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DIAMONDS

Chatham Regroups after Deluge

HONG KONG - A deluge of orders for gem-quality synthetic diamonds has hampered the plans of Chatham Created Gems Inc., based in San Francisco, California, to sell its Russian-made diamonds to the jewellery industry.

"We have had thousands of inquiries since we announced our intention to sell the diamonds at the Jewelers of America International Show in July 1993," said Thomas H Chatham, president of the company, who visited Hong Kong recently.

"The amount we were projecting - 100 carats a month - was insignificant compared to the demand, so we have regrouped. We are still producing but we are holding back on orders."

Mr Chatham's company manufactures the synthetic diamonds in

synthetic stones.

"We are aiming at stones in the I to J colour range and SI clarity. Now, we have intense colour."

Mr Chatham said his main priority was to increase the rate of production. "We would like to produce 10,000 carats a year instead of 1,000. By 1995, we hope to be up to speed." The long range potential for synthetic diamonds is almost limitless, he declared. "It may be our main product someday. They could produce tens of millions of dollars a year."

Mr Chatham said he recently renegotiated the company's position with his Russian partners as a result of competition from other "non-Russian" companies interested in the synthetic production process.

The Russians use a split sphere high temperature/high pressure apparatus, known as "BARS" by its Russian acronym, to create the diamonds. Although other manufacturers, such as General Electric, Sumitomo and De Beers, have manufactured synthetic diamonds for commercial and scientific

purposes, Chatham is the only company taking them to the jewellery trade.

Mr Chatham said he felt confident that his Russian partners would eventually be able to produce near colourless diamonds, instead of the yellowish stones currently available.

Most of the demand for the synthetics, which will be priced one-tenth the value of natural diamonds, has come from the United States. "We have not had that much interest from Asia, but we will sell the diamonds there along with our other laboratory grown gemstones."

Mr Chatham added that some members of the jewellery trade have pressured him not to produce the synthetic diamonds. Undeterred, he intends to forge ahead with production and stressed that the synthetics would not compete with natural diamonds. Company officials acknowledged that it is more likely that the stones would have an effect on the cubic zirconia market.

◆ **Andrea Pawlyna**



Thomas H Chatham

Moscow and Novosibirsk through a division called Chatham Siberian Gem Co, which was formed last year. The Chatham Created Diamond was designed to meet the needs of the jewellery industry for 75-point to one carat