

GEM VALUATION AND MARKETING

There is no universally accepted grading system for gemstones. Diamonds are graded using a system developed by the [Gemological Institute of America](#) (GIA) in the early 1950s. Historically, all gemstones were graded using the naked eye. The GIA system included a major innovation: the introduction of 10x magnification as the standard for grading clarity. Other gemstones are still graded using the naked eye (assuming 20/20 vision).

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Physical characteristics that make a colored stone valuable are colour, clarity to a lesser extent (emeralds will always have a number of inclusions), cut, unusual optical phenomena within the stone such as colour zoning (the uneven distribution of coloring within a gem) and asteria (star effects). The Greeks, for example, greatly valued asteria in gemstones, which were regarded as powerful love charms, and Helen of Troy was known to have worn star-corundum.

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The "four Cs" (colour, cut, clarity and carats), has been introduced to help the consumer understand the factors used to grade a gemstones. [\[8\]](#). The four criteria carry different weight depending upon whether they are applied to coloured gemstones or to colourless diamonds

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In diamonds, cut is the primary determinant of value, followed by clarity and colour. Diamonds are meant to sparkle, to break down light into its constituent rainbow colours (dispersion), chop it up into bright little pieces (scintillation), and deliver it to the eye (brilliance). In its rough crystalline form, a diamond will do none of these things; it requires proper fashioning and this is called "cut". In gemstones that have colour, including coloured diamonds, it is the purity and beauty of that colour that is the primary determinant of quality

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Nowadays no distinction made by the gemstone trade on whether gem is precious or semi-precious. Nevertheless, diamonds, rubies, sapphires, and emeralds still have a reputation that exceeds those of other gemstones

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Gem prices can fluctuate heavily (such as those of [tanzanite](#) over the years) or can be quite stable (such as those of diamonds). In general per carat prices of larger stones are higher than those of smaller stones, but popularity of certain sizes of stone can affect prices. Typically prices can range from US\$1/carat for a normal amethyst to US\$20,000–50,000 for a collector's three carat pigeon-blood almost "perfect" ruby.

Grading

There are a number of laboratories which grade and provide reports on gemstones.

Grading

- [International Gemological Institute](#) (IGI), independent laboratory for grading and evaluation of diamonds, jewelry and colored stones.
- [Gemological Institute of America](#) (GIA), the main provider of education services and diamond grading reports.
- Hoge Raad voor Diamant (HRD Antwerp), The Diamond High Council, Belgium is one of Europe's oldest laboratories. Its main stakeholder is the Antwerp World Diamond Centre.
- [American Gemological Society](#) (AGS) is not as widely recognized nor as old as the GIA.
- American Gem Trade Laboratory which is part of the American Gem Trade Association (AGTA), a trade organization of jewelers and dealers of colored stones.
- American Gemological Laboratories (AGL), owned by Christopher P. Smith

Grading

- European Gemological Laboratory (EGL), founded in 1974 by Guy Margel in Belgium.
- Gemmological Association of All Japan (GAAJ-ZENHOKYO), Zenhokyo, Japan, active in gemological research.
- Gemmological Institute of Thailand (GIT) is closely related to Chulalongkorn University
- Gemmology Institute of Southern Africa, Africa's premium gem laboratory.
- Asian Institute of Gemmological Sciences (AIGS), the oldest gemological institute in South East Asia, involved in gemological education and gem testing.
- [Swiss Gemmological Institute](#) (SSEF), founded by Henry Hänni, focusing on colored gemstones and the identification of natural pearls.

Marketing channels

Colored Stones:

Individuals

Local auctions

International trade fairs (Bangkok, US, Zambia lately)

Marketing channels

Diamonds

Highly structured market – monopolistic in character spear headed by International Trading Company (ITC) – predecessor of De'Beer's Central Selling Office (CSO).