

Diamond and Jewellery financing 2018: GJEPC and Banks come together to deliberate on Mitigating Risks effectively

“Active participation of Banks, ECGC and others will help development of Gems and Jewellery sector”: Mr Suresh Prabhu, Hon’ble Minister for Commerce & Industry and Civil Aviation

“Innovative financial instruments and risk coverage must be provided to all genuine businesses in Gems and Jewellery sector” Mr Suresh Prabhu, Hon’ble Minister for Commerce & Industry and Civil Aviation

“GJEPC releases White paper to mitigate risks for financing the labour intensive and proven industry” Mr Suresh Prabhu, Hon’ble Minister for Commerce & Industry and Civil Aviation

“It is important for banking sector to support Gems and jewellery industry as it is an important part of GDP” Commerce Secretary Smt Rita Teotia

Mumbai, 11th May 2018: Hon’ble Minister for Commerce and Industry and Civil Aviation, Mr Suresh Prabhu today unveiled a white paper drafted by GJEPC at the one-day seminar titled “Diamond and Jewellery Financing 2018: Mitigating risks effectively.” The event organized by the Gems and Jewellery industry to find ways to reduce risks and infuse confidence into financiers, attended by leading banks and financial institutions including the SBI, Central Bank of India, IndusInd Bank, ECGC etc. also witnessed a huge turn out from the major industry players.

Speaking on the occasion the Minister said **“With 3 million new jobs on the anvil, the banks should not hesitate to fund the industry efforts which are bonafide, transparent and above board. Also considering the fact that the sector is on a growth spiral and in view of the potential the industry has in future, the banks should further step up lending efforts to legitimate players fuelling the trade.”**

Commenting on the GJEPC the industry’s efforts to publish the white paper he stated **“I am happy that such a white paper on Diamond and Jewellery financing has been brought by the council. I hope the active participation of Banks ECGC and other stakeholders will help in strategizing for the development of the Gems and Jewellery industry that has a proven track record of being labour intensive, continuous job creation and economic development”.**

The minister also added that **“we will never encourage wrong doers in the industry but will ask our financial system to support all genuine players in the gems and Jewellery sector. This is essential to help the industry realise the full potential.**

Representing the industry resolve to find solution and build confidence of the financing community Mr Pramod Agarwal, Chairman GJEPC said “The point is, it has taken decades of hard work and commitment to develop this industry in India. And we wish to take this industry to new heights in the future and contribute to the country’s economic growth and generate employment. We, as an industry, promise to address the issues to the satisfaction of the banks. In fact this is the only industry in India who has created arbitration mediums with the banks and parties in case of NPA to achieve recoveries”.

Listing the achievements and scope of the Industry **Mr Agarwal added** “I feel very proud to say that we are the most respected and renowned for diamond and studded jewellery in the international market”.

GJEPC has set up Gem & Jewellery Institute at Mumbai, Delhi Jaipur, Surat, Varanasi and Udupi, offering variety of courses for providing trained manpower to the industry and strengthening the manufacturing in India.

The industry is strengthening our manufacturing base with the help of Ministry of Commerce & Industry by setting up 13 Common Facility Centers (CFCs) in different gems & jewellery clusters pan India. Cluster mapping is also being undertaken by GJEPC and will help small exporters, (kaarigars) who are the backbone of our industry but cannot really afford to buy costly machines. We have also initiated on- site training programmes in the tribal pockets of Ratnagiri and Sindhu Durg.

Commerce Secretary Ms Rita Teatia welcomed the initiatives of the council such as MYKYC saying “**this initiative will improve confidence and boost lending to the sector and as well ensure better sharing of information and transparency and growth of this SME sector. It is important for banking sector to support gems and jewellery industry as it forms an integral part of the country’s GDP.**”

Vice Chairman of GJEPC Mr Colin Shah reminded the members that “at current level of 5 million jobs being provided by the industry, it is the amongst the largest employment generators contributing 10 billion dollars to BOP, with a potential to add tremendously” Having been at the helm of drafting the white paper Mr Shah feels that the joint efforts of key financiers and industry has been able to address many risk factors and MYKYC will be a single largest contributor in increasing transparency and addressing relevant risks.”

“To carry out business smoothly and meet existing trade obligations, banks should not restrict the credit limits”, **Sanju Kothari, BITC Convener, GJEPC said.** He also offered a series of recommendation to banks to make sure the genuine players continue to get finance from banks. Some of them were: GJEPC to provide critical data analysis at regular intervals, on key observations of the trade that will facilitate banks to assess industry scenario; formation of an informal arbitration body consisting of bankers, GJEPC and BDB members to be formed to find fair resolutions for NPA management, recovery and disputes; insist all members to register under My KYC Bank for better information facilitation and transparency for the banks.

The summit was also attended by Mr Sanju Kothari, Convener BITC, GJEPC, Mr Paul Rowley Executive Vice President, De Beers, Shri Dinesh Kumar Khara, Managing Director, SBI, Mr. Manoj Dwivedi Joint Secretary Ministry of Commerce and Industry and others. The session also saw an engrossing panel discussion amongst Mr PN Prasad Deputy, MD, SBI, Biju Patnaik, Executive VP and Head, Diamond and Jewellery division IndudInd Bank, Mr George Abraham, GM Specialized Industries Group Emirates, NBD Dubai, Mr K KTaneja Field GM Central Bank of India, Mr M Senthilnathan, ED, ECGC, and Mr Manoj Dwivedi Joint Secretary Ministry of Commerce and Industry.

About GJEPC: The Gem & Jewellery Export Promotion Council (GJEPC) was set up by the Ministry of Commerce and industry, Government of India (GoI) in 1966. It was one of several Export Promotion Councils (EPCs) launched by the Indian Government, to boost the country’s export thrust, when India’s post-Independence economy began making forays in the international markets. Since 1998, the GJEPC has been granted autonomous status. The GJEPC is the apex body of the gems & jewellery industry and today it represents over 6,000 exporters in the sector. With headquarters in Mumbai, the GJEPC has

Regional Offices in New Delhi, Kolkata, Chennai, Surat and Jaipur, all of which are major centres for the industry. It thus has a wide reach and is able to have a closer interaction with members to serve them in a direct and more meaningful manner. Over the past decades, the GJEPC has emerged as one of the most active EPCs, and has continuously strived to expand its reach and depth in its promotional activities as well as widen and increase services to its members.