



★ **India Global Connect** ★  
**Business Networking Meet**  
**India- Egypt**  
**8<sup>th</sup> February, 2022**



**...Collaboration Possibilities**

**Gem and Jewellery Export Promotion Council (GJEPC)**  
Sponsored by the Ministry of Commerce & Industry

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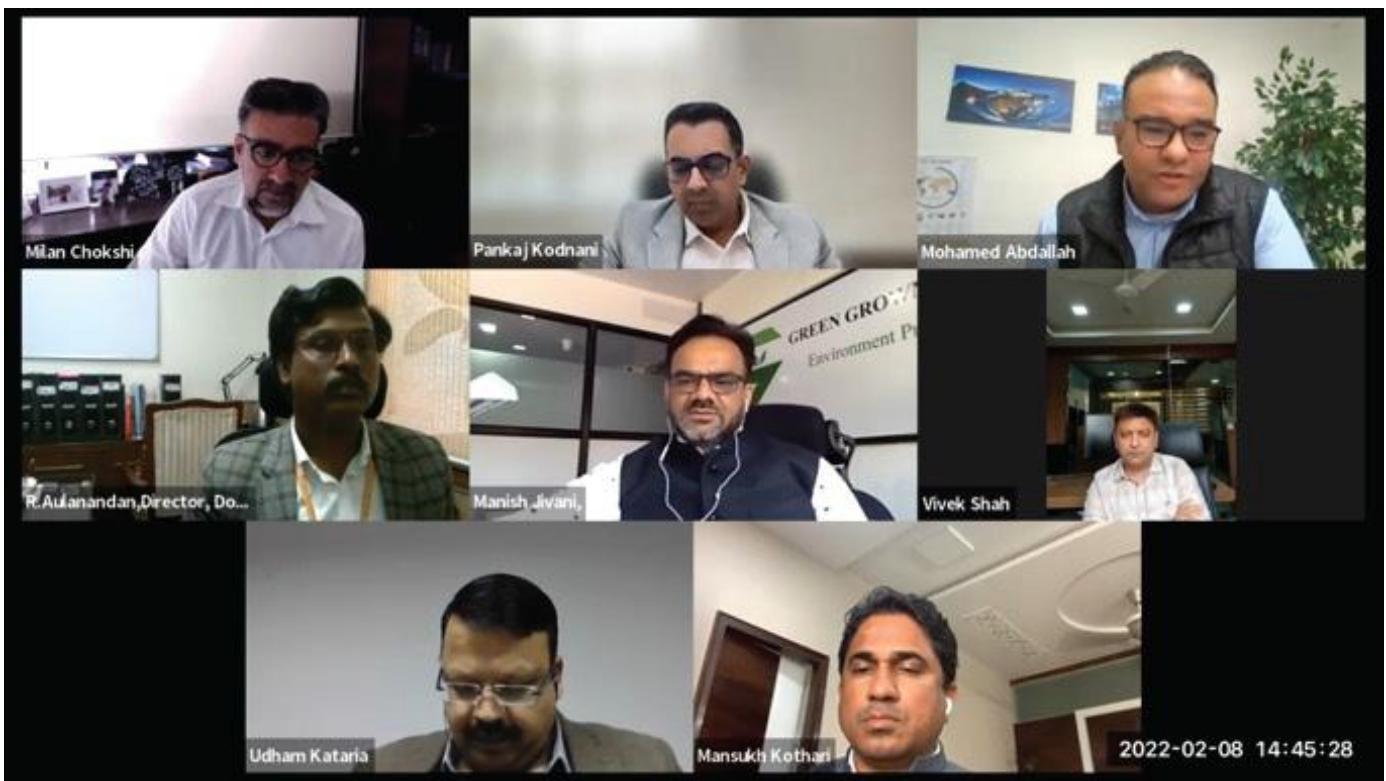
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**Business Networking Meet – India - Egypt**  
**8<sup>th</sup> February 2022, Time- 2:30 P.M IST**

**India Global Connect** is one of the virtual initiatives which has been commenced by the GJEPC for exploring new business avenues at a time when the physical connection across the global market has been lost.

**India- Egypt Global Connect** is the 14th Business Networking Meet that the GJEPC has organised after the successful meetings with the UK, Switzerland, Colombia, Angola, Oman, Singapore, Morocco, Saudi Arabia, UAE, Hong Kong, Qatar, Thailand & Lebanon

**India - Egypt Global Connect** - Business Networking meet has been organized to enable the stakeholders from both the countries to understand the business and economic scenarios and consumers' preferences towards the gem and jewellery of both the countries.



## Key Participants

Mr. Asheesh Gupta	Indian Ambassador to Egypt
R. Arulanandan	Director, MOC&I
Mr. Mohammad Abdallah	

## Panelists from Egypt

Mr. Udhamp Kataria	Egypt Gold
Ms. Caroline Kelada	BTC Egypt Gold

## Panelists from India

Mr. Mansukh Kothari	Vasupati Jewellers
Mr. K Srinivasan	Emerald Group
Mr. Pankaj Kodnani	Krown Jewels
Mr. Vivek Shah	Karma Designs Silver
Mr. Manish Jivani	Anand International
Mr. Milan Chowksi	Convener



**Mr. Asheesh Gupta, Indian Ambassador to Egypt** said, “I am extremely pleased to represent the two oldest civilizations who have always been culturally deeply rooted in our history. Today, the two countries have a strong association in trade. India is the 5th largest trading partner of Egypt and several Egyptian companies have invested in India. Moreover, Egypt has a sizeable market for retailers and wholesalers to explore ample opportunities here. Citizens in Egypt also have an increased appreciation for gold just like Indians and that is an opportunity that can be tapped into. We need to build on our strong relations and communicate more to understand how we can improve our efforts for trade. I am quite hopeful that we will see early results due to this conference for the gems and jewellery sector.”

**Mr. R. Arulanandan, Director, Ministry of Commerce & Industry** said, “The gem and jewellery sector plays a vital role despite being hit by the pandemic. With the same objective, our council has organized roughly around one global connect every month across nations to understand the business and economic scenarios of the countries. The gem and jewellery bilateral trade has grown to about \$8Mn which is a good sign considering the pandemic situation. We hope to reach higher numbers eventually. This interaction is a great platform organised by GJEPC to put forth the challenges and issues faced by the counterparts from both sides. We assure full support to deepen engagement and build new connections in the country. I look forward that with this event, our sector flourishes faster”

**Mr. Milan Chokshi, Convener, PM&BD, GJEPC** added, “Egypt attracts a lot of tourists throughout the year because of their historical heritage. India can extend their products for the markets there and strengthen ties with the country. Gold is an important export commodity in Egypt which reported a production of 15 tonnes of gold from 2015 to 2021 which is a great number. Since India has been doing well for gold, we should expand our business in this segment as well. We would also like to extend our invitation to the Egypt officials to visit our International Gem and Jewellery Show in Jaipur next month. This will be a physical international B2B event that will enable the retailers, manufacturers and wholesalers to network and explore opportunities to strengthen this relationship and gain insights on the gem and jewellery sector.”

### **1.1 India - Egypt Gems and Jewellery Trade: A Brief Glance**

Egypt has been traditionally one of India's most important trading partners in the African continent. Total bilateral trade between the two countries in 2020-21 stood at US\$ 4.15 billion. The key commodities exported to Egypt include meat and edible meat, cotton, nuclear reactors, organic chemicals, electrical machinery and equipment, and vehicles and parts/accessories. Mineral fuels, Fertilizers, Cotton, inorganic chemicals, plastics and articles, edible fruits and nuts and iron and steel are the key commodities imported by India from Egypt.

Bilateral trade between the two countries pertaining to the gems and jewellery trade is not much significant and have increased from US\$ 2.74 million in 2015-16 to US\$ 7.78 million in 2020-21. Articles of precious metals and imitation jewellery are the commodities that are exported to Egypt accounting for more than 99 % of India's total exports of gems and jewellery commodities to the country in 2020-21. **(Refer Table 1)**

**Table 1: India- Egypt Gems and Jewellery Trade (Chapter -71)**

Year	Exports	Imports	Total Trade
	US\$ Mill	US\$ Mill	US\$ Mill
2015-16	2015-16	2.13	0.61
2016-17	2016-17	2.55	1.74
2017-18	2017-18	2.58	1.99
2018-19	2018-19	2.12	4.75
2019-20	2019-20	2.55	----
2020-21	2020-21	1.29	6.49

Source: DGCI&S

## 1.2 Duty structure in Egypt

Tariff rates on key G&J commodities (CPD/Silver/Gold /Imitation jewellery) in Egypt are very high ranging between 30-60 % for various commodities

This is 10 % for gold jewellery, 30 % for silver jewellery and articles of gold, 10 to 60 % for imitation jewellery, 10 % for coloured gemstones and pearls; 2 % for rough stones, Nil duty for rough diamonds and 5 % for polished diamonds.

Furthermore, the country attracts a VAT of 14% which is relatively high as compared with GST rates which range from 0.25% to 5% for G&J products in India. (**Refer table 2**)

**Table – 2 Tariffs Applicable on Gem and Jewellery Products in Egypt**

HS Code	Description	Duty rate applicable for India in Egypt
7113.19	Gold Jewellery (Plain & Studded)	10 %
711320	Articles of Gold Jewellery Clad with Precious Metal	30 %
7113.11	Precious Metal Jewellery Silver	30 %
711711.00	Cuff-Links & Studs (Imitation Jewellery)	60 %
7117.19.10	Imitation jewellery: Of base metal, whether or not plated with precious metal: Other: Bangles	10 %
7117.19.90	Other Imitation Jewellery (Plain)	60 %
7117.90.10	Jewellery Studded with Imitation Pearls or Imitation or Synthetic Stones	10 %
7117.90.90	Other Imitation Jewellery (Studded)	60 %
7102.39 /29	Cut & Polished Diamonds	5 %
7102.31/.21/.10	Rough Diamonds	Free
7103.10	Rough Precious Stone	2 %
7103.91/.99	Polished Coloured Gemstone	10 %
7101.10/.21	Raw Pearls	2 %
7101.20/.22	Processes Pearls	10 %
7104.20	Other unworked synthetic stones or semi-precious stones	5 %
7104.10	Piero -electric quartz	10 %
7104.90	Lab grown diamonds /Synthetic stones worked	10 %
VAT	14 %	

Source: DGCI&S



### 1.3 Egypt key gems and jewellery imports from the World and India-2019

Egypt total imports of gems and jewellery commodities from the world are valued at US \$ 245.32 million which majorly consist of gold bars, gold jewellery, silver jewellery, and imitation jewellery. Gold bars and jewellery account for more than 83 % of Egypt's total imports of gems and jewellery commodities from the world. (**Refer table 3**)

India's share in Egypt's total imports of gems and jewellery commodities stood at 1 % in 2020. India's position as an Egyptian importer for G&J products is not significant except in the case of crushed industrial diamonds.

It has been observed that Egypt's imports of gold jewellery and Silver jewellery from India are negligible despite, India being a key exporter of these products in the world market.

**Table 3: Egypt Key G&J imports from World and India -2020**

HS Code	Commodity Description	Egypt's Imports from World (US\$mn)	India's % share in Egypt's Imports & rank
71	Gems and Jewellery	US\$ 245.32 million	1 %, 6 <sup>th</sup> rank
710812	Gold Unwrought (Bars)	US\$ 135.93 million	---
711319	Gold Jewellery (Plain +Studded)	US\$ 68.51 million	-----
711311	Silver jewellery	US\$ 11.91 million	-----
7117	Imitation jewellery	US\$ 7.95 million	0.2 % , 9 <sup>th</sup> rank
710691	Silver Unwrought (Bars)	US\$ 7.19 million	-----
711590	Other Articles of Precious Metal	US\$ 6.03 million	---
710692	Silver in semi-manufactured Form	US\$ 2.3 million	-----
710229	Crushed Industrial Diamonds /other	US\$ 1.94 million	1 <sup>st</sup> rank, 92.2%
711419	Articles of Gold Smith	US\$ 1.92 million	---

Source: GJEPC analysis based on UN Comtrade Data,2020



#### 1.4 India - WANA gems and jewellery trade - 2019-20

This section includes the gems and jewellery trade of India with the West Asia and North African region (WANA) with special reference to Egypt which is a part of the said region. WANA is one of the most important regions for India's export of gems and jewellery commodities. The said region constitutes around 30 % of India's total exports of gems and jewellery commodities with an export value of US\$ 10.5 billion. India's imports of gems and jewellery commodities from the region stood at US\$ 8.93 billion while the total gems and jewellery trade is recorded at US\$ 19.52 billion (**Table 4**)

**Table 4: India- WANA Gems and Jewellery Trade -2019-20**

Particulars	Amount (US\$ million)
India's exports to WANA	10595.41
% Of share in India's exports	29.36%
India's imports from WANA	8,930.82
% Of share in India's imports	16.39%
India-WANA total trade	19,526.23
% Of share in total trade	21.57%

Source: DGCI&S

#### 1.5 India's Gems and Jewellery Exports with respect to Egypt

Within the WANA region, UAE is the top export destination for India and constitutes around 89 % of India's total gems and jewellery exports with an export value of US\$ 9.4 billion. Israel, Saudi Arabia, Bahrain, and Kuwait are the other significant export destinations of India's gems and jewellery commodities.

India's exports to Egypt within the WANA region is insignificant and valued at US\$ 2.55 million in the same period accounting for less than 1 % share in India's total exports to the region. (**Table 5**)

**Table 5: Gems and Jewellery Trade within WANA – 2019-20**

Country	Exports (US \$ million)	% Share
United Arab Emirates	9433.84	89.04
Israel	914.17	8.63
Qatar	108.28	1.02
Saudi Arabia	55.55	0.52
Bahrain	35.66	0.34
Kuwait	27.22	0.26
Egypt	9.93	0.09
Oman	4.25	0.04
Egypt	2.55	0.02
Sudan	2.09	0.02
Jordon	1.37	0.01
Iraq	1.28	0.01
Yemen	0.68	0.00
Morocco	0.37	0.00
Tunisia	0.06	0.00
Syrian	0	0.00
South Sudan	0	0.00
<b>Total</b>	<b>10595.41</b>	<b>100</b>

Source: DGCI&S



## ★ India Global Connect – Interactions and Key Take Away ★

Mr. Chowksi started the rounds of discussions with panellists; outcomes of which are briefly described here below:

### **Overview of the G&J market in Egypt**

There has been significant growth in trade in Egypt over the last five years and the economy has registered a growth in GDP despite the pandemic coupled with large scale infrastructural projects namely expansion of the Suez Canal. Egypt has a rich cultural heritage of gems and jewellery products especially gold jewellery and accessories dating back to antiquity. Gems and jewellery market in the country has undergone a significant evolution over the past 20 years. Traditionally, the locals were inclined towards 21 karats yellow gold jewellery.

Over the years, market has shifted to all types and designs of jewellery products namely 18 karat gold jewellery, fashionable jewellery, lightweight, diamond jewellery, coloured gemstones jewellery and 14 Karat gold jewellery and more contemporary modern designs of jewellery products. However, the preferences for traditional designs of gold jewellery persists in the market such as heavy weight necklaces & bangles.

There is a significant presence of Indian artisans and gold refineries in the country that specialises in the manufacturing of 21 Karat gold jewellery which enjoys a considerable demand in the country.

### **Key Points**

- Egyptian G&J market has shifted from traditional to more modern types and designs of gems and jewellery products
- All types and designs of gems and jewellery products are available in the Egyptian G&J market
- Gold jewellery remains the preferred G&J product in Egypt especially 21 karat gold jewellery



## Collaboration Possibilities between the two countries

Council organises various trade shows /fairs around the year namely IIJS Signature 2022, IIJS Premiere, etc which feature buyers from around 70-80 countries that provide an opportunity to interact with manufacturers across different countries to understand the local gems and jewellery design preferences. IGJS Jaipur in May 2022 is also being organised by the council which is an exclusive export-oriented trade show that can provide insight of Indian gems and jewellery prowess to the Egyptian traders/manufacturers

Egyptians are inclined towards handmade jewellery in which India has manufacturing prowess. Currently, India is producing customised jewellery adopting modern techniques of production and technology that can be attuned to the tastes and preferences of the Egyptian market

Egypt has many manufacturing units with a huge scope of supplying artisans/karigars, technology, machinery, designers, and precious stones for enhancing bilateral trade between the two countries.

There can be more B2B engagements between the countries especially in the investment of gold and gold jewellery products

### Key Points

- There is potential for collaboration between the two countries in terms of transfer of technology, machinery, manufacturing, skill and supplying of precious stones
- Trade shows /fairs can serve as a platform for building connections and enhancing bilateral trade between the two countries
- There is collaboration possibility in the investment of gold and gold jewellery products in Egypt



## Potential of Indian G&J commodities in Egypt

### a) Lab Grown diamonds

There is huge potential for growth in lab-grown diamonds and the commodity has witnessed exponential growth in its exports. India has a manufacturing prowess in the manufacturing of lab-grown diamonds at competitive prices. Thus, India can supply lab-grown diamonds to Egypt which can be processed further and exported to other countries in the WANA region and Europe as the country also attracts a major tourist population. The two countries can exchange member' data and connect with manufacturers /retailers /importers to meet their sourcing requirements.

### b) Gold Jewellery

There is a good export potential of gold jewellery especially plain gold jewellery in Egypt. There is already a significant presence of Indian companies/manufacturers in the Middle east region besides Italian & Turkish companies. Egyptian gems and jewellery market is an evolving market with a preference towards 21 karat gold jewellery. Trade shows /fairs are the best platform for increasing bilateral trade between the two countries and sourcing jewellery in the market. Duty rate on key gems and jewellery products is quite high in Egypt which is inhibiting exports to the country.

### c) Silver jewellery

There is huge scope for enhancing silver jewellery exports in the country especially sterling silver jewellery. India has expertise in manufacturing a wide variety and designs of silver jewellery commodities namely plain, studded, ethnic and coloured gemstones studded jewellery. The two countries can collaborate further by connecting with wholesalers, retailers, importers & brand owners to develop their product line in the Egyptian market.

#### Key Points

- There is huge scope for enhancing silver jewellery exports in Egypt especially sterling silver jewellery
- India has a manufacturing prowess in Lab-grown diamonds and can supply the commodity to Egypt at competitive prices
- The two countries can exchange member' data and connect with manufacturers /retailers /importers to meet their sourcing requirements.
- The duty rate on key gems and jewellery products is quite high in Egypt which is inhibiting exports to the country.
- There is a huge potential for expanding gold jewellery exports in Egypt and there is already a significant presence of Indian companies/manufacturers in the Middle east region.

## Conclusions

Mr. Chowski concluded the meet by highlighting key insights gained from the interactions. He narrated that there is a great scope for enhancing bilateral trade relations between the two countries.

- Egyptian G&J market has shifted from traditional to more modern types and designs of gems and jewellery products
- All types and designs of gems and jewellery products are available in the Egyptian G&J market
- Gold jewellery remains the preferred G&J product in Egypt especially 21 karat gold jewellery
- There is huge scope for enhancing silver jewellery exports in Egypt especially sterling silver jewellery
- India has a manufacturing prowess in Lab-grown diamonds and can supply the commodity to Egypt at competitive prices
- India & Lebanon can exchange member' data and connect with manufacturers /retailers /importers to meet their sourcing requirements.
- Duty rate on key gems and jewellery products is quite high in Egypt which is inhibiting exports to the country.
- There is a huge potential for expanding gold jewellery exports in Egypt and there is already a significant presence of Indian companies/manufacturers in the Middle east region.

## Collaboration Possibilities

- There is potential for collaboration between the two countries in terms of transfer of technology, machinery, manufacturing, skill and supplying of precious stones
- Trade shows/fairs can serve as a platform for building connections and enhancing bilateral trade between the two countries
- There is collaboration possibility in the investment of gold and gold jewellery products in Egypt



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