

Diamonds add sparkle to the Botswana economy

Botswana is reaping the rewards of decades of successfully managing its diamond sector to become one of the fastest growing economies in Africa.



Okavango Blue diamond

"Transparency and good governance must continue to be a guiding value of corporate behaviour in order to earn the trust and respect of our current and future consumers," says Marcus ter Haar, MD of Okavango Diamond Company (ODC).

The diamond sector is the largest private sector employer in Botswana and the primary engine for growth and development, contributing 80% to foreign exchange earnings, 50% of government revenue and 30% of GDP. Before diamonds were discovered in Botswana in 1966, income per capita was just \$70, but that has since grown to over \$7,000. Only nine schools were in existence before the discovery of diamonds, but the country now boasts over 1,000 schools.

"In Botswana diamond mining now directly employs in excess of 5,500 people, with the diamond cutting and polishing industry employing approximately 2,300 people. Maximising the value derived from diamonds across the value chain means greater benefits such as ongoing skills training, ranging from artisan level to highly skilled professionals," he says.

Resource-based to knowledge-based economy

Such policy dialogues are critical in enabling ODC and Botswana to share its best practices with a wider group of stakeholders as the country transforms from a resource-based to a knowledge-based economy. Due to the major strides made to broaden the economic activity in the sector and thanks to once-in-a-lifetime finds like the Okavango Blue - officially the biggest blue diamond discovery ever made in Botswana, weighing 20.46 carats in its polished form - that was unveiled to the world in April 2019, Ter Haar believes Botswana is fast being transformed into a leading global natural diamond centre.

“Botswana has produced and continues to produce some of the world’s most impressive and valuable gems the world has seen through the last five decades of responsible mining and selling. These gemstones have generated income that contributes to a nation being housed, schooled and provided with healthcare and infrastructure. Diamonds have built the foundations for a modern progressive African nation,” he says.

As a founding member of the Kimberley Process Certification Scheme (KPCS), Botswana diamonds have always been conflict-free. The emphasis on transparency, good governance, and ethical sourcing have engendered great trust in the diamond sector in Botswana.

“It’s time diamonds become symbolic of the good that they do and the responsible and ethical nature of unearthing and processing of these gems in Botswana should be celebrated as a thriving model of corporate citizenship and best practice across the world,” says Ter Haar.

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