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# Russia's Alrosa Raises $11.8 Million in New York Diamond Sale

By Reuters

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**Alexander Avilov / Moskva News Agency**

Russian state-controlled miner Alrosa, the world's biggest producer of rough diamonds in carat terms, raised $11.8 million in its first New York diamond auction of the year, as it seeks to increase its activity in the United States.

Rebecca Foerster, president of Alrosa, North America, said sanctions against some Russian companies did not diminish the appeal of Russian high quality diamonds.

Alrosa resumed operations in New York last year after they lay dormant for two years because of what the company said were "organizational changes" and concerns related to the previous team.

It held two diamond auctions there in 2018, which between them raised $18.3 million from international buyers.

By comparison a single New York sale in March this year of large stones, all of more than 10.8 carats and some as large as 50 carats, raised $11.8 million.

"The United States is a target market for growth. It's by far the largest diamond market," Foerster said in an interview.

She said this year Alrosa was aiming for four sales of rough diamonds in the United States, including the March sale that has just taken place, as well as two auctions of polished stones.

In an email, Alrosa said it was seeking to double U.S. activity annually "over the next few years."

## "No politics"

While Alrosa has no intention of launching its own jewelry brand, Foerster said it was marketing diamonds based on guaranteeing their origin, in line with customer demand for sustainable gems.

"It's becoming more and more of a necessity," she said. "All our diamonds come from a collection of mines in Russia. We can clearly establish a chain of custody."

**Related article**: Russian Diamond Giant Alrosa Is Returning to Zimbabwe

Following Russia's annexation of Crimea in 2014 and allegations of meddling in U.S. elections, Russia is subject to a series of sanctions.

While not a direct target itself, as a precaution Alrosa is among the Russian companies exploring ways to do deals abroad without using dollars.

"We are selling a luxury good. There's no politics involved," Foester said.

Diamonds have been subject to other pressures as laboratory-grown diamond production has increased and macro-economic uncertainty has weighed on demand.

But diamond analysts say supply is expected to contract, potentially boosting prices, as mature mines decline and new production lags.

At the same time the natural diamond producers, led by Anglo American unit De Beers — the world's biggest diamond producer by value — are seeking to emphasise the differences between mined diamonds and laboratory-grown stones that they say have no resale value.

Analysts also say the market for diamonds, exceptional either because of their size or color, is likely to far outperform that for small gems.

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