

Revitalising a Colombian icon

INTERVIEW WITH IAN HAREBOTTLE

CHIEF EXECUTIVE OFFICER, GEMFIELDS



IAN HAREBOTTLE is a veteran of the coloured gemstones industry and an African by birth. Having observed the significant disparity between diamond and coloured gemstone value and volume sales across all markets, despite the natural human love of colour, he decided to combine his marketing skills and knowledge of mining to transform the coloured gemstone market. Since his appointment as CEO of Gemfields in 2009, the company has seen its market capitalisation increase almost twenty-fold and revenues increase exponentially.

Gemfields plc, a leading global supplier of responsibly sourced coloured gemstones, is positioning itself to play a key role in reviving Colombia's emerald industry.

In September 2015, the company acquired a 70 per cent controlling interest in the Coscuez emerald mine in Boyacá, a mountainous department that runs north from the capital, Bogotá, up to the Venezuelan border. Coscuez is one of the world's most important emerald mines and is known to have produced some of Colombia's finest emeralds.

As Ian Harebottle, Gemfields' CEO, explains, Colombia's emerald mining has traditionally been located in Boyacá, but went into decline in the 1980s. At the end of the decade, thousands died when Gonzalo Rodríguez Gacha, the Medellín cocaine cartel boss, attempted to wrest control of the emerald zone from the so-called emerald tsar Victor Carranza, who died in 2013.

"Now, with the return to peace, we saw the opportunity to help play a role in rebuilding the emerald industry in Colombia," says Mr Harebottle, who says he sees his company emerging as the De Beers of coloured stones.

"Colombia has been producing some of the world's best emeralds for 500 years, so people associate emeralds with Colombia. Historically, it is the biggest producer, but over the last 30 years production has fallen, largely because of the conflict, but we intend to turn that round," he adds.

"Colombian production of emeralds, famed for their colour and quality, fell behind Zambia and Brazil as easily accessible gems become scarce. The country produced about 2 million carats last year, compared with almost 10 million in 2004," says Mr Harebottle.

Christian Dior, Bulgari and Macy's, are among the brands selling jewellery using precious stones mined by Gemfields in Zambia and Mozambique, and Mr Harebottle, intends to add Colombia to that list.

He believes that changing tastes in jewellery which have seen a growing market for artistic pieces, rather than simply setting a valuable stone in gold, will increase demand for emeralds and other coloured stones.

"The discerning consumer is increasingly looking for the opportunity to showcase their individuality. Young women today are looking to differentiate themselves. Say you're wearing diamonds, you can differentiate by way of the design, but there are only so many ways you can change the design," explains

Mr Harebottle, adding: "Once you start adding colours you have a full palette available to you – just take emeralds, there are almost 1,000 different tones and ranges of colour. And the same is then true when you add diamonds of all colours, including white, to the mix as well." Which is why, he says, demand is steadily increasing for coloured stones.

To supply those stones in the quantities Gemfields has in mind, it needs access to sizeable resources and sizeable assets in the ground: "and that's where Gemfields is very fortunate. We are well financed – and we're looking to expand. Obviously we only acquire new assets after we have made the decision that there is an opportunity to be had in the mining and marketing of coloured gemstones. We see massive potential in Colombia. It's very easy to identify attractive assets. To find the right one with long-term potential, with the right partner at the right price, that takes a bit longer."

Returning Colombia to its emerald glory days depends in large part on tapping the bounty of gemstones buried under the country's water table. The Coscuez mine is "just scratching the surface" because of lack of investment and technology. Gemfields is looking at a system of pumps to access these deeper deposits, and hopes that operations can begin there by the end of the year.

"Each country where we operate has regulations in terms of environmental compliance and social commitment, but what we like to do is go beyond that," says Mr Harebottle.

"If you're a mining company, certain things are demanded of you and expected of you, and I always say that you can do these things because you have to or you can do them because you want to. We take the latter approach when it comes to environmental compliance, along with our social programmes and many other areas of our business," he explains.

Now all Gemfields is waiting for is final approval from the government.

"We have everything in place. It would send out a really powerful message to the international community if we were to start mining by the end of the year, it would be a big symbol of change, of transparency: We understand that there are many problems in Colombia at the moment, but we are confident the country can overcome them and keep moving forward" he concludes. **F**