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A Tiffany and Co. cushion-cut tanzanite-and-diamond pendant, which sells for \$100,000.
Photograph for TIME by Darin Haddad

Most gems are found in several places in the world. Emeralds come from Colombia but also from Zimbabwe; there's amethyst on almost every continent; and diamonds—although associated with Africa—are mined in Russia and Australia, among other places.

Not tanzanite. The stone, which is often likened to blue sapphire but is more brilliant with violet overtones, was discovered only 40 years ago, and geologists are convinced that it occurs in only one place in the world: Africa's Rift Valley, 25 miles from the base of Tanzania's Mount Kilimanjaro, in a little place called Merelani.

Twenty minutes down a dusty unpaved road, about 30 miles east of Arusha, past Masai herdsmen in traditional dress, is the guarded entrance to the mines. Ahead, teams of donkeys are carrying drinking water to the miners. At a glance, you can take in the entire four-mile stretch where the tanzanite is buried in maddening folds deep below the earth's surface. It's hard to get an exact fix on how much is there—geologists recently updated their models and project a 15-year supply. Of course, it depends on all sorts of variables. Whether the biggest companies produce to capacity; whether hundreds of small local miners, without the sophisticated machinery or the credit lines of the big guys, can continue to tunnel ever deeper to follow the vein. Whether plucky independent owners like Money A. Yousuph—who hasn't pulled out any tanzanite since 2002, when he sold a 2.2-lb. chunk for \$275,000 at a Las Vegas trade fair—get lucky. "I'm about to," he says confidently.

My first encounter with tanzanite, however, was not in Africa but in Jaipur, India, where many of the world's colored gems are cut and polished. After merrily emptying canisters of emeralds, a local dealer there, Ashok Chordia, abruptly signaled his assistants to close the wooden shutters overlooking his competitors' offices. In the dark, he flipped the lids of two metal boxes filled with nuggets he identified as tanzanite. "Very, very rare," he said mysteriously. "More precious than diamonds."

For months I asked everyone about tanzanite. Industry insiders mentioned a connection with the New York City jeweler Tiffany. Several jewelry manufacturers warned that it was a very fragile stone and difficult to work with. Precious? They're selling it on QVC. A Google search identified the Heart of the Ocean sapphire hurled into the sea in the film *Titanic* as tanzanite (this is often repeated but apparently false). More serious were references to American jewelers temporarily suspending sales of tanzanite amid charges of links to al-Qaeda financing in 2001 (the U.S. State Department subsequently investigated and found no such connection). An American friend raved about a ring her mom bought on a Caribbean cruise. But most

people I asked had never heard of tanzanite, and no jewelry stores in Paris, where I live, seem to sell it. In Johannesburg, though, it's said to be all the rage.

"People are attracted by the beautiful blue," explains Donald Greig in a telephone interview. He and two brothers are the fourth-generation owners of Charles Greig Jewellers, with six stores in South Africa. "It's a color that looks good on everyone, which is not the case for emeralds and rubies." Seven years ago, he says, tanzanite was difficult to come by, but today it represents an astounding 20% of sales in his stores, equal to watches and topped only by diamonds, which account for a third of his sales. "It is by far our most important colored gemstone," Greig says. "We are not pushing tanzanite, but that is where the market is taking us."

That market tug has been a decade in the making. The biggest miners, dealers and a marketing organization they finance called the Tanzanite Foundation are gearing up to try out some of the strategies that worked in South Africa on other markets, beginning in London and New York City. The timing is good: in the wake of the film *Blood Diamond*, jewelry consumers are asking more questions about origin, which is easier to trace for tanzanite than diamonds and other gems. Also the tanzanite industry has been eager to position itself as modern miners, environmentally responsible and energetic in helping finance schools, roads and water management for surrounding communities. Jewelry-design team Anthony Nak of Austin, Texas, last year created a 12-piece collection featuring the stone to raise money for Tanzanite Foundation projects because they looked to the future. "The discovery of tanzanite changed the way the nomadic people there live forever. In 15 years when that supply runs out, what's going to happen to them?" says Anthony Camargo, half of the Anthony Nak team.

In the Nasinyai Masai village is the new junior secondary school, where 220 11-to-14-year-olds start their day at 5:30 a.m. with "water fetching," then study English, science, social studies and HIV/AIDS awareness. "We have high rates of infection because it's a mining area. Where people are thinking about money, you always have more unsafe sex," says one of the teachers. Lenganasa L. Soipey—a member of the Nasinyai village council and son of the Masai chief who permitted the first tanzanite mining on Masai lands—draws the school layout in the sand. "We built an enclosed school because we thought our children might run back to the fields or to business," he explains. "If you get a small piece of tanzanite and sell it, you might not come back."

Although tanzanite was formed some 585 million years ago, it was not "discovered" until 1967. Nomadic Masai tribes had pried balls of the stone from outcroppings on the surface of the earth, but it was only when outsiders noticed that the stone took off. One of them, Manuel D'Souza, an Indian tailor living in Tanzania who was a hobbyist prospector, helped bring it to the attention of Tiffany, and the New York City jeweler signed on for an exclusive. Tiffany is said to have named the stone tanzanite—after judging the technical name, blue zoisite, to be too close to the English word suicide. The company promoted it for several years, but mining rights were poorly managed by the Tanzanian government, supplies were erratic and Tiffany moved on.

In 1997, a South African entrepreneur named Mike Nunn, who was buying tanzanite from local miners, spotted an opportunity. He recalls drinking a beer on the hood of his Land Cruiser—the snow on "Kili" pink in the sun's glow—and studying the mining operations below. He had come from the Block D zone reserved for small-scale miners and was headed to Block B, a second area for locals, studded like D with a jumble of corrugated-iron roofs, holes and ladders marking each small claim. But between them was a large dirt stretch with no activity. He made inquiries, put together a group of private investors in South Africa, and with them eventually took over the mining rights for Block C. The company they created was ultimately baptized TanzaniteOne and listed in 2004 on the Alternative Investment Market of the London Stock Exchange.

The company's initial geology studies suggested that tanzanite could be mined more efficiently to increase supplies, but market conditions were challenging. Tanzanite prices fluctuated wildly, and small exporters regularly undervalued their rough stones and smuggled them across the border to Kenya to dodge export

taxes. Safety was lacking—more than 100 miners were killed when tunnels flooded in 1998—and the locals were hostile to the arrival of a well-financed competitor. Finally, although Americans made 70% of all tanzanite purchases, it turned out to be a niche business, heavy on souvenir trinkets offered on Caribbean cruises. Most Americans had never heard of tanzanite.

Nunn and his teams decided a comprehensive mine-to-magazine approach was needed, and they found a blueprint in their own backyard in South Africa at the De Beers diamond company. Several current best-selling books look at how trends are spawned and spread, and debate continues over whether one could completely engineer the next Big Thing. The answer is yes: De Beers did it.

Faced with a glut of diamonds in South Africa that risked destroying prices, De Beers in 1890 organized a cartel to control supply, which was further tightened in 1925. Beginning in 1938, the company commissioned a series of clever promotions in the U.S. to convince consumers that diamonds were rare (they were not), that they symbolized romantic love (a copywriter's concoction) and that they should never be sold, further limiting the number in circulation. The pinnacle of this campaign was the advertising tagline introduced in 1948: "A diamond is forever." It was used to cement the role of the diamond solitaire as the de rigueur choice for a wedding-engagement gift. In 2005, U.S. sales of diamond engagement rings totaled \$4.84 billion.

TanzaniteOne invested in new technology for the mine and backed marketing and education initiatives. Clear guidelines on qualities, especially color, were established to eliminate price confusion. Nearly all tanzanite is heated to 450°C to develop its blue color, and the finest quality tanzanite is predominantly blue with violet accents. Quality tanzanite costs between \$500 and \$1,200 per carat at retail. Greig, the South African jeweler, says \$1,000 per carat is a good benchmark. Buyers should demand certification from an independent laboratory. Top-grade flawless sells for \$1,500 and up per carat and represents only 0.13% of TanzaniteOne's annual production, executives say. "Tanzanite is an amazing deep purply blue, and personally I find it more appealing than sapphire," says London jewelry designer Stephen Webster, who first worked with it in the early 1980s in Los Angeles. (But he warns that it is more fragile than some stones: 6.5 on the hardness scale, compared with 10 for diamond and 9 for sapphire.) "I'm looking at a piece right now, and it's flashing red. It is very exotic. In top-end jewelry now, the client is way over branded luxury goods. They are looking for limited availability or one of a kind," he says.

Rarity is an effective selling point, but dominating a category is better. The Tanzanite Foundation's new ad campaign, "Be Born to Tanzanite," is an attempt to position tanzanite as the stone one gives for a birth. And the De Beers parallels continue. In 2005, in a controversial move, TanzaniteOne switched to a "sightholder" selling system in which all the better production is reserved for six preselected clients who buy at a price fixed by TanzaniteOne. The move appears to have helped stabilize prices, which is reassuring for retailers and final consumers, but it smacks of the diamond cartel. However, there are important differences, argues Ian Harebottle, who replaced Nunn, still the largest shareholder, as chief executive at TanzaniteOne last May. TanzaniteOne controls only 35% of tanzanite, compared with De Beers' historic 70% market share. In 2005, TanzaniteOne's sales totaled \$41.1 million. "We don't want to be a monopoly, and we don't want to dictate," Harebottle says. "We want to be part of a successful industry where miners but also cutters and retailers make margin."

Harebottle, a former management consultant whose father was a diamond cutter, says he signed on at TanzaniteOne because he "felt he would play a part in history." He boasts about running "the world's most sophisticated colored-gemstone-mining operation" and pioneering new technology like an optical sorter adapted from the recycling industry that is used to scan the shaft debris for overlooked tanzanite. Never mind that some systems underground—such as having workers hand-tie sacks of debris onto a pulley rope at 9-sec. intervals—seem straight out of *The Flintstones*. He's enthusiastic about the potential for mining companies to have a positive impact in Tanzania.

And he and his team are hoping fashion will embrace tanzanite too, but in a lasting way. "When Ben Affleck gave Jennifer Lopez a pink-diamond ring, pink-diamond sales—and even pink-sapphire sales—

shot up. It was phenomenal," notes Adrian Banks, managing director of TanzaniteOne Trading. "Then it was over. It was a fashion thing. Tanzanite is not a fashion stone; tanzanite is better than that."

The logo for the magazine TIME, featuring the word "TIME" in white, serif, all-caps font centered within a solid red rectangular background.