

## Wealth Report shows coloured diamonds on the rise

**Findings from the Knight Frank Luxury Investment Index and its annual Wealth Report have been unveiled, highlighting the growing significance of coloured diamonds and pearls for investment in the Middle East and Asia.**

According to the report, coloured diamond demand has increased by 167% since 2005, with pearls also rocketing in price thanks to the almost total lack of supply of new natural pearls coupled with strong demand from the Arabian Gulf.

Despite the growing markets of Asia and the Middle East, it was the UK that topped the Big Spenders Index, compiled for The Wealth Report by Ledbury Research. It is understood that the influx of foreign tourists to London and out-of-town shopping centres like Bicester Village is driving the trend.



Chinese consumers were named as the single biggest consumers of luxury goods around the world, accounting for some 29% of the global luxury spend. However, the majority of this spend is made outside of mainland China.

Almost one third of respondents to The Wealth Report's Attitudes Survey expect their wealthy clients to spend more on luxury goods in 2015.

According to jewellery writer and consultant, Claire Adler, who analysed coloured diamond trends for Knight Frank mounting demand from Asia and the threat of 'mines running dry' is encouraging wealthy consumers to invest.

Plus, the emergence of the Fancy Color Research Foundation and its Fancy Color Diamond Price Index has helped to track changes in coloured diamond demand – something which makes their inclusion into the Knight Frank wealth report more understandable.

She explains: "Global diamond supply is expected to plateau by 2020 and drop-off significantly in the following decade, according to mining giant De Beers."

She continues: "Investing in diamonds poses challenges. Unlike gold, diamonds are not fungible – one carat is not equal to another carat. Although the internet has brought about increased pricing transparency, there is no standardised pricing index that classifies the many thousands of different qualities of diamonds, which incorporate a spectrum well beyond the traditional 4 Cs."