

Exploring Namibia's diamond future

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WHEN the SS Nujoma sets sail later this year to explore for, and sample, diamonds off Namibia's coast, it will not only be the culmination of many years' work, but also a glimpse into the country's future.

For many years, Namibia's diamonds have been coveted by consumers the world over for their beauty, rarity and preciousness.

As a result, diamonds are now the major contributor to the country's economy via their sizeable contributions to GDP (via taxes, royalties and dividends), export revenues and employment.

But while diamonds are forever, their production is not. Experts agree it's unlikely there will be any large new deposits discovered that are economic to mine.

So, the challenge for De Beers and our Namibian government partner is to discover and recover those that remain to ensure the next generation of Namibians benefit in the same way as their parents have.

At a cost of N\$2,3 billion, the SS Nujoma is the world's most advanced diamond exploration and sampling vessel ever constructed.

The cutting-edge technology on the vessel was developed by De Beers, in collaboration with international scientists.

Once commissioned, it will carry a crew of 80, and expand the sampling capacity and future capability of Debmarine Namibia's operations.

The samples will inform Debmarine Namibia (De Beers' joint venture with the Namibian government) where it will be most prosperous to mine in the sea. That is where the fleet's mining vessels come in.

But while we hope it will be a fruitful investment, it will certainly not be a cheap one. And that is why both De Beers and our joint venture partners need to be, and to remain, profitable: to allow for reinvestment.

This week, as part of the De Beers Group's annual results for 2016, we announced that Namdeb Holdings (our joint venture with the Namibian government) made profits, in 2016, of US\$219 million. These are profits with a purpose.

They not only provide a boon to the Namibian economy, but they also serve to secure jobs, help fund infrastructure and allow us and our partner to invest for the future.

That doesn't just mean investing in projects. It also means investing in people.

Our balance sheet does not highlight the N\$10 million we invested in a partnership with the University of Namibia to provide financial assistance with higher education for underprivileged children.

Nor does it show the cooperation deal Namdeb signed with the Namibian University of Science and Technology (NUST).

And neither does it draw attention to the valuable work undertaken in communities across the country by the Namdeb Foundation.

I don't make these points in an attempt to sound virtuous. I make them because they are every bit as important as the investments we make in diamond exploration and production.

It is not only our moral obligation to support the people and the communities who we've partnered with for many years, but also to play our part in laying the foundations for the growth of Namibia in future decades.

And investment doesn't just mean dollars. It means committing our long-term future to the country.

In May last year, De Beers and government signed a 10-year sales agreement for the sorting, valuing and sales of Namdeb Holdings' diamonds.

The agreement is the longest ever signed between the two partners, and will see a significant increase in rough diamonds made available for beneficiation in Namibia.

The agreement will ensure that Namibia's diamonds will continue to play a key role in national socio-economic

development long into the future.

We are not blind to the challenges the country faces. Neither do we profess to have all the answers. But we are confident that, together with our partners, we can be part of the solution.

So, while the SS Nujoma seeks new opportunities at sea, and our partner government accelerates its development agenda through the Harambee Prosperity Plan, we in De Beers remain steadfast in our commitment to seek new opportunities to continue having a positive and lasting impact on the people of Namibia.

*** Bruce Cleaver is CEO of De Beers Group**

