

## Botswana to Buy 24% Stake in HB Antwerp



The Botswana government will acquire a minority share in Belgian manufacturer HB Antwerp, upping the ante in the state's ongoing negotiations with De Beers.

"Today is the dawn of a new era for the diamond industry in Botswana, as we begin this journey with HB Antwerp," Botswana President Mokgweetsi Masisi said Monday.

Through the partnership, the African country will buy 24% of HB, which specializes in large diamonds, Masisi added. Okavango Diamond Company (ODC), the state-owned diamond-trading company, will supply rough to HB Botswana for five years.

The parties have agreed on the key commercial terms and expect the signing to take place in the coming weeks, he noted. They did not say what volumes of rough would be involved in the supply arrangement or how the development would impact talks with De Beers. [De Beers](#) was unavailable for comment at press time.

The announcement, which took place at the official opening of the HB Botswana factory, follows months of discussions about the future of the country's relationship with De Beers. Simultaneous negotiations between the government and the miner over both a sales agreement and a mining license have [dragged on](#). The previous supply deal was due to expire at the end of 2020 but saw repeated extensions, leading to speculation that Botswana was unhappy with the current arrangement.

Among the rumors was that ODC might sell a larger chunk of rough coming from the country's mines. At present, the parastatal company has access to 25% of run-of-mine production from Debswana, a 50:50 joint venture between De Beers and the government.

HB had also been [floated](#) as a possible partner. The company already operates a supply deal with [Lucara Diamond Corp.](#) — for the Karowe mine's rough above 10.8 carats — enabling the miner to retain a share of the final polished value.

“Together [with HB,] we have created an entirely new business model for mineral infrastructure, radically upending the narrative on how extractive industries can work with and for countries of origin to bring greater shared economic development and prosperity,” Masisi continued. “Once we decided that it was time to change course, we knew we needed to fundamentally alter our way of working, and find partners who shared this vision.”

HB is also working on a second Botswana cutting facility that will be 15 times the size of the one it's currently inaugurating, revealed Rafael Papismedov, the Belgian company's cofounder and managing partner.

“We recognise there is significant interest regarding our negotiations with the government of the Republic of Botswana to agree a long-term mining licence and sales agreement for Debswana,” a De Beers spokesperson told *Rapaport News*. “At the heart of these negotiations is a discussion on how best to broaden and deepen the unparalleled socioeconomic growth our 54-year partnership has delivered with and for Botswana.”

De Beers is “proud of what we have delivered as a partner to Botswana, and we are excited by our collective potential to ensure even more Botswana can add more value to, and generate more value from, their finite natural resource,” the spokesperson added.

*Update, March 28, 2023: A statement from De Beers has been added to this story.*

*Correction, April 4, 2023: Okavango Diamond Company has access to 25% of Botswana’s run-of-mine production, and not 15%, as stated in an earlier version of this article.*

*Image: Rough diamonds. (HB Antwerp)*