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global witness

Loopholes in the Kimberley Process

Illegal trade undermines efforts to combat conflict diamonds

Summary of Results of Diamond Trade Statistics Review

Executive Summary

An international diamond trade statistics review by Global Witness has uncovered evidence of millions of dollars worth of illegal and suspicious trading that may be in violation of the Kimberley Process, the international diamond certification scheme to combat conflict diamonds. An analysis of the United Nations' (UN) Commodity Trade Statistics (Comtrade) database reveals that an illegal trade in rough diamonds worth $10.2 million may be taking place between Kimberley Process participant and non-participant countries, allowing illicit diamonds to evade regulatory controls aimed at keeping out conflict diamonds. The analysis also identifies millions of dollars of suspicious trading in polished diamonds that suggests loopholes through which illicit and conflict diamonds may be entering legitimate channels.

This review demonstrates that Kimberley Process statistical data is unable to consistently expose leakages in the system, and highlights the urgent need for more comprehensive analysis of Kimberley Process statistics with other data sources to detect problems of illicit and conflict diamond trading. Global Witness therefore calls on the Kimberley Process and its participating countries to adopt the following measures:

1. Adopt a procedure for regular cross-checking of internal Kimberley Process statistical data with verifiable external sources, including UN trade statistics; as well as independent and regular data analysis to review and verify statistical data, identify discrepancies and provide expert knowledge and training in record-keeping and oversight;

2. Ensure active cooperation between Kimberley Process officials, law enforcement agents, and border and customs controls on data sharing, diamond classification, record-keeping, and other issues;

3. Require Kimberley Process participating countries to adopt requirements for diamonds companies

to keep records of trades and stocks, systems of warranties and Kimberley Process certificates and to have those records independently audited. Carry out regular, systematic audits to verify and reconcile these records;

4. Require Kimberley Process participating countries to adopt requirements for polishing factories to keep records that include statistics on rough, polished and residual diamonds in order to curb the flow of illicit trade in conflict diamonds. Carry out periodic audits of polishing factories to compare stock with company records and report to the Kimberley Process on the overall volume of diamonds that are used for cutting and polishing in its jurisdiction.

INTRODUCTION

The Kimberley Process, an intergovernmental diamond certification scheme, was launched in 2003 to prevent diamonds from fuelling civil wars and conflict. The Kimberley Process only covers the trade in rough diamonds (diamonds before they are cut or polished). The vast majority of diamond trading and producing countries – the European Community and 46 countries in total – are members of the Kimberley Process and are required to implement an import/export control regime to keep out conflict diamonds: diamonds used to finance conflict and civil wars.

As the scheme approaches its fifth anniversary, loopholes in the Kimberley Process are allowing conflict diamonds to enter the legitimate diamond trade. Despite a United Nations embargo on diamonds from Côte d'Ivoire in place since December 2005, the United Nations Panel of Experts on Côte d'Ivoire reported in 2006 that US $23 million worth of conflict diamonds were smuggled out of Côte d'Ivoire, entering international trading centres due to weak Kimberley Process controls and unscrupulous traders. According to recent UN reports, sanctioned Ivorian diamonds continue to be mined and smuggled out of the country.[1]

There is also growing evidence of an illicit trade in diamonds taking place outside of the Kimberley Process, creating channels through which conflict diamonds can pass with relative ease. For example, millions of dollars worth of diamonds are being smuggled out of Venezuela, a Kimberley Process participating country, into neighbouring Kimberley Process countries Brazil and Guyana, where they enter legal channels.[2] Illicit diamonds are smuggled diamonds that can be used for illegal purposes, such as laundering money and financing terrorism or other criminal activities. When used to finance conflict or civil war, they are called conflict diamonds.

Global Witness has provided well-documented evidence in previous reports about widespread problems with implementation and enforcement of Kimberley Process controls that enable such illicit trade. There is clearly a need for strong government controls across the diamond pipeline to prevent diamonds from fuelling conflict. While much concern to date has justifiably focused on the shortcomings in controls over artisanal diamond mining, far less attention has been paid to weak controls governing the trade and manufacturing of diamonds. However, in order to effectively combat the trade in conflict diamonds, it is vital to examine the entire supply chain and address the shortcomings in trading and manufacturing centres that are allowing conflict and illicit diamonds to continue entering the legitimate trade.

Loopholes in trading and manufacturing centres

While all countries in the Kimberley Process have some level of diamond trading activity, trading centres are found in countries that do not have diamond mines themselves, but are major hubs for buying and selling diamonds on the global market. The diamond trade is a lucrative business for these countries. According to Kimberley Process statistical data, in 2006 the total value of rough diamond imports was US $35 billion and the total value of rough diamond exports was US $35 billion. The European Community, which includes Belgium, the largest diamond trading centre in the world, reported a total value of US $13.84 billion of rough diamond exports and a total value of US $13.73 billion for rough diamond imports. In addition to the European Community, other significant trading centres include Israel, India, United Arab Emirates, Switzerland and the United States.[3]

Manufacturing centres, which are found within many trading centres, are involved in the cutting and polishing of rough diamonds. Illicit and conflict diamonds can enter the Kimberley Process system by being smuggled directly into trading centres and subsequently entering the legal, KP-certified trade. Manufacturing centres present a unique kind of loophole - illicit diamonds can be smuggled directly into a polishing factory, and once polished they no longer fall under the oversight of the Kimberley Process.

Countries with a significant diamond trade therefore have a vital role to play in implementing policies to combat conflict diamonds and in ensuring that their suppliers are taking proactive measures to prevent trade in conflict diamonds. While there is a continued need to focus on problems on the mining side, there is also an urgent need to address trading activity so that conflict diamonds do not find their way into legitimate channels. Trading and manufacturing centres are the connection between mines and consumers and thus are in a unique position to encourage compliance throughout the entire diamond pipeline.

Despite the central role trading and manufacturing centres play in the flow of diamonds, the Kimberley Process does not adequately address trading or manufacturing oversight. The process does require all participating countries to "establish a system of internal controls designed to eliminate the presence of conflict diamonds from shipments of rough diamonds imported into and exported from its territory."[4] However, each participant can decide for itself the nature of the system that it puts in place.

The Kimberley Process does recommend some controls and enforcement measures that should be implemented, including the registration of diamond traders, record-keeping of diamond transactions and spot checks of companies involved in the trade and polishing of rough diamonds. Yet, several years of research by Global Witness and other organizations suggests that many participants are not implementing such enforcement measures, leading to a lack of regulation and oversight in trading and manufacturing centres that is allowing conflict diamonds to enter the legitimate trade.

Global Witness has undertaken a statistical analysis to further examine the problem of illicit trade and demonstrate how this undermines international efforts to prevent diamonds from fuelling civil wars. This analysis aims to shed further light on this important problem and to press the Kimberley Process to be more proactive in grappling with illicit trade and in using statistics more effectively to tackle this challenge. The analysis reinforces the need for stronger oversight and enforcement measures covering diamond trading and manufacturing to ensure a robust, effective Kimberley Process. All Kimberley Process participants must effectively implement and enforce their systems of internal controls because conflict diamonds can enter the market at any point along the trading pipeline.

Methodology

The data used in this report is derived from the United Nations (UN) Commodity Trade Statistics (Comtrade) Database, which is compiled from official statistics submitted to the UN by each country that chooses to report on its trade data. This data is not comprehensive, since many countries either do not keep or do not report complete statistics on international trade, often due to lack of capacity. Despite these shortcomings, Comtrade data does represent officially reported trade statistics and is widely used as a definitive reference for international trade statistics.[5] A U.S. Government Accountability Office (GAO) report on the U.S. implementation of the Kimberley Process used UN trade data when analyzing and reconciling US Kimberley Process data.[6]

The Kimberley Process also collects and analyzes statistical data on the production and trade of rough diamonds. Participating countries are required to submit data on a quarterly basis for the trade of rough diamonds and on a semi-annual basis for the production of rough diamonds in order to comply with the agreement. As stated by the GAO, "These [KP] data can help to identify any irregularities or anomalies that might indicate the presence of conflict diamonds in the legitimate trade in rough diamonds."[7]

For example, KP statistics were crucial to uncovering significant illicit diamond trading in Congo-Brazzaville, leading to its expulsion from the Kimberley Process. Unfortunately, there have been serious challenges to the timely collection and effective analysis of KP data that have often impeded efforts to analyze and use the data to detect trade in illicit and conflict diamonds. Independent and regular data analysis has been limited because the Kimberley Process and participating governments have been unwilling to contribute the resources needed to adequately fund these efforts. This has meant that the Kimberley Process data has its limitations; for example, it only shows trade between KP participating countries and fails to show leakages in the system.

Given these limitations and growing concerns about the illicit diamond trade, Global Witness undertook an analysis of the UN Comtrade Database to cross-check Kimberley Process statistical data with an outside source and to further assess participating countries' compliance with the Kimberley Process. The Comtrade data differs from the Kimberley Process diamond trade data in several ways: it includes statistics on polished diamonds in addition to rough diamonds (the Kimberley Process only covers rough diamonds); it is based on country of origin data while the KP data is based on country of provenance; and it is collected by Customs Departments, rather than by Kimberley Process Authorities (although in some countries it may be the same entity that is reporting both KP and UN Comtrade data).

The study reviewed all countries that reported trade of rough and polished diamonds from 2004 to 2006. The study did not examine statistics for 2003 because the Kimberley Process was not fully implemented until the second part of that year. Of the countries reviewed, those with recurring diamond trade transactions were included in the analysis, while countries with single incidences of diamond trading were excluded. The resulting analysis examined a total of 29 countries, 20 of which were Kimberley Process participants at the time data was submitted. It is important to note that fifteen countries participating in the Kimberley Process did not report diamond trade data to UN Comtrade and therefore are not included in this analysis.[8]

Results

Based on analysis of the UN Comtrade Database, Global Witness has uncovered evidence of millions of dollars worth of illegal and suspicious trading activity. This illegal trading activity is worrisome in that it indicates a clear pattern of illicit trading taking place between Kimberley Process participant and non-participant countries, highlighting possible leakages in the system that Kimberley Process statistical data fails to show.

Global Witness recognizes that the UN data has limitations, as outlined above. The trade figures should not be used to draw conclusions about which countries are most susceptible to the illegal diamond trade. However, these statistics show that significant loopholes may exist even in some of the largest rough diamond trading centres, and highlight the need for Kimberley Process statistical data to be cross-checked with the UN and other data sources in order to get a complete picture and effectively detect illicit trade.

Illicit Trade in Rough Diamonds

A central feature of the Kimberley Process is that participating countries can only trade with other participating countries that have met the minimum requirements of the certification scheme. This serves two purposes: first, it provides importing countries with a degree of assurance that

their trading partners are not selling them conflict diamonds. Second, it bars exporting countries that are not part of the Kimberley Process from trading with participating countries, shutting them out of a huge part of the global trade in diamonds. The effectiveness of the process is in large part contingent upon countries adhering to this fundamental tenet.

However, UN Comtrade data indicates that millions of dollars of illegal diamond trading may be occurring between Kimberley Process participant and non-participant countries, undermining the effectiveness of the entire process. Please see Annex 1 for charts with UN Comtrade data that were used for the analysis below.

1. **From 2004 to 2006, illegal trade in rough diamonds worth US $10.2 million took place between Kimberley Process participant and non-participant countries** (*See Annex 1*). This figure is likely to be significantly lower than the total amount of illegal trade, as it only represents official exchanges that were reported to government customs and statistics bureaus, and excludes smuggled diamonds, unreported diamond trade, and trade in countries that did not report their diamond trade data to the UN, which includes 15 countries that are participants in the Kimberley Process.

2. **Trade with Congo-Brazzaville accounted for the vast majority of illegal trade, despite the fact that the country was expelled from the Kimberley Process in July 2004.** Several Kimberley Process countries report trading nearly US $8.3 million in rough diamonds with Congo-Brazzaville in 2005 and 2006. This is especially worrying because KP participants should have been vigilant for shipments of diamonds from Congo after its highly-publicized expulsion. Other non-participant countries engaged in

trade of large volumes of rough diamonds include Mexico (US $0.8 million from 2004-2006) and Turkey (US $0.6 million from 2004-2006), which was admitted to the KP in August 2007.

3. **Some of the largest rough diamond trading centres in the KP record substantial volumes of illegal trade with non-KP participants.** Between 2004 and 2006, these trading centres included India (US $2.9 million), the United States (US $2.4 million), Hong Kong (US $1.7 million), the European Union (US $0.5 million), and the United Arab Emirates (US $0.2 million). It is clear that while there is a continued need to focus on problems in the mining sector, it is also essential to address weaknesses in trading centres so that conflict diamonds do not find their way into legitimate trade channels.

The extent of illegal trade revealed by the UN Comtrade data is troubling in that it provides a very different picture from KP trade statistics and indicates possible leakages in the Kimberley Process system (see Kimberley Process website for Kimberley Process statistics: www.kimberleyprocess.com). As noted above, the UN Comtrade data does have some limitations. For example, these figures only represent trade that was officially declared by the importer or exporter and was reported to the UN by the government of at least one party to the exchange. The data may also reflect recurring problems of diamond misclassification or inaccuracies in data reporting that need to be addressed and reconciled.

Some of the trade with non-participants may be the result of misclassification of countries, a problem which has also affected the accuracy of Kimberley Process data. For example, in some cases "Republic of Congo" may be mistakenly declared as the country of origin when the correct country of origin is the "Democratic Republic of Congo." Similarly, "MX" may be mistakenly selected for "mixed" origin, so that "Mexico" is wrongly recorded as the country of origin. Furthermore, in many cases, the UN database does not show reciprocal trade – for example Canada may report an import of rough diamonds from Mexico but Mexico doesn't report that exchange. This could be due to a variety of factors including poor or incomplete reporting by some countries, misclassification or the possible diversion of trade flows.

In spite of these factors, these statistics demonstrate that significant leakages may exist in some of the largest trading centres and that Kimberley Process statistical data fails to expose such leakages. It highlights the need for the Kimberley Process to fully investigate and carry out a more comprehensive analysis of Kimberley Process statistics with other data sources to detect trade in illicit and conflict diamonds.

Suspicious Trade in Polished Diamonds

The UN Comtrade data suggests that suspicious trading activity is also occurring in the trade in polished diamonds. While the Kimberley Process only regulates the trade in rough diamonds, examining the trade in polished diamonds is important because it reveals loopholes through which illicit and conflict diamonds may be entering legitimate channels.

1. **From 2004 to 2006, three non-participant countries (Congo-Brazzaville, Uganda and Zambia) exported US $4.7 million in polished diamonds to Kimberley Process trading centres** *(See Annex 2).* The Kimberley Process covers only rough diamonds, so these shipments are not illegal. However, they are highly suspicious because neither Uganda nor Zambia are diamond producers or have a documented history of trading in rough diamonds. In addition, Congo-Brazzaville was expelled from the Kimberley Process in July 2004 because it was exporting millions of dollars in rough diamonds that were smuggled into the country. In addition, none of these three countries have any known polishing centres which would help explain this trade.

   There are four possible explanations for these figures:

   - The countries have polishing factories that are either illegally importing rough diamonds from Kimberley Process participants or are importing rough diamonds from non-Kimberley Process participants, and then selling these polished diamonds on the world market.

   - Rough diamonds are smuggled into the countries, probably from Democratic Republic of the Congo, and then deliberately misclassified and exported as polished diamonds. Since polished diamonds do not fall within the mandate of Kimberley Process, such shipments of "polished" diamonds would not be checked for a Kimberley Process Certificate.

   - The countries are merely serving as sites of transit for diamonds that have been polished elsewhere. If true, this would be legal, but there is no plausible reason why diamond manufacturers operating legitimately would want to use these countries as transit hubs. Furthermore, the official report of the 2004 Kimberley Process Review Visit to Congo-Brazzaville stated that transitory shipments of diamonds do not take place through the country.

- The diamonds being imported have been partially treated and are outside the Kimberley Process. That is unlikely to be the case, but is another possibility to consider.

  All of these possibilities need to be further investigated. Given that there are not known to be polishing industries in any of these three countries, it seems that the second possibility, "deliberate misclassification" is the most likely explanation and is further complicated by the fact that local custom officials in Uganda, Zambia and other countries are unlikely to have the expertise or capacity to enforce correct classification on diamond exports.

2. **The third exporting country, Congo-Brazzaville, was expelled from the Kimberley Process in July 2004 because it was exporting millions of dollars worth of diamonds that it could not account for.** Since the country does have a very small diamond mining industry of its own, it is possible that domestic polishing factories could be legally purchasing domestically-mined diamonds. However, the country has had no effective controls over its rough diamond trade, and so there would be no way to guarantee that the rough diamonds had not been illegally smuggled into the country. Given this well documented history and Congo-Brazzaville's very public expulsion from the KP, trading centres should be wary of engaging in potentially comprising trade with Congo-Brazzaville, even if it is in polished diamonds.

3. **There are no known polishing industries in any of these three countries, suggesting that diamonds may be deliberately misclassified.** This explanation is supported by trade data showing that the three countries recorded just US $35,424 in imports of polished diamonds during the same period that they exported US $4.7 million (*See Annex 3*). The possibility of misclassification being used to avoid KP controls is one that the KP must address, since local customs officials in non-Kimberley Process participating countries are unlikely to have the expertise or capacity to enforce correct classification on diamond exporters.

4. **The importing countries are all Kimberley Process participants and, as such, should be concerned about the suspicious origin of polished diamonds, even if polished diamonds fall outside of Kimberley Process reach.** The five importing countries – Switzerland, India, the United Arab Emirates, South Africa, and the United States – comprise a significant part of the diamond trade and thus have a vital role to play in ensuring that proactive measures are taken to prevent the trade in blood diamonds.

Conclusion

Five years after the Kimberley Process was launched, there is growing evidence of an illegal trade that is undermining international efforts to prevent the trade in conflict diamonds. This study of UN Comtrade statistical data provides further evidence of illegal and suspicious diamond trade taking place in key diamond trading and manufacturing countries that are members of the Kimberley Process. The UN data demonstrates that Kimberley Process statistics are not reliable enough to expose leakages in the system, and highlights the need for such data to be cross-checked with other verifiable sources in order to be used effectively to detect trade in conflict and illicit diamonds. Greater attention is urgently needed to close the loopholes in trading and manufacturing centres and ensure that all Kimberley Process participants effectively enforce their diamond control systems to prevent the trade in conflict diamonds.

Annex 1: Rough Diamond Trade between KP & Non-KP Countries, 2004-2006

Period	Trade Flow	Reporter	Partner	Diamond Type	Trade Value
2006	Import	Canada	Mexico	Industrial, rough	$62,604
2006	Import	Hong Kong	Rep. of Congo	Non-industrial, rough	$534,051
2006	Export	Germany	Rep. of Congo	Non-industrial, rough	$103,000
2006	Import	Italy	Rep. of Congo	Unsorted	$2,847
2006	Import	Mauritius	Rep. of Congo	Industrial, rough	$93,398
2006	Import	Mauritius	Rep. of Congo	Non-industrial, rough	$48,265
2006	Import	Mexico	Australia	Industrial, rough	$3,418
2006	Import	Mexico	Canada	Industrial, rough	$191
2006	Import	Mexico	Israel	Non-industrial, rough	$18,913
2006	Import	Mexico	Rep. of Korea	Industrial, rough	$21,801
2006	Import	Mexico	USA	Unsorted	$15,871
2006	Import	Mexico	USA	Industrial, rough	$30,287
2006	Import	Mexico	USA	Non-industrial, rough	$2,516
2006	Import	Pakistan	UAE	Unsorted	$8,247
2006	Import	Romania	Rep. of Congo	Industrial, rough	$4,271
2006	Import	Senegal	UAE	Unsorted	$283
2006	Import	South Africa	Rep. of Congo	Industrial, rough	$888
2006	Import	South Africa	Rep. of Congo	Non-industrial, rough	$190,043
2006	Import	South Africa	Mexico	Industrial, rough	$6,204
2006	Export	UK	Mexico	Industrial, rough	$12,409
2006	Export	UK	Turkey	Industrial, rough	$5,714
				2006 Subtotal:	**$1,165,221**
2005	Import	Armenia	Rep. of Congo	Non-industrial, rough	$25,279
2005	Import	Canada	Mexico	Industrial, rough	$42,524
2005	Import	Hong Kong	Rep. of Congo	Industrial, rough	$11,608
2005	Import	Hong Kong	Rep. of Congo	Non-industrial, rough	$1,182,629
2005	Import	Costa Rica	Thailand	Unsorted	$1,740
2005	Import	India	Rep. of Congo	Non-industrial, rough	$2,482,925
2005	Import	India	Turkey	Non-industrial, rough	$421,769
2005	Import	Kazakhstan	UAE	Unsorted	$20,215
2005	Import	Mexico	Canada	Industrial, rough	$122
2005	Import	Mexico	Israel	Non-industrial, rough	$32,652
2005	Import	Mexico	USA	Unsorted	$11,618
2005	Import	Mexico	USA	Non-industrial, rough	$15,844
2005	Import	Mexico	USA	Industrial, rough	$21,508
2005	Import	Qatar	UAE	Unsorted	$99,833
2005	Import	Qatar	UAE	Industrial, rough	$227
2005	Import	South Africa	Rep. of Congo	Industrial, rough	$274,683
2005	Import	South Africa	Rep. of Congo	Non-industrial, rough	$718,389
2005	Import	South Africa	Mexico	Industrial, rough	$4,295
2005	Import	Thailand	Rep. of Congo	Industrial, rough	$13,399
2005	Import	Thailand	Rep. of Congo	Non-industrial, rough	$611,648
2005	Export	Turkey	USA	Non-industrial, rough	$22,906
2005	Import	Turkey	Canada	Industrial, rough	$58,717

2005	Import	Turkey	India	Non-industrial, rough	$3,133
2005	Import	Turkey	Switzerland	Industrial, rough	$8,962
2005	Import	Turkey	Thailand	Non-industrial, rough	$2,240
2005	Import	Turkey	Thailand	Unsorted	$3,992
2005	Import	Turkey	UAE	Non-industrial, rough	$42,884
2005	Import	Turkey	UK	Industrial, rough	$13,265
2005	Import	Turkey	USA	Non-industrial, rough	$8,502
2005	Export	Uganda	Belgium	Unsorted	$5,361
2005	Export	UK	Mexico	Industrial, rough	$11,783
2005	Export	UK	Turkey	Industrial, rough	$2,051
2005	Import	UK	Rep. of Congo	Industrial, rough	$21,555
2005	Import	UK	Rep. of Congo	Non-industrial, rough	$72,982
2005	Import	USA	Rep. of Congo	Non-industrial, rough	$1,897,748
				2005 Subtotal:	**$8,168,988**
2004	Import	Canada	Mexico	Industrial, rough	$8,147
2004	Export	Costa Rica	USA	Unsorted	$62,475
2004	Import	Germany	Turkey	Unsorted	$130,000
2004	Import	Germany	Turkey	Industrial, rough	$16,000
2004	Import	Ireland	Mexico	Unsorted	$2,533
2004	Import	Kazakhstan	UAE	Unsorted	$5,200
2004	Import	Mexico	Ghana	Industrial, rough	$14,680
2004	Import	Mexico	Israel	Non-industrial, rough	$5,212
2004	Import	Mexico	USA	Unsorted	$90,807
2004	Import	Mexico	USA	Industrial, rough	$27,222
2004	Export	Spain	Mexico	Unsorted	$103,378
2004	Import	Turkey	Canada	Industrial, rough	$13,402
2004	Import	Turkey	India	Non-industrial, rough	$34,715
2004	Import	Turkey	Israel	Non-industrial, rough	$53,504
2004	Import	Turkey	Switzerland	Industrial, rough	$11,671
2004	Import	Turkey	Thailand	Non-industrial, rough	$136
2004	Import	Turkey	UAE	Non-industrial, rough	$53,480
2004	Import	Turkey	UAE	Unsorted	$14,417
2004	Import	Turkey	UK	Industrial, rough	$6,900
2004	Export	USA	Mexico	Unsorted	$29,904
2004	Export	USA	Mexico	Industrial, rough	$146,289
2004	Import	USA	Mexico	Industrial, rough	$41,195
				2004 year:	**$871,267**
				Total 2004-2006:	**$10,205,476**

Source: UN Comtrade Database

Annex 2: Suspicious Polished Trade

Period	Trade Flow	Reporter	Partner	Diamond type	Trade Value
2006	Import	USA	Rep. of Congo	Industrial, polished	$95,186
2005	Import	USA	Rep. of Congo	Industrial, polished	$69,756
2005	Import	USA	Rep. of Congo	Non-industrial, polished	$500,548
				Trade value subtotal:	$665,490
2005	Import	Switzerland	Uganda	Non-industrial, polished	$225,903
2004	Import	Switzerland	Uganda	Non-industrial, polished	$3,160,224
2006	Import	United Kingdom	Uganda	Non-industrial, polished	$632,600
2005	Import	USA	Uganda	Industrial, polished	$20,459
2006	Export	Uganda	USA	Industrial, polished	$102
				Trade value subtotal:	$4,039,288
2005	Export	Zambia	UAE	Industrial, polished	$805
2004	Export	Zambia	India	Industrial, polished	$2,360
2005	Export	Zambia	UAE	Industrial, polished	$805
				Trade value subtotal:	$3,970
				Total:	$4,708,748

Source: UN Comtrade Database

Annex 3: Imports of polished diamonds in Republic of Congo, Uganda and Zambia

Period	Trade Flow	Reporter	Partner	Diamond type	Trade Value
2005	Export	Armenia	Rep. of Congo	Non-industrial, polished	$25,943
2005	Export	Mauritius	Rep. of Congo	Non-industrial, polished	$5,174
				Trade value subtotal:	$31,117
2004	Export	South Africa	Uganda	Non-industrial, polished	$3,039
				Trade value subtotal:	$3,039
2005	Import	Zambia	DR-Congo	Non-industrial, polished	$168
2005	Import	Zambia	South Africa	Non-industrial, polished	$948
2005	Import	Zambia	UAE	Non-industrial, polished	$64
2005	Import	Zambia	UAE	Non-industrial, polished	$64
2004	Import	Zambia	World	Non-industrial, polished	$24
				Trade value subtotal:	$1,268
				Total:	$35,424

Source: UN Comtrade Database

ENDNOTES

[1] See reports of the UN Group of Experts on Côte d'Ivoire, October 2007, June 2007 and December 2006.

[2] For more information, please see Global Witness and Partnership Africa Canada briefing document "Illicit Diamond Flows", October 2007 and Partnership Africa Canada report, "The Lost World: Diamond Mining and Smuggling in Venezuela", 2006.

[3] Kimberley Process Certification Scheme Statistics for 2006, please see: http://www.kimberleyprocess.com

[4] Kimberley Process Technical Document, Section IV, Internal Controls, please see: http://www.kimberleyprocess.com

[5] For UN Comtrade data please see: http://comtrade.un.org/

[6] GAO report "Conflict Diamonds: Agency Actions Needed for Implementation of the Clean Diamond Trade Act," September 2006, p. 44. See www.gao.gov

[7] GAO report, "Conflict Diamonds: Agency Actions Needed for Implementation of the Clean Diamond Trade Act," September 2006," September 2006, p. 13.

[8] Kimberley Process participating countries that did not report UN Comtrade data are: Angola, Belarus, Central African Republic, Democratic Republic of Congo, Cote d'Ivoire, Guinea, Indonesia, Democratic Republic of Lao, Lesotho, Liberia, Sierra Leone, Tanzania, Togo, Ukraine and Venezuela. See http://comtrade.un.org/

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