

Corundum Market Strategy: Sapphires & Rubies

Positioning, geographic expansion and operating model for Madagascar-origin rough and premium stones

MARKET	GEOGRAPHY	DATE
Rubies & sapphires	Madagascar -> global luxury markets	March 2026

1. Executive summary

The corundum market appears more resilient than the diamond market and is benefiting from structural demand for natural coloured gemstones. For Madagascar-origin stones, the core opportunity is to occupy a premium niche through traceability, laboratory certification and direct access to source.

- Demand is splitting between mass-market treated or synthetic stones and scarce natural stones of investment quality.
- For premium rubies and sapphires, the decisive factors are colour, absence of heating, origin, certification and a legally clean supply chain.
- Madagascar can be positioned as a source of rarity: Padparadscha sapphires, vivid blue sapphires, rubies with attractive undertones and large rough for high jewellery.
- Recommended model: mining in Madagascar, expertise and cutting through Bangkok / Jaipur / Brazil, and sales through Hong Kong, Singapore, London, Geneva and the United States.
- Priority markets: premium Asia, India, Thailand as a B2B hub, the United States and Europe. South America is better viewed as a technology partner than a core sales market.

2. Market context

Coloured gemstones are gaining attention relative to diamonds, but the market is dividing sharply into mass-market and investment-grade segments.

Indicator	Strategic implication
Market share	Sapphires account for roughly 40% of the coloured gemstone market; rubies for roughly 25%.
Price dynamics	The market stabilised after a correction in Q4 2025; long-term price growth remains strongest for high-quality stones.
Investment returns	Over five years, top Burmese rubies rose by roughly 76%; Kashmir sapphires by roughly 68%.
Demand structure	The mass market is moving toward synthetic and treated stones, while the scarce segment centres on natural / unheated / certified stones.

Price guide per carat

Category	Commercial quality	Top-quality / investment level
Blue sapphire	\$800-1,600	\$10,000+ for Kashmir / Ceylon quality
Ruby	\$300-10,000	\$20,000+ for Burma / Mozambique quality
Padparadscha	from \$2,500	Auction-level pricing for rare tones and larger stones

Yellow / green sapphire	\$500-800	Stable demand growth in niche segments
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3. Key 2026 trends

3.1 Shortage of rough and unheated stones

- Unheated sapphires above 3 carats are particularly scarce.
- A No Heat report is no longer just a technical characteristic; it is part of investment positioning.
- For premium buyers, proof of natural origin matters more than a low price.

3.2 Ethical origin and traceability

- Buyers expect evidence of legal origin and a transparent supply chain.
- For stones above 2 carats, a stone passport is recommended: photo of the rough, route, processing and certificates.
- ESG can become a brand asset: schools, healthcare, water access and safer working conditions in local communities.

3.3 Synthetic corundum

- Synthetic rubies and sapphires are growing in budget jewellery and industrial applications.
- For a premium natural-stone brand, this is less a direct competitor and more a contrast: natural, rare, traceable and certified.
- Communication must clearly separate natural stones from laboratory-grown substitutes.

4. Brand positioning

Recommended platform: Madagascar Direct: The Source of Purity. The positioning combines direct mine access, legal clarity, expert processing and premium storytelling.

Element	Recommended expression
Positioning	Mine-to-Market: from the mine to the buyer's hand.
Proof	GIA / SSEF / Gübelin / GRS / GIT / Lotus certificates depending on the target market.
USP	Natural Madagascar corundum with a transparent supply chain and focus on No Heat, rare colours and ethical sourcing.
Content	Video protocol of discovery, initial evaluation, cutting, certification and handover to the client.
Social narrative	A "1 stone = 1 project" programme in Madagascar: school, medical support, water access or worker safety.

5. Geographic go-to-market strategy

5.1 Premium Asia: Hong Kong, Singapore and mainland China

- Sell trust, scarcity and status rather than a generic gemstone.
- Focus on Pigeon Blood for rubies, Royal Blue / Cornflower Blue for sapphires and Padparadscha as Madagascar's signature stone.
- Channels: private trunk shows, private viewings, WeChat, Xiaohongshu and B2B partnerships with independent high-jewellery designers.
- Operating logic: Madagascar -> Bangkok cutting / treatment -> Hong Kong storage / sales.
- Hong Kong is suitable as a free-trade hub for storage, trading and VIP demonstrations.

5.2 India: cultural code, astrology and family offices

- Sapphires and rubies are sold not only as jewellery but also as culturally and astrologically meaningful stones.

- Blue sapphire Neelam and ruby Manik require natural origin and ideally no heating for the premium and astrological segments.
- Core channels: Mumbai, Delhi, Hyderabad, Jaipur, family jewellery houses, Bridal Asia and IJS Signature.
- Import strategy: rough or pre-forms for final cutting in India to reduce tax friction and increase local acceptance.
- Certificates: GIA for recognition; SSEF / Gübelin for large stones above roughly 5-10 carats.

5.3 Thailand: professional B2B hub

- Thailand is a connoisseur market where colour, symmetry, scintillation and laboratory reports drive value.
- Bangkok and Chanthaburi are suitable for cutting, treatment, certification and resale.
- Key laboratories: GIT, GRS and Lotus Gemology; No Heat claims require especially strict testing.
- Main channel: closed offices in the Jewelry Trade Center and professional dealer networks.
- Strategy: technical excellence + ideal cutting + impeccable certification.

5.4 United States and Europe: compliance, ethics and branding

Criterion	United States	Europe
Key certificate	GIA	SSEF / Gübelin
Buyer priority	Size, clarity and clear treatment disclosure	Origin, rarity, story and auction reputation
Entry channel	JCK Las Vegas, Tucson and wholesale buyers	Christie's / Sotheby's, Geneva / London private clubs and high jewellery houses
Main risk	FTC expectations around disclosure of origin and treatment	AML, ESG, RJC and strict provenance checks

- In the United States, heated stones can be acceptable if treatment is honestly disclosed; this creates an opening for medium-quality Madagascar sapphires.
- In Europe, provenance and rarity carry greater weight; one exceptional auction stone can build brand reputation.
- Geneva and Antwerp are useful as logistics, freeport and insurance hubs.

5.5 South America: technology partner rather than core sales market

- Brazil is strong in coloured stones, precision cutting, treatment expertise and tropical luxury design.
- As a sales market, the region is difficult: high duties, local gemstone competition, an emerald preference and grey-market risk.
- Recommendation: use Brazilian cutting know-how and equipment to increase the value of Madagascar rough.
- Brand formula: Born in Madagascar, Perfected by Brazilian Masters.

5.6 South Korea and Russia

Characteristic	South Korea	Russia
Growth driver	K-culture, status consumption and interest in coloured stones	Import scarcity and search for alternatives to diamonds
Key product	Rings with Signature Red rubies and bright sapphires	Classic corundum in white gold / platinum
Barrier	High brand competition	Strict state control, GIIS DMDK and taxation
Synthetic stones	Relatively high acceptance with the right branding	Scepticism in the premium segment

6. Operating model

1. Madagascar: legal mining, initial sorting, photographic recording of rough and export documentation.
2. Bangkok / Jaipur / Brazil: cutting, treatment, technical expertise and pre-forming.
3. Hong Kong / Singapore / Geneva: storage, private viewings and tax-efficient freeport logistics.
4. Laboratories: certification based on target market and stone category.
5. Sales: private showings, B2B partnerships with designers and jewellery houses, and auctions for exceptional stones.

Flow	Recommended solution
Premium rough stones	Maximum traceability, No Heat strategy and certification before sale.
Medium-quality sapphire	Honestly disclosed treatment; target the US and commercial jewellery channels.
Padparadscha / rare colour	Collector storytelling, private buyers, Hong Kong / Singapore / Geneva.
Large India-market stones	Pre-form or rough import into India, followed by local final cutting.

7. Risk management

Risk	Why it matters	Mitigation
Madagascar regulation	Any doubt around legality damages a premium brand immediately.	Export licences, laissez-passer, document archive and verifiable chain of custody.
Synthetic stones and counterfeits	Premium buyers fear laboratory-grown substitutes.	Spectroscopy, laboratory reports and transparent treatment disclosure.
ESG reputation	Western and younger Asian clients increasingly require ethical sourcing.	Responsible sourcing policy, community projects and supplier audits.
Taxes and import duties	Can destroy margins in India and South America.	Rough / pre-form imports, freeports and local agents.
Dealer reputation	Closed B2B markets depend heavily on trust.	Partnerships with laboratories, gemmologists, auction houses and recognised dealers.

8. Recommended 90-day action plan

Period	Focus	Output
0-30 days	Segment rough inventory, create photo protocol, select laboratories and prepare compliance pack.	Categorised stone portfolio with supporting documents.
31-60 days	Pilot cutting in Bangkok / Jaipur, certify key stones and launch a private catalogue.	First premium showcase for B2B and VIP buyers.
61-90 days	Private viewings in Hong Kong / Singapore, dealer negotiations and selection of an auction candidate stone.	Demand validation, first deals and refined margin assumptions.

Final recommendation: build the business as a chain of trust rather than a commodity trading operation. The strongest markets are Asia, the United States and Europe; the strongest operating hubs are Bangkok, Jaipur, Hong Kong, Singapore and Geneva.