



WITHOUT DIGITAL CONNECTION IS NOT POSSIBLE

Eitan Gul, Managing Director of A. Gul in Pforzheim, Germany, sees the future primarily in the digitization of the entire value chain, as he explains in an interview with GZ.

How are diamond prices developing?

Eitan Gul:

Rough stones have become significantly more expensive. De Beers, Alrosa and also the Canadian mine operators have raised prices. Demand is good and mining costs, for example for energy, are rising. Also demand for diamonds as Investment is currently fuelling the market. Depending on the outcome of the Christmas season, prices may continue to rise in the near future. I don't see any chance of stabilization until next January or February.

Are there already bottlenecks?

Yes, there are supply problems for high-grade stones, as demand is recovering faster than the cutting factories can deliver. In addition to this currently Diwali, the Indian festival of lights, takes place. Starting at the end of October, the cutting factories will be closed for 20 days. Before that, Corona had interrupted the production. Since most diamonds are cut in India, this affects the overall supply. I think that only next year the market will come back into balance

Will all market participants survive the changes?

Many suppliers will disappear along the value chain, which will make the market even tighter. The main reason is the lack of technology. Buyers expect a digital link between the available range of stones and their IT. Today, stones are ordered online just in time, as soon as there is a customer order for a specific piece of jewelry. Most dealers worldwide cannot do that. Therefore, classic diamond exchanges have also become obsolete, as they are no longer able to properly fulfill their traditional task: To distribute diamonds.

Do issues such as sustainability and origin also play a role in the digitalization of the value chain?

Yes, certainly. Digital control over the entire pipeline is becoming increasingly important. Outside this pipeline, there is hardly any serious demand from major players. We can guarantee sustainability because we are RJC certified. We only buy from certified sources. Some of our customers are also certified, and if required, they need to be able to prove the origin of the stone beyond any doubt. This way we can guarantee whether it comes from De Beers, Alrosa or Canada.

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„The ability to deliver separates the wheat from the chaff, because many suppliers do not have the goods they have listed in their databases.

Eitan Gul, CEO

This is a huge administrative burden and can only be solved with a database and a digital workflow from the mine to the POS.

Is the stock gaining more importance?

The ability to deliver separates the wheat from the chaff, because many suppliers don't have the goods they have listed in their databases. We have a huge stock of small goods and certified stones, we constantly buy more and can deliver overnight. In this way, we take over the tasks of a diamond exchange.

What are the next steps?

We are launching a new B-to-B online exchange for our customers and a website at the beginning of next year. This will provide us with a white-label system that will enable our partners to offer our diamond range under their own name and with their own margin.

→ www.gul.de

SUMMARY

This has a future, because

Gul shows where the journey is headed in the digitalization of the entire value chain in the diamond industry.