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Alrosa has confirmed it may suspend some production and cut staff over the coming year, with low market prices and sanctions impacting the company. | Source: DCLA Diamond

Crisis: Russian diamond mining juggernaut issues warning

Posted November 28, 2024 | By Samuel Ord

The CEO of Russia’s largest diamond mining company, Alrosa, has warned that the diamond industry faces a ‘crisis’ as prices fall for a second consecutive year.

The CEO of Russia’s largest diamond mining company, Alrosa, has warned that the diamond industry faces a ‘deep crisis’ as prices fall for a second consecutive year.

Alrosa has confirmed it may suspend some production and cut staff over the coming year, with low market prices and sanctions impacting the company.

CEO Pavel Marinychev told Russian media production could be quickly resumed if the market recovers.

“Certain areas that are less profitable, which are at the borderline of profitability, may be subject to suspension during this crisis period,” he said.

“We are currently in a rather difficult situation. Our task is to endure and wait out this period, to wait for prices to start rising again.”

The world’s largest producer of rough diamonds by volume has been impacted by a ban on Russian diamond sales to G7 and EU countries as a punitive response to the conflict in Ukraine.

Alrosa ceased publishing sales data after the conflict between Russia and Ukraine began in early 2022.

The Russian government regularly purchases diamonds from Alrosa through a state fund to support the local industry. Reporting by [Rapaport News](#) has confirmed the country will continue to buy diamonds in 2025.