

# De Beers agrees to give Botswana more rough diamonds in new sales pact

By [Clara Denina](#) and [Brian Benza](#)

3 Jul 2023

Botswana and De Beers Group have agreed a new diamond sales deal in which the African country, the world's leading diamond producer by value, gradually increases the share of rough stones it gets from their joint venture Debswana over the next decade to 50%, the government and the mining company said on Saturday, 1 July.



Haul trucks at Jwaneng diamond mine. Source: Debswana.com

The Botswana government and De Beers said they had agreed on a 10-year sales deal for Debswana's rough diamond production through to 2033, and on a 25-year Debswana mining license valid until 2054.

Debswana is jointly owned by the Anglo American unit and the government and has been selling 75% of its output to De Beers, with Botswana's state-owned Okavango Diamond Co (ODC) taking up the remainder of the stones.

"From the start of the new contract period, ODC will receive 30% of Debswana production, progressively increasing to 50% by the final year of the contract, ensuring a sustainable transition path for both partners," De Beers said in the statement.

The miner will also pump in 1bn pula (about R1.4bn) towards a diamond fund which would invest in "additional value to the Botswana economy", the company said, adding the contributions would grow 10 times over the next 10 years.



## De Beers, Botswana extend diamond sales deal by a year

Bhargav Acharya and Aby Jose Koilparambil 30 Jun 2022



Botswana President Mokgweetsi Masisi, who has been pushing for a bigger share of Debswana's output, had threatened to sever ties with the mining company if the government's concerns weren't reflected in the new deal that has been in negotiation since 2018.

The Botswana-De Beers agreement allows the partners to advance the investment required to secure Debswana's position as one of the world's leading gem producers, De Beers said.

Botswana, where De Beers has been present for 50 years, is heavily reliant on diamonds, with two-thirds of its foreign currency receipts coming from mining, sales and ancillary activities linked to the precious stone.

### ABOUT THE AUTHOR

Writing by Promit Mukherjee, additional reporting by Nelson Banya and Nilutpal Timsina

For more, visit: <https://www.bizcommunity.com>