

Rising Diamond Revenues Helping Angola Offset Dropping Oil Income

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The Catoca diamond mine.

(IDEX Online) – Rising revenues from diamonds are helping Angola offset some of the loss of income from dropping oil prices – the country's main foreign currency earner.

Diamond sales in the first nine months of this year alone were the same as that for the whole of 2013 which were around \$1.2 billion, according to Angola's Finance

Ministry, Macauhub reported. Angola is the world's fifth-largest diamond producer and expects diamond production of 10 million carats for this year.

Angola, a major oil producer, has been concerned by collapsing oil prices which have fallen to a four-year low of \$60 per barrel.

But diamond sales jumped 18 percent in the first half of 2014, with an average price per carat of \$155, and diamond output rose by 4 percent to 4.26 million carats, according to state-owned diamond company Endiama, Macauhub reported.

There are seven main diamond mining projects in Angola which are behind the rising diamond production. Angola will assume the Chair of the Kimberley Process on January 1.

And promising exploration work is also adding to optimism regarding the country's diamond production, particularly the Lulo deposits that in the next two years may become the largest mine in the country, overtaking the huge Catoca mine which produces most of Angola's diamonds.

Lucapa Diamond Co., an Australian company that is the biggest shareholder in the Lulo concession, has stressed the high value of the precious stones discovered.

According to the company, the average value of the stones found at Lulo is \$6,533, while Catoca, the fourth largest kimberlite mine in the world, it is around \$100.