responsibly. In fact, “blood diamonds” are genuine diamonds mined in areas of armed conflict, primarily in Central and West Africa. They are primarily sold to finance military activities against governments, they are stolen diamonds during mining, they are often purchased relatively cheaply, and it even leads to loss of human life. At the same time, these diamond sales finance brutal conflicts that result in the loss and displacement of people, as well as the violation of human rights. Trading in them is illegal and undermines the legitimate diamond trade, posing ethical dilemmas for consumers and diamond traders.

Despite the significant progress achieved by the Kimberley Process, its provisions and clauses face multiple criticisms and challenges. According to the claims of those who criticize it, the definition given to conflict diamonds in the process is too narrow/ambiguous and needs supplementation because it focuses solely on diamonds that finance rebel movements against recognized governments, without taking into account other forms of violence and exploitation. Furthermore, ensuring compliance and monitoring in all member countries remains a particularly challenging task.

To prevent such incidents, consumer awareness and ethical sourcing in the offering and purchasing of diamonds are essential. As awareness of "blood diamonds" grows, consumers become more informed and concerned about ethically sourced diamonds. Facts of utmost importance for diamond trading.

In response to these challenges, many jewelers now provide certificates that verify the ethical origin of the diamonds they offer. Consumers are certainly contributing to limiting the trade in conflict diamonds by demanding clarity, transparency, and purchasing diamonds certified as conflict-free. All of this reveals that ethical considerations associated with the diamond trade are indeed profound. The industry's response, through initiatives such as the Kimberley Process, underscores the importance of responsible sourcing and the role of both traders and consumers in ensuring a guaranteed and transparent trade because the beauty of diamonds should not be overshadowed by conflicts, human exploitation, and death.

Conclusion

From an economic perspective, diamonds have been objects of heightened societal, economic, and investment interest since ancient times. They signify wealth, power, and prestige for their possessors, and their value is enduring. On a global scale, they are part of international trade, with numerous individuals and entities engaged in this sector, both physically and legally. Evident from scientific research is the existence of companies with long-standing traditions in this sector, specializing in this activity and continuing to pursue it through the application of new and innovative technologies. Diamonds hold significant economic importance on a global scale.

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