



Indian Global Connect Business Networking Meet India-Colombia

Trade Synergies Possibilities...

Gem and Jewellery Export Promotion Council (GJEPC)

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India-Colombia Bilateral Trade Relations: Overview

Colombia and India had established diplomatic relations on 19 January 1959 and completed 60 years of their bond in 2019. Over the years, the relationship between the two countries have strengthened and diversified in all areas of mutual interest encompassing political, commercial and cultural fields. A number of MoUs / Agreements have been concluded between Indian and Colombia over the years concerning areas such as defence cooperation, trade promotion, cooperation in science and technology, IT, tourism, etc.

Bilateral trade between the two countries stand at around US\$2 billion. India's exports to Colombia include vehicles, cotton, pharmaceuticals, iron & steel products, chemicals etc. India's imports from Colombia include mineral fuels, precious stones, aluminium, zinc, wood, plastic etc.

Gem and jewellery market of Colombia is well endowed with mineral resources including platinum, gold and silver. The country is synonym to the emerald as mines and produces the most emeralds for the global market. It is estimated that Colombia accounts for 70-90% of the world's emerald market.

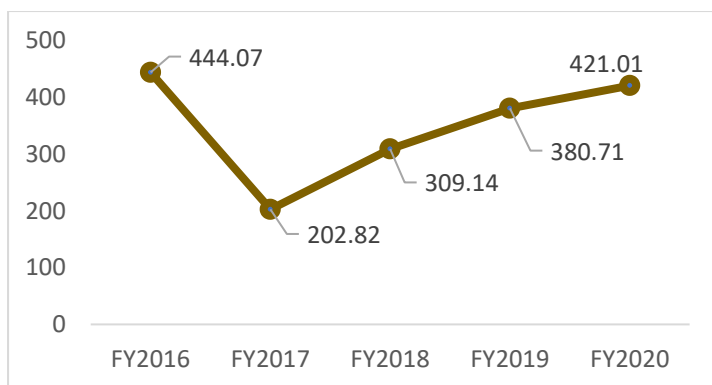
On the other hand, India is one of the finest cutting centres for Emerald, Tanzanite, Morganite and many other gemstones; cutting 90% of emeralds and all of Tanzanite. The country processes more than 300 different varieties of precious and semi-precious gemstones and supplying to the different corners of the world.

Gem and Jewellery trade between India and Colombia is presently at around US\$400 million. The trade between the two countries rose from US\$ 202.82 million in Fy2017 to US\$ 421.01 million in FY2020 (**Table-1**).

**Table -1 India-Colombia Gem and Jewellery Bilateral Trade
FY2016-FY2020 (In US\$ million)**

Year	Exports to Columbia	Imports from Columbia	Total Trade
FY2017	1.17	201.65	202.82
FY2018	0.34	308.8	309.14
FY2019	0.41	380.3	380.71
FY2020	0.61	420.4	421.01

Source: DGCIS



India's Export Commodities to Colombia

India's export commodities to Colombia are gold jewellery, silver jewellery and imitation jewellery but of negligible amount.

Table -2

HS Code	Product Description	Amount
		(US\$ million)
711319	Gold Jewellery	0.26
711311	Silver Jewellery	0.02
7117	Imitation Jewellery	0.21

Source : DGCSI, FY2020

India's Import Commodities from Colombia

India majorly imports gold bar from Colombia, which is at US\$419.01 million in FY2020. While, the country also imports polished/rough coloured gemstones from the country but of insignificant amount.

Table-3

HS Code	Product Description	Amount
		(US\$ million)
710391	Polished Coloured Gemstones	0.22
710812	Gold Bar	419.01
710310	Rough Colored Gemstones	1.17

Source: DGCIS, FY2020

Export Potential in Colombia for India G&J Sector

According to the GJEPC analysis, in Colombia there is an export potential for India in gold/silver/imitation jewellery products. The country imports Gold jewellery of US\$17 million from the world vis-à-vis US\$0.35 million from India (**Table-4**). With this, India constitutes for only 2.1% share in Colombia's import of gold jewellery with 10th rank as a sourcing partner. Key supplying markets of gold jewellery to Colombia are Italy, Spain, Switzerland and Hong Kong.

Similarly, Colombia is importing silver jewellery and imitation jewellery amounting of US\$12.62 million and US\$17.08 million from the world and from India its imports are only at US\$0.14 million and US\$0.40 million respectively with only 1.1% and 2.4% share in Colombian imports of the said commodities.

Key supplying markets of silver jewellery to Colombia are Thailand, China, Italy and Switzerland. While, the country source imitation jewellery majorly from China, Peru and Vietnam.

Table -4 Colombia's Imports of Gems and Jewellery Products from world vis-à-vis India 2019

HS Code	Commodities	Colombia Imports from World US\$m	Colombia's Imports from India US\$m	India's % share in Colombia's Imports & rank	Key Supplying Markets to Colombia
711319	Gold Jewellery	17.08	0.35	2.1%, 10 th Rank	Italy (566%) Spain (6.7%) Switzerland (5.5%) HK (5.2%)
711311	Silver Jewellery	12.62	0.14	1.1 % 10 th Rank	Thailand (54.5%) China (7.9%) Italy (6.2%) Switzerland (4.9%)
7117	Imitation Jewellery	17.08	0.40	2.4% 5 th rank	China(75%) Peru (5.7%) Vietnam (2.4%)

Source : GJEPC Analysis based on Un Comtrade 2019 data.

In the light of the existing complementarities between the two countries, Colombia into mining and producing rough metals and gemstones and India into making jewellery and polished gemstones, we can see the potential of enhancing trade between the two countries in the coming times.

Tariffs Applicable on Gem and Jewellery Products in Colombia

HS Code	Description	Specific Duty rate
7113.19/.20	Precious Metal Jewellery gold	15%
7113.11	Precious Metal Jewellery Silver	15%
7117	Imitation Jewellery	15%
7102.39	Cut & Polished Diamonds	Free
7102.31/.21/.10	Rough Diamonds	Free
7103.10	Rough Precious Stone	Free
7103.91/.99	Polished Coloured Gem Stones	Free
7101.10/.21	Raw Pearls	Free
7101.20/.22	Processes Pearls	Free
VAT	19%	

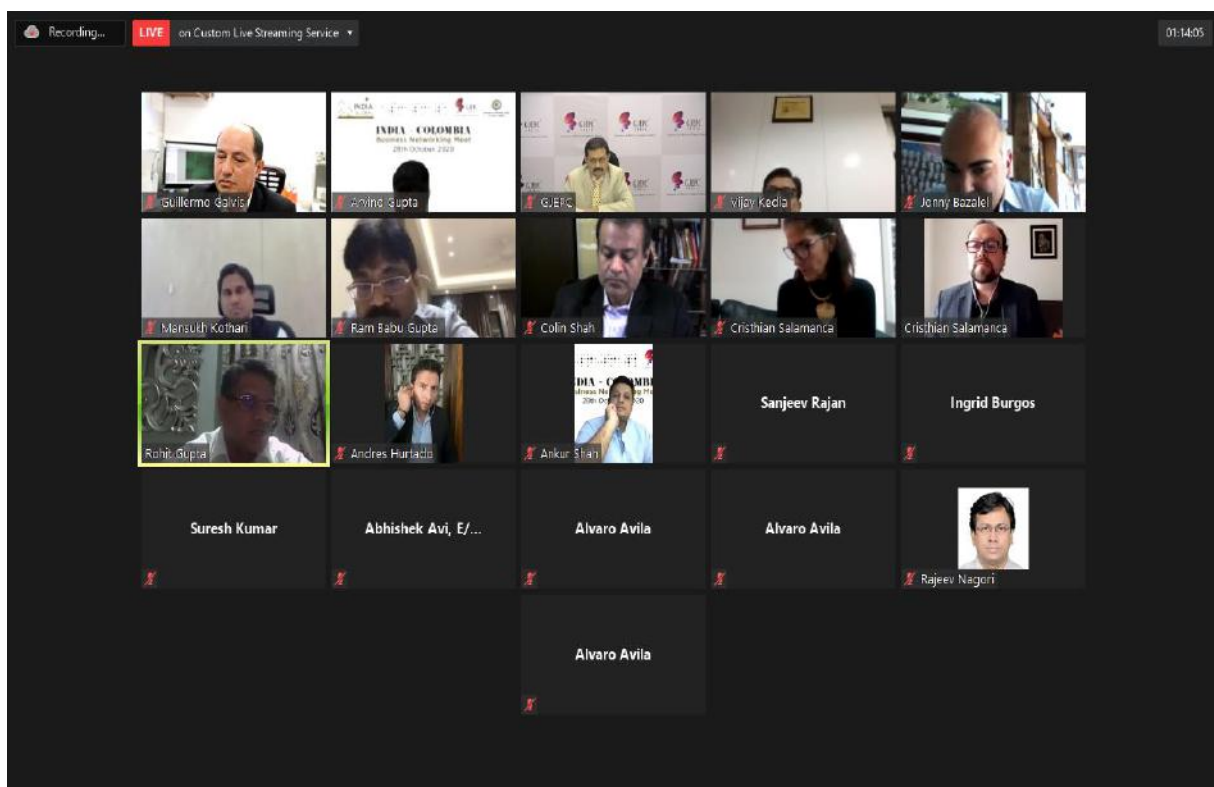
Source : World Tariff , October 2020

Spread of pandemic and India Colombia – Global Connect.

In the present year, spread of pandemic has a huge impact on the global economy and businesses in terms of disrupted value chain, halted production activities, rising unemployment and squeezed customer demand among others. Exports and imports of several products including the Gem and Jewellery have also adversely impacted and generated a need of strengthening existing business relationships and exploring new business opportunities across the different markets.

At this juncture, the Gem and Jewellery Export Promotion Council (GJEPC) has launched a new Initiative **“India Global Connect” – A Business Networking Meet** to provide a virtual platform to the manufacturers/retailers and wholesalers of gem and jewellery products of India and other countries to connect with each other for exploring the business opportunities.

India-Colombia is the Second Virtual Business Networking Meet organised by the GJEPC on 28th October 2020 wherein gem and jewellery manufacturers/retailers/wholesalers of India and Colombia were connected to understand and know more about each other’s countries culture, customers preferences, trade scenario and overall business environment.



Key Participants

Shri Suresh Kumar	Joint Secretary, MoC&I , Government of India
Shri H E Sanjiv Ranjan	Ambassador of India to Colombia
Mr. Colin Shah	Chairman, GJEPC
Mr. Mansukh Kothari	Convener, Events, GJEPC
Mr. Sabyasachi Ray	Executive Director, GJEPC

Panelists from Colombia

JAIME MANTILLA	COLOMBIA INDIA CHAMBER OF COMMERCE AND BOARD MEMBER OF THE BOGOTA CHAMBER OF COMMERCE
ALVARO AVILA	A&G INTERNATIONAL, ALVARO AVILA
ANA MARIA SIERRA	MODA ELAN
ANDRES HURTADO	EL EDEN JOYAS
CRISTHIAN SALAMANCA	COLOMBIA CHAMBER OF COMMERCE
EDWIN MOLINA	APRECOL
GUILLERMO GALVIS	ACODES
INGRID BURGOS	STUDIO INGRID BURGOS
JONNY BAZALEL	CI BOGOTA EMERALDS MART SAS

Panelists from India

ANKUR SHAH	ANSH JEWELS
ARVIND GUPTA	GALLANT JEWELLERY
ASHOK GOYAL	DWARKA JEWEL
RAM BABU GUPTA	SILVER MOUNTAIN
ROHIT GUPTA	AGRA PRODUCTS PVT LTD
VIJAY KEDIA	KEDIA GEM IMPEX

Mr. Sabyasachi Ray, Executive Director, GJEPC welcomed all the panelist at the dais and shared the key objective of Indian Global Connect of meeting with the global business world through the Internet which is to find new business partners during the present critical time at the national and international level.

Mr. Ray shared that technology has created a wonderful opportunity of getting connected with counterparts across the World including the Latin America. Such meetings were even not occurring before the pandemic as physical travelling itself was found to be relatively difficult and time consuming. On part of the council we had taken a delegation in 2003 and after that today this virtual meeting is happening which is considered to be a key to refreshing our bilateral trade relationships.

Mr. Sanjiv Ranjan, Ambassador of India to Colombia, said, "Gold mining is an important sector for the Colombian Government, and it is placing a lot of emphasis on gold mining and production as a policy for economic recovery after the pandemic. Colombia is one of the largest producers of gold and India is one of the largest importers, so the conditions for developing a strong basis for trade in the sector is already established. I would like Indian businesses to explore the possibility of direct sourcing of gemstones from

Colombia. The trade between two countries is dominated by a few products. India's exports motorcycles, textiles, chemicals, pharma products, and, in turn, Colombia exports to India include emeralds, gold, petroleum, and a few other items. Our trade basket should now also include gems and jewellery in a significant manner."

Suresh Kumar, Joint Secretary, MoC&I, said, "India Global Connect" – A Business Networking Meet is a great initiative by GJEPC. It provides a virtual platform to the manufacturers/retailers and wholesalers of gem and jewellery products of India and other countries to connect with each other for exploring the business opportunities. India and Colombia have a great trade relationship. Today's meet is an opportunity for both the countries to know more about each other's culture, customer preferences, trade scenario and overall business environment which would help in enhancing trade and business."

Talking about the GJEPC's new initiative India Global Connect, **Colin Shah, Chairman, GJEPC, said,** "Through India Global Connect, we are creating an opportunity for our members and participating countries to understand each other's strengths in the gems and jewellery business. Gem and jewellery trade between India and Colombia is presently around US\$400 million. There are already existing complementarities between the two countries -- Colombia is into mining and producing rough metals and gemstones, and India is into making jewellery and polishing gemstones. We see a great potential for enhancing trade between the two countries in the coming times."

Mansukh Kothari, Convener, Events, GJEPC, said, "India and Colombia enjoy a great trade relationship, and I am sure India Global Connect will further strengthen the gem and jewellery trade between the two countries. The first edition of India Global Connect with the UK was successful with more than 500 participants attending the meet. We will be organising more such meets with countries like Switzerland, Saudi Arabia, Singapore, USA, etc. in the near future."

The moderator for the meet was Christian Salamanca.

India-Colombia Global Connect Meet Key Discussion Points & Takeaways

Mr. Christian Salamanca welcomed all the panelist from Colombia and commenced the discussion with all the panelist covering various aspects relating to customers' preferences, business environment, trade procedures etc. in both the countries so as to see the points of complementarities between the countries and find the ways for collaboration and strengthening relationship between the two countries in jewellery and gemstone sector.

1. Manufacturing Prowess of India's Gem & Jewellery Sector

India with 1 million units, 4.3 million people and 390 clusters have the vast manufacturing capacities. As per the KP Statistics 2019 India imports the highest quantity of rough diamonds i.e. 158.63 million carats for processing purpose.

SEZs characterised with superior infrastructure, advance technology, highly skilled workers, conducive working environment are capable of manufacturing technology driven varied contemporary gem and jewellery products.

2A. Diamonds, Precious and Semi-Precious Stones

- Well Cut and Polished Diamonds reflecting superior rightness, fire & scintillation, Colorless Diamonds
- 14 /15 diamonds set in jewelry worldwide are processed in India
- Conflict Free Diamonds
- Processes more than 300 different varieties of precious and semi-precious gemstones
- Cutting 90% of Emeralds and all of Tanzanite.
- Developed expertise in high precision 3-Dimensional carving capabilities for semi precious stones.
- No. 1 Exporter of CPD and among the top 5 exporters of CGS in the world.

2B. Jewellery - All Kinds (Diamond, Platinum, Gold, Silver, LGD, Pearls etc.)

- Highly Diverse in Range - Design, Shapes, Colors
- Jewellery - Plain as well as Studded with Diamonds, Precious Stone Jewellery etc.
- Manufacture 9kt, 14kt, 18kt Jewellery in white gold, rose gold etc.
- Sterling Silver Jewellery (925)
- Handcrafted Filigree Jewellery
- Using CNC Machining Technology

Most of the manufacturers in Indian Gem and Jewellery Sector are the member of Responsible Jewellery Council (RJC).

3. Colombia perception about Indian Gem and Jewellery Sector

INGRID BURGOS, COLOMBIA

Colombians' perception about Indian gem and jewellery sector is highly positive in terms of having a great reservoir of highly skilled people, art of crafting beautiful jewellery and huge manufacturing capacities as 90% of the emeralds are cut in India. Furthermore, numerous kinds of jewellery products are manufactured in India which are not seen in Colombian market and hence they perceive Indian gem and jewellery market vast, incredible and a great source of learning for producing varied gem and jewellery products and especially the stones.

"Colombians perceive Indian gem and jewellery market vast, incredible and a great source of learning for producing varied gem and jewellery products and especially the stones."

4. Silver Jewellery Trends in Colombia and Preference towards India's traditional silver jewellery heritage collection

ANDRES HURTADO & INGRID BURGOS, COLOMBIA

- a. Colombia is an emerging market for silver jewellery on account of being reasonable easily available and numerous designs. Inspiration for making silver jewellery products in Colombia are taken from fauna and flora and traditional embossing techniques are used for making the said commodity. Presently, the manufacturers there are focussing on transforming the jewellery into contemporary designs of international standards.
- b. Hand crafted silver jewellery products are very much liked. In terms of look and feel- high quality light, soft jewellery products with certificate and guarantee are

preferred in Colombia. Consumers are highly concerned about the material which is used in the jewellery that they want to be sustainable and processes should be fair and ethical.

- c. Colombians may not be open to consume Indian traditions-based silver jewellery products. This is because the way that Indian women dress and Colombian women dress are completely different which might be a barrier to using Indian designed silver jewellery.
Furthermore, Colombians prefer to buy the jewellery reflecting their own traditions and culture and hence locally made products by their artisans are much preferred in the country.
- d. Colombians are open to do collaborations with Indian for making silver jewellery in terms of combining designs, perspectives and preferences with production and skills available in India. For example, In Colombia chains are not manufactured but imported from Italy. Since, India has huge manufacturing capacity in terms of machine tools, technology, parts etc. therefore they Indians are invited to collaborate with them for designing part and produce jewellery products for the local people of their choice.
- e. Visibility and understanding the silver jewellery market in Colombia is the key to the connection between the Indian exporters and the Colombian importers. There is a huge opportunity for India to have a representation of Indian exporters in Colombia. To showcase and to communicate on one to one basis, VBSMs can be organized between with Colombia or Colombia can organize trade show atleast once a year where it brings an opportunity for the exporters from India to showcase its products and overall G&J sector's prowess.

Key Points: Silver jewellery preferences in Colombia

- ✓ Colombia is an emerging market for silver jewellery on account of being reasonable easily available and numerous designs.
- ✓ Presently, the manufacturers there are focussing on transforming the jewellery into contemporary designs of international standards.
- ✓ Hand crafted silver jewellery products are very much liked.
- ✓ In terms of look and feel- high quality light, soft jewellery products with certificate and guarantee are preferred in Colombia.
- ✓ Colombians may not be opened to consume Indian traditions-based silver jewellery products as they prefer to buy the jewellery reflecting their own traditions and culture and hence locally made products by their artisans are much preferred in the country.
- ✓ Colombians are open to do collaborations with Indian for making silver jewellery in terms of combining designs, perspectives and preferences with production and skills available in India.
- ✓ There is a huge opportunity for India to have a representation of Indian exporters in Colombia

5. Semi-precious Stones Market in Colombia

ANA MARIA SIERRA, COLOMBIA

Semi-precious stones are trending in the Colombian market. The gem & jewellery market in Colombia is a pyramid of three categories:

- a. On the top of the pyramid, fine jewellery is highly preferred and usually imported from Europe, Italy and big retail chain stores like Cartier.
- b. Then in the middle, well-educated women who are professionals and strongly like to wear self-expression, narrative jewellery that has a strong design and is embedded in the roots look for semi-precious stones.
- c. The demand and consumption of jewellery products made up of semi-precious stones is rapidly growing in this segment and thus generated a big opportunity for the said commodity presently in Colombian market.
- d. The bottom of the pyramid consists of growing middle-class consumers who look to wear something that looks like fine jewellery and here Imitation jewellery has a huge opportunity. There are no certified stones and in Colombia and jewellers and consumers are interested in the origin of materials and India can embark upon this fact and use this opportunity.

Key Points: Semi-precious Stones market trends in Colombia

- ✓ The demand and consumption of jewellery products made up of semi-precious stones is rapidly growing.
- ✓ Well-educated women who are professionals and strongly like to wear self-expression, narrative jewellery that has a strong design and is embedded in the roots look for semi-precious stones.

6. Imitation Jewellery Trends in Colombia

ALVARO AVILA, COLOMBIA

Consumers preference for the consumption of imitation jewellery in Colombian market has grown over the last decade and is more culturized, independent of the materials that are used for making varied kinds of jewellery their focus remains on the designs and brands that telling stories through there jewellery products.

7. Restrictions on Exports of Gemstones from Colombia to the World

JONNY BAZALEL, COLOMBIA

In Colombia, there are several restrictions from mining to exporting of gemstones. Few are indicated here below:

- a. This is because of the environmental compliances; underground mining is permitted to be done unlike in Zambia where mining is allowed in open air with bulldozers. Thus, mining in Colombia is difficult and more time consuming.
- b. They do not buy directly from mines but through a traditional miner who is allowed to sell 600 carats of cut emeralds per year or 50 carats per month which is relatively lower than the demand.
- c. These traditional miners are allowed to sell 12000 carats of the lower quality rough stones used mainly for beads.

- d. Another issue that is faced by an exporter in Colombia is that they are allowed to keep inventory for six months or else can lose the license as an exporter if the license does not get renewed.
- e. Earlier 4 exports transactions could be done and before pandemic 2 exports in 2 days with no guarantee of the clients taking the merchandise because of all renewed paperwork and double work has increased the challenges for Colombian exporters.

9. Innovations in Indian industry during the Pandemic

COLIN SHAH, INDIA

- The biggest challenge in the Indian industry during the pandemic was cashflow which affected almost all the businesses. Though recently the cashflow issue has subsided a bit, the industry is not the same anymore all businesses have gone through a lot of changes internally on cost cutting, changing their product profiles, reducing inventories. So, during the pandemic the industry has become extremely cost conscious.
- The greatest change which has happened in the industry is that for many years everyone was internet is the future, digital platforms should be used for transitory business. In the coming quarters when things get back to normal, maybe this won't change and there would be a combination of digital and physical. So, the industry has innovated, and everyone has adapted to the new reality and people are back in business, so this virtual thing is working, and digital platform is being adapted in the economy

10. India – Colombia: Possibilities of Synergies

There are great possibilities of creating synergies between the two countries as Colombia is greatly into mining of high-quality gemstones while, India has a sharp edge over cutting and polishing the gemstones and also in making varied jewellery products.

- India has vast manufacturing capacities and capabilities to cater to the specific requirements of Colombian customers for gem and jewellery products in terms of design, quality, colour, shape etc. Skills are in culture for centuries and now after having blended with technology contemporary products are produced in addition to the varied kinds of handcrafted jewellery. **COIN SHAH, INDIA**
- India has long history of using of emeralds in the ancient paintings & jewellery, in antique jewellery. Earlier India used to import rough Colombian emeralds but these days Colombia itself has become expertise in cutting and polishing so India is importing the finished products to be used in jewellery and to be exported further. But India has duty on rough products of 0.5% and on finished products of 7.5% and similarly in Colombia there is high duty on the jewellery, so if government of both the countries intervene and support, India can directly import finished emeralds from Colombia and export silver jewellery and other jewellery products to Colombia improving the markets and creating synergies between the two countries to enhance gem & jewellery trade. Delegation from Colombia was invited by Mr. Vjay Kedia, Convener CGS Panel, GJEPC. Mr. Kedia, delegation would be taken to all the corners of the Pink City, Jaipur to show them the specialised products from the colourful apparel to coloured gemstones. **VIJAY KEDIA, INDIA**

- Colombia imposes 15% tariff on the imports of jewellery from abroad plus VAT of 19% which is on the higher side. This can be taken further with the Colombian Government for finding some solution to such challenges. In this way, synergies between the two countries can be created.
VIJAY KEDIA, INDIA

- Colombia is an emerging market for silver jewellery majorly attributing to be cost effective and available in varied designs. However, there is not enough communication between Indian exporters and Colombian importers and Retailers. Therefore, there should be more events in person or virtual ones which would help us in future to improve our communication and synergies. **ARVIND GUPTA, INDIA**

- India is manufacturing handmade and machine made silver and imitation jewellery, in various designs and complying with all the prescribed standards of the world. It would be a great idea to collaborate with Colombia for having supplying of raw material like silver from Colombia and after making silver jewellery can supply to the said country.
RAM BABU GUPTA,INDIA

- Colombia has very high standards in making filigree silver jewellery. In India, such kind of jewellery is preferred and goes with ethnic attire of India therefore Colombians have good scope to promote their silver jewellery products in India. However, import tariffs applicable in India on silver jewellery are very high - 20% basic Custom Duty + 3% GST.
Mr. ROHIT GUPTA, INDIA

- Collaboration can be through technology transfer and there has to be an understanding between both the markets to have an exchange of ideas such as Indian expertise on hand crafted jewellery, semi-precious stones, filigree designs and light weight, contemporary jewellery from Colombia.
Mr. ROHIT GUPTA, INDIA

- There are certain hindrances to the increase of bilateral trade between the two countries. 1. Logistics issue as shipping the products from Colombia to India is not easy 2. Duty applicable on coloured gem stones in India is high i.e. 7.5% . So, in both the matters if the Government provides its support we can import CGS especially the Emerald from Colombia and can further see to the different countries.
ANKUR SHAH, INDIA

- Colombian counterparts have invited Indian entrepreneurs to come to Colombia, collaborate with them for designing part and produce jewellery products for the local people of their choice.
INGRID BURGOS, COLOMBIA

- Colombians are working on the development of laboratories, standards and going online in certain mines. They have proposed India to combine its IT resources, gem-stone industry knowledge and skills with Colombia so as to enhance trading of emeralds.
GUILLERMO GALVIS, COLOMBIA

- In Colombia, particularly in Bogota the trend sustainable ethical jewellery is pioneering which can be a big opportunity for India in terms of providing certified precious and semi-precious stones and also of providing certified origin, conflict free and mercury free metal.
ANA MARIA SIERRA, COLOMBIA

12. Participation from Colombia in Virtual Shows

GJEPC does two big shows annually – IIJS -Signature and IIJS- Premiere. This is because of the pandemic we have developed virtual platform for both of our mega shows and also for VBSM. Buyers and manufacturers have given a phenomenal response to this virtual platform as these initiatives supported them very well resulted in doing actual business transaction during the present challenging times. GJEPC would like to welcome all traders' /manufacturers/suppliers from Colombia to visit our virtual and physical shows. Details of the shows would be shared with the stakeholders in Colombia.

MANSUKH KOTHARI

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