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GJEPC opens doors to ‘India Diamond Trading Centre’ at BDB

Nurturing Prime Minister’s vision of making India the Global Diamond Trading Centre

Mumbai, December 20, 2015:

The Gem & Jewellery Export Promotion Council (GJEPC) and Bharat Diamond Bourse (BDB) launched the India Diamond Trading Centre marking a significant milestone in PM Modi’s ‘Make In India’ campaign to promote India as a global diamond-trading hub. **Chief Guest, Smt. Nirmala Sitharaman, Hon’ble Minister of State (Independent Charge) for Commerce & Industry, Govt. of India** inaugurated the Centre in the presence of **Ashish Shelar, MLA**, **Alka Kelkar, Deputy Mayor**; and Special Guests including leading **Global Miners – Mr. Jean-Marc Lieberherr, Managing Director, Rio Tinto Diamonds, Mr. Andrey Polyakov, Vice President, ALROSA** and **Mr. Marcis Lung, Senior Sales Manager (Asia Pacific), De Beers**.

The IDTC SNZ is spread across 4000 sqft at the Bharat Diamond Bourse (BDB), with 9 fully equipped viewing rooms as per international standards, a strong room, a conference room, and state-of-the-art security systems. Major mining companies around the world have already confirmed their participation at the SNZ till December 2016.

Speaking at the launch of India’s first SNZ at BDB, **Praveenshankar Pandya, Chairman of GJEPC** said, *“The creation of SNZs and regular availability of direct supply of roughs in the country itself, will not only save time and effort for the diamond manufacturers, but it will also minimize middlemen commissions and eventually result in overall cost reductions. The wide array of rough diamonds on offer to Indian buyers will be unprecedented; as will be the number of companies, including medium and small enterprises, who will have the never-before opportunity to procure rough directly from mining companies. This project, will also further GJEPC’s endeavor to make India a major trading hub similar to Israel, Dubai and Belgium”*.

Addressing one of major industry’s concerns the Chairman spoke about immediate requirement for easy financing provision for the SMEs from the Financial Institutions and relaxed taxation laws that will stronger credit rating system. *On an optimistic note, he added, “Once the operations of the SNZ are fine-tuned, similar SNZs will be set up by GJEPC in association with various State Govts. The Gujarat Government has already proposed to set up a gem bourse with such SNZ set up inside it. The concept can also be extended to coloured gemstones segment Jaipur where Council has proposed to set up a Gem Bourse”*.

Smt. Nirmala Sitharaman, Hon’ble Minister of State for Commerce & Industry, Govt. of India said, *“Prime Minister Narendra Modi in the presence of the Russian Prime Minister in*

2014 had approved for the decision of making a SNZ and now in 2015 we have opened the IDTC with high standards, even before the scheduled time of Prime Minister Narendra Modi's next visit to Russia. This industry is a very important sector as it provides a huge amount of employment, accounting to 13% of the exports of the country, and we would surely look into the taxation matter as mentioned by the Chairman”.

Mr Jean-Marc Lieberherr, Managing Director Rio Tinto said, “IDTC is providing a great service because of which we can do business in ease, which is really important requirement in this industry. We even plan to set up diamond mine in India which will be of the international standards for which we are getting great support from the Maharashtra Government & the Central Government.”

Mr Andrey Polyakov, Vice President Alrosa said, “For me it's a very personal event and I am really proud to be associated with it. IDTC is an effort to promote and push our companies into the Indian market.”

India currently accounts for a 65% of the world polished market by value; 85% by volume; and 92% in terms of number of pieces. Needless to say, the raw material requirements for such a large industry are huge. India's off-take of rough diamond accounts for a major share of total rough production worldwide, which for 2015 is expected to touch 135 million carats of rough diamonds, valued at \$17.8 billion.

Of its requirements, India imports approximately 90 per cent from the main trading centers in the EU, Israel and the UAE. Only 10 per cent of its procurement comes directly from rough producing countries like Russia, Australia, Canada and those in Africa. However, the diamond industry, in recent times has faced many challenges. For a centre as large as India, it becomes important to source its roughs directly from producers for both stability and continuity of supply, as well as to ensure economies, which will greatly help the performance of this industry.

India has gained this monopolistic position in manufacture of diamonds, despite the fact that rough diamond neither is mined nor traded in India. However, for a long period of time, India has languished behind countries such as Antwerp, Tel Aviv, Dubai, Hong Kong, Shanghai etc. who are thriving as the largest trading hubs of diamond due to favorable and conducive policies followed by the Govt. of those countries. All the major Rough Diamond Mining Companies in the world are trading their diamonds today mainly through these trading centres. All these growth-limiting constraints reversed in December 2014, when the Prime Minister of India, Hon'ble Shri Narendra Modi announced his government's acceptance for the proposal of creating a Special Notified Zone in India and we are optimistic of a turnaround in the revenue growth and contribution to the GDP by gem and jewellery sector.

Notes to Editor

Established in 1966, the Gem and Jewellery Export (Promotion Council GJEPC) of India, has dynamically led the industry to flourish. Being a powerful engine, driving India's export-led growth, with more than 5,500 members