

JEWELRY

Slow US demand, lab-grown competition stunted diamond sales in December

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The diamond industry is said to be cautious due to the United States' "sluggish" consumer demand. Image credit: NDC

By LUXURY DAILY NEWS SERVICE

Sales and activity within the gem market slightly increased to close out 2023, according to global jewelry market analyst **The Rapaport Group** and its RapNet Diamond Index.

In December, the index grew by a reported 0.1 percent within the 1-carat category of the index, which makes up the majority of tracking; for the year, the category declined by 20.6 percent. Year-over-year diamond sales for the holiday season defined as falling between Nov. 24 and Dec. 24 decreased by 2 percent, signaling a waning demand for the gems during the gift-giving time of year.

Waning interest

The diamond industry is said to be cautious due to the United States' "sluggish" consumer demand.

Synthetic stones are said to be the leading factor for the waning interest and decreased sales in the world's largest diamond-consuming market. While not outright stated, skyrocketing inflation could be why many American customers may not be able to afford the real deal, leading to decreases in the RapNet Diamond Index.

The RapNet Diamond Index (RAPI) for 1-carat diamonds rose 0.1% in December. The index for 0.30-carat stones increased 1%, and the 0.50-carat RAPI climbed 2.2%. Prices for fancy shapes were stable or declined. <https://t.co/M3nYq3jif3> pic.twitter.com/4mj9Od8Vew

Rapaport (@Rapaport) January 2, 2024

In December, within the 0.3-carat and 0.5-carat segments, the index rose by 1 percent and 2.2 percent, respectively. For the year, the categories fell by 4.3 percent and 25.9 percent.

Sale prices among "fancy shapes" were said to either remain stable or are in decline as of last month, though specifics were not shared. Despite these underwhelming results, the outcome is said to have been expected by experts and those within the gem industry, falling in line with projections for the period.

China is also said to be continuing its descent within the global diamond market, occurring mainly due to marriage rates halving since their peak in 2013 in the country ([see story](#)).

Looking forward, experts within the industry predict diamond company De Beers will slash prices of rough cuts to start 2024 in an attempt to kickstart consumer interest and sales. Supply of rough and polished gems could be constrained for the foreseeable future due to the G7 countries' restrictions on Russian exports, which began with the New Year; an expanded ban will further complicate matters come March.

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