

State Support May Let Alrosa Keep Lead on De Beers in '10

By [The Moscow Times](#)

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De Beers may once again surpass Alrosa's output in carat terms next year. **Jock Fistick**

LONDON — State-owned diamond miner Alrosa may stay the world's top diamond miner in 2010 and keep De Beers' crown for a second consecutive year thanks to a strong government support during the financial crisis.

But in 2011 De Beers can win back its traditional rank of the world's largest diamond producer in carat terms, company and analyst data shows.

Alrosa will raise output by 2 percent to about 34.44 million carats in 2011 from 33.76 million carats this year, the company said on Friday. Alrosa, whose revenue is expected to rise by 3 percent to \$3.53 billion in 2011, mined 32.8 million carats in 2009.

De Beers — which operates in South Africa, Canada, Botswana and Namibia — plans to produce an estimated 31 million carats in 2010 up from 24.6 million carats the previous year.

De Beers has published its forecast for the next year yet, but analysts from RBC Capital Markets expect it to boost production to 40 million carats in 2011.

Alrosa is the main taxpayer for Sakha, where the precious stones are mined, and did not reduce diamond production during the crisis when demand was poor. The government spent \$1 billion buying diamonds from Alrosa in 2009 in order to ensure work for the company's employees.

De Beers is 45 percent owned by mining group Anglo American, 40 percent by South Africa's Oppenheimer family and 15 percent by the Botswana government.

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