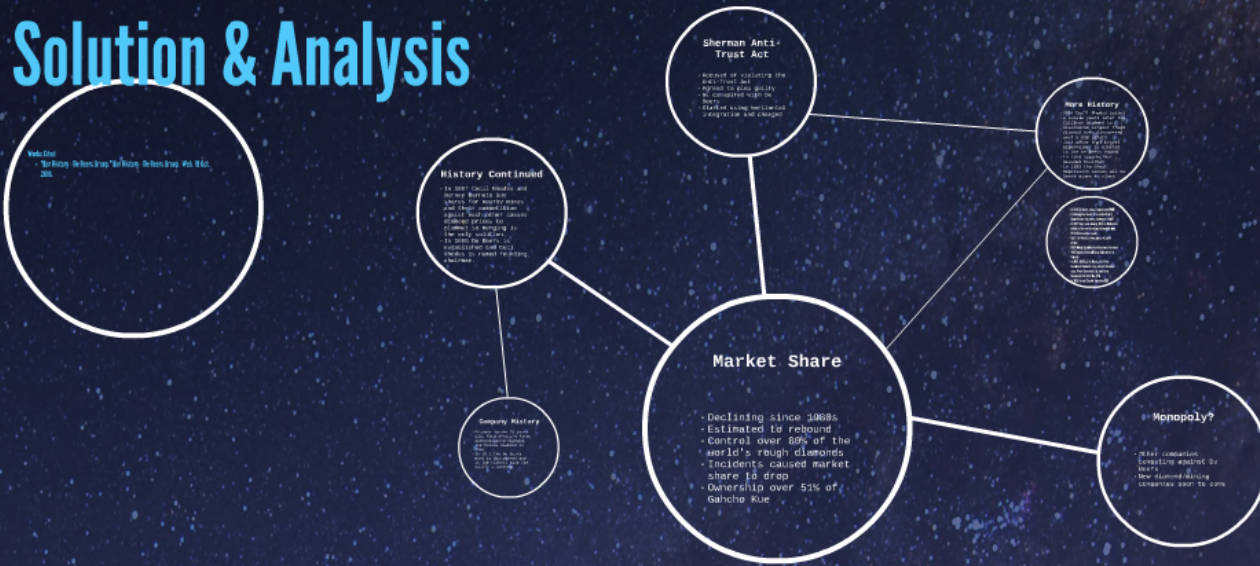


THE DE BEERS GROUP: EXPLORING THE DIAMOND RESELLING OPPORTUNITY Harvard Case Solution & Analysis



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Company History

- Erasmus Jacobs 15 years old, find Africa's first authenticated diamond, the Eureka diamond in 1866
- In 1871 the De Beers mine is discovered and is the richest mine for nearly a century

History Continued

- In 1887 Cecil Rhodes and Barney Barnato buy shares for nearby mines and their competition against each other causes diamond prices to plummet so merging is the only solution.
- In 1888 De Beers is established and Cecil Rhodes is named founding chairman.

More History

- 1902 Cecil Rhodes passes
- a couple years later the Cullinan Diamond is discovered largest rough diamond ever discovered over 3,000 carats
- Just after that Ernest Oppenheimer is elected to the De Beers board
- in 1929 Oppenheimer becomes Chairman
- in 1932 the Great Depression causes all De Beers mines to close....

- In 1940 De Beers closes because of WWII
- Following the death of his father Harry Oppenheimer becomes chairman in 1957
- In 1982 they open Jwaeng Mine in Botswana which is the worlds richest diamond mine (11 million carats a year)
- 1992 the Venetia mine opens in South Africa
- 1998 Nicky Oppenheimer becomes chairman
- 2005 opens mine call Snap Lake mine in Canada
- in 2015 ALROSA, De Beers, Rio Tinto, Dominion Diamond corp, Lucara Diamond corp, Petra Diamonds Ltd, and Gem Diamonds Ltd form the DPA.
- in 2016 Bruce Cleaver becomes CEO

Market Share

- Declining since 1980s
- Estimated to rebound
- Control over 80% of the world's rough diamonds
- Incidents caused market share to drop
- Ownership over 51% of Gahcho Kue

Sherman Anti-Trust Act

- Accused of violating the Anti-Trust Act
- Agreed to plea guilty
- GE conspired with De Beers
- Started using horizontal integration and changed