

THE WORLD DIAMOND MARKET: LOGIC OF THE ORGANIZATION AND FUNCTIONING

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Economics of the world diamond market are structured in a subtle and highly complicated way. We have for an object to show the world diamond market structure feature. The hypothesis offered in our paper is a following. The base of the market power of the firms which are the diamond suppliers are traditional (economic agents concentration, entry's barriers etc.). For the intermediary firms and those which produce polished diamonds the deciding factor is the specific form of contracts which made between them. As a result, the market power is obtained by the group of intermediaries.

As a whole the diamond market structure we could imagine like a row of the "vertically organized firms", each of them would be outlined in a context of a monopoly or oligopoly competition.