

De Beers Production Cut Means Stark Rises in Diamond Prices

Online diamond jewellery retailer Diamondmanufacturers.co.uk responds to reduction in production by the world's biggest miner of diamonds.

April 26, 2010 (FPRC) -- Online diamond jewellery retailer Diamondmanufacturers.co.uk responds to reduction in production by the world's biggest miner of diamonds.

De Beers, responsible for 40% of the world's rough diamond sales, warned in a statement that the supply of diamonds is running out over the long term. The firm said it would cut production in an attempt to extend the life of its mines. In 2008 De Beers produced 48m carats and the company will cut production to 40m in 2011.

Des Kilalea, a diamond analyst at RBC Capital Markets, forecasts that the move could see the price of rough diamonds rise by at least 5% per year for the next five years.

The rough diamond market is estimated to be worth £8.5 billion a year in its entirety, which translates into £45 billion worth of finished diamond jewellery.

In the last 20 years the diamond industry has found no significant diamond deposits to match the two biggest mines in Africa, owned by De Beers, or the Russian mines of Alrosa.

Adrie van der Luijt, Press Officer for DiamondManufacturers.co.uk, said:

"This confirms our forecast two weeks ago that diamond jewellery prices are set to increase dramatically from this summer. That is significant news not just for consumers but for the UK economy."

"London is still the global distribution centre for rough diamonds. The vast majority of the £4 billion worth of rough diamonds De Beers sells through its rough diamond sales and distribution arm, the Diamond Trading Company (DTC), is channelled through its London offices."

"Our advice to consumers is not to delay their purchase if they want to avoid big price rises and to shop around for the lowest prices on engagement rings and diamond jewellery even more."

- ENDS -

NOTES TO EDITORS

About Diamond Manufacturers (<http://www.diamondmanufacturers.co.uk>)

Diamond Manufacturers is a leading online retail jeweller offering the internet's lowest prices on engagement rings, diamonds and fine jewellery.

Diamond Manufacturers' wide range of products includes engagement rings, wedding bands, certified diamonds, anniversary rings, diamond earrings and diamond pendants.

Diamond Manufacturers revolutionises the way diamonds and jewellery are purchased over the internet by backing up every purchase with a 110% price guarantee, free shipping, free easy returns, no questions asked 30-day money back guarantee, and lifetime warranty.

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