



◆ **India Global Connect** ◆
Business Networking Meet - India- Qatar
6th October, 2021



...Collaboration Possibilities

Gem and Jewellery Export Promotion Council (GJEPC)

Sponsored by the Ministry of Commerce & Industry

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India Global Connect Business Networking Meet – India- Qatar 6th October 2021, Time- 2:30 pm (IST)

Indian economy has witnessed a bounce back with positive numbers. The economy grew at a record pace of 20.1 per cent in April-June 2021 as compared with the corresponding period last year, when a national lockdown due to the Covid-19 pandemic had nearly halted all economic activities. The GDP had contracted 24.4 per cent in April-June 2020. Industrial activity also recovered to almost pre-Covid levels as grew by 34.1% during April-July 2021 as compared to contraction of 29.3 in the same period last year. Easing restrictions and faster vaccination helped boost economic activity. FDI equity inflows also rose by 168% to US\$17.5 billion during April-June 2021 as compared to US\$6.5 billion during the same period last year. India's exports in the first half of the FY 2021-2022 reached US\$197 billion meaning there by around 50% of the total export target of US\$400 billion set by the GoI has been achieved. Gem and Jewellery sector has also been one of the key driving sectors of the above export performance of India. Its exports have recorded a growth of 7.41 % to US\$ 15.8 billion during April - August 2021 over the pre-covid level of exports amounting to US\$ 14.7 billion.

From the above green shoots, this is apparent that the economy, business, and social environment is positive in India and in fact expected to be highly progressive on account of the forthcoming festive season and various trade promotional measures by the Govt. of India. Specific to the gem and jewellery sector, the GJEPC has undertaken several initiatives from organising virtual trade shows, virtual BSMs, to trade shows in physical formats.

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

India - Qatar Global Connect is the 11th Business Networking Meet that the GJEPC has organised after the successful meetings with the UK, Switzerland, Colombia, Angola, Oman, Singapore, Morocco, Saudi Arabia, UAE and Hong Kong



Key Participants

Dr Deepak Mittal	Indian Ambassador to Qatar
Mr. Ashok Malviya	Director, MoCI
Mr. Jaffer US Sadik	President, Indian Business & Professional Council

Panelists from Qatar

Mr. KP Abdul Salam	Malabar Gold & Diamonds
Mr. Azim Abbas	Al Sulaiman Jewellery & Watches
Mr. Mukesh Santhara	Marhaba Jewellery WLL
Mr. Hamid	Diana Jewellery
Mr. Ahmad al Salem	Al Basri Jewellery
Mr. Sarfudeen	Shine Jewellery

Panelists from India

Mr. Colin Shah	Chairman, GJEPC
Mr. Ankita Gala	Vallabhji Malsi & Co
Mr. Milan Chheda	Tara Fine Jewellery
Mr. Abhishek Raniwala	Raniwala Jewellers
Mr. Ashish Sand	Savro Jewellery
Mr. Dilip Shah	Veer gems
Mr. Ramesh Vora	Bafleh Gold
Mr. Mansukh Kothari	Vasupati Jewellers
Mr Milan Choksi	Convener PMDB ,GJEPC (Moderator)

Dr Deepak Mittal, Indian ambassador of Qatar, said, “India and Qatar have a historical partnership with the trade of pearls being most critical. We have seen bilateral trade grow to 9 billion USD last year and was heavily skewed towards hydrocarbons. The exports from India to Qatar are at 1.3 billion USD and gem and jewellery exports have constituted nearly 4.7%. The idea of this meet is to look at opportunities that will help us promote direct trade.”

Shri Ashok Malviya, Director, Ministry of Commerce & Industry, said, “Indians are business leaders and have rallied to ensure a significant and speedy recovery. We are finally seeing an increase in total exports in the first half of the financial year. We have reached 197 billion USD because of the visionary leadership of stakeholders and the government. G&J has been the leading sector in export performance of India and has seen 15.8 billion USD worth of trade during Apr- Aug. The business environment of India and Qatar is positive which paves to strengthen ties.”

1.1 India - Qatar Gems and Jewellery Trade: A Brief Glance

India's bilateral trade with Qatar in 2020-21 was US\$ 9.21 billion. India's key exports to Qatar include cereals, iron and steel articles, nuclear reactors, and boilers, gems and jewellery, edible vegetables, electrical and other machinery, plastic products, organic chemicals, and ceramic products. Mineral fuels, organic and inorganic chemicals, plastic and articles, fertilisers, aluminium, and articles are the major commodities imported by India from Qatar. It is to mention that India is among the top three largest export destinations for Qatar (Japan and South Korea being the other two) and is also among the top three sources of Qatar's imports, along with China and Japan as of 2020-21.

Bilateral trade between the two countries for gem and jewellery trade is not much significant and has been severely impacted during the pandemic. Gem and Jewellery trade almost halved to US\$ 77.2 million in 2020-2021 from US\$ 147.8 million in the previous year. Gold jewellery is the major commodity which is exported to Qatar accounting for more than 95 % of India's total exports of gems and jewellery commodities to the country. (Refer Table 1)



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

Particulars	Amount 2019-20	Amount 2020-21	Key Exports/Imports Commodities
	(US\$ Mn)	(US\$ Mn)	
India's Exports to Qatar	108.28	61.11	• Gold Jewellery
India's Imports from Qatar	39.59	16.1	• Gold Jewellery • Gold bar
India – Qatar Total Trade	147.87	77.21	

Source: DGCI&S

1.2 Qatar's key gems and jewellery imports from the World and India-2019

Qatar's total imports of gems and jewellery commodities from the world are valued at US \$640 million which majorly consist of Gold Jewellery, Imitation jewellery, Silver jewellery and Cut and Polished Diamonds in 2020. Gold jewellery accounts for 54% of Qatar's total imports of gems and jewellery commodities from the world. **(Refer table 2)**

The share of India in Qatar's total imports of gems and jewellery commodities stood at 20% in 2020 and the country is a major sourcing partner for Cut and Polished Diamonds for Qatar. The duty rates applicable for India in Qatar for the key gems and jewellery commodities stood at 5 %.

Table 2: Qatar's Key G&J imports from World and India -2020

HS Code	Commodity Description	Qatar's imports from the world (US \$ million)	Qatar's imports from India (US\$ million)	India's % share in Qatar's imports and rank	Duty rates applicable for India in Qatar
71	Gems and Jewellery	640.09 mn	127.99 mn	20 %, 2 nd rank	----
711319	Gold Jewellery	350.6 mn	69.25 mn	19.8%, 2 nd rank	5 %
7117	Imitation Jewellery	10.55 mn	0.074 mn	0.7%, 13 th rank	5 %
711311	Silver Jewellery	4.06 mn	0.145 mn	3.6%, 6 th rank	5 %
710239	Cut and Polished Diamonds	1.05 mn	0.821 mn	1 st rank , 78.1%	5 %

Source: GJEPC analysis based on UN Comtrade Data,2019

1.3 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 Qatar 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 3)**

Table 3: 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

1.4 India's Gems and Jewellery Exports with respect to Qatar

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 Qatar within the WANA region is insignificant and valued at US\$ 108.28 million in the same period accounting for 1.02 % share in India's total exports to the region. **(Table 4)**

Table 4: 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
Lebanon	9.93	0.09
Oman	4.25	0.04
Jordon	1.37	0.01
Egypt	2.55	0.02
Morocco	0.37	0.00
Sudan	2.09	0.02
Iraq	0.07	0.00
Tunisia	0.06	0.00
Yemen	0	0.00
Syria	0	0.00
South Sudan	0	0.00
Total	10595.41	100

Source: DGCI&S

India Global Connect – Interactions and Key Take Away

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

Range of gold jewellery available in India



India offers a wide variety of gold jewellery that ranges from ceremonial 22 karat jewellery that weighs above 50 grams (Necklaces, waistbelts, etc) to regular 15 - 18 karat daily wear jewellery (Bracelets, Bangles, Chains, etc) that weighs around 1-50 grams. The country also manufactures lightweight fashion jewellery (Bracelets, chains, etc) that weighs around 1-20 grams. India has a manufacturing prowess in the production of 22 and 18 karats gold jewellery across the world. Additionally, India also manufactures tribal jewellery, temple jewellery and other smaller designs of gold jewellery that is not easily accessible.

Mr. Ankit Gala, Vallabhji Malsi & Co

Key Points

- India offers a wide range of gold jewellery in terms of designs, weight, and price
- India specialises in the production of 18 and 22 Karat gold jewellery



Gems and Jewellery product preferences and designs in Qatar

India and Qatar have long-standing trade relations pertaining to the gems and jewellery sector. Traditionally, India used to export a large quantum of gold jewellery to Qatar. However, India's gems and jewellery exports to Qatar have been declining over the years.

High per capita income, increased consumer spending on luxury goods, developing tourist market, organization of cultural expos and events are major drivers for growth in the gems and jewellery market in Qatar. According to an independent study, the projected value of the local Qatar gems and jewellery market during 2019-23 stood at US\$ 6.5 billion. The major export destinations of Qatar include China, Europe, Turkey, Italy, Thailand, and India. The gems and jewellery exhibitions in Qatar play a major role in the gems and jewellery sector in the country and branded jewellery accounts for a substantial share in the total sales in the exhibitions. Qatari consumers have an inclination towards the latest trends in fashion and prefer branded jewellery products from Switzerland, China, Hong Kong, and Europe.

Mr. Azim Abbas, Al Sulaiman Jewellery & Watches

Key Points

- Qatari prefer branded jewellery
- Exhibitions, trade fairs and events play a significant role in the growth of the gems and jewellery sector in Qatar
- Qatar is a growing gem and jewellery market.



Issues & Challenges hindering gems and jewellery trade

There is a lack of branding and promotional activities of Indian gems and jewellery commodities in Qatar. India is one of the leading diamond producers in the world but there is not a significant presence of wholesalers in exhibitions in Qatar especially those that deal in gold jewellery and cut and polished diamonds.

Qatar is a rich country characterised by high standards of living and rising consumption of gold over the years. There is an absence of Indian companies in Qatar to market and promote gems and jewellery products in the local market unlike Hong Kong and other South Asian countries that have a significant presence in the Qatari market.

Qatar doesn't have large access to a wide variety of gems and jewellery products which provides an opportunity for India to expand its gems and jewellery market in the country. Almost 70 % of the high end cut and polished jewellery in Qatar are manufactured in India while other countries account for just 25% of the diamond manufacturing in Qatar. Thus, there is a huge potential to boost gems and jewellery trade between the two countries.

Mr. Hamid, Diana Jewellery

The gems and jewellery exports to Qatar account for less than 1% of the total Indian gems and jewellery exports. However, there is huge potential to capture the gems and jewellery market in Qatar in the future. The written guarantee procedure and time taken for stamping is one of the major reasons that is hindering trade for Indian manufacturers and exporters.

Mr. Ashish Sand, Savro Jewellery

Indian gems and jewellery industry is appreciated throughout the world. The image of Indian jewellery in the world is plagued with quality issues in Indian markets. However, mandatory hallmarking of gold jewellery by the government aims to improve the image of Indian gems and jewellery products in the world. There is no standardization of prices, especially in gold jewellery in Indian markets unlike countries like UAE and other GCC countries.

**Mr. KP Abdul Salam,
Malabar Gold & Diamonds**

Lack of direct exports to Qatar is one of the major reasons for declining gems and jewellery trade between the countries. The Indian gems and jewellery products are mostly manufactured for the Indian diaspora in the country and don't adhere to the requirements of the Qatari market. India needs to create strong brands in the gems and jewellery sector that can compete with international brands in Qatar. There needs to be more interaction, meetings, and visits between the two countries to enhance trade relations between the two countries. There are procedural bottlenecks pertaining to custom norms, procedures, penalties, and transaction limits in India .

**Mr. Azim Abbas,
Al Sulaiman Jewellery & Watches**



Key Points

- Lack of marketing and branding activities of Indian jewellery products in Qatar
- Limited presence of Indian gems and jewellery companies and wholesalers in Qatar
- Lack of direct exports of gems and jewellery products to Qatar
- No standardization of prices of gold jewellery in India.
- The written guarantee procedure and time taken for stamping are hindering trade for Indian manufacturers and exporters to Qatar



Measures to enhance gems and jewellery trade between countries

India needs to organize more B2B and B2C exhibitions, trade fairs and events to promote Indian gems and jewellery products in the global markets. There is a need to understand the preferences and demand for gems and jewellery for other nationalities in Qatar. Qatar already has free trade agreements for duty exemptions with Singapore and Turkey that reduces the competitiveness of Indian gems and jewellery commodities in Qatar. India and Qatar can explore the possibility of a Free Trade agreement to encourage direct exports of gems and jewellery products to Qatar. The quality, stamping issues and other operational issues need to be resolved between the two countries.

There needs to be a provision for using and returning gems and jewellery goods on a temporary basis without any import duties and importing jewellery for export purposes in Qatar to enhance gems and jewellery trade relations between the two countries. There is possibility of collaboration between Qatar retailers and companies with Indian manufacturers to understand the demand and preferences of the local market.

Mr. KP Abdul Salam, Malabar Gold & Diamonds

There is ample scope and opportunity for enhancing gems and jewellery exports in the Doha market. Gems and jewellery commodities such as High end coloured gemstones, rose-cut, Polki, coloured gemstones jewellery, fusion jewellery products and other high-end pieces in the market is aligned with the aesthetics and gems and jewellery preferences in Qatar. Thus, there is huge demand for Indian designed jewellery and fine jewellery in Qatar and other gulf countries.

Mr. Milan Chheda, Tara Fine jewellery

Qatar is a rich country and has a huge market for the gems and jewellery sector. There is a need to organise regular BSMs, exhibitions and trade fairs in Qatar and Dubai while at the same time participate in the exhibitions organised by Qatar to enhance gems and jewellery trade jewellers. There is a need to invite major jewellers to the IIJS signature show in Qatar to attract participants in the show. There is substantial demand for Indian gems and jewellery commodities in the country.

Mr. Ramesh Vora, Bafleh Gold



There is a similarity in the gems and jewellery preferences of buyers between the two countries that provides an opportunity for Indian manufacturers to enhance exports to Qatar. Indian manufacturers and exporters can visit Qatar to understand the sourcing requirements of the local market.

Mr. Mansukh Kothari, Vasupati Jewellers

Key Points

- There needs to be more interactions, exchanges, discussions, events, and meetings between both countries to enhance gems and jewellery trade relations
- There is possibility of collaboration between Qatari businesses and retailers with Indian companies and manufacturers
- India and Qatar can explore the possibility of a free trade agreement to boost gems and jewellery exports between both countries

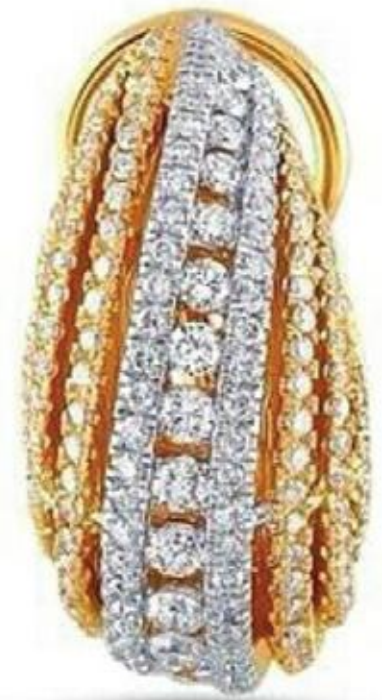
IGJS show in Dubai

The International Gems and jewellery show (IGJS) in Dubai is expected to revive exports, business sentiment and demand for gems and jewellery products. The recovery in global gems and jewellery sector, pent up demand across all product categories and upcoming festive season will propel demand further. There is a lot of interest in the IGJS show from Middle East, UK, Africa, USA, CIS, SAARC. The IGJS show is the first jewellery B2B show in Dubai post-pandemic with over 100 booths and select 600 International buyers from 35 countries. The show will provide a great opportunity to establish business networks between buyers and sellers and will showcase India's manufacturing prowess.

Mr. Dilip Shah, Veer Gems

Key Points

- The International Gems and jewellery show (IGJS) in Dubai is expected to revive exports, business sentiment and demand for gems and jewellery products



Conclusions

Mr. Choksi 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 and also invited Qatar panelists to visit the International Gems and Jewellery Show in Dubai (IGJS) organised by the council next week.

- India offers a wide range of gold jewellery in terms of designs, weight, and price
- India specialises in the production of 18 and 22 Karat gold jewellery
- Qatari prefer branded jewellery
- Exhibitions, trade fairs and events play a significant role in the growth of the gems and jewellery sector in Qatar
- Qatar is a growing gem and jewellery market.
- Lack of marketing and branding activities of Indian jewellery products in Qatar
- Limited presence of Indian gems and jewellery companies and wholesalers in Qatar
- Lack of direct exports of gems and jewellery products to Qatar
- No standardization of prices of gold jewellery in India.
- The written guarantee procedure and time taken for stamping are hindering trade for Indian manufacturers and exporters to Qatar
- The International Gems and jewellery show (IGJS) in Dubai is expected to revive exports, business sentiment and demand for gems and jewellery products

Collaboration Possibilities

- There needs to be more interactions, exchanges, discussions, events, and meetings between both countries to enhance gems and jewellery trade relations
- There is possibility of collaboration between Qatari businesses and retailers with Indian companies and manufacturers
- India and Qatar can explore the possibility of a free trade agreement to boost gems and jewellery exports between both countries



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