



◆ **India Global Connect** ◆
Business Networking Meet - India-Thailand
28th 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-Thailand 28th October 2021, Time- 1:30 pm (IST)

Global, as well as domestic economy which were facing severe repercussions of Covid-19 pandemic, have been showing signs of recovery in recent times. According to the IMF World Economic Outlook, October 2021 Global economy is expected to expand by 5.9 % in 2021. According to the report, Indian economy has witnessed resilience and is projected to grow by 9.5 % in 2021. Industrial activity in India also recovered to almost pre-Covid levels and grew by 28.6 % during April- August 2021 as compared to contraction of 25 % in the same period last year majorly on account of the revival in the manufacturing sector & vaccination access. Gem and Jewellery exports have recorded a positive growth of 5.13 % to US\$ 18.98 billion during April – September 2021 over the pre-covid level of exports amounting to US\$ 18.06 billion.

From the above green shoots, this is apparent that 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-Thailand 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- Thailand Global Connect is the 12th 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, and Qatar since 2020



Key Participants

H.E Ms. Suchitra Durai	Indian Ambassador to Thailand
Mr. R. Arulanandan,	Director, MoCI
Mrs. Nisabudh Virabutr	Director of Life Style Trade Promotion, Department of International Trade Promotion, Ministry of Commerce of Thailand

Panelists from Thailand

Mr. Thanong Leelawatanasuk	Deputy Director Technical, The Gem and Jewellery Institute of Thailand
Mr. Chomphol Phornchindarak	Vice -President, Thai Gem & Jewellery Traders Association
Mr. Somchai Phornchindarak	President, The Gems and Jewellery and Precious Metal Confederation of Thailand
Mr. Atul Jogani	Vice -President, Indian Thai Diamond and Colorstone Association
Mr. Prida Tiasuwan	Pranda Jewelry Public Co. Ltd
Mr. Neeraj Jain	KGK Diamonds Co. Ltd

Panelists from India

Mr. Sanjay Kala	Kinu Bala Gems
Mr. Nirmal Kumar Bardiya	RMC
Mr. Abhishek Haritwal	Haritsons
Mr. Gaurang Vasoya	Excellent Corporation
Mr Milan Choksi	Convener PMDB, GJEPC (Moderator)

Mrs. Suchitra Durai, Indian Ambassador of Thailand, said, “India and Thailand have a close and historical relationship which is based on cultural, economic and people-to-people ties. In fact, it was through trade through millennia, that we had the sharing of ideas and thoughts between the two countries and the two regions. There is huge untapped potential in trade between the two countries in several sectors. Bilateral trade between India and Thailand was under \$10 billion in 2020-21 which showed a decline compared to 2019-20 due to the covid pandemic. The gem and jewellery exports from India to Thailand constitutes 15% of the total exports target for the Southeast Asian nation. Thailand is among the top 10 importers of gems and jewellery products from India.”

Mr. R. Arulanandan, Director, Ministry of Commerce & Industry, Govt. of India said, “The markets are open, business is reviving, and consumer demand is on the upswing. This is a good opportunity to collaborate and revive the trade relationship and reach out to untapped markets. I expect there would be the revival of bilateral trade as well and this platform organised by GJEPC would help participants from both countries to understand the present economic and business scenarios which would help them to realise the untapped trade potential between India and Thailand. I wish this event a grand success.”

Ms. Nisabudh Virabutr, Director, Office of Lifestyle Trade Promotion, Dept of International Trade Promotion, Ministry of Commerce of Thailand, said, “India has been regarded as one of the most important trade partners for Thailand. India’s Act East policy and Thailand’s Act West policy have always been complementary to each other. From 2015 to 2020, the bilateral trade has increased from \$7.2 Billion to \$12.5 Billion. Last year, Thailand ranked the 16th largest gem and jewellery exporter in the world. Moreover, it ranked as the first and third largest exporter in silver jewellery and coloured gemstone, respectively. Various incentives, marketing programmes, policies have helped the sector tremendously in both countries. India is the 4th largest export market for Thailand and has become the 3rd largest importing source.”

Mr. Milan Choksi, Convener, Promotions, Marketing & Business Development, GJEPC said, “Both India and Thailand, with highly skilled workers and craftsmanship, are two prominent players in the global gem and jewellery arena. India is known for its high-quality cut and polished diamonds and hand-crafted jewellery, while Thailand is known for its Ruby and Sapphire processing. I believe that when it comes to jewellery making, both can complement each other to take their gem and jewellery business to greater heights.”

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

The total Bilateral trade between the two countries usually remains at over US\$10 billion. Nuclear reactors, boilers and machinery, iron and steel, organic chemicals, electrical machinery and equipment, pharmaceutical products, gems and jewellery, vehicles and parts are India’s key exports to Thailand.

Gems and jewellery commodity category are India’s one of the major export commodities to Thailand accounting for around 16 % of total merchandise exports to the said country.

Thailand is among India’s top 10 export destinations for gems and jewellery commodities with a value of over US\$ 1 billion in 2020-21 (**Refer Table 1**)

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

Particulars	Amount 2020-21 (US\$ Mn)	% share in India's Exports / Imports
India's Exports to Thailand	648.47	2.48%
India's Imports from Thailand	445.36	0.81%
India – Thailand Total Trade	1093.83	1.34%

Source: DGCI&S

1.2 India's Export basket to Thailand (2020-21)

Cut and polished diamonds is the key commodity exported to Thailand constituting more than 90 % of India's total exports of gems and jewellery commodities to the country. Coloured Gemstones, Gold jewellery and silver jewellery are the other commodities that are significantly exported from India to Thailand. (**Table 2**)

Table 2 - India's exports of gems & jewellery commodities to Thailand - 2020-21

Commodity	Amount (US \$ million)
Cut & Polished Diamonds	584.02
Coloured gem stones	27.26
Gold Jewellery	25.18
Silver Jewellery	6.66
Polished Lab-Grown Diamonds	2.67

Source: DGCIS

1.3 Thailand's key gems and jewellery imports from the World and India-2020

Thailand's total imports of gems and jewellery commodities from the world are valued at US \$8.07 billion which majorly consist of cut and polished diamonds, gold jewellery, coloured gemstones, silver jewellery and imitation jewellery in 2020. Cut and polished diamonds, gold jewellery and coloured gemstones account for around 25 % of Thailand's total imports of gems and jewellery commodities from the world. (Refer table 3)

The share of India in Thailand's total imports of gems and jewellery commodities stood at around 12% and the country is a major sourcing partner for Cut and Polished Diamonds and precious and semi-precious stones for Thailand in 2020.

Table 3: Thailand's Key G&J imports from World and India -2020

HS Code	Commodity Description	Thailand's Imports from World (US\$mn)	Thailand's Imports from India (US\$mn)	India's % share in Thailand's Imports & rank
71	Gems and Jewellery	8079.32 mn	963.04 mn	11.9%, 4th rank
710239	Cut and polished diamonds	1227.17 mn	874.51 mn	71.30%, 1 st rank
711319	Gold Jewellery (Plain +Studded)	467.64 mn	26.00 mn	5.6%, 5 th rank
710391	Rubies, sapphires, and emeralds	188.56 mn	23.78 mn	12.6%, 2 nd rank
711311	Silver Jewellery	113.23 mn	6.34 mn	5.6%, 4th rank
710399	Precious and semi-precious stones	106.14 mn	24.47 mn	23.10%, 1st rank
7117	Imitation Jewellery	51.79 mn	0.27 mn	0.1%, 14th rank
710490	Precious and semi-precious stones, synthetic or reconstructed	40.03 mn	4.05 mn	10.10 %, 3rd rank

Source: GJEPC analysis based on UN Comtrade Data,2020

1.3 India - ASEAN gems and jewellery trade with special reference to Thailand - 2019-20

This section includes the gems and jewellery trade of India with the ASEAN region with special reference to Thailand which is a part of the said region. Thailand with a 49 % share is India's largest export partner within the ASEAN region with an export value of US\$ 646.84 million in 2019-20. Singapore, Malaysia, Vietnam, and Indonesia are the other significant export destinations of India's gems and jewellery commodities. **(Table 4)**



Table 4 : India's Gem & Jewellery Exports within ASEAN region -2019-20

Region	2019-2020 (US\$ mn)	% Share
Thailand	646.84	48.93
Singapore	573.11	43.35
Malaysia	86.43	6.54
Indonesia	7.77	0.59
Vietnam	7.01	0.53
Cambodia	0.5	0.04
Philippines	0.27	0.02
Myanmar	0.15	0.01
Brunei	0.00	0.00
Laos	0	0.00
Total	1,322.08	100

Source : DGCIS



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:

Gems and jewellery product preferences and designs in Thailand

India deals in cultural and traditional jewellery. Gems and jewellery preferences in Thailand over the last 10 years have shifted from traditional jewellery to more International and modern designs manufactured by global brands. Indian gems and jewellery products are mostly manufactured for the Indian diaspora in the country and don't adhere to the preferences, requirements and people of the local market in Thailand. Locals in Thailand majorly prefer plain gold jewellery.

**Mr. Chompol Phornchindarak,
Thai Gem & Jewellery Traders Association**

a) Coloured gemstones

Thailand is among the leading producers of gems and jewellery commodities in the world which is fuelled on account of a large tourist population. India specialises in the production of cut and polished diamonds while Thailand has a manufacturing prowess in coloured gemstones especially rubies and sapphires. Around 70 % of the rubies and sapphires in the world are processed, polished, and cut in Thailand.

**Mr. Thalong Leelawatnasuk,
The Gem and Jewellery Institute of Thailand**



Thailand is one of India's major sourcing countries for rough gemstones. There is a lot of similarities between India and Thailand's gems and jewellery sector. The manufacturing of finished gems and jewellery in Thailand and India are purely based on the rough material imported from the different countries as both the countries do not natural advantage of mining rough diamonds and metals like silver/gold/palladium etc. India and Thailand are both importing, manufacturing and exporting countries for gems and jewellery commodities with relatively low wage rates.

India and Thailand have manufacturing prowess in coloured gemstones. India specializes in the production of emeralds and cut and polished diamonds while Thailand has expertise in the production of rubies and sapphires

Mr. Sanjay Kala, Kinu Bala Gems

b) Polished lab-grown diamonds

Thailand is a major gem and jewellery manufacturing hub. There is a huge export potential of polished lab-grown diamonds in Thailand with substantial demand for the commodity in the global market. Additionally, Thailand has a huge presence of manufacturing companies that are catering to the USA, Europe, and other Western countries.

The Businesses are moving out from China and Hong Kong to Thailand leading to more opportunities for lab-grown diamonds for the country. There is a good export market for lab-grown diamonds. However, people in Thailand prefer natural diamonds over polished lab-grown diamonds for local consumption.

Mr. Neeraj Jain, KGK Diamonds co. Ltd.

The growth outlook of polished lab-grown diamonds is quite positive. The share of lab-grown diamonds in the global diamond sector is expected to grow rapidly from 7 % to 15 % in 5 years. Middle and lower-middle-class customers opt for lab-grown diamonds jewellery creating a vast opportunity for the commodity in the coming future. Major countries such as USA, UK and Australia over the years have become more accepting of lab-grown diamonds jewellery.

Mr. Gaurang Vasoya, Excellent Corporation



There has been significant growth in the exports of lab-grown diamonds in Thailand. The Lab-grown diamonds in Thailand has a bright future in the coming future.

**Mr. Thalong Leelawatnasuk ,
The Gem and Jewellery Institute of Thailand**

c) Imitation /Fashion Jewellery

The share of Imitation Jewellery in Thailand's total exports of gems and jewellery is not much significant. However, Thailand is one of the leading exporters of imitation jewellery in the world. The country sources most of its raw materials for production of finished imitation jewellery from India. There is a possibility of collaboration in the fashion jewellery segment between the two countries. Pandemic had an adverse impact on the imitation jewellery sector. Locals in Thailand prefer modern /contemporary design of fashion jewellery for their daily use requirements over cultural and traditional designs.

**Mr. Thalong Leelawatnasuk,
The Gem and Jewellery Institute of Thailand**

India is one of the leading exporters of gold jewellery in the world and is one of the largest importers of gold in the world. There are several differences in the preferences and designs of gems and jewellery between India and Thailand. Thailand has modern and contemporary designs of gems and jewellery products while India deals majorly in cultural and traditional jewellery suited for Indian diaspora.

Indian consumers prefer gold as a medium of investment while locals in Thailand opt for pure gold jewellery for design and fashion purposes. Thailand is a major hub for fashion jewellery with a significant number of international brands and a large tourist population that prefers the commodity.

**Mr. Somchai Phoornchindarak ,
The Gems and Jewellery and Precious Metal Confederation of Thailand**

Key Points

- Locals in Thailand prefer modern and contemporary jewellery manufactured by International brands
- Thailand is a major hub for Fashion and imitation jewellery
- The growth outlook of lab-grown diamonds in Thailand is bright
- Thailand has a manufacturing prowess in the coloured gemstones especially Rubies & Sapphires
- India and Thailand have both emerged as the gems and jewellery hubs of the world including diamond and coloured stones cutting and polishing skills with a globally recognized jewellery production capacity and relatively low wage rates.
- People in Thailand prefer natural diamonds over polished lab-grown diamonds for local consumption
- People in Thailand prefer pure plain gold jewellery

Thailand's Gems and Jewellery industry prowess

Thailand is one of the finest jewellery production hubs in the world with a significant number of factories engaged in the gems and jewellery sector. The pricing of jewellery in Thailand is based on the presence of highly skilled labour engaged in cutting, polishing, and manufacturing of gems and jewellery commodities which is also one of the key strengths of the Thailand gems and jewellery industry.

Mr. Thalong Leelawatnasuk , The Gem and Jewellery Institute of Thailand

Thailand's business environment, policies, taxes, rebates and other import and export procedures/facilities are conducive to the gems and jewellery sector. Thailand enjoys zero VAT and nil import duty on the import of rough raw materials that are used for manufacturing finished gems and jewellery commodities.

The country has also one of the lowest rates for stalls in exhibitions around the world. Thailand is a jewellery manufacturing hub engaged in the production of international and modern designs of gems and jewellery catering to the global market.

Thailand also has easier procedures, services and other guidelines pertaining to Banking & Finance, Business Visas and setting up of manufacturing units in the country. The country is also a market for raw materials such as Rubies, Sapphires, Tanzanite, Monzanite, among others. India sources a large proportion of rough materials from the country due to easier procedural guidelines pertaining to the same.

Mr. Nirmal Kumar Bardiya , RMC

Key Points

- Thailand's business environment, policies, taxes, rebates and other import and export procedures/facilities are conducive to the gems and jewellery sector
- India sources a large proportion of rough materials from Thailand
- High skilled labour is one of the key strengths of Thailand's gems and jewellery industry

Measures to enhance gems and jewellery trade

Thailand's liberal and trade-friendly policies, business environment, culture and open free trade system is conducive to foreign customers, businesses and exporters in the gems and jewellery sector. The country has a competitive advantage in the processing of coloured gemstones and is one of the leading manufacturers of gems and jewellery in the world on par with France and Italy.

Businesses are moving out of Hong Kong to Thailand and India, leading to more opportunities in the gems and jewellery sector for both countries. The two countries could work on the possibility of creating a triangle of growth between Jaipur, Mumbai, and Bangkok to boost gems and jewellery trade. There is possibility of collaboration between the two countries in areas of manufacturing invited trade delegations /businesses/entrepreneurs for opening of factories and units in the country.

Mr. Prida Tiasuwan , Pranda Jewelry Public Co., Ltd

There is possibility of collaboration in setting up manufacturing units and factories in the Thailand as the country has a relatively good business environment and trade-friendly policies pertaining to the gems and jewellery sector.

**Mr. Chompol Phornchindarak ,
Thai Gem & Jewellery Traders Association**

The Indian gems and jewellery manufacturers /traders set up manufacturing centres and factories in Thailand to boost relations between the two countries. The two countries can follow the policy of '2 countries - 1 market 'by jointly manufacturing gems and jewellery commodities for the world market.

**Mr. Somchai Phoornchindarak,
The Gems and Jewellery and Precious
Metal Confederation of Thailand**



India is one of the major sourcing countries for diamonds for Thailand. There is a need to promote and market coloured gemstones jewellery in the world. India specializes in the production of diamonds while Thailand is the major processing centre for coloured gemstones. Thus, India can import coloured gemstones from Thailand while Thailand can source diamonds from the country to meet each other's raw materials requirements. India and Thailand can explore the possibility of setting up manufacturing tie-ups in a third country for production of coloured gemstones and diamond jewellery. Businesses can also benefit by participating jointly in major international trade fairs and shows in third countries

There is a need to revive negotiations pertaining to India-ASEAN Free Trade Agreement and explore the possibility of a separate FTA between the two countries. Thailand has a trade treaty with the ASEAN countries and can serve as a base for capturing the gems and jewellery market in these countries. There should be joint meetings between associations, trade delegations and governments from both sides to enhance trade relations between the two countries

Mr. Atul Jogani, Indian Thai Diamond and Colorstone Association

Key Points

- There is possibility of collaboration in areas of manufacturing and setting up of factories.
- There should be joint meetings between associations, trade delegations and governments from both sides to enhance trade relations between the two countries
- Businesses can benefit by participating jointly in major international trade fairs and shows in third countries
- India can import coloured gemstones from Thailand while Thailand can source diamonds from the country to meet their raw materials requirements.
- There is a need to revive negotiations pertaining to India-ASEAN Free Trade Agreement and explore the possibility of a separate FTA between the two countries
- There is a need to promote and market coloured gemstones jewellery in the world
- Businesses are moving out of Hong Kong to Thailand and India, leading to more export opportunities that could work together to create a triangle of growth between Jaipur, Mumbai, and Bangkok

Issues & Challenges hindering gems and jewellery trade

Thailand has one of the best craftsmen /artisans in the manufacturing of silver jewellery in the world that charge reasonable prices for their skills. There is possibility of collaboration in setting up of jewellery store line in Thailand as the country attracts a lot of tourist population for meeting their gems and jewellery requirements. There is a huge potential in high fashion retail /branded retail sector in gems and jewellery sector in Thailand similar to countries such as London, Dubai and Florence. However, there is need to resolve few bottlenecks pertaining to FDI in branded retail in Thailand.

Mr. Abhishek Haritwal, Haritsons

There is a need for proper issuance of Visa for Indian exporters for sourcing finished and raw rough coloured gemstones in Thailand

Mr. Sanjay Kala , Kinu Bala Gems

The gems and jewellery trade relations between the two countries will continue to strengthen naturally even without requisite government support due to strong cultural ties and existing trade complementarities. India needs to ape Thailand in terms of better ease of doing business, policies, reforms, and business environment pertaining to the gems and jewellery sector to enhance trade relations between the two countries.

Mr. Prida Tiasuwan , Pranda Jewelry Public Co., Ltd

Key Points

- India needs to ape Thailand in terms of better ease of doing business measures, policies, reforms, and business environment to enhance trade relations between the two countries
- However, there is a need for the proper issuance of Visa for Indian exporters for sourcing finished and raw rough coloured gemstones.
- However, there is a need to resolve a few bottlenecks pertaining to FDI in branded retail in Thailand.



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.

- Locals in Thailand prefer modern and contemporary jewellery manufactured by International brands
- Thailand is a major hub for Fashion and imitation jewellery
- The growth outlook of lab-grown diamonds in Thailand is bright
- Thailand has a manufacturing prowess in the coloured gemstones especially Rubies & Sapphires
- India and Thailand have both emerged as the gems and jewellery hubs of the world including diamond and coloured stones cutting and polishing skills with a globally recognized jewellery production capacity and relatively low wage rates.
- People in Thailand prefer natural diamonds over polished lab-grown diamonds for local consumption
- People in Thailand prefer pure plain gold jewellery
- India needs to ape Thailand in terms of better ease of doing business measures, policies, reforms, and business environment to enhance trade relations between the two countries
- However, there is a need for proper issuance of Visa for Indian exporters for sourcing finished and raw rough coloured gemstones.
- However, there is need to resolve few bottlenecks pertaining to FDI in branded retail in Thailand.
- Thailand's business environment, policies, taxes, rebates and other import and export procedures/facilities are conducive to the gems and jewellery sector
- India sources a large proportion of rough materials from Thailand
- High skilled labour is one of the key strengths of Thailand's gems and jewellery industry

Collaboration Possibilities

- There is possibility of collaboration in areas of manufacturing and setting up of factories.
- There should be joint meetings between associations, trade delegations and governments from both sides to enhance trade relations between the two countries
- Businesses can benefit by participating jointly in major international trade fairs and shows in third countries
- India can import coloured gemstones from Thailand while Thailand can source diamonds from the country to boost gems and jewellery trade relations
- There is a need to revive negotiations pertaining to India-ASEAN Free Trade Agreement and explore the possibility of a separate FTA between the two countries
- There is a need to promote and market coloured gemstones jewellery in the world
- Businesses are moving out of Hong Kong to Thailand and India, leading to more export opportunities that could work together to create a triangle of growth between Jaipur, Mumbai, and Bangkok

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