



Indian Global Connect Business Networking Meet - India-UK 28th September 2020

The Covid-19 pandemic situation is having an unprecedented impact on the global economy and businesses. Exports and imports of almost all the products including the Gem and Jewellery have been tremendously 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 its 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-UK India Global Connect is the first Virtual Business Networking Meet organised by the GJEPC on 28th September wherein jewellery manufacturers of India and leading retailers/wholesalers of UK were connected to understand present economic and business scenario, customers' preferences, jewellery trends, trade procedures etc. of their respective country.



Key Participants

Mr. Manish Singh	Minister (Economics), Indian High Commission, UK
Mr. Rohit Vadhwana	First Secretary (Economics) , Indian High Commission, UK
Mr. Colin Shah	Chairman, GJEPC
Mr. Mansukh Kothari	Convener, Events, GJEPC
Mr. Sabyasachi Ray	Executive Director, GJEPC

Panelists from UK

David Brough (Moderator)	Jewellery Outlook Magazine
Andrew Hinds	F Hinds/Chappelle
Andrew Morton	Weston Beamor
Emmett Cummins	Company of Master Jewellers
Gemma Murphy	Jack Murphy
Gary Wroe	Hockley Mint
Helen Dimmick	Jewellery Consultant
Jayant Raniga	Pure Jewels
Mehul Lodhiya	Nysa Creations
Paul Beesley	Baird & Co.
Pravin Pattni	Minar Jewellers
Richard Hunt	Richard Hunt Jewellers
Samantha Somers	Watches of Switzerland

Panelists from India

Aswini Agarwal	Vaibhav Global
Bhaumik Gajera	Laxmi Diamond Pvt. Ltd
Darshit Hirani	P. Hirani Exports LLP
Kunal Mehta	Diatrends Jewellery Pvt. Ltd
Milan Chokshi	Tanvirkumar & Company
Puneet Verma	Hare Krishna Jewels
Rimesh Shah	Sheetal Diamonds Ltd
Shrenik Lunawat	Lunawat Gems Corporation
Vikram Advani	Goldstar Jewellery Pvt. Ltd.

Mr. Manish Singh, Minister (Economics) at the Indian High Commission to the UK, In his opening remarks, said "It is essential to promote bilateral trade between India and the UK, especially in the gems and jewellery sector. There are some challenges in Customs duty and accounting aspects, but there are robust government-to-government mechanisms already in place to deal with such issues at the highest level."

Rohit Vadhvana, First Secretary (Economics) at the Indian High Commission, informed that gems and jewellery is one of the top 5 traded items between India and the UK, and hence it is an important segment for the leadership of both countries.

Speaking about the current trade between India and the UK, **Mr. Colin Shah, Chairman, GJEPC** said, "The gem and jewellery trade between India and the UK has doubled from \$555 million in 2015 to \$1.3 billion in 2018. The UK ranked 9th among India's key export partners in gems and jewellery and there is potential to increase the country's export share in the UK. GJEPC has been proactive in leveraging the digital platform to put together virtual business programs in order to connect with buyers from the globe and further exports.

"The Indian gem and jewellery industry has been catering to different markets in the world; its annual gem and jewellery exports account for USD 36 billion; employs 4.3 million people, there are 10 special economic zones which superior infrastructure, advanced tech, highly skilled workers. We are sure that we will not only sustain but also grow this position in years to come" added **Colin**.

Mansukh Kothari, Convener, Events said, "The jewellery segment is now matured and fully developed with highly talented designers and skilled artisans, creating the widest possible range of jewellery. From mass produced diamond jewellery designed for Europe or USA, to exquisitely crafted designer jewellery in plain gold or studded with diamonds and coloured gemstones, India offers it all."

The panel moderator **David Brough of Jewellery Outlook magazine** engaged both sides in a free-flowing discussion on the possible avenues for enhancing trade opportunities between the two countries. He noted, "We are in the midst of a digital transformation of the gems and jewellery industry, and India is right at the forefront of this change with its virtual buyer-seller meetings and trade shows. The take up has started very well, and keep an eye out in this regard, the full range of offerings that India provides will increasingly be available through the GJEPC's virtual portals."

India-UK Global Meet Key Discussion Points & Takeaways

Mr. David Brough, Moderator has touched upon various points/aspects during the various rounds of discussions with the 10 participants from each country India and UK to derive the desired information from the event and achieve its set objectives. This attempt has been successful and following is the extract of the information gained during the India-UK Global Connect.

1. India UK Trade: Significant Scope of Increasing Bilateral Trade

UK is India's one of the significant trade partners for gem and jewellery products. Its trade has witnessed a rise over a period of time from US\$555 million in 2015 to US\$1.30 billion in 2018. The country with 1.55% share in India's total exports of gem and jewellery is amongst its top 10 export destinations which reflects scope of further increasing exports to the said country. The India Global Connect - Business Networking Meet is an important initiative to foster bilateral trade between the two countries in the countries.

Gold Jewellery, Cut and Polished Diamonds and Silver Jewellery are the major commodities which are exported to UK, while platinum bar, rough diamonds and lab grown diamonds are imported by India from UK.

2. 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. Gem & Jewellery Sector: Role in Global Value Chain

Gem and Jewellery, being the highly employment oriented and export intensive is amongst the key sectors of India. Exceptional skills for cutting and polishing diamonds has enabled India to become a leading supplier/exporter of polished diamonds in the World. Further, the country has eventually developed its capabilities of producing diamond jewellery product and become the preferred sourcing partner for various countries across the World. India has attained this position without having any mining/rough material basis. The country is importing rough diamonds/gold/silver bars from various countries and after converting into finished products viz. polished diamonds, gold/silver/platinum jewellery (plain and studded) exporting to the different parts of the world. From this, India's role in global value chain for gem and jewellery sector can be well understood.

4. India's Gem & Jewellery Sector: Skill and Designing Prowess

India has world class heritage of handcrafted jewellery. Few States - West Bengal and Rajasthan have highly skilled craftsmen who have learnt the skills over the centuries and passing it to the next generations. India has a very elite strength of different art like Kundan, Minakari, Hand carving, Bidri Art etc. which has become USP of Indian gem and jewellery sector. While, at the same time the country is very much developed in terms of

using advanced technology, having skilled designers creating widest range of jewellery products from mass produced to bespoke jewellery.

5. Manufacturing firms in India: Sustainability and Diversity in Workforce

Almost all manufacturing firms in India are meeting compliance pertaining to ecological, standards and have accreditation for ensuring sustainability.

Indian Industry is thriving a lot towards engaging female workers. There are factories in Mumbai and Gujarat which are manned completely by women workers. Such transformation has happened rapidly in the last decade and presently emancipation of women workforce is huge which can be seen everywhere in almost all factories and workplaces in India.

6. Indian firms' capabilities to meet UK buyers work orders

Indian manufacturers/traders have been doing business with UK buyers for several years and are well aware and capable of designing and supplying 9, 14, 18 , 22 Karat / British centric jewellery including bridal, machine set rings , nicely crafted platinum or engagement rings; while meeting the alloy, certification and other specific requirements in the said market. Since, India has already demonstrated its capabilities of manufacturing cost effective, top quality products therefore, many designer factories in UK can look towards India for collaborations to provide mass production support.

7. Jewellery Trends in UK

Demand for various product categories including old cut, fancy cut, salt & pepper diamonds, lab grown diamonds and diamond jewellery has grown in the UK market. Interest in yellow gold combined with coloured stones in the engagement ring market has renewed, while platinum is still dominating in the said market. Colour gemstones such as Tanzanite, Pareto, Aquamarine, rainbow stones are trending, but Silver Jewellery in UK has been volatile and showing downward trends. Therefore, the retailers are turning more towards creating their own brand and identity, which can be seen as significant opportunity for manufacturers to develop their brands under the umbrella of individual retailers.

8. Trade Procedures in UK and perception about Indian Gem and Jewellery Sector

Trade procedures in UK are simple. Import duty on imports of jewellery products in UK is meagre at 2.5%, officials at embassies are also supportive to the country's sourcing partners. In this manner, no real barrier exist in UK and existing/new supplier can further make efforts to enhance their presence in the said market.

The UK retailers have affirmed that working with Indian manufacturing companies has been a good experience, quality standards are very much acceptable, payments and deliveries happen on time and thus overall, there are no issues while dealing with Indian vendors/supplier. While, there are few areas where work needs to be done by India and specifically by the GJEPC:

- Lack of consolidating shipping arrangements results high freight/shipping cost, so individual shipments to be made possible.
- Quality of the products to be enhanced further

9. Novel Virtual Trade Shows/VBSMs at GJEPC

Trade event organizers in UK are expecting Indian suppliers to be part of the future exhibitions/events irrespective of the mode conduct (virtual & physical).

GJEPC is developing/launching novel virtual products including VBSMs/Virtual Trade Shows etc. to support the businesses/trade during the present challenging times and also getting the positive feedback. These shows will be increasingly available through virtual portals and the next show IIJS virtual is scheduled from 12th-16th October 2020. This is very much possible that during the post Covid-19 scenario also VBSMs/Virtual Trade shows would be going to stay in hybrid form.

Key Takeaways:

- India has vast manufacturing capacities and capabilities to cater to the specific requirements of UK 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.
- UK market has demand for diamond jewellery, engagement rings made up of platinum/white/rose/yellow gold; coloured gemstones and silver jewellery. As India has manufacturing prowess in producing all these products and well aware about the UK market, therefore there is a scope for future collaborations between the two countries in terms of combining India's mass production support with UK's designing.
- UK trade procedures are simple and tariffs on imports of gem and jewellery products are also on the lower side. Hence, new entrants from Indian side can easily access to UK market for supplying its products.
- Indian vendors/suppliers are meeting all requirements of UK buyers for gem and jewellery products while there is a need to fix the challenge of non-availability of consolidated shipping and high shipping cost.
- Clearly, we are in mid of digital transformation of the Gem & Jewellery Industry and India is right at forefront with its various virtual shows, so there is a need to keep an eye out for future events in this regard.