

Diamond Dynasty

The Mouawad diamond house has been expanding for four generations, with a fifth waiting in the wings. After nearly a decade at the helm, current co-guardians Fred and Pascal Mouawad have crafted a record winning strategy—one worthy of a crown.

In September, members of royalty, high society, and ambassadors from Africa, Asia, Russia, and Europe gathered in Bangkok for a very special evening. There aren't many occasions for which a guestlist like this could be pulled off, but when eponymous Middle Eastern family diamond empire, Mouawad, invites distinguished guests and partners for a "Simply Exceptional Dinner" you know it's not to be missed. As well as entertainment, music and a catwalk show, the luxury brand was showcasing four of its renowned masterpieces—in total, it had jewels on display worth nearly \$250 million.

Brothers, Fred and Pascal, are the fourth generation Lebanese co-guardians of the luxury brand and the hosts of this first-of-its-kind event. A third brother, co-guardian and horology devotee, Alain, is at home in Switzerland, where he oversees the watch-making branch of the 129-year old company. According to Forbes, the brothers' father, Robert Mouawad, and his family are today worth in the region of \$1.5 billion.

With more than a billion dollars' worth of diamonds, colored gemstones, jewelry and watches in its global vaults and five Guinness World Records to its name, the Mouawad family is a force to be reckoned with in the diamond trade. Fred and Pascal are the globe-trotting custodians of the jewelry business and they are on the brink of a very exciting announcement.

"We just signed a deal with Miss Universe," Pascal reveals. "We're going to be the crown jewelers for Miss Universe for the next five years." The deal also includes crowns and tiaras for Miss U.S.A. and Miss Teen U.S.A.

In 2019, the winner of the 68th annual Miss Universe competition will be the first ever to wear the Mouawad crown. Details of the design have not yet been released—but if the company's previous creations are anything to go by, it will be big.

Mouawad has become known for its showstoppers. In July this year, it unveiled its latest—the Dragon Suite—comprising a necklace, bracelet, earrings, and ring. It contains five "fancy vivid and deep yellow" diamonds totaling over 153 carats, and 432 colorless diamonds totaling over 272 carats. At the heart of the necklace is the 54.21 carat Mouawad Dragon diamond—reportedly the largest round brilliant vivid yellow diamond in the world. Pascal says that altogether the suite is worth tens of millions of dollars.

Although unique, the Dragon Suite is one of more than 10 stunning masterpieces designed by the Mouawad team in recent years as part of a decisive approach by the brothers to "craft the extraordinary". Simply put, although it's still a firm favorite among consumers for high-end boutique jewelry, Mouawad is now focused on the big-ticket items.

Since taking over the business from their father, Robert Mouawad, in 2010, the brothers

have driven something of an evolution. The considerable legacy they inherited was multibrand—Mouawad back then created its own pieces but also sold products from other retailers. The brothers decided to tighten this scope to make it a mono-brand company, before honing in on a much more niche and less densely populated space.



Jimmy, Fred and Pascal Mouawad with five new trainees under the Mouawad Diamond Impact Fund

“In a crowded market today, we realized we couldn’t be all over—we couldn’t be marketing items that are below \$20,000 and at the same time advertise items that are in the millions of dollars,” explains Fred. The answer? Reduce the production of lower-priced items, and ramp up the collection of rare gems. “We ourselves are collectors and we collect for our customers, so it’s a different strategy.”

The benefit of this is that in the ultra-high-end market, there are much fewer competitors. Of course, there are also much fewer customers, and you can’t predict when they’re going to want or need to invest in something of that considerable value. “Our clients want a piece when they want it, and they want it right away,” Fred laughs. It can also take anything between two and five years to discover and buy a rare diamond, design a piece around it, and gather enough gems of high-enough quality to finish the set. But this doesn’t seem to bother Fred and Pascal. After all, when you’re selling masterpieces to royalty for tens of millions of dollars, you don’t need to sell many to pay the bills.

The process of creating these masterpieces begins at the mines. Mouawad is one of only around 80 companies around the world licensed to buy rough diamonds from DeBeers, although it also buys direct from other sources. It has teams and experts on the ground in South Africa and Botswana, who attend monthly auctions to inspect and bid for rough stones. Having the infrastructure and expertise to acquire a rough stone straight from the source rather than one already polished, means a buyer has fast access to the rarest diamonds when they are found and, if it wins the bid, the manufacturer can custom-cut the stone to its own specific requirements.

For example, Mouawad has one such stone currently being cut and polished in its studio—an 84-carat rough diamond. Bought from source, further examination uncovered

several pin points, invisible to the naked eye. Rather than use something less than impeccable, the team used top-of-the-range technology to identify the best way to laser-cut it to achieve the highest possible value. The result: six individual D color diamonds, ranging from flawless to VVS1, of varying size and shape (and some minuscule left-over shards). Whether or not these stones will be used straight away or stored in the vaults until matched with the perfect design is yet to be decided. "It's a slow and steady process," Fred admits.



Pascal Mouawad

Slow and steady is no hardship for a business that has been growing for over a century. The Mouawad story began in 1890, when Daoud Mouawad, having spent a decade in the U.S. training as a watchmaker, jeweler, and goldsmith, returned to Beirut, Lebanon, to set up his own workshop. His son, Fayez Mouawad, took over in the 1950s and expanded the business into Saudi Arabia. "I remember him working on the bench," says Fred. "In one of our first stores in Saudi Arabia, we had a jewelry store and on the upper floor, we had a small workshop. He was very hands-on; he was passionate about watches." Fayez's work soon caught the eye of royalty.

"The first relationship with the royal family of Saudi Arabia started with my grandfather," Pascal remembers. "Then my father took over that relationship." Business boomed in Robert Mouawad's hands in the 1970s. When he took over it was still a two-store operation, but under his guidance the business expanded to Europe, Asia and further throughout the Middle East, selecting Geneva as its new base. Robert earned the Mouawad brand its first Guinness World Record in 1990, when he acquired the most expensive single pear-shaped diamond in the world for \$12.7 million. His impact on the industry was cemented when in 1997 the Gemological Institute of America (GIA) named its new facility the Robert Mouawad Campus following a donation by the family.

It is no surprise then that Fred, 50, and Pascal, 47, grew up surrounded by diamonds. They both recall fond early memories of their father rolling out large pieces of paper and drawing grids before laying out different pockets of gemstones and examining them, writing down what he wanted to pay in code so the suppliers couldn't tell what his maximum offer would be. "He was an inspiration," says Pascal.

The brothers studied business at Pepperdine University in LA, before delving into Gemology

at the GIA school in Santa Monica. They then pursued their graduate degrees— both are Harvard Business School alumni—before joining the family business. As independent, ambitious and entrepreneurial future leaders, after a while, they decided that they needed to branch out on their own to grow. Both stayed for an initial period of three years before exploring their own ventures.

In 1995, Fred—the oldest of the three—founded Synergia One, his diversified group of companies. He spent the next 15 years building businesses, from IT to food service, food production and publishing. His latest venture is Taskworld, which is a collaboration platform that is scaling globally. He never truly left gemstones though. “I always liked buying colored stones—I used to buy and trade rubies and sapphires from Thailand, Myanmar, and Sri Lanka,” he admits. Pascal left the family homestead in 1999 to set up a business selling Mouawad jewelry wholesale in New York, where he began to build celebrity connections. Establishing a fashion jewelry house, the Glamhouse Group, over the next seven years he worked with household names, including Kim Kardashian and Nicole Ritchie, to create and sell their own collections using the Glamhouse infrastructure. It was during this time that he inked some of the company’s most famous deals.



Fred Mouawad

In 2000, the brothers were in Cannes for the film festival. They decided to host a glamorous party on the family yacht. Victoria’s Secret was holding a fashion show in town at the time, so the models and the management team attended the party. “I met the marketing executives and mentioned that we should explore working together,” recalls Pascal. A month later the head of PR called. “He said I have an amazing opportunity for you.”

A year later, Mouawad and Victoria’s Secret launched a fantasy item of lingerie, modeled by Heidi Klum, featuring a 90-carat flawless diamond. Comprising of 1,200 pink sapphires and over 2,300 white diamonds, it was valued at \$12.5 million. In 2003, Klum modeled another Mouawad creation, featuring 2,809 diamonds, sapphires, rhodolites, and amethysts. Valued at \$11 million it awarded Mouawad its second Guinness World Record. To date, Mouawad has created 10 fantasy items for Victoria’s Secret, with most ranging in value from \$2

million to \$12 million.

Heidi Klum went on to create her own collection, with the theme of a four-leaf-clover. The sterling silver range was sold on the home shopping channel, QVC. "Within 36 minutes we sold \$1.2 million worth," says Pascal. "This was very encouraging to me. I decided to move back to LA to pursue similar celebrity opportunities." He relocated in 2006. Since then Mouawad jewelry has been seen on stars such as Nicole Kidman, Angelina Jolie, and Elizabeth Taylor to name a few.

Then in 2010, Robert Mouawad had a change of heart and decided he was ready to move away from the jewelry business, announcing that he would hand his sons the reigns. "It literally happened overnight," reveals Fred. Far from retiring, Robert has since dived into real estate in Bahrain. In the meantime, the brothers stepped up, developing equal roles as co-guardians and making critical changes to the business to adapt to a changing market.

"The last three years have been challenging," admits Pascal. "This being said, the global luxury goods market reached a normal pattern of growth in 2019. We will continue to focus our efforts on developing relationships with ultra-high net worth individuals."

Despite a change in spending habits, experts don't think luxury retailers need be concerned. "The global diamond industry is once again on the rise," says Jasmin Weber, founder of The Luxury Consultant. "This is attributable to the overall positive development of the luxury market. It is about expressing affluence, individuality, prestige, and extravagance for the wealthy consumer. Diamonds are forever."

While steering the business towards the highest tiers of the luxury market, the brothers are also aware of their legacy and that of the next generation.

As he prepares to begin studying gemology in New York, Fred's son Jimmy is taking on a new direction for the family as the head of the Mouawad Diamond Impact Fund, which is focusing on bettering the lives of people in diamond-producing countries by providing education and skills that mean they can give back to their communities. Far from lip service, the fund is already putting its money where its mouth is, with five young African trainees already at work in the Bangkok production team.

It's yet another evolution in a dynasty where diamonds are every day and the hunt for the remarkable never ends. "The values that are passed from previous generations is what keeps on fueling our passion to craft the extraordinary," says Fred.

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