

Transparency International EU

The global coalition against corruption

Open letter: sanctioning Russian diamond imports

Lucinda Pearson · Tuesday, July 5th, 2022

The letter below was sent by Transparency International EU and Transparency International Belgium to the following recipients:

Ursula von der Leyen, President of the European Commission
Alexander De Croo, Prime Minister of the Kingdom of Belgium
Josep Borrell Fontelles, High Representative of the EU for Foreign Affairs and Security Policy /
Vice-President of the European Commission
Valdis Dombrovskis, Vice-President of the European Commission
Paolo Gentiloni, Member of the European Commission

Brussels, 5 July 2022

Dear President, dear Prime Minister, dear High Representative / Vice-President, dear Vice-President, dear Commissioner,

Over 100 days ago, Russia decided to start a horrific invasion against Ukraine, causing damage on an unimaginable scale and the death of many innocent people. While Ukrainian resolve against its attackers has not diminished and Russian forces continue to face severe resistance, it is evident that the country cannot fight this war by itself. The EU must continue to limit Russia's capacity to wage this war.

While we acknowledge the effort of the European Commission and the Member States, both for military, humanitarian, and financial aid, as well as the adopted sanctions, the EU can and should do more. One sector not included so far in the sanctions packages is the import of rough diamonds from the Russian Federation. Russia is able to finance its war effort in large part thanks to its export of raw materials and its natural resources. Banning the import of diamonds, which is in the top 10 of non-energy exports by value, can be an additional step limiting Russia's access to global markets and foreign currencies.

Russian diamond mining is concentrated in the hands of Alrosa Group, in which the Kremlin has a large stake and which provides a lucrative business for the country. While the US has **already restricted** the trade of Russian diamonds by sanctioning Alrosa, the EU has not taken any action yet, even though over a quarter of diamonds extracted worldwide come from there. Russia exports around \$4 billion worth of rough diamonds annually. Last year €1.8 billion worth of rough diamonds arrived in Belgium alone. Belgium is Russia's **primary destination** for diamond exports. Furthermore, Alrosa's chief executive Sergei Ivanov is one of the oligarchs sanctioned by the US, making it even more questionable why this oligarch-run business sector has not yet been targeted

by the EU.

No profits from precious stones should directly or indirectly finance the Russian government and its aggression against sovereign states, and no Russian kleptocrat should be able to enjoy luxury goods while innocent Ukrainian civilians are under attack from Russian bombs. A ban against Russian diamond companies must ensure that EU sanctions are designed in such a comprehensive way that any subsidiaries and affiliated contractors of diamond companies, cannot continue trading high-value stones which are extracted in Russia, both in rough form, as well as diamonds mined by Alrosa and cut or polished in a third country.

We therefore urge you to include diamonds in the next, 7th sanctions package. The banning of diamonds will have a comparably small effect on the EU compared to the Russian treasury and Russian diamond companies. Prime Minister De Croo has [said publicly](#) that Belgium, which is the largest importer of Russian rough diamonds in the EU, would not oppose a ban if one were proposed. We call on you to act now, to help save lives in Ukraine and cut off this important Russian source of foreign revenue.

Yours sincerely,

Michiel van Hulten
Director
Transparency International EU

Thomas Vermaerke
Executive Director
Transparency International Belgium

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