

# EUROSTAR DIAMOND TRADERS POLISHED PERFECTION



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*Chief Executive Officer of the Eurostar Group, Kaushik Mehta, discusses how the company is geared up to meet both the challenges of today and the future*

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One of the polishing rooms  
at Eurostar, Botswana

## EUROSTAR DIAMOND TRADERS

It was in 1972 that Dame Shirley Bassey released the iconic song *Diamonds Are Forever*. Immortalised as the theme tune to one of Sean Connery's greatest James Bond adventures the song spoke of how diamonds will remain long after a person's love has gone. The truth is that not only will diamonds outlive many generations to come, the creation of natural diamonds pre-dates life on earth itself.

Formed at high temperature and pressure at depths of between 140 and 190 kilometres inside the Earth's mantle, the growth of natural diamonds occurs over periods of 1 billion to 3.3 billion years. Brought close to the Earth's surface naturally through deep volcanic eruptions by a magma that cools into igneous rocks, diamonds can also be produced synthetically or through chemical vapour deposition (CVD). Renowned for its superlative physical qualities, diamond possesses the highest hardness and thermal conductivity of any bulk material known to man.

Today it is thought that approximately 26,000 kilograms of diamonds are mined annually, equating to a total value of almost \$9 billion. At the same time, around 100,000 kilograms of diamond is synthesised, with roughly 49 percent of diamonds originating from Central and Southern Africa.

Despite the timeless nature of diamonds, the diamond industry has not avoided the economic turbulence that has plighted many a business sector over the years. Ironically enough, it was during the 1970s that the seeds were sown for what has since been referred to as the great diamond crash of 1980.

# \$9 BILLION

The estimated value of diamonds mined annually



Rough stone

Having been founded only two years prior to this event, perhaps it wouldn't have been a surprise if Eurostar Diamond Traders had become a short-lived entity. As it happens, the events of 1980 actually helped shape the company into what it remains 35 years on.

"Having weathered the near collapse of the diamond business in 1980," explains Kaushik Mehta, Chief Executive Officer of the Eurostar Group, "we saw the fall in the price of diamonds as an opportunity to set about expanding ourselves from our single manufacturing plant in Belgium, focusing on a core business strategy that involves purchasing rough diamonds, cutting and polishing them, and then selling them on through various channels to retailers, wholesalers and prestigious brand names."

At its heart, diamond cutting is the practice of changing a diamond from a rough stone into a faceted gem through a combination of specialised knowledge, tools, equipment and techniques. The activity of diamond cutting, as well as overall processing, is typically concentrated in a select few cities around the world, with 80 percent of all rough diamonds being handled in the Antwerp diamond district.

"While our activities in Belgium remain absolutely crucial to our operations," Mehta continues, "we have developed massively as a business since the early 1980s, evolving into one of the leading diamond manufacturers on



Analyzing rough stone - mapping inclusions

the market." This evolution saw Eurostar become a Sightholder of the DTC, the sales and marketing arm of the De Beers Group, in 1986, before going on to found Eurostar Belgium Inc. in New York in 1992.

Two years later the company achieved a major milestone in its development with the establishing of its main diamond cutting and polishing centre in China, where it now operates from three locations. In 2001, Eurostar completed the acquisition of a sizeable stake in The Hearts on Fire Company,

making it the leading producer of ideal cut Hearts & Arrows diamonds in the world. The first decade of the new millennium bought with it yet more success, with Eurostar Diamond Traders Shanghai being founded in 2002 and Eurostar being awarded a second DTC Sight in Botswana. More recently, in 2010, the group has established both Eurostar Diamond Traders Hong Kong Ltd. and Eurostar Diamonds India Pvt Ltd, the latter of which is run by Mehta's brother Paresh.

Following the successful establishment of

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“INTERNALLY, THE GROUP HAS ALSO MADE GREAT STRIDES IN ITS WORK TO ATTRACT, AND SUBSEQUENTLY RETAIN, THE MOST TALENTED INDIVIDUALS POSSIBLE TO ITS WORKFORCE”



Analysing polished stone

infrastructure within China the company has begun to turn its attentions to other targets, the next being Cambodia. “As a result of the length of time that we have existed as a leading player in the market,” Mehta states, “we have been able to not only create a very strong distribution network covering various market segments, but also a vast portfolio of notable customers, and we want to build on this further in the years to come.”

Eurostar Diamond Traders’ focus on the future means that it relentlessly pursues innovation, out-investing the industry in developing the latest manufacturing processes and tools. “We are never satisfied with what is seen as the industry standard,” Mehta enthuses, “rather, we stretch ourselves beyond what others see as possible. Thanks to the expertise of our in-house research and development team we are always able to stay a few steps ahead of the competition.”

As is the case with any respected player within the diamond industry, sustainability and corporate social responsibility are massive themes that drive many of the decisions and activities that Eurostar Diamond Traders undertakes. In addition to being 100 percent Kimberly Process compliant, the company participates in a number of community schemes in all of its major locations, from



Kaushik Mehta, CEO

building schools in China to running an orphanage in Botswana. In 2011, the Eurostar group achieved certification to say that it meet the ethical, human rights, social and environmental standards as established by the Responsible Jewellery Council’s Member Certification System.

Internally, the group has also made great strides in its work to attract, and subsequently retain, the most talented individuals possible to its workforce. This all begins with the training that it provides at its factories. “Our in-house schools,” Mehta highlights, “feature intensive programmes that train our workers to expertly polish diamonds. After completing a year-long course, these individuals will have earned the qualifications necessary to move into full time positions in our factories.”

Even with a trained workforce in place one of the major challenges the company faces today, particularly in China, is being able to retain these employees for a substantial period of time. “As recently as two-to-three years ago,” Mehta reveals, “we were experiencing a situation where up to five percent of our Chinese workforce were moving on to other employment on a monthly basis. In the time since we have launched a series of incentivising initiatives to combat this, going so far as to providing accommodation for our workers. What this has helped us do is reduce the percentage of outgoing employees down to as low as two percent, a figure that we hope to improve going forward.”

As Mehta goes on to conclude, this is just one of the challenges that Eurostar Diamond Traders will have to face in the immediate future as the industry battles with the effects of the increasing disparity between supply and demand. “The fact is that while no new diamond mines have opened in the last decade, increased productivity and production has resulted in a shortage of rough diamonds. This is a serious concern for the market and one that will not be solved by a quick-fix solution. That makes it all the more imperative that in the years to come we must continue to do what we do best as a business in order to shine brighter than our competitors.” **BE**

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Eurostar Diamond Traders visit:  
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