

JEWELRY

De Beers revenue up 141pc, diamond demand surges

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Botswana saw a significant jump in production, as affluents demand diamonds. Image credit: De Beers Group

By LUXURY DAILY NEWS SERVICE

British jeweler De Beers Group has reported revenue of \$2.9 billion for the first half of 2021, up 141 percent year-over-year, driven by higher discretionary spending on luxury goods, including diamond jewelry.

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In the first six months of 2021, De Beers' cutting centers achieved strong sales of polished diamonds in response to the ongoing recovery of consumer demand. However, the severe COVID-19 wave in India during April and May reduced capacity at cutting and polishing operations within the key Indian midstream sector, which was further exacerbated by polished diamond grading backlogs in key markets.

Demand for diamonds

Rough diamond sales rose to \$2.6 billion, compared to \$1 billion in June 2020. The average realized price rose by 13 percent to \$135 per carat, driven by a larger proportion of higher value rough diamonds.

The closing price index was 14 percent above the opening index over the first six months of 2021, reflecting positive consumer demand for diamond jewelry as well as tightness in inventories across the diamond value chain.

Rough diamond production increased by 37 percent to 15.4 million carats, primarily due to the lower levels of production in the first half of 2020 resulting from COVID-19 related shutdowns.

In Botswana, production was up 43 percent at 10.7 million carats as production increased in response to stronger prevailing demand.



De Beers saw strong growth in its online jewelry sales, as ecommerce continues to dominate. Image credit: De Beers

Production at Jwaneng increased by 44 percent to 6.3 million carats and production at Orapa increased by 41 percent to 4.4 million carats, despite the impact of heavy rainfall at the beginning of the year.

In Namibia, production decreased by 22 percent to 0.7 million carats due to planned maintenance of the Mafuta crawler vessel and the continued demobilization of another vessel.

In South Africa, production increased by 87 percent to 2.4 million carats, due to the impact of the COVID-19 shutdown in the first half of 2020, as well as planned processing of higher grade ore from the final cut of the open pit while the mine transitions to underground operations.

In Canada, production was broadly in line at 1.6 million carats due to a COVID-19 related temporary shutdown being offset by higher grade and plant throughput.

The first half of 2021 saw a strong recovery in consumer demand for De Beers' branded diamond jewelry from both De Beers Jewelers and De Beers Forevermark.

Online jewelry sales continued to show strong growth, reflecting the ecommerce trend over recent years as consumer buying habits continue to evolve into the digital age.

De Beers' Diamond Insight Flash Report found that awareness of lab-grown diamonds (LGD) is continuing to evolve. The category is primarily seen as "fun" and "fashionable," with consumers more likely to purchase a LGD as an impulse purchase of self-gift ([see story](#)).

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