

Lower Average Price Dents Gem Diamonds Sales



Gem Diamonds' revenue fell in 2023 as weak midstream demand for rough sent the average price plummeting.

Sales from the [company's](#) Letšeng mine in Lesotho slid 26% to \$139.4 million for the year, it said Thursday. Sales volume slipped 3% to 104,520 carats, with the average price falling 24% to \$1,334 per carat.

During the year, Gem Diamonds unearthed five rough stones greater than 100 carats, compared to four a year earlier. It recovered 196 diamonds over 20 carats in 2023, versus 199 in 2022.

Production for the full year grew 3% to 109,656 carats. Initiatives to improve plant performance and increase ore-processing rates at the site influenced the growth, the company noted. Gem Diamonds also benefited from a comparison with last year when planned power outages by electricity provider Eskom hit production.

Though sales fell from 2022, the figures were within the revised annual guidance Gem Diamonds issued in the middle of the year. It had forecast sales volume would be between 102,000 and 105,000 carats.

Revenue for the fourth quarter grew 12% year on year to \$36.4 million. Sales volume jumped 26% to 28,402 carats, outweighing an 11% drop in the average price to \$1,281 per carat. Production for the period climbed 21% to 32,142 carats.

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MAIN IMAGE: THE LET&SCARON;ENG MINE. (GEM DIAMONDS)