



By: TA | AP Insight

Diamonds are not forever - Is Africa's success story ending?



In a village outside Botswana's capital, Keorapetse Koko sat on an aging couch in her sparsely furnished home, stunned that a career — and an entire nation's economy — built on diamonds had fallen so far, so fast.

For 17 years, she had earned a living cutting and polishing the gems that helped transform Botswana from one of the world's poorest nations into one of **Africa's success stories**.

Diamonds were discovered in 1967, a year after independence, an abrupt change of fortune for the landlocked country.

Botswana became the world's top diamond producer by value, and second-largest by volume after Russia.

Diamonds are woven into the national identity, with local Olympic champion runner **Letsile Tebogo** heading a De Beers campaign celebrating how the industry funds schools and stadiums.

The stones that Koko and thousands of others dug and polished over the decades have funded Botswana's health, education, infrastructure and more.

The country risked the "resource curse" of building its economy on a single natural asset — and unlike many African nations, it was a success.

But Koko lost her job a year ago, joining many others left adrift as Africa's trade in natural diamonds buckles under growing pressure from cheaper lab-grown diamonds mass-produced mainly in China and India.

"I have debts and I don't know how I am going to pay them," said the mother of two, who had survived on about \$300 a month and relied on her employer for medical insurance.

It had been a decent situation for a semi-skilled worker in a country where the average monthly salary is about \$500. "Every month they call me asking for money. But where do I get it?"

'Diamonds built our country'

Botswana, which has unearthed some of the **world's biggest stones**, has prided itself on prudently managing its natural wealth, avoiding the corruption and fighting that have plagued many African peers.

Its marketing message has been simple: Its stones are conflict-free and help fund development.

"Diamonds built our country," said Joseph Tsimako, president of the Botswana Mine Workers Union, which represents about 10,000 workers in the nation of 2.5 million people. "Now, as the world changes, we must find a way to make sure they don't destroy the lives of the people who helped build it."

He warned that new U.S. tariffs under the Trump administration could worsen Botswana's downturn, triggering staffing freezes, unpaid leave and more layoffs.

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Diamond exports, roughly 80% of Botswana's foreign earnings and a third of government revenue, have tumbled.

Debswana, the largest local diamond producer and a joint venture between the government and mining giant De Beers, saw revenues halve last year.

It has paused operations at some mines as Botswana and Angola enter talks to take over controlling stakes in De Beers' diamond mining unit.

In September, Botswana's national statistics agency reported a 43% drop in diamond output in the second quarter, the steepest fall in the country's modern mining history.

The World Bank expects the economy to shrink 3% this year, the second consecutive contraction.

The rise of synthetic diamonds

The global rise of synthetic diamonds has been swift. They have “given stiff competition, especially in lower-quality stones,” said Siddarth Gothi, chairman of the Botswana Diamond Manufacturers Association.

The gems emerged in the 1950s for industrial use. By the 1970s they had reached jewelry quality. Lab-grown stones now sell for up to 80% less than natural diamonds.

Once making up just 1% of global sales in 2015, they have surged to nearly 20%.

Glitzy social media videos have fueled the appeal of synthetic gems made in weeks under intense heat and pressure and marketed as cheaper, conflict-free and eco-friendly alternatives to stones formed over billions of years.

Environmental groups have said natural diamond mining can drive deforestation, destroy habitats, degrade the soil and pollute the water.

But environmental claims about the **synthetic gems** also face scrutiny, with critics noting that production remains energy-intensive, often powered by fossil fuels.

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From “a marginal phenomenon,” an “unprecedented flood” of synthetics now threatens the natural diamond’s value and future, World Federation of Diamond Bourses president Yoram Dvash warned in July.

Lab-grown stones now account for most new U.S. engagement rings, he said. Natural diamond prices have fallen roughly 30% since 2022, leaving the industry at what Dvash called “a critical juncture.”

Hollywood stars, including Billie Eilish and Pamela Anderson, and Bollywood celebrities have boosted synthetic diamonds’ allure, along with Gen Z influencers.

“The new generation of youngsters getting engaged, they’ve got far more important things to spend their money on than a diamond,” said Ian Furman, founder of Naturally Diamonds, which sells natural and synthetic diamonds in neighboring South Africa. “So, it’s become so attractive to them to buy lab diamonds.”

Furman said that for every 100 diamonds his company sells, around 95 are synthetic when just five or six years ago it was overwhelmingly natural diamonds.

African producers feel the pain

The shift is felt beyond Botswana. Across southern Africa, falling production of natural diamonds and revenue have led to job cuts and financial strain.

To counter the trend, Botswana, Angola, Namibia, South Africa and Congo in June agreed to pool 1% of annual diamond revenues, translating into millions of dollars, into a global marketing push led by the Natural Diamond Council to promote natural stones.



Botswana's government created a sovereign wealth fund focused on investment and diversification beyond mining - Orapa Diamond Mine

The nonprofit's members include major mining companies such as De Beers Group and Rio Tinto, which have invested heavily in natural diamonds.

Last year, the council launched a "Real. Rare. Responsible" campaign starring actor **Lily James** in a bid to recast natural diamonds as unique and ethically sourced.

Kristina Buckley Kayel, the council's managing director for North America, said restoring natural diamonds' "desirability" is essential to protect producer economies, particularly in southern Africa.

With its diamond income no longer assured, Botswana's government in September created a sovereign wealth fund focused on investment and diversification beyond mining, although details about its value and investors sketchy.

Suddenly, the country's elephant-heavy tourism industry and other mining options, including gold, silver and uranium, are more important than ever.

But for Koko, the laid-off diamond worker, the policy shift may have come too late.

"I was the breadwinner in a big family," she said. "Now I don't even know how to feed my own. Looking for another job is very difficult. The skills I learned are only relevant to the diamond industry."

She never owned a diamond herself. Even the smallest would be a luxury beyond her means.