

# De Beers reports significant increase in diamond production

By [Rebecca Campbell](#)

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Diamond group De Beers has reported that its total production increased by 15% to 8,5 million carats during the first quarter of this year.



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This rise in output was largely credited to the ramp-up in production at the Gahcho Kué project in Canada, and greater production at the Orapa operation in Botswana.

In Canada, Gahcho Kué, which had achieved its 'nameplate capacity' in 2Q17, saw a 69% increase in production during the first three months of this year. This resulted in an output of 1,1 million carats. (De Beers holds 51% of the Gahcho Kué project, the other 49% belonging to Mountain Province Diamonds).

Botswana, where the group operates through its subsidiary, Debswana - a 50:50 joint venture with the Botswana government - saw production rise 12% to 5,8 million carats. Output at the Orapa operation jumped 26% to 2,8 million carats. This was the result of an increase in the amount of ore treated, which in turn was the result of "sustained healthy trading conditions".



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Debswana is the world's number one diamond producer in terms of value, and the world's number two in terms of volume.

Production in Namibia rose by 12% to 528,000 carats as a result of mining higher-grade ores at the land-based operations. In Namibia, De Beers operates through another subsidiary, Namdeb, which is also a 50:50 joint venture with the Namibian government. De Beers' marine diamond mining activities in Namibia are handled by Debmarine Namibia, which is another 50:50 joint venture between the group and the Namibian government.

In South Africa, the group operates through De Beers Consolidated Mines, in which the De Beers group has a 74% shareholding. Production was just about static, compared with 1Q17, at 1,1 million carats.

Diamond sales during 1Q18 came to 8,8 million carats, or 8,4 million carats on a consolidated basis. "Consolidated sales volumes exclude De Beers joint venture partners' 50% proportionate share of sales to outside De Beers from Diamond Trading Company Botswana and the Namibia Diamond Trading Company, which are included in total sales volumes," explained the group.

These figures were the outcome of two diamond sales, designated 'sights' by De Beers.

During 1Q17, the group sold 14,1 million carats (or 13,7 million carats on a consolidated basis), but during three sights. The 1Q17 figure excluded pre-commercial sales of 13,4 million carats from Gahcho Kué.



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"In addition to the difference in the number of sights over the period, sight 1 2017 also saw unusually strong demand for lower-value goods, following the effects of Indian demonetisation in Q4 2016, leading to [a] higher-than-normal sales volume," observed the group.

De Beers' production guidance for the whole of this year is unchanged at 34 million carats to 36 million carats. These figures are calculated on a 100% production basis, except for the Gahcho Kué operation, which will be on a 51% production basis.

The De Beers group is involved, through various subsidiaries, in exploration, mining, rough diamond sales, retail (with brands) and advanced materials development. In addition to its share in Debswana, the Botswana government owns 15% of the De Beers group, the other 85% being held by Anglo American plc.

Read the [original article](#) on [Namibian](#).