

De Beers Sees Resurgent Diamond Demand in Modi's India

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De Beers expects new Indian Prime Minister [Narendra Modi](#) to champion the diamond industry and sees a return to growth for the world's third-biggest market.

"[India](#) is the good news versus last year," Philippe Mellier, De Beers chief executive officer, said in a phone interview in [London](#) today. "It is clearly starting to grow again. The election of Mr. Modi is clearly changing the paradigm there. We all believe he is going to support the industry."

Mellier said he expected "high single digit" growth in Indian demand in the second half of the year, reviving a market that's lagged behind after volatility in the rupee reduced consumers' buying power. Global diamond demand will probably rise 4 percent to 4.5 percent this year with U.S. consumption increasing as much as 6 percent, he said.

[De Beers](#), the world's biggest diamond producer, is increasing output of the gems to meet demand. The company mined 16 million carats in the first half, a 12 percent increase from last year, and Mellier said full-year production would be "closer" to the top end of its 31 million to 32 million carat range.

"We produce to demand and if demand is growing we will clearly adapt our production," Mellier said. The company has the capacity to produce 35 million carats a year, he said.

De Beers is owned by Anglo American Plc. The mining company bought the Oppenheimer family's 40 percent stake in De Beers for \$5.1 billion in 2012, increasing its holding to 85 percent and ending the dynasty's 80-year ownership. Botswana controls the rest of the business, founded more than 120 years ago.

De Beers today reported operating profit of \$765 million, contributing 26 percent of Anglo's total operating profit.

Modi was the chief minister of Gujarat from 2001 before becoming prime minister in May after his [Bharatiya Janata Party](#) won the nation's biggest mandate in 30 years. The western state is home to India's diamond-cutting and polishing hub.

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