INDUSTRIAL DIAMOND

By Ronald F. Balazik

In addition to its value as a gemstone, diamond has unique properties that make it ideal for many industrial and research applications. In fact, as the hardest substance known, diamond has been used for many centuries as a grinding, drilling, cutting, and polishing tool (Spear and Dismuks, 1994). Today, industrial-grade diamond (defined as diamond that does not meet gem-quality standards) continues to be used principally as an abrasive. Moreover, diamond has exceptional optical properties and superior electrical/thermal characteristics that make it the best material for special lenses, heat sinks in electrical circuits, wire drawing, and many advanced technologies.

Although both synthetic and natural diamonds are used by industry, synthetic industrial diamond is superior to its natural diamond counterpart in many cases because its properties can be tailored for specific applications. Thus, manufactured diamond accounts for at least 90% of the industrial diamond used in the United States.

Legislation and Government Programs

The National Defense Stockpile (NDS), operated by the Department of Defense (DOD), contained the following categories of industrial diamond in 1996: industrial stones, crushing bort, and diamond dies. At yearend, the NDS had an inventory of 4.65 million carats of industrial stones (valued at \$78.3 million), 816,000 carats of crushing bort (\$4.5 million), and 25,500 pieces of diamond dies (\$917,000). Additional information on the value of NDS diamond is in the "Price" section that follows.

Congress has authorized the DOD to dispose of all NDS industrial diamond. For fiscal year 1997 (October 1, 1996, to September 30, 1997), the DOD has been authorized to sell up to 2 million carats of industrial stone and all stockpiled industrial bort and diamond dies.

Production

The U.S. Geological Survey (USGS) conducts an annual survey of domestic industrial diamond producers and U.S. firms that recover diamond wastes. Although most of these companies responded to the 1996 survey, a few significant firms withheld certain data that they deemed proprietary. Thus, only estimates of U.S. primary and secondary output are provided below.

As one of the world's leading producers of synthetic industrial diamond in 1996, the United States accounted for an estimated output of 114 million carats. Only two U.S.

companies produced synthetic industrial diamond during the year: Du Pont Industrial Diamond Division, Gibbstown, NJ; and GE Superabrasives, Worthington, OH. In addition, GE Superabrasives and five other firms (Dennis Tool Co., Houston, TX; Phoenix Crystal, Ann Arbor, MI; SII Megadiamond Industries Inc., Provo, UT; Tempo Technology Corp., Somerset, NJ; and U.S. Synthetic Corp., Orem, UT) manufactured polycrystalline diamond (PCD) from synthetic diamond grit.

More than 20 million carats of industrial diamond were estimated to have been recycled in the United States during 1996. Most of this material was recovered from residues generated in the manufacture of PCD (Wilson Born, National Research Company, written commun., 1997). Four U.S. companies recovered and sold industrial diamond as their principal product in 1996. These firms were: Industrial Diamond Laboratory Inc., Bronx, NY; Industrial Diamond Powders Co., Pittsburgh, PA; International Diamond Services Inc., Houston, TX; and National Research Company, Fraser, MI. These firms reclaimed industrial diamond from used drill bits, diamond tools, and diamond-containing wastes as well as from the residues of PCD manufacturing. In addition to these companies, other domestic firms reportedly recovered industrial diamond in smaller secondary operations.

A new diamond mine under development near Fort Collins, Colorado, may prove to be the first significant domestic source of natural industrial diamond in the United States. The mine would be the first commercial diamond mine in North America in almost a century (U.S. Geological Survey, 1997). A diamond processing plant at the mine began operating in May 1996. By yearend, about 65% of the recovered diamonds were gem quality; presumably, the remainder can be used for industrial purposes.

Consumption

The United States remained the world's largest market for industrial diamond in 1996. Domestic consumption of industrial diamond during the year was estimated to be 224 million carats. This consumption reflects growth in the U.S. economy and the many domestic industries where diamond is used. Domestic consumption in the 1990's was accounted for primarily by the following U.S. industry sectors: construction, machinery manufacturing, mineral services, stone and ceramics production, and transportation equipment fabrication.

Industrial diamond stones (usually larger than 800 microns) are used primarily in drilling bits and reaming shells, single- or multiple-point diamond tools, diamond saws, diamond wheels, and diamond wire-drawing dies. Miscellaneous uses include: engraving points, glass cutters, bearings, and surgical instruments. Diamond drilling bits and shells are used principally for mineral, oil, and gas exploration. Other applications for diamond bits and shells include foundation testing, masonry drilling, and inspecting concrete in various structures. The primary uses of point diamond tools are for dressing and truing grinding wheels and for cutting, machining, boring, and finishing; beveling glass for automobile windows also is an application. Cutting dimension stone and concrete in highway reconditioning are the major uses of diamond saws; another application is the forming of refractory shapes for furnace linings. Diamond wire dies are essential for high-speed drawing of fine wire, especially from hard, high-strength metals and alloys.

Diamond grit, powder, and fragmented bort are used in diamond grinding wheels, saws, impregnated bits and tools, and loose abrasives compounds for lapping and polishing. Three major types of grinding wheels are made: resinoid, metal, and vitrified bonds. These tools are made in many shapes and sizes designed for specific applications. Very large grinding wheels can be as much as 1 meter in diameter. The primary uses of diamond grinding wheels include the sharpening and shaping of carbide machine tool tips, die grinding, plate glass edging, and optical grinding. Saws made with diamond grit are used to cut concrete, stone, ceramics, and composite materials. Very fine saws are used to slice brittle metals and crystals into thin wafers for electronic and electric devices.

Polishing and lapping powder and compounds are used primarily to finish optical surfaces, jewel bearings, gemstones, wiredrawing dies, cutting tools, and metallographic specimens. Hundreds of other important items made from metals, ceramics, plastics, and glass also are finished with diamond compounds.

Changes in technology have resulted in an increased use of synthetic industrial diamond and polycrystalline diamond shapes (PDS) and compacts (PDC) for many of the applications cited above. In particular, the use of PDS, PDC, and matrix set synthetic diamond grit for drilling bits and reaming shells has increased in recent years. Moreover, PDS and PDC are used in the manufacture of single- and multiple-point tools, and PDC is used in a majority of the diamond wire-drawing dies. The manufacturing PCD for PDS and PDC now accounts for most of the diamond powder consumed in the United States (Wilson Born, National Research Company, written commun., 1997).

Prices

Although the USGS does not collect industrial diamond price data, it monitors the average value of certain industrial diamond imports. In 1996, average per-carat values for U.S. imports of natural grit and powder, synthetic grit and powder, and industrial stones were \$0.42, \$0.45, and \$7.54, respectively. These values are slightly higher than those of 1995.

In addition, at yearend 1996, the DOD appraised the average per-carat market value of crushing bort and industrial stones in the NDS at \$5.51 and \$16.84, respectively. In certain cases, however, significantly higher assessments of industrial diamond in the stockpile have been made; for example, some bidders at NDS disposal sales have paid almost \$100 per carat for stockpiled diamonds that they valued as gem-quality stones.

Events in 1996, such as new diamond mines (for example, see the preceding "Production" section) and more suppliers in the rough diamond market, may dampen prices of natural industrial stone during the next few years.

Foreign Trade

The United States is the world's leading importer and exporter of industrial diamond; in 1996, imports came from more than 30 countries, and exports/reexports went to at least 50 countries. Although the United States is a major producer of synthetic diamond, its growing domestic markets have become more reliant on foreign sources of industrial diamond in recent years. Moreover, U.S. markets for natural industrial diamond always have been dependent on imports and secondary recovery operations because domestic production of natural diamond was lacking. The new Colorado diamond mine noted on page 1, however, may help to reduce this reliance on foreign sources.

In 1996, domestic imports of diamond powder, dust, and grit reached a record high of 218 million carats (valued at \$99 million). Imports of industrial quality stones were 2.9 million carats (valued at \$22 million). China appears to be growing as a major source of synthetic diamond for U.S. markets. *(See tables 1 and 2.)*

During 1996, the United States also exported and reexported 108 million carats of industrial diamond dust, powder, and grit (valued at \$94 million). Additionally, the United States exported and reexported about 3.3 million carats of industrial stones (valued at \$27 million). *(See tables 3 and 4.)*

World Review

The global market for industrial diamond was estimated to be more than \$650 million in 1996. The United States remained the world's largest single market for industrial diamond as its economy continued to expand.

More than 35 countries produced industrial diamond in 1996. Almost two-thirds of global output, however, was accounted for by just the top four producers: The United States, Russia, Ireland, and South Africa. Synthetic diamond accounts for about 90% of global production and consumption. Tables 5 and 6 show world production of natural and synthetic industrial diamond by country.

Outlook

The United States will continue to be the world's largest market for industrial diamond well into the 21st century, and will remain a significant exporter of industrial diamond as well. Polycrystalline diamond for abrasive tools and wear parts will continue to replace competing materials in many industrial applications by extending tool life, providing closer tolerances, and yielding lower parts cost (Thomas Corcoran, ANCO Industrial Diamond Corp., written commun., 1997).

Demand for diamond grit and powder worldwide, particularly in the United States, will exhibit significant growth during the next several years. Demand for synthetic grit and powder is expected to be greater than that for natural diamond stone. Constant-dollar prices of synthetic diamond products probably will continue to decline as production technology becomes more cost-effective and competition from low-cost producers in China and Russia increases. The consolidation of major synthetic diamond producers, however, could stabilize prices in saw-grade sizes.

The most dramatic increase in the use of diamond tools made from synthetic grit and powder will likely be in the construction industry. Large quantities of saw-grade diamond will be required for the repair and replacement of highways and bridges. Additionally, the dimension stone industry will increase its demand for diamond as a cutting and polishing medium. The use of diamond tools for cutting, shaping, and polishing will increase in the glass industry as well. Moreover, PDC and PDS will continue to displace natural diamond stone and tungsten carbide products used in the drilling and tooling industries (Wilson Born, National Research Company, written commun., 1997).

Truing and dressing applications will be the major domestic end-use for industrial stones during the next several years. These stones are natural and cannot be manufactured commercially. No shortage of the stones is anticipated, however, because new mines (in Canada and the United States, for example) and more producers selling in the rough diamond market will maintain ample supplies (Thomas Corcoran, ANCO Industrial Diamond Corp., written commun., 1997). These additional sources will tend to reduce prices as well.

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¹Prior to January 1996, published by the U.S. Bureau of Mines.

U.S. IMPORTS FOR CONSUMPTION OF INDUSTRIAL DIAMOND STONES, BY COUNTRY 1/

	Nati	ral industrial	diamond sto	nes						
	(including glazers' and					Miners' diamond,				
		engraver's dia	mond unset)		natural and synthetic					
	((7102.21.3000 and 4000)				(7102.21.1010 and .1020)				
	199	5	19	96	1995 199			96		
Country	Quantity	Value 2/	Quantity	Value 2/	Quantity	Value 2/	Quantity	Value 2/		
Belgium	224	798	206	1,200	571	3,630	276	735		
China	91	176	47	80	2	2	(3/)	10		
Ghana	103	445	181	1,000	36	300	87	577		
India	5	4	7	119			(3/)	2		
Ireland	88	168	133	289	1	17	6	20		
Japan	1	4	(3/)	17	(3/)	19				
Netherlands	18	956	5	1,430	2	67	(3/)	9		
Sierra Leone	18	116	49	633	18	65	4	16		
South Africa	90	150	(3/)	16	4	54	(3/)	85		
Switzerland	1	3	6	20	140	341	201	417		
United Kingdom	858	6,880	402	3,520	654	8,810	495	6,990		
Zaire	663	954	354	796	37	1,910	101	1,710		
Other	450 r/	1,050 r/	288	1,200	29 r/	257 r/	10	655		
Total	2,610	11,700	1,680	10,300	1,490	15,500	1,180	11,200		

(Thousand carats and thousand dollars)

r/ Revised.

 $1/\operatorname{Data}$ are rounded to three significant digits; may not add to totals shown.

2/ Customs value.

3/ Less than 1/2 unit.

Source: Bureau of the Census.

TABLE 2

U.S. IMPORTS FOR CONSUMPTION OF DIAMOND POWDER, DUST AND GRIT, BY COUNTRY 1/

(Thousand carats and thousand dollars)

	Diamond powder and dust								
	Synthetic (7105.10.0020; .0030 and .0050)				Natural				
					(7105.10.0011 and .0015)				
	199	5	1996		1995		1996		
Country	Quantity	Value 2/	Quantity	Value 2/	Quantity	Value 2/	Quantity	Value 2/	
Austria	1,290	1,460	288	312	15	3	148	203	
Belgium	2,050	3,040	3,100	4,210	2,180	1,930	1,790	2,130	
China	7,240	1,740	23,800	5,150	11,200	1,440	7,320	994	
Germany	11,400	4,300	7,920	1,850	69	86	24	19	
Hong Kong	489	88	4,440	797	844	176	1,950	401	
India	163	160	54	41	48	33	209	100	
Ireland	116,000	48,200	112,000	61,400	2,440	2,040	2,390	1,300	
Japan	3,800	2,350	4,240	2,240			2	6	
Korea, Republic of	6,750	6,650	25,000	9,290	1,250	899	876	636	
Russia	9,860	1,690	9,930	2,100	35	53	1,070	210	
South Africa	104	52					1	8	
Switzerland	985	673	1,340	946	293	341	332	195	
Ukraine	2,710	521	1,640	170					
United Kingdom	3,420	1,750	5,500	1,970	1,300	674	433	333	
Other	1,140 r/	724 r/	2,050	1,040	803 r/	379 r/	839	846	
Total	167,000	73,400	201,000	91,500	20,500	8,050	17,400	7,370	

r/ Revised.

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Customs value.

Source: Bureau of the Census.

U.S. EXPORTS AND REEXPORTS OF INDUSTRIAL DIAMOND STONES, BY COUNTRY 1/

	Industrial unworked diamonds (7102.21.0000)						
		995	1	1996			
Country	Quantity	Value 2/	Quantity	Value 2/			
Belgium	3,440	17,000	1,650	14,500			
Brazil	11	27	16	120			
Canada	512	1,410	328	1,120			
Germany	110	899	50	394			
Hong Kong	194	1,370	55	572			
India	14	105					
Ireland	22	210	73	325			
Israel	144	1,440	53	397			
Italy			17	39			
Japan	512	5,220	768	6,880			
Korea, Republic of	98	946	106	976			
Netherlands	36	364	25	246			
Netherlands Antilles	12	120	1	7			
Switzerland	15	152	16	163			
United Kingdom	41	347	43	416			
Other	22	264	57	417			
Total	5,180	29,900	3,260	26,600			

(Thousand carats and thousand dollars)

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Customs value.

Source: Bureau of the Census.

TABLE 4

U.S. EXPORTS AND REEXPORTS OF INDUSTRIAL DIAMOND POWDER, DUST AND GRIT, BY COUNTRY 1/

(Thousand carats and th	nousand dollars)
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	Diamond powder and dust								
		Synth	netic		Natural				
	(7105.10.0025)				(7105.10.1010)				
	1995		199	1996		1995		1996	
Country	Quantity	Value 2/	Quantity	Value 2/	Quantity	Value 2/	Quantity	Value 2/	
Australia	725	1,950	625	1,290	80	122	34	69	
Austria	1,450	869	1,260	962	267	201	194	72	
Belgium	1,420	650	2,180	2,070	175	208	327	260	
Brazil	1,570	1,090	1,480	1,010	7	12	96	79	
Canada	2,830	6,220	2,990	6,280	10	10	49	112	
China	612	597	1,280	497					
France	532	299	232	184	24	29	16	25	
Germany	27,800	26,600	17,300	19,300	264	228	279	233	
Hong Kong	6,440	3,330	7,700	3,620	17	58	163	139	
India	2,180	1,700	4,130	2,310	6	14			
Ireland	9,030	9,890	10,800	13,200	544	1,280	214	412	
Israel	1,260	371	290	130	111	93	219	53	
Italy	1,310	1,090	999	607	315	223	84	87	
Japan	18,100	18,600	25,000	20,900	129	135	334	324	
Korea, Republic of	10,100	8,060	12,300	9,000	95	130	143	268	
Luxembourg	290	475	115	73	102	214	170	198	
Mexico	127	190	193	131	29	46	169	145	
Singapore	525	708	1,460	1,020	265	663	147	161	
South Africa			15	34	110	221			
Switzerland	2,220	946	2,100	988	203	213	221	197	
Taiwan	2,480	1,700	3,940	2,570	173	434	218	108	
Thailand	1,190	885	450	376	5	11	12	34	
United Kingdom	3,870	4,940	3,240	1,960	989	848	1,410	1,080	
Other	1,350	1,300	3,160	1,670	187	359	91	57	
Total	97,300	92,400	103,000	90,200	4,110	5,750	4,590	4,110	

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Customs value.

Source: Bureau of the Census.

NATURAL DIAMOND: ESTIMATED WORLD PRODUCTION, BY TYPE AND COUNTRY 1/2/

(Thousand carats)

Country	1992	1993	1994	1995	1996
Gemstones: 3/					
Angola 4/	1,100	130	270	2,700 r/	3,600
Australia	18,100	18,800	19,500	18,300	18,897 5/
Botswana	11,200	10,300	10,550 5/	11,500	11,000
Brazil	653	1,000 r/	300 r/	700 r/	700
Central African Republic	307 5/	370	400	400	350
China	200	230	230	230	230
Gabon	400	400	400	400	400
Ghana	104 r/ 5/	106 r/ 5/	118 r/	126 r/	125
Nambia	1,520	1,120	1,312 5/	1,382 5/	1,300
Russia	9,000	8,000	8,500	9,000	9,250
Sierra Leone	180	90	155	113 5/	162
South Africa	4,600	4,600	5,050 r/	5,070 r/	5,360
Venezuela	302	145 r/ 5/	203	229 5/	230
Zaire	8,930	2,010	4,000	4,000	3,000
Other	305	277 r/	463 r/	608 r/	813
Total	56,800 r/	47,600 r/	51,400	54,800 r/	55,400
Industrial:					
Angola 4/	80	15	30	300 r/	400
Australia	22,100	23,000	23,800	22,400	23,096 5/
Botswana	4,790	4,420	5,000	5,300	5,000
Brazil	665	600 r/	600 r/	600 r/	600
Central African Republic	107 5/	125	131	130	120
China	800	850	850	900	900
Gabon	100	100	100	100	100
Ghana	590 r/ 5/	484 r/ 5/	473 r/ 5/	505 r/	505
Nambia	30	20			
Russia	9,000	8,000	8,500	9,000	9,250
Sierra Leone	116	68	100	101 r/	108
South Africa	5,600	5,700	5,800 r/	5,880 r/	6,000
Venezuela	176	155 5/	214 5/	64 5/	60
Zaire	4,570	13,600	13,000	13,000	15,000
Other	218	210 r/	277 r/	344 r/	464
Total	48,900 r/	57,400	58,900 r/	58,600 r/	61,600
Grand total	106,000	105,000	110,000	113,000 r/	117,000

r/ Revised.

1/ World totals and estimated data are rounded to three significant digits; may not add to totals shown.

2/ Table includes data available through May 28, 1997.

3/ Includes near-gem and cheap-gem qualities.4/ Figures do not include smuggled artisanal production.

5/ Reported figure.

SYNTHETIC DIAMOND: ESTIMATED WORLD PRODUCTION, BY COUNTRY $1/\,2/$

(Thousand carats)

Country	1992	1993	1994	1995	1996
Belarus	30,000 3/	30,000 3/	25,000	25,000	25,000
China	15,000	15,500	15,500	15,500	15,500
Czech Republic 4/	XX	5,000	5,000	5,000	5,000
Czechoslovakia 5/	10,000	XX	XX	XX	XX
France	3,500	3,500	3,500	3,000	3,000
Greece	750	1,000	1,000	1,000	750
Ireland	60,000	65,000	65,000	60,000	60,000
Japan	30,000	32,000	32,000	32,000	32,000
Poland	320	98	271	256	250
Romania	3,000	5,000	5,000	5,000	5,000
Russia	80,000	80,000	80,000	80,000	80,000
Serbia and Montenegro	r/	r/	r/	r/	
Slovakia 4/	XX	5,000	5,000	5,000	5,000
South Africa	60,000 3/	60,000 3/	60,000	60,000	60,000
Sweden	25,000	25,000	25,000	25,000	25,000
Ukraine	10,000 3/	10,000 3/	8,000	8,000	8,000
United States	90,000	103,000	104,000	115,000	114,000
Total	418,000 r/	440,000 r/	434,000 r/	440,000 r/	439,000

r/Revised. XX Not applicable.

1/World totals, U.S. data, and estimated data are rounded to three significant digits; may not add to totals shown.

 $2\!/$ Table includes data available through May 28, 1997.

3/ Reported figure.

4/ Formerly part of Czechoslovakia; data were not reported separately until 1993.

5/ Dissolved Dec. 31, 1992.