

Americans Now Half of Jewelry Consumption

American consumers continue to express “a strong desire for diamonds, but their purchasing habits are changing rapidly”, according to a new report

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Source: Israel Diamond Institute

An industry insight data published by De Beers earlier this month shows that diamond jewelry demand by US consumers increased 4.4% to total \$41 billion in 2016 – the first time demand has exceeded \$40 billion in a year. Additionally, “US consumers now account for roughly half of all diamond jewelry purchases globally – a level not seen since before the financial crisis”.

According to De Beers’ CEO Bruce Cleaver, quoted in Mining Weekly, American consumers continue to express “a strong desire for diamonds, but their purchasing habits are changing rapidly”. Bridal diamond jewelry remains fundamental, according to Cleaver, but the report also sees more single and married women buying for themselves more frequently and more purchases being made online. Additionally, “products such as multi-diamond jewelry are becoming more popular”.

Cleaver adds that in the last five years, the market growth is driven mainly by demand from emerging markets “with improvements in demand from China and India, in particular, emerging in 2017”.

The report showed that overall, global demand for diamond jewelry increasing marginally in 2016 to \$80 billion. Demand from China grew 0.6%, while Indian demand stayed flat on the back of demonetisation, exchange rates and local jewelers’ strikes.

As for 2017, De Beers is cautiously optimistic, forecasting a marginal global growth in jewelry demand, bolstered “by the more encouraging demand trends in China and India” and “continued sales in the US”. According to Mining Weekly, jewelry retailers in China expect demand to grow “at a slightly faster rate”; meanwhile, in India, the effect of demonetisation “proved to be less severe than anticipated”.

“While the US has seen slower gross domestic product (GDP) growth in the first quarter, which generally signals slower growth in diamond jewelry demand, the outlook for 2017 is for higher consumer confidence and GDP growth”, Cleaver concluded.