

## Anglo American to Cut De Beers' Expenses by \$100M



Anglo American will slash De Beers' overhead costs in response to the diamond-market downturn, the parent company said Friday.

"At De Beers, we are taking a different approach as the business has performed very well operationally. What's gone against us is the market," Anglo CEO Duncan Wanblad said at the group's annual investor update. "Demand and prices for diamonds have fallen as global GDP [gross domestic product] growth has fallen."

The current downturn is likely temporary, and there are signs the market is "beginning to turn," Wanblad added.

"Nonetheless, we are focused on streamlining De Beers, reducing the annual overheads by \$100 million in a sustainable manner," the executive continued. "We have also reduced capex [capital expenditure] for next year, with our investment focused on the highest-value opportunities we see in southern Africa from existing assets as well as on

the exploration front.”

De Beers has incurred a loss in the second half of 2023 following sales of just [\\$80 million](#) at the October sight, Wanblad explained. Sightholders expected the recent [December trading session](#) to be a similar size.

Still, De Beers kept production steady in the second half of this year — leading to an inventory buildup — and has maintained its production plan of 29 million to 32 million carats for 2024, said Al Cook, the [diamond miner's](#) CEO.

“We need to be careful with [production cutbacks], because a large number of our costs are fixed,” Cook continued at the same investor event. “So we need to avoid doing something that just disrupts mines, which then take a lot to recover from and doesn’t create the cost savings that you really want to drive out of this.”

The company has a “series of levers” it can pull in 2024 should the expected recovery not materialize and is working with partners in producer countries to identify options, Cook added.

Last week, De Beers [announced](#) it was changing its organizational structure and executive committee, with executive vice president and chief brand officer David Prager and acting executive vice president of strategy and innovation Ryan Perry set to leave in 2024.

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## Challenges



MAIN IMAGE: DIAMONDS AT DTC BOTSWANA, A DE BEERS-GOVERNMENT JOINT VENTURE THAT SORTS AND VALUES ROUGH. (BEN PERRY/ARMOURY FILMS/DE BEERS)