

# Five Diamond-Industry Developments to Watch This Year



## 1. Sanctions

US sanctions came a long way in 2023, with US President Joe Biden [signing an order](#) banning Russian diamonds even if they were manufactured in a third country. The European Union has also announced sanctions and outlined some of the rules for how they will work. However, many [unanswered questions](#) remain. It's likely that 2024 will shed more light on the finer details.

## 2. The De Beers-Botswana deal

Following long and sometimes strained negotiations, the government of Botswana has reached an agreement with De Beers that grants the state-owned [Okavango Diamond Company](#) (ODC) a larger portion of the country's rough. The new deal [raises ODC's](#)

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[share](#) from the current 25% to a maximum of 50% over 10 years. However, while the two parties have agreed on the terms, they have not yet finalized the contract — a move they will need to make if they want to continue mining as usual this year.

### 3. The Lucara-Botswana-HB deal

[Lucara Diamond Corp.](#) has been working with HB Antwerp since 2020, forming an offtake agreement in which a portion of the rough from its Karowe mine in Botswana goes straight to the Belgian manufacturer for cutting, and a percentage of the polished proceeds return to the miner. In March, the Botswana government [bought a 24% stake in HB](#). However, directly following HB's [split](#) from cofounder and managing partner Oded Mansori in early September, Lucara [terminated](#) its rough-supply agreement with HB, citing a “material breach of financial commitments” by the manufacturer. Since then — and with [HB reinstating Mansori](#) in early October — there has been [media speculation](#) that the Botswana government is pressuring Lucara to reconnect with the Belgian firm. How that deal will play out remains to be seen.

### 4. Hong Kong-China economic recovery

Sales in China and Hong Kong — particularly the latter — were bleak in 2022 as a new coronavirus wave prompted the government to impose a tourism ban. Visitors from the mainland, who generally travel to the municipality to purchase luxury goods, were down to almost nil. Since the travel restrictions lifted at the start of 2023, [sales in Hong Kong have been recovering](#), though they have yet to reach pre-Covid-19 levels. China has seen less of a rebound so far, and how these two markets perform will be crucial to the global industry in 2024.

### 5. The wedding market

[Signet Jewelers](#) reported [a decline](#) in bridal jewelry sales for 2023's third quarter due to a drop in engagements, since many people were unable to date during the pandemic. However, demand began to rally in November, the retailer noted, making both

observations in a December US Securities and Exchange Commission filing. It's still unclear whether engagements will increase in 2024.

*Main image: Rough diamonds (Alrosa)*