

De Beers reports spike in production and sales

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AOJ E-NEWS :De Beers reported a spike in rough diamond production and sales during the second quarter, noting stable trading conditions and an increased contribution from its recently launched Gahcho Kué mine in Canada.

Output across De Beers' four mining divisions rose 36% year on year to 8.7 million carats during the quarter, which was largely in line with its higher production forecast for the year.

Production in Canada increased almost six-fold to 1 million carats due to the ongoing ramp-up of operations at Gahcho Kué, which the company owns in partnership with Mountain Province Diamonds.

De Beers' Debswana unit in Botswana saw production rise 14% to 5.9 million carats, while output in Namibia grew 32% to 391,000 carats. Production in South Africa jumped 71% to 1.4 million carats, largely due to higher grades at the Venetia mine.

During the first half of the year, group production rose 21% to 16.1 million carats, as the company maintained its forecast to recover between 31 million and 33 million carats for the full year.

Higher production is being spurred by stronger sales volume during the first half, as De Beers and its joint-venture partners sold 20 million carats during the six-month period, up 9% from a year earlier, the company reported. Of the total, 19.1 million carats were attributed to De Beers' consolidated sales.

De Beers said its average rough price index rose 4% during the half-year. However, the average price achieved fell 12% year on year to \$156 per carat, reflecting strong demand at the beginning of the year for lower-value goods as demand recovered from the impact of India's demonetization policy implemented in November.

Parent company Anglo American is scheduled to publish De Beers' interim results, July 30.