

# Namibian diamonds make their way to Dubai

By [Shinovene Immanuel](#)

16 Nov 2016

Namib Desert Diamonds (Namdia) sold diamonds estimated at around N\$2,1bn to unnamed companies in Dubai, a location known for accepting undervalued diamonds from Africa.



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Namdia's board chairperson, Shakespeare Masiza, confirmed to *The Namibian* that they sold the diamonds to Dubai, but refused to name the company which bought them, saying it was confidential information. His reluctance to reveal the companies which bought Namibian resources adds to worries about the operations of the new parastatal that have been clouded in controversy over the past two months.

Among these is the questionable decision by Obeth Kandjoze's ministry to ignore state procurement laws by awarding a contract to a well-connected middleman company to value Namibia's diamonds.

"Namdia is selling its diamonds in Windhoek, and has sold the diamonds to companies based in Dubai," Masiza stated.

He said they sold the diamonds to Dubai companies because most major diamond industry leaders or companies are based in Dubai.

Namibian political leaders have also travelled to the Middle East to lure investors.

"Dubai has emerged as one of the most prominent global diamond trading hubs. As such, the focus of the rough diamond industry has moved from Belgium to Dubai," he said in an email copied to board deputy chairperson, Tania Hangula, and acting chief executive, Kennedy Hamutenya.

Masiza said Dubai is Kimberly Process certification compliant. The Kimberley Process certification started in 2003 to keep diamonds tainted with violence out of the international trade, but this has not stopped the elite from countries like Angola from selling the gems through Dubai.

"In fact, Dubai is the chair of the Kimberly Process certification this year and has the best infrastructure for the diamond industry to work from," Masiza noted.

Dubai is one of the top three diamond trading hubs in the world, rivalling centres such as Antwerp (Belgium), and Mumbai in India. But it has been used as a tax haven and also accommodating illegal diamond trade.

An investigation published by *World Policy Journal* titled 'Kimberley's Illicit Process' found that Dubai was used to under-value diamonds from Africa through subsidiary companies based in jurisdictions providing legal and financial secrecy, like Dubai.

Diamond experts said Dubai provides two advantages: first is the "mixed origin" Kimberley Process certificate that effectively removes the origin of the diamonds; second is the frequent re-invoicing of diamonds which are exported from African countries at a lower price before being re-exported from Dubai at a higher price.

An American embassy cable released by Wikileaks said the former chief executive of the Dubai Diamond Exchange, Noora Jamsheer, claimed that the Kimberley Process system in Dubai was corrupted, and that she was offered commissions to turn a blind eye.

In refusing to disclose the names of the companies which bought the Namdia diamonds, Masiza said information about Dubai buyers of Namibian diamonds are "commercially sensitive and can therefore not be disclosed".

"Namdia agreements with our clients are confidential. The clients prefer that their names not be made public," he said.

He added that the government task team carried out due diligence on the integrity of all potential Namdia clients.

In 2007, the Namibian government and De Beers set up a joint venture, the Namibia Diamond Trading Company, to supply rough diamonds at a discount to selected customers, known as sightholders, for three and a half years.

Unlike NDTC which publicly advertises and announces its beneficiaries, Namdia's chairperson insisted that they will not reveal the names of the buyers to the public. "That is NDTC's choice," he said.

The decision by Namdia to sell diamonds to Dubai was not well taken by some local diamond companies which are now being offered to buy the diamonds from Dubai. Namibian companies are furious that diamonds are being exported by Namdia instead of empowering the local market.

Secrecy about Namdia's work comes two weeks after *The Namibian* reported that a company owned by businessman, John Walenga, and a nephew of former Cabinet minister, Helmut Angula, was hand-picked to evaluate diamonds from the new state-owned diamond firm.

Walenga and his partner, Tironenn Kauluma, were awarded the deal by the ministry of mines to evaluate diamonds from Namdia through their company called C-Sixty Investment.

Sources said the deal is worth anything between N\$10 million and N\$26 million per month, but those sympathetic to Walenga's camp claimed that the figure is too high.

Sources said Namdia appears to be in the hands of a cartel of top politicians, senior state officials and their cronies who are strategically placed in the new parastatal to benefit from Namibian diamonds. Some of them are linked to top officials in the Presidency.

**Source:** allAfrica

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