

Is Current Diamond Industry Turbulence Shaping a ‘New Normal’?

Industry players have found ways to cope with market conditions while working to reshape themselves in the face of emerging realities.



A Venus Jewel employee polishing a diamond on a wheel at the company's facility in Surat, India. The company, a leading manufacturer of natural diamonds, is one of a number of big companies that has had to shift focus to cope with current market realities.

Mumbai, India—The Indian diamond industry enters the fourth quarter having been on a roller coaster ride for much of the last two years.

There have been multiple twists and turns, and ups and downs, with the most recent dip spanning the past few months.

During this period, polished inventories rose despite some improvement in demand for diamond jewelry in the United States, and prices remained flat or fell further, with trends varying across sizes and qualities.

“In July/August we witnessed another wave of turbulence,” said Vipul Shah, chairman of India’s Gem & Jewellery Export Promotion Council (GJEPC).

While earlier downturns saw a coordinated response from the Indian industry, companies are now being encouraged to chart their own paths.

“We have been emphasizing the importance of self-discipline in such situations,” Shah stated.

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Drawing Up Individual Road Maps

The industry has adopted a variety of strategies to cope with the current market conditions.

In late August, diamond manufacturing giant Kiran Gems declared an unprecedented 10-day vacation for its employees coinciding with the Indian festival of Janmashtami.

A few other companies did likewise, but there were also many, including larger firms, that continued their day-to-day operations without interruption.

Some already have adopted staggered working hours, shorter work weeks, or longer-than-normal vacations.

Others have adjusted operations over time and enhanced their abilities to navigate turbulent periods.

Venus Jewel is one example of such a company.

Partner Devansh Shah said the company recognizes the importance of maintaining industry confidence without compromising its core values.

“We have proactively responded to the market shifts, and remain adaptable to changing conditions, responding with agility and focus,” he explained.

This includes at present, a greater focus on the Indian market, which has remained buoyant, he noted.

Hari Krishna Exports also has fined-tuned its operations, including growing the network for its diamond jewelry brand, Kisna, in India.



Buyers crowd the aisles of the Diamond Pavilion at the IIJS show in India. The Indian market has come into focus as a potential future source of demand for natural diamonds in the face of slowing sales in other markets.

Despite tough conditions overall, the company has announced an incentive program aimed at boosting productivity and enhancing the skills of its artisans.

“This has uplifted employee morale, encouraging them to improve their craftsmanship while receiving rewards for hard work,” a company spokesperson said.

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The logo for National Jeweler, featuring the word "NATIONAL" in a smaller, sans-serif font above the word "Jeweler" in a larger, bold, sans-serif font, both in white text on a red rectangular background.

Industry leaders also have welcomed the measures taken by leading miners—De Beers Group, Alrosa, and others—to regulate supply.

The latest import/export figures published by GJEPC indicate that in August, imports of rough diamonds declined 49 percent in value terms and 54 percent in volume terms (number of carats) year-over-year.

Polished diamond exports, meanwhile, were down 20 to 25 percent in value terms and 20 to 22 percent in volume terms year-over-year.

However, the value of exports in August was up 14 percent from July, indicating that conditions are improving.

‘Green Shoots’ That Need to Be Nurtured

Russell Mehta, CEO of Rosy Blue India, believes that this multi-faceted approach has helped stabilize the situation for now, and while year-end demand from the U.S. is expected to be on par with last year, the situation in China is still bad.

“The segment for smaller diamonds has been less affected, while certified goods have been hit more. Currently, we are seeing green shoots in some categories,” he said, meaning that certain categories are starting to show signs of recovery.

“These will have to be carefully nurtured going forward and it is likely that the annual Diwali break [in late October/early November] will be longer than usual this year,” Mehta continued, adding, “All eyes will be on Q1 2025.”

D. Navinchandra Jewels, which exports diamond jewelry to North America, also noted mixed trends, though it expects U.S. demand to remain stable this year.

The company reported that jewelry set with small diamonds (0.20 carats and below in SI1 and lower qualities) that are relatively lower-value items have not seen major price fluctuations for the past 18 months.

At the high end, the niche market for jewelry set with large stones (above 5 carats) also remains stable.

But in the middle segment, for jewelry using higher quality (SI1 and above) small diamonds (0.20 carats and below) and jewelry set with certified goods (0.30-5 carats), there has been more price volatility, and this may continue for some time.

Punit Mehta, D. Navinchandra Jewels partner and CEO, said, “Now there is a low-but-steady demand as U.S. retailers restock for the coming season.

“They are now holding lower inventory of natural diamond jewelry and seem to be buying only what they need. Maintaining low inventory levels at all segments of the diamond industry seems to be the main focus for most players who want to protect their bottom line.”