

Lab-Grown Prices Are Holding Up at Retail, Says De Beers



Retail prices of lab-grown diamonds are falling more slowly than wholesale prices and are often unsustainably high, De Beers chief financial officer Sarah Kuijlaars told *Rapaport News*.

The executive's comments come after De Beers' synthetics brand, Lightbox, launched a trial of engagement rings with the purported aim of offering "accessible" prices. ([Not everyone](#) thinks the jewelry is so cheap.)

"It's very good to see that the wholesale price is really coming down — halving and halving and halving again," Kuijlaars said in an interview Thursday. "That's healthy. But on the retail side, it's a bit more sticky and [the question is] how do we ensure that consumers are making informed choices in the store?"



Sarah Kuijlaars. (De Beers)

She reiterated Lightbox’s explanation that its entry into the bridal sector was a response to retailers pushing consumers toward man-made stones with misleading information.

In many cases, shoppers have “the intent of buying the natural, but they’re being persuaded in-store to go to lab-grown,” she said. “They maybe haven’t thought through about the different price structures between lab-grown and natural, and obviously the retailer gets a very healthy margin if he or she converts that consumer in-store.”

The small-scale pilot — in “two or three” US cities — is also a way to understand consumer preferences, the CFO added. “It’s really exploring that consumer behavior so we understand [it and] can pivot as required. We know there are retailers out there that maybe are not selling at a sustainable price to consumers.”

Lightbox's aim is to ensure consumers who do want to buy lab-grown "understand the cost makeup and the sustainability credentials" of the product, she said.

The board of De Beers Group discussed the strategy prior to the launch in the presence of representatives from the Botswana government and parent company [Anglo American](#), Kuijlaars said.

"They were obviously involved in that decision," she confirmed. There was no disagreement within the board about the issue, but rather "discussion and support."

Cannibalization concerns

Kuijlaars was speaking shortly after the release of Anglo American's [half-year results](#). De Beers' revenue fell 21% year on year to \$2.83 billion for the first six months of 2023 as consumer demand declined and sightholders shifted to lower-value goods, according to that report.

The results statement highlighted the impact of high midstream inventories, economic challenges, and China's sluggish recovery on rough sales. However, mention of rising competition from lab-grown diamonds was notably absent.

"We knew that lab-grown would make inroads in the US," Kuijlaars said in the interview. "And I think against that tougher macro background it's understandable that consumers [are] making different choices. But we still firmly...support the differentiation of the market. [They are] different products [and] different markets. And I think what's interesting is that that there are elements of lab-grown that [are] actually supporting the growth of the overall jewelry market, which is healthy [for] everyone."

Lightbox itself had a "robust" first half of the year, the executive continued. De Beers does not disclose the brand's financial information, but provides De Beers Group's total revenue and rough sales. Based on this, the company's revenue from everything other

than rough diamonds rose around 12% year on year to approximately \$330 million for the first six months of 2023. This includes Lightbox, industrial-diamond business Element Six, and De Beers Jewellers.

Image: A Lightbox pendant featuring a 2-carat lab-grown diamond. (Lightbox)