

Diamond Industry must Embrace Digital Innovation to Advance Traceability, Confront Global Challenges, New DMCC Report Finds

- *DMCC's Future of Trade special edition report on diamonds emphasises the crucial role of technology in driving traceability, transparency and sustainability in the diamond industry*
- *Blockchain, AI and advanced laser micro-machining part of a number of tech-based solutions to address key challenges including rise of lab-grown diamonds and G7 sanctions*
- *Report follows DMCC's Provenance, Traceability and Technology Forum which was hosted on the sidelines of the Kimberley Process Intersessional in Dubai in May*
- *Full report can be downloaded here: [Link](#)*

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DMCC – the world's flagship free zone and Government of Dubai Authority on commodities trade and enterprise – has released its latest Future of Trade report, a special edition focused on advancing traceability in the global diamond supply chain.

Titled 'Provenance, Traceability and Technology', the report emphasises the need for advanced, technology-enabled solutions to maintain the integrity and sustainability of the diamond supply chain. Key solutions exist including blockchain, AI, synthetic DNA, laser microjets, QR codes and physical tracers that are crucial to address current challenges linked to changing consumer behaviour, the rise of lab-grown diamonds and G7 import restrictions.

The G7's sanctions package against Russian diamonds, which contains a blockchain-enabled traceability system implemented from September 2024, has led to significant concerns from the industry as to delays, additional costs and regulatory overreach. To avoid the imposition of further restrictions and ensure a consistent global regulatory approach, DMCC's report urges for the establishment of a working group on Traceability and Transparency to agree standards on "Minimum Viable Levels of Traceability and Transparency". Such a body would leverage industry's deep expertise, in turn, supporting efforts to advance and scale up the best available technologies for mass adoption and preserve industry self-determination in the longer term.

The publication follows DMCC's "Provenance, Traceability and Technology Forum" on the sidelines of the Kimberley Process Intersessional Meeting in May 2024, which gathered hundreds of leading diamond industry stakeholders to Dubai to discuss key challenges linked to advancing traceability solutions.

Ahmed Bin Sulayem, Executive Chairman and Chief Executive Officer, DMCC, said: *"It is paramount that we collectively embrace technology and its increasingly critical role in the diamond industry's evolution and supply chain. By utilising AI, blockchain and laser micro-machining, the diamond industry must embrace the opportunities to enhance transparency, while providing greater support to artisanal mining communities, both key objectives of the Kimberley Process. With DMCC's Dubai Diamond Week taking place in November, and Dubai's compound annual growth rate of 11 per cent in the diamond trade over the past five years, the timely publication of our Future of Trade report on diamonds will provide valuable insights for the global community, while sharing important recommendations as to how we can collectively safeguard the long-term integrity and sustainability of the diamond supply chain."*



The report outlines six key recommendations:

- **Industry must set its own standards:** Industry must preserve the ability to set its own standards when it comes to traceability by setting up a task force of industry experts, the “Expert Group on Traceability and Transparency”, to outline recommendations of minimum viable levels of traceability and transparency by March 2025.
- **Develop an interactive ledger:** Industry must maintain a comprehensive register of available technologies, detailing their capabilities, limitations, unique features and areas of technological and economic viability.
- **Promote a technology-agnostic approach:** To fully embrace digital innovation, it is important to maintain a “technology-agnostic” approach to safeguard the dynamic nature of traceability technologies.
- **Create compatibility and trust layers:** A “compatibility layer” that allows for intuitive data visualisation and secure transfer as data-sets transition through the diamond value chain can ensure seamless integration of technologies. Meanwhile, a “trust layer” through a network of neutral individuals can be used to authenticate entries at each stage of the value chain.
- **Develop payment efficiency:** Industry should develop a new technology-based payment model that ensures efficient and timely payment for miners and credit flexibility for retailers.
- **Drive continuous collaboration:** Industry must collaborate to ensure its longevity, uniting mining companies, manufacturers, retailers, regulatory bodies and technology partners to advance technology and traceability solutions and foster continuous collaboration.

The report and its findings will be discussed at the sixth edition of the Dubai Diamond Conference (DDC) which will take place on 11 November as part of DMCC’s dedicated “Dubai Diamond Week”. Dubai Diamond Week will also see the Kimberley Process Plenary from 12-15 November and the Jewellery, Gems & Technology (JGT) Dubai trade fair from 12-14 November. The theme for this year’s DDC is “Thriving Under Pressure: Navigating the New Global Paradigms,” which aptly captures the essence of the challenges and transformative opportunities facing the global diamond market.

This special edition of DMCC’s Future of Trade report follows the launch of its most recent edition of its biennial flagship report in May 2024, which set out the key drivers of global trade over the next decade. The 2024 Future of Trade report series has been downloaded and viewed over 1.9 million times.

To read the full special edition report by DMCC, please visit: <https://www.futureoftrade.com/special-diamonds-edition-2024>.

About DMCC

Headquartered in Dubai, DMCC is the world’s most interconnected Free Zone, and the leading trade and enterprise hub for commodities. Whether developing vibrant neighbourhoods with world-class property like Jumeirah Lakes Towers and the much-anticipated Uptown Dubai, or delivering high performance business services, DMCC provides everything its dynamic community needs to live, work and thrive. Made for Trade, DMCC is proud to sustain and grow Dubai’s position as the place to be for global trade today and long into the future.

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