

Eurostar deploys more resources to DTC's initiatives

Influential global diamond supplier and sightholder Eurostar Diamond Traders has continued to deploy tremendous resources in support of major promotional campaigns initiated in the Southeast Asia region by the Diamond Trading Company (DTC).



Eurostar's manufacturing facilities in China – reputedly one of the largest diamond-polishing complexes in the world – now employs a total of 4,300 workers



**Kaushik Mehta,
Chairman of Eurostar
Diamond Traders**

In the fashion-conscious consumer market in Taiwan, Eurostar supplies its diamonds in various categories through three successful DTC campaigns that have been running for four years. In the trend-setting Hong Kong market, the company is among the select few sightholders that supply the Forevermark Diamond.

According to Kaushik Mehta, Chairman of Eurostar, hearts-and-arrows diamonds, regular round brilliants, and stones in a patented unique cut are supplied by Eurostar to major retailers participating in three successful marketing campaigns initiated in Taiwan by DTC, namely the Heart Diamond, Duet and Pro68. There continues to be huge and growing consumer demand for diamonds in the market and the three campaigns represented marketing and advertising expenditures worth over \$2.5 million in 2004. Confident of its production capacity and various resources, Eurostar plans to increase its supply of diamonds marketed under the three campaigns to fulfil the needs of its clients.

Mr Mehta said: "The Heart Diamond programme has significantly strengthened demand for hearts-and-arrows diamonds in Taiwan. Clearly, it has completely shifted consumer demand to hearts-and-arrows from traditional rounds. Eurostar's sales in Taiwan have registered substantial growth rates over the past few years, which is in large part due to the halo effect created by the Heart Diamond programme. We will continue to increase efforts dedicated to the programme as we can see it is a mutually beneficial,

value-added initiative for both ourselves and our downstream partners in the market."

Although the Heart Diamond programme is a major campaign for Eurostar, the share of hearts-and-arrows diamonds actually sold under the programme is small in comparison to its overall sales of hearts-and-arrows diamonds worldwide. Eurostar has initiated similar campaigns in China as well as in Japan. In the United States Eurostar's hearts-and-arrows diamonds are sold under the popular Hearts On Fire brand.

The US-based pioneer in branding hearts-and-arrows diamonds has begun its Hearts On Fire retail operation selling high-end hearts-and-arrows diamond jewellery designs in the Taiwan market. Under the leadership of industry veteran Irene Hsieh, Hearts On Fire is set to open five additional retail outlets in 2005, bringing the total to eleven. Eurostar owns a substantial share of Hearts On Fire and is the company's sole diamond supplier.

Amongst Eurostar's other programmes in Taiwan are Duet and Pro68. Featuring a versatile design



Eurostar participates in DTC's Heart Diamond Programme in Taiwan. "The programme has significantly strengthened demand for hearts-and-arrows diamonds in Taiwan," Mr Mehta said

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Online diamond search engine launched

Eurostar's new online diamond search engine www.eurostarbelgium.com will begin its service on July 25, 2005.

The engine offers an extensive, independently certified diamond inventory with thousands of diamonds listed at any time. New diamond listings are continuously added every week. A special feature of the search engine is the Virtual

Loupe Technology which notably displays any inclusions within the diamond, enabling the users to easily discern between clouds, crystals, feathers, knots, or naturals. According to Eurostar, diamond selections and their accompanying certificates will be shipped within the same business day. Orders placed after 4pm EST will be shipped the following business day.

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that can be worn as either a ring or a pendant, Duet is a jewellery collection developed to promote sales of regular round diamonds with Eurostar's trade partners. The Pro68 is a unique collection dedicated to promoting sales of men's diamond jewellery using a special cut. Consumer awareness of the Pro68 campaign, which targets professional men on the island, is increasing and the campaign is growing, albeit at a slower pace compared with the runaway success of the Heart Diamond initiative. Best-selling Pro68 diamonds are from 0.30 to 2 carats.

In Hong Kong, Eurostar supplies Forevermark Diamonds to a high-end jewellery retailer with three boutiques. Mr Mehta said the programme has been very encouraging so far. "In the future, we will increase the amount of diamonds supplied under the Forevermark Diamond programme."

DTC's Diamond Wedding Ring campaign initiated in China is another programme that Eurostar participates in as part of the company's sales development initiatives. Eurostar works in close partnership with major retail chains in various metropolises in the country, he said. "We are working with our distribution partners in consumer marketing campaigns that promote different categories of diamond jewellery, including regular round diamonds and hearts-and-arrows diamonds to stimulate the market at all spectrums. Although requirements obviously vary from market to market, we usually enter a particular market with regular round diamonds. As the market matures, we will begin to diversify into hearts-and-arrows diamonds. At the same time, it is important for us to keep our focus on select product categories in order to maintain product consistency and build brand equity."

Although Eurostar has continued to support its

marketing programmes in Taiwan, Hong Kong, China, Japan, and the United States, among other important diamond consumer markets, it is taking an analytical approach to further expansion because demand for its goods has outstripped the supply. Meanwhile the company will continue to focus its resources on the manufacturing and marketing of its polished diamonds and will not diversify into production and sales of jewellery in the near future, Mr Mehta said.

Eurostar's manufacturing facilities in China – reputedly one of the largest diamond-polishing complexes in the world – now employs a total of 4,300 workers. The factory complex is located in Conghua district, which is a part of Guangzhou City, the provincial capital of Guangdong in South China. Eurostar's factory in China processes 160,000 carats of rough diamonds on a monthly basis. The polished output grew steadily over the past years. Like others, it was met with power supply shortages that began hitting the province in late 2004. The shortage has persisted for months and has had a slight impact on Eurostar's diamond manufacturing operation. "We are looking for solutions to address this issue so that it does not recur. We are considering setting up our own power generator at the complex. In addition, we plan to increase production for the rest of 2005 in order to offset the reduced polished output that occurred in the first several months this year."

In addition to its factory in China, the Eurostar Group controls and manages ten diamond cutting and polishing centres worldwide, including those set up in major polishing centres such as Belgium and India. A factory in Botswana is currently under construction and the training of the first 80 employees is already well underway.