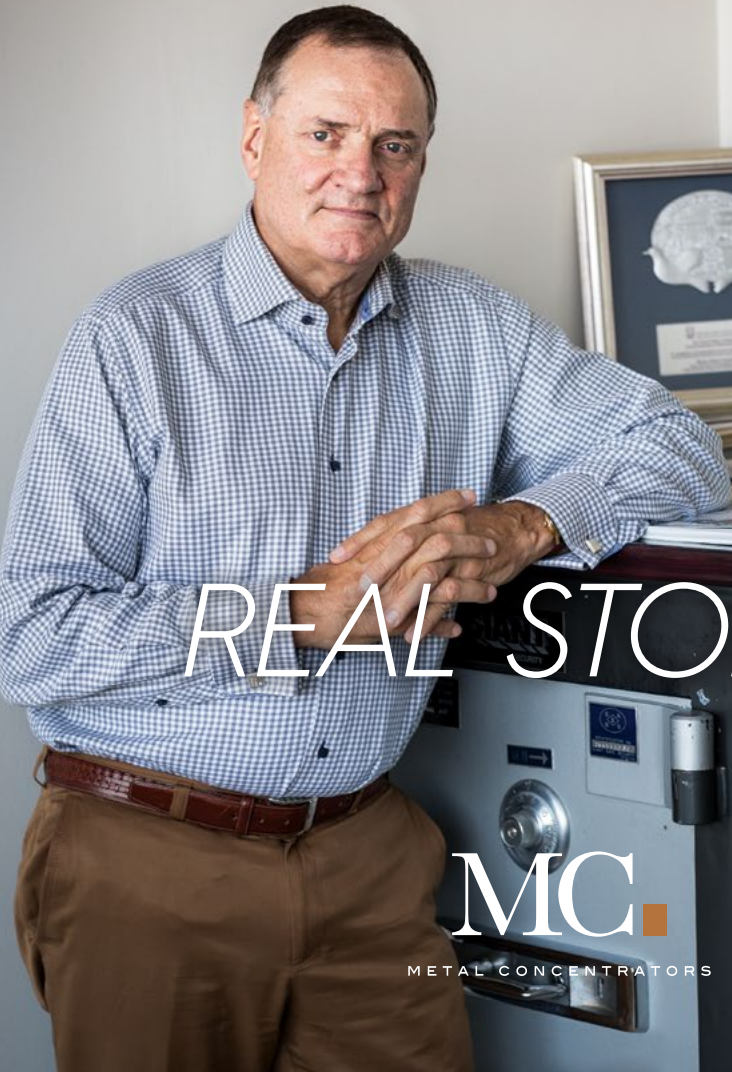


*The  
Jewellers'  
Story.*



REAL STORIES

MC

METAL CONCENTRATORS

# *In Conversation with* *Ernie Blom*

*Words by*  
*Michael Pryke*  
*on behalf of*  
*Metal Concentrators*

I met with Ernie Blom at the elegant Hyatt Regency Hotel in Rosebank. At 08:30, he had already concluded a 07:00 meeting and prior to that he had completed an hour in the gym. Tall and trim, he is in good shape and looks an easy ten years younger than his actual age, which I learned was in his sixties.

His life has been devoted to the diamond industry and his involvement as a top global player is evident. Currently in his fourth term as President of the World Federation of Diamond Bourses (WFDB), he is the longest serving President and the only South African to have attained this status. As a founder member of the SA Diamond Board (1986), his service extended through six Presidents and six Ministers of Minerals. In addition, he is Chairman of the Diamond Dealers Club of SA which is a member of the WFDB.

*“What would you like to drink?”* he asked genially as he beckoned a waitron.

*“What are you having?”* I returned.

*“I’ll have Fresh Mango juice ...”* said Ernie.

*“Great idea – make that two!”* I said to the smartly attired waitron.

Ernie is the third generation of his family involved in the highly skilled business of diamond cutting and polishing. His father arrived from Amsterdam in 1927 and his son Aron is now the fourth generation of the family in the industry. His Business comprises two companies, one handling the diamond dealing activities which involves buying and selling rough diamonds internationally. The other company is the cutting and polishing works which supplies the wholesale diamond industry.

“I believe that South African diamond cutters are regarded as some of the best in the world?” I ventured.

“Sure,” responded Ernie. *“In fact South Africa was the founder of the modern diamond cutting industry. At our peak a few years back, we had over 4500 polishers. Sadly, we now have less than 300!”*

“What happened?” I asked, surprised.

*“All the businesses have closed down.”*

“How come?”

*“Government bureaucracy, red tape ... lack of co-operation!”*

“That’s really sad!”

*“More than sad ... once we were the top diamond producing country in the world ... now we are down to fifth. Mind you,”* he added reflectively, *“We are good traders ... but it’s our polishing capacity that has been decimated. We are watching the slow demise of the industry. Our current polishers are ageing and there is a lack of training for youngsters to fill the ranks because there is insufficient business to warrant this. The intellectual capacity of the South African diamond cutting industry is diminishing. We seriously need government to recognise the crisis and to assist as a matter of urgency.”*

“How come things have deteriorated so much?”

Ernie leaned forward, his expression stern

*“South Africa is struggling to find an economic model that can justify diamond cutting and polishing at home. It is one of the great ironies that here, where the modern diamond industry started out, we find ourselves being the poor man of the global industry.*

*Producers are suffering under the burden of export levies. This is not the right way to bring about sustainability. You simply cannot legislate an industry into sustainability. There has to be a fair and logical tax regime that is in line with international standards.*

*But more than that, a business environment has to be created that encourages local beneficiaries to buy and polish stones. In addition to facilitating firms to process diamonds, costs also have to be reduced to make it profitable for them to do so. For instance, there should be grants for employing and training staff to ensure that skills are retained here and passed on to future generations. We cannot simply be a trading centre selling rough diamonds and letting our competitors abroad enjoy the added value. We need to rejuvenate the business here to provide employment and much-needed revenues for the state.”*

“So, it sounds like the current regulations are stifling growth?” I ventured.

*“Certainly, and to make matters worse SARS is holding over R300 million in unpaid VAT. That’s a serious amount of working capital for businesses in an industry that is already struggling!”*

Ernie Paused and then smiled – a generous and all-knowing smile.

*“But it’s not all doom and gloom,”* he said. *“I have shared some of the reality ... but I am ever hopeful that the new board of the regulator can set in motion what needs to be done from a medium and longer term vision. There is no quick fix but I am positive that we can still work together to make it right again. In South Africa we have a fantastic industry and we are still respected worldwide.”*

Ernie’s passion for the diamond business exudes from every facet of his quiet yet powerful personality. Yet his manner is relaxed and urbane.

“Patently you have an extremely deep understanding of the diamond world globally and I see that at various stages of your career in the business, you have held the top post in almost every industry association both locally and abroad. But tell me more about the man outside of the world of diamonds.”

During the next half hour, I learned that Ernie has wide-ranging interests and community involvement. He served as chairman of a children’s home for seven years and as a member of his church council for eight years – he finishes his term next year. He is also an avid conservationist. As a qualified game ranger, he served as National Chairman of the Honorary Game Rangers Association of the South African National Parks from 1996 to 2005.

On top of that, I discovered that we share a mutual passion – SCUBA diving. Not content to be a leisure diver, Ernie studied and practiced through the various advanced diving levels and he is now a qualified Dive Instructor. Whilst we exchanged diving experiences, Ernie shared that he has dived every top dive site in the world – and he is still keen to find others.

“And what does the future hold for you?” I asked. Ernie leaned back and pondered a moment.

*“I enjoy everything I do – and I look forward to what I still have to achieve. I still have two years as Global President and even after that I will always remain involved. As long as I am fit, I will continue to work for the industry.”*

As we parted, Ernie gave me a strong handshake. It is reassuring to know that a man of his commitment and contribution will be around for many years to come.

## **The Jewellers' Story.**

An initiative from Metal Concentrators.

Neville Crosse, his wife Charlotte and son Grant purchased Metal Concentrators (Pty) Ltd (MetCon) in late 2015 and rapidly became aware of the issues and difficulties faced by retail jewellers and manufacturing jewellers on a day to day basis. This led to a lot of thought and discussions as to whether MetCon could play a role in improving the sustainability of the industry.

To that end, MetCon created The Jewellers' Story. An initiative intended to provide a platform for dialogue and debate within the industry.

The first phase was a series of published caricatures presenting the compelling case to the public that purchasing South African manufactured goods has a number of benefits for the jewellery purchaser as well as developing the industry to be more inclusive of all the talented people in the country.

The second phase seeks not only to highlight the most apparent issues, but as a space to share knowledge and wisdom from the most senior and innovative participants, and to nurture emerging talented jewellery makers, as well as to help established businesses struggling to compete at the global industry level. To tell important stories. To share lessons learned. To establish a sense of community within the industry.

There are many challenges ahead for the industry, from both direct and indirect forces. Only by working together to confront them as a community can we triumph over them and provide a new hope for all South African jewellery retailers and manufacturers.

This hope we place in The Jewellers' Story.

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