

InColor

FALL/WINTER 2010
ISSUE 15

All About Colored Gemstones

JOURNEY INTO THE GEMS AND JEWELRY OF BRAZIL HOST OF THE ICA CONGRESS 2011



Spectacular Microphotography of Gemstone Inclusions



CITES-Protected Organic Gems



Environmental Stewardship

A Publication of the International Colored Gemstone Association



Cover: Inclusion of quartz and rutile needles within quartz. See article, "The Hidden Beauty of Brazilian Gemstones."

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Booming Brazil – A Rising Star in the Jewelry Industry and the Global Economy

Brazil's influence in the international jewelry industry is growing by the day. Its success resides in its natural resources, innovative, colorful designs—for both couture and costume jewelry—and its burgeoning domestic economy. In the Brazilian jewelry industry, both production and consumption reign supreme.

By Sarah Siegel

Brazil's importance in the jewelry industry was inevitable. A significant percentage of the world's colored gemstones come from Brazil. The country produces and exports stones such as aquamarine, amethyst, citrine, emerald, topaz, morganite, rutiled quartz, rubelite, and tourmaline. A few, such as Imperial topaz, are only available from single mines in Brazil. Brazil is also a major producer and exporter of gold. Combining these natural resources with the flair for form and style of its designers and artists, Brazil was destined to become a jewelry-producing country of international stature. The jewelry industry's strong performance domestically and abroad ensure that it will continue to increase in prominence.

Despite the economic turnaround that has affected the rest of the world, Brazil's economy is strong. This year, the country expects record GDP growth of seven to eight percent. Best of all, the economy is benefiting both ordinary consumers and Brazil's key industries.

Over the long term, Brazilian citizens anticipate sustained economic growth and a continuity of economic and social policy with their new incoming president, Dilma Rousseff. Elected in November 2010, she comes to office as

Production Chain – Estimated Number of Companies in 2009

INDUSTRY MANUFACTURERS	Stone Cutting / Objects	600
	Jewelry (Silver and Gold)	800
	Gold-plated and Fashion Jewelry	2,600
	TOTAL	4,000
RETAILERS		14,000

Ninety-five percent of jewelry manufacturers and retailers are small and medium-sized enterprises.

the chosen successor of the popular current president Luiz Inácio Lula da Silva. Despite her lack of political experience, she promises to stay the course that Lula began. Brazilian citizens expect that a continuation of these policies will lead to an even stronger economy, a growing middle class, and strong industries in the domestic and export markets.

The Brazilian Gems and Jewellery Trade Association (IBGM) reports that approximately 30 million people in Brazil have risen from poverty over the past few years. These newly empowered consumers now have

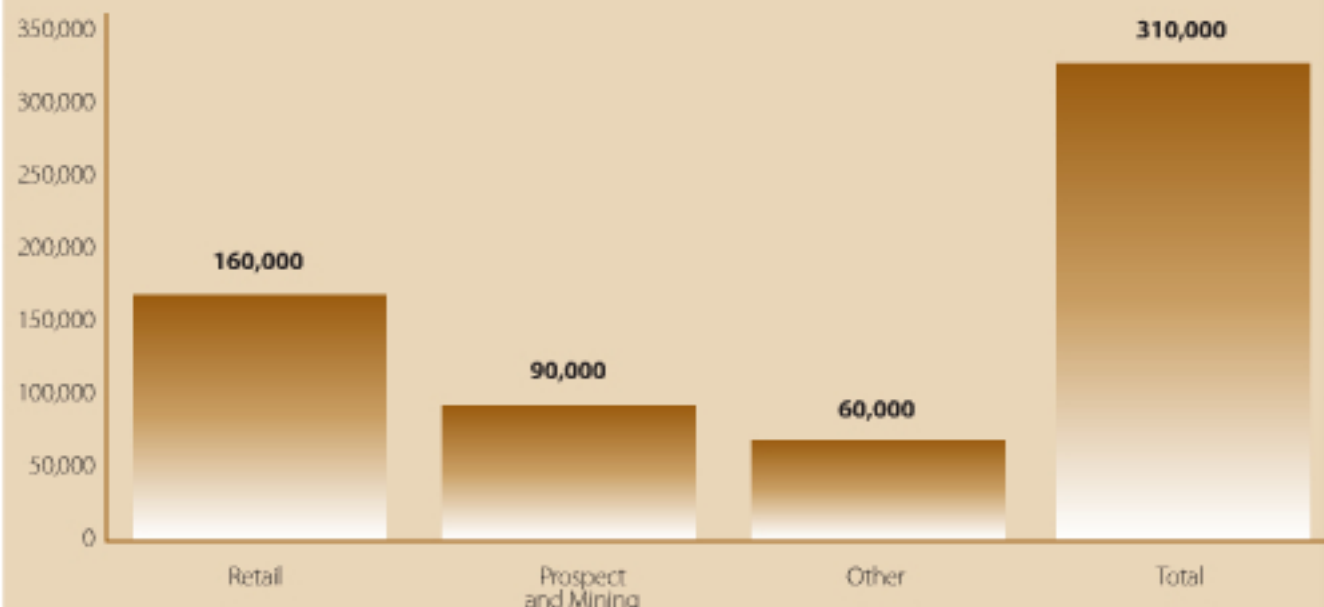


Ícaro Jóias



Brumani

Employment Levels, 2009



Statistics show that the jewelry industry—mining, production, and retail—is a big business in Brazil. The industry enjoyed estimated gross sales of US\$3 billion in 2009 and employs 310,000 people.

Brazilian Share of Markets in Gold and Silver Jewelry and Gemstones

Brazil is one of the world's main sources of gemstones and is both a significant producer and exporter. Although it is losing market share to countries in Africa, Brazil is still responsible for one-third of world gemstone production (excluding diamond, ruby, and sapphire). Even with the increasing internal consumption, the majority of Brazil's gems are mined for export.



Facetted Brazilian rubellite.



Clementina Duarte

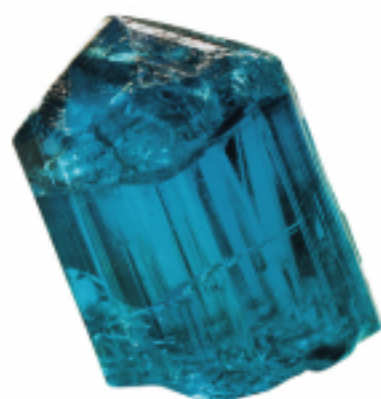
According to GFMS, Brazil was ranked seventeenth in the world in gold jewelry manufacturing and thirteenth in consumption in 2009. As prices for gold have risen sharply over the past few years, Brazil has seen strong profits in that sector. However, gold jewelry production has fallen and is perhaps being replaced by

less expensive silver jewelry, especially as jewelry designers are beginning produce more design-oriented silver pieces that incorporate colored stones. As for silver jewelry, Brazil is ranked fifteenth in world-wide manufacturing (tied with France)



Bruner

despite its lack of significant domestic silver production. The Brazilian industry positions its silver jewelry not as a replacement for gold, but as a valuable, fashionable product in its own right.



Crystal of Paraiba tourmaline.

Brazilian Share of Costume Jewelry and Gold-plated Markets

These segments have grown significantly in recent years due to the increased consumption of middle class Brazilians, the improvement of quality and productivity of the industry, the use of special fashion design, and the availability of these more affordable options.

Although comparison statistics do not exist, it is estimated that Brazil's share in the global gold-plated market is significant. Exports total approximately 10 percent of total local production. Fashion jewelry, despite increasing production, does not show the same level of growth in terms of production and export.



Vianna

Product Types	2009	2008	2007	2009/07 (%)
Raw gemstones ¹	28,371	52,633	55,559	-49
Facetted gemstones ²	73,420	74,031	85,482	-14
Carvings and gemstone objects ³	14,892	17,025	17,326	-14
Gold in bars, wires, and plates	1,384,098	1,032,446	790,821	75
Precious metal products for industry	79,130	133,878	94,869	-17
Jewelry/goldsmith precious metals ⁴	95,203	132,526	129,110	-26
Gold/silver-plated jewelry ⁵	44,627	58,738	133,812	-67
Other scrap metal	61,326	95,811	-	-
Fashion jewelry ⁶	17,523	21,750	20,754	-16
Other products	3,630	11,972	5,328	-94
TOTAL	1,802,220	1,630,810	1,333,061	35

Source: MDIC/SECEX/DEPLA (includes exports to non-residents).

¹In 2009, the main export markets for Brazilian rough gemstones were Hong Kong, China, India, USA, Germany, Thailand, Italy, and Japan.

²In 2009, the main export markets for Brazilian facetted gemstones were USA, Hong Kong, Germany, United Kingdom, Japan, Switzerland, Italy, and India.

³In 2009, the main export markets for carvings and gemstone objects were USA, Germany, United Kingdom, China, France, Japan, Spain, Italy, Saudi Arabia, and Canada.

⁴In 2009, the main export markets for gold and precious metal jewelry were USA, Germany, Israel, Argentina, Peru, Switzerland, Russia, Bahrain, France, Mexico, United Kingdom, Colombia, Panama, and Portugal.

⁵In 2009, the main export markets for gold/silver-plated jewelry were Germany, USA, Mexico, Belgium, Panama, Venezuela, Canada, and Colombia.

⁶In 2009, the main export markets for Brazilian fashion jewelry were USA, Argentina, Colombia, France, Guatemala, Italy, Portugal, Spain, and Chile.