

De Beers Testing Lower Lab-Grown Prices for Lightbox



De Beers is considering reducing the prices of the lab-grown diamonds it sells via its Lightbox jewelry brand, the [miner](#) said Thursday.

“The wholesale prices of lab-grown diamonds are falling sharply, leading to financial challenges at some leading lab-grown diamond producers,” parent company Anglo American noted in its 2023 results. “These price declines are expected to lead to further substantial reductions in retail prices, with De Beers’ Lightbox brand testing significantly lower prices for its products.”

These reductions will “further reinforce consumers’ understanding of the fundamental differences between lab-grown and natural-diamond jewelry,” Anglo American continued.

Lightbox currently sells most of its stones for \$800 per carat at retail, with the Finest line of higher-quality items going for \$1,500 per carat. It also sells lower-quality Lightbox

Basics stones for \$600 per carat.

Under the test, the standard products will retail for \$600 per carat for loose stones, while the Finest line will carry a price tag of \$1,000 per carat for both loose stones and set jewelry, a De Beers spokesperson told *Rapaport News* Thursday. “The test is focused on ensuring Lightbox reflects prevailing [lab-grown diamond] sector dynamics,” the spokesperson added.

The announcement came as De Beers recorded a [sharp drop in sales for 2023](#), partly because of the impact of synthetics on the natural market.

The diamond miner’s revenue slid 36% to \$4.27 billion for the 12 months, Anglo American reported. Sales volume dropped 19% to 24.7 million carats, with the average selling price falling 25% to \$147 per carat, reflecting an increase in the proportion of lower-value rough as well as a 6% decline in the company’s rough-price index. De Beers incurred an underlying loss of \$314 million, compared with a profit of \$552 million for the previous year.

Rough demand fell significantly in 2023 as polished inventories rose and jewelers took a cautious approach to buying new stock, Anglo American explained. Economic challenges and rising availability of lab-grown diamonds impacted consumer demand for naturals. However, while retail sales of synthetics rose, wholesale prices of the goods fell.

Meanwhile, the company added, economic challenges in Chinese led to low consumer confidence and a “marginal” drop in demand relative to already subdued 2022 levels.

In this context, polished inventories increased further during the course of the year, putting pressure on wholesale prices. India’s two-month voluntary freeze on rough imports, from October 15 to December 15 — as well as De Beers’ decision to offer sightholders full flexibility at 2023’s final two sights — resulted in very low fourth-quarter rough sales, the miner continued. Industry conditions began to stabilize in the fourth quarter, with retail demand improving in the US during the holiday season.

De Beers recorded a net impairment of \$1.56 billion in the value of the business due to lower prices than forecast and a reduction in anticipated consumer demand, Anglo American said. This reflects economic uncertainty mainly in the US and China, as well as a strengthening of the US dollar, which has had an adverse impact on demand in terms of that currency. The company also wrote down the value of its rough inventory by \$200 million.

However, the calculations take into account a reduced impact of synthetics on the natural sector in the future.

“It is still assumed that lab-grown diamonds will become clearly established as a product distinct from natural diamonds, as is increasingly clear in the market today given the significant and clear price and consumer-offering differential,” Anglo American said. “The model forecasts an imminent bifurcation between lab-grown and natural-diamond product offerings, with only limited residual impact on the natural-diamond market in the medium to long term.”

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MAIN IMAGE: LIGHTBOX LAB-GROWN DIAMONDS SET IN JEWELRY. (LIGHTBOX)