



Indian Global Connect

Business Networking Meet ✨

India-Oman

TRADE & INVESTMENT POSSIBILITIES

28th January 2021



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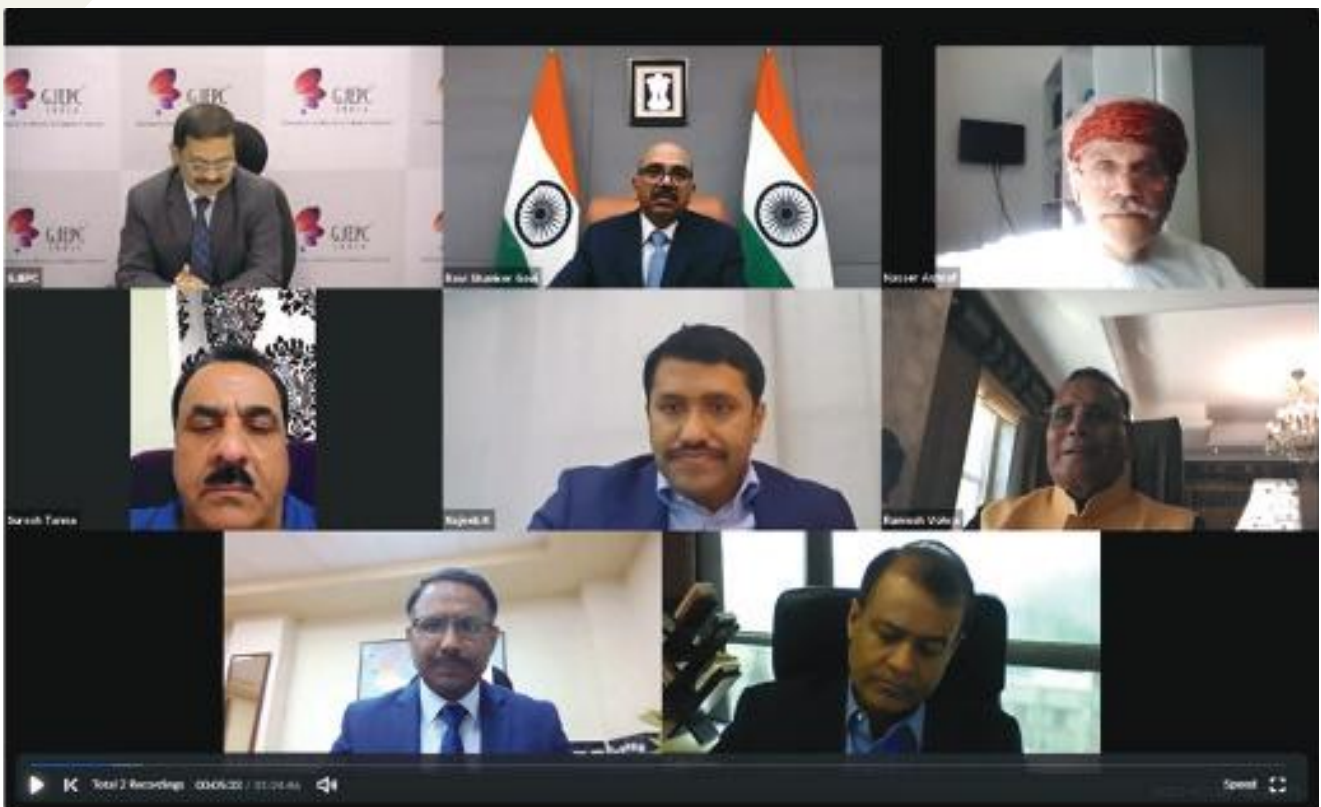
◆ **Indian Global Connect
Business Networking Meet - India-Oman
28th January 2021, Time- 4:30 IST**

The year 2020 witnessed a severe health and economic crisis due to the spread of Covid-19 pandemic at the global level. This has pushed the entire world economy including India into one of its deepest economic recession in terms of standstill production, consumption, trading activities.

GJEPC has initiated various novel virtual initiatives including virtual trade show, virtual Buyer Seller Meets (BSMs) and Virtual Business Networking Meet as Indian Global Connect (IGC) to support the gem and jewellery sector in terms of reviving their sentiments and businesses during Covid-19.

India-Oman Global Connect-Business Networking Meet has organised to help the stakeholders from both the sides to know more about each other's countries culture, customers preferences, trade scenario and overall business environment.

India-Oman Global Connect is the 5th Business Networking Meet that the GJEPC has organised after the successful meetings with the UK, Switzerland, Colombia, and Angola.



KEY PARTICIPANTS	
Mr. Nasseer Ashraf Al Balushi	Head of Gemological Department, Ministry of Commerce Investment and Trade Promotion, Oman
Mr. Ravi Shanker Goel	Second Secretary (Commerce), Indian Embassy in Muscat
Mr. Suresh Kumar	Joint Secretary, MOCI, Government of India
Panelists from Oman	
Mr. Ismail Mohammed Adam Al-Saigh	Adams, Oman
Mr. Suresh Tanna	Al-Nafisha jewellery
Mr. Anoop	Sona Gold & Diamond
Mr. Riyaz	Sea Pearl Jewellery
Mr. Vatsal Soni	Gulf Jewellery House
Mr. Ahmad Majan	Modern Jewellery
Mr. Ramesh Vohra	Bafleh Jewellery
Mr. Najeeb K	Malabar gold Jewellery LLC
Panelists from India	
Mr. Colin Shah	Chairman, GJEPC
Mr. Prakash Dhanak	Vijay Exports
Mr. Suvankar Sen	Senco Gold
Mr. K Srinivasan	Emerald Jewel Industries
Mr. Milan Chokshi	Moksh Jewellery
Mr. Mansukh Kothari	Vasupati Jewellers
Mr. Sabyasachi Ray	Executive Director, GJEPC (Moderator)

Mr. Sabyasachi Ray welcomed all the esteemed dignitaries and participants and briefly explained the objective of connecting with Oman which is to explore what both the countries can offer each other for the further development of gem and jewellery sector.

Mr. Ravi Shankar Goel said, this initiative will help the Indian gem and jewellery manufacturers to understand the challenges, opportunities, market scenario, and tariffs in Oman. India and Oman have a deep-rooted people-to-people connect, and our historically good relationship was upgraded to a strategic partnership in 2008. India's gem and jewellery trade with Oman is negligible while there is ample scope for improvement.

Mr. Suresh Kumar said, In the past, due to the geographical boundary we have not been making desired efforts towards exploring the trade potential between the two countries. The shift of trade and businesses from physical to virtual platforms has provided us with a wonderful opportunity to connect frequently with Omani counterparts and identify business possibilities. We are hopeful that towards this direction, the India Global Connect meeting will enable us to achieve the desired objective of enhancing bilateral trade between the two countries, especially for gem and jewellery products.

Mr. Nasser Ashraf Al Balushi said that the Ministry of Commerce, the Government of Oman is willing to provide all the help and support to enhance trade between the two countries and looked forward to any queries or questions.

Mr. Colin Shah, Chairman said, India-Oman bilateral trade pertaining to gems and jewellery is not significant. This is apparent from the fact that Oman imports gold jewellery amounting to US \$431.52 million from the world. However, from India it imports gold amounting to US \$2.51 million, constituting a 0.60% share of its total imports. According to him, India-Oman Gems and Jewellery trade can be enhanced by establishing direct contact with the Omanis, inviting them for participation in Indian Gems and Jewellery shows and making investments in Oman in the areas of retail, manufacturing, etc as Government of Oman is open towards inviting private sector.

1.1 India -Oman Gems and Jewellery trade: A brief glance

India -Oman bilateral trade has witnessed an upward trend during the last five years rising from around US\$3.8 billion in FY2015-2016 to around US\$6 billion in FY2019-2020. India's key export commodities to Oman are dairy products, agricultural products, cereals, mineral fuels, organic chemicals, pharmaceutical products, apparel, ceramic, iron and steel, nuclear reactors, vehicles etc. India's key import commodities from Oman are fertilisers, plastics, aluminium, ships, and boats, among others.

India-Oman bilateral trade pertaining to gem and jewellery is not significant. This is apparent from the fact that Oman imports gem and jewellery products amounting to US\$1.26 billion

from the World. However, from India, its imports are only at US\$4.25 million constituting for 0.2% share in Oman’s total imports of gem and jewellery.

(Table 1)

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

PARTICULARS	AMOUNT (US\$ MILLION)
India's Exports to Oman	4.25
India's Imports from Oman	1.24
India – Oman Total Trade	5.49

Source: DGCIIS

1.2 Oman’s key imports of Gems and Jewellery products

Oman, within the gem and jewellery category majorly imports gold jewellery (US\$432 million) and imitation jewellery (US\$7 million) from the World. However, from India, its imports of gold jewellery are merely at US\$2.5 million. (Table 2)

Table 2 - Oman’s Key G&J Imports from World vis-à-vis India 2019 (In US\$m)

HS CODES	COMMODITY DESCRIPTION	OMAN’S IMPORTS FROM WORLD (US\$MILLION)	OMAN’S IMPORTS FROM INDIA (US\$MILLION)	% SHARE OF INDIA IN OMAN IMPORTS
711319	Gold Jewellery	431.52	2.51	0.60%, 11th Rank
7117	Imitation Jewellery	6.76	0.09	1.4%, 5th Rank

Source: GJEPC Analysis based on Un Comtrade 2019 data.

1.3 India’s gold jewellery exports Region wise

The Region, Middle East is India’s most significant export destination for Gold Jewellery followed by North America, Asia, and Europe. India exported around 67 % of its gold jewellery amounting to US\$8021.47 million to the Middle East in FY2019-2020, while North America, Asia, & EU27 accounted for 13.91%, 13.85% & 4.13% sharing India’s export.

(Table 3).

Table 3
Region-wise India's Gold Jewellery Exports FY 2019-20
(In US\$ million)

REGION	2019-2020	% SHARE
Middle East	8021.47	66.62
North America	1674.87	13.91
Asia	1667.75	13.85
Europe Union 27	497.31	4.13
East Asia (Oceania)	115.48	0.96
Europe-Others	51.18	0.43
Latin America	5.29	0.04
Africa	3.90	0.03
Others	1.71	0.01
CIS Countries	0.84	0.01
Total	12039.80	100.00

Source: GJEPC Analysis based on Un Comtrade 2019 data



1.4 India's Gold Jewellery exports within the Middle East

The United Arab Emirates is the most preferred destination for India's gold export in 2019-20 followed by Qatar, Turkey, and Saudi Arabia. India exports 97 % of its gold jewellery to the United Arab Emirates with an export value of US\$ 7,750.36 million in 2019-20. Rest of the countries within Middle East comprise of only 3.38% share in India's total export of gold jewellery amounts to US \$8021.47 million (Table 4)

Table 4
India's Gold Jewellery Exports within the Middle East FY 2019-20
(In US\$ million)

COUNTRY	2019-2020	% SHARE
United Arab Emirates	7,750.36	96.62
Qatar	106.41	1.33
Turkey	63.15	0.79
Saudi Arabia	35.88	0.45
Bahrain	31.23	0.39
Kuwait	24.73	0.31
Oman	4.25	0.05
Israel	4.23	0.05
Jordon	1.17	0.01
Lebanon	0.00	0.00
Total	8,021.47	100.00

Source: GJEPC Analysis based on Un Comtrade 2019 data

INDIAN GLOBAL CONNECT - Interactions and Key Take Away

Mr. Sabyasachi Ray, Moderator started the rounds of discussions with panellists; outcomes of which are briefly described here below:

A. Gem and Jewellery Products Preferences in Oman

Mr. Ramesh Vohra from Bafleh Jewellery, Oman shared his views on the gems and jewellery products preferences between the two countries.

He shared that there is a very deep cultural affinity and connection between the two countries with respect to language, culture, preferences, and tastes. Local people in Oman mostly prefer traditional locally manufactured 21-22 K jewellery. There is a huge presence of corporate jewellery stores like Kalyan, Malabar jewellery stores as well as local stores like Sea pearl jewellery and Global Jewellery. The design preferences of both locals and Indians in Oman is similar for diamond jewellery which will make it easier for Indian jewellers to set up factories and export to Oman. South Indian Jewellery, 21K plain jewellery and diamond jewellery are some of the key Indian gems and jewellery products preferred by Omanis. The duty structure for both Dubai and UAE is similar thus making it favourable for Indian companies to export to Oman. However, Indian jewellers need to customise jewellery as per Omani taste before they can sell in Oman.

Mr. Prakash Dhankak of Vijay exports, India was also of the same view that Oman can be a strategic export partner for India due to similar preferences of gems and jewellery products.

Mr. Vatsal Soni of Gulf Jewellery house, Oman said that the diamond jewellery consumption in Oman is very minuscule as compared to gold jewellery, but it is growing and gaining momentum. The Indian expatriate community in Oman prefers diamond jewellery while Omanis favour articles and jewellery that is made up of gold. However, the diamond jewellery market in Oman is growing due to growing awareness of diamonds jewellery as well as changing tastes and preferences of the next generation.

Mr. Najeed K from Malabar Jewellery LLC, Oman shared that there is not much price sensitivity in gold jewellery. However, due to the pandemic, there has been a change in the buying pattern of the consumers, and they have become more cautious about spending in gems and jewellery products. Gold has recorded a positive growth which led to an increase in consumer confidence for buyers of gold jewellery.

Key points:

- Omanis are particular about their heritage and they prefer traditional 22- or 21-karat gold jewellery that is made locally.
- Although the diamond jewellery market is small in Oman, it is growing.
- Native Omanis prefer articles and jewellery made up of gold.
- There is not much price sensitivity about gold.
- Indian and Omani design aesthetics are almost similar and there is a strong liking for India-made 22-karat gold jewellery.

B. Oman's Sourcing Partners

Mr. Ismail Mohammed Adam Al-Saigh of Adams, Oman said that the pandemic had little to no impact on the Omani gems and jewellery market as they rely mostly on locally made jewellery.

Mr. Suresh Tanna from Al Nafisa Jewellery, Oman said that Oman usually imports its jewellery from the United Arab Emirates, Turkey, Saudi Arabia, Bahrain, and Kuwait. 95 % of Oman's gems and jewellery market is dependent on local manufacturing while it imports only 5 % of its gems and jewellery from outside countries.

Key Points:

- Bahrain, United Arab Emirates, Turkey, Saudi Arabia, Bahrain, and Kuwait are the primary import markets of Oman.
- Oman Gems and Jewellery sector recovered at a rapid pace after Covid-19 due to low reliance on imports.

C. Possibilities of Trade and Investment Collaborations

Mr. Vasupati Kothari of Vasupati Jewellery, India believed that collaborations between the two countries can be enhanced through constant interactions and dialogues through IJS and various other shows organised by the GJEPC in virtual and physical formats. IJS can serve as a platform to develop a partnership between Oman and India by enhancing trade relations in the gems and jewellery sector. India produces a wide variety of products like Gold jewellery, silver jewellery, diamond jewellery, coloured gemstones, etc that can be customised for Omani culture.

Mr. Suvankar Sen from Senco Gold, India shared that Indian jewellers already have a significant presence in the Omani market with the presence of both established and local stores in Oman that caters to the Gems and jewellery requirements of Oman. There is a possibility of investing in all areas of gems and jewellery sector ranging from distribution, retail, trading, manufacturing, production, skilling, etc as long as there is support and assurance from the Oman government in facilitating Indian karigars and workers employed in Oman.

Mr. Nasseer Ashraf Al Balushi from the Department of Commerce (Oman) said that there is a possibility of trade cooperation between the two countries in all fields from technological partnership, training, manufacturing, etc. There is a need to establish direct contact between the countries at the highest level possible so as to make it easier to conduct

trade relationship between Oman and India. The government of Oman's trade policies are constantly changing and being updated which has led to opening up of markets and have attracted private investment in the gems and jewellery sector.

Mr. Nasseer highlighted three points that can be utilised for strengthening trade relations in Gems and Jewellery product between the two countries :

- (1) Traditional Omani jewellery is being manufactured by Indian workers working in Oman
- (2) India has a large expatriate population in Oman
- (3) Oman and India have similar tastes in jewellery.

There is a lot to learn and educate each other regarding gems and jewellery and invited Indian jewellers to enter Omani markets for production and manufacturing of gems and jewellery. The Oman government will extend all support and cooperation in strengthening exports of gems and jewellery products.

Mr. Ismail Mohammed Adam Al-Saigh of Adams, Oman said that Indian jewellery is preferred by the Omani people but there is a liking for heritage jewellery that is locally manufactured. He suggested hiring local Indian karigars and workers to make Omani jewellery that is suited for the market as one of the ways in which Indian jewellers can enter the Gems and Jewellery market in Oman.

Mr. Ramesh Vohra from Bafleh Jewellery, Oman suggested that since Oman already has a trade treaty for duty exemption with USA and Singapore it can move forward to sign a treaty with Oman so that Indian companies can directly export gems and jewellery products to Oman.

Key Points:

- India should move forward to sign a treaty with Oman for a duty exemption so that Indian companies can export more jewellery directly without having to route it via Dubai. Oman already has similar treaties with the USA and Singapore.
- There are a lot of commonalities and a long-standing relationship between Oman and India and there are immense possibilities to take this trade relationship forward.
- IJS can serve as a platform for establishing direct trade relations between the two countries.
- There is a possibility of collaboration and investment in almost all areas of the gems and jewellery sector.

D. Present perception, awareness and advantage of Indian Gems and Jewellery entrepreneurs towards Oman

Mr. Milan Chowksi from Moksh Jewellery, India believes that India is capable of manufacturing any type of jewellery specific to any market requirement due to its immense capability of manufacturing varied kind of gems and jewellery products. Although, Oman is predominantly a gold jewellery market there is a growing demand for diamond jewellery and other modern designs of gems and jewellery products. There is an immense business opportunity between the two countries. The need is only to have more direct interaction between Omani and Indian Jewellers to boost gems and jewellery bilateral trade.

Mr. K Srinivasan from emerald jewellery, India said that although the bilateral trade between the two countries in gems and jewellery sector is negligible but there is a tremendous potential for India to export its gems and jewellery products to the gulf countries. Price competitiveness and customizable designs are some of the factors that provide an edge to Indian gems and jewellery products in Oman. The Gems and Jewellery trade can be further enhanced between the nations through constant interaction and dialogue.

Key Points:

- India is capable of manufacturing any type of jewellery specific to any market requirement.
- There is a need for more direct contact and dialogue between the two countries.

Conclusions

The meeting was concluded by highlighting key insights gained from the interactions. He narrated that there is a great scope of enhancing bilateral trade relations between the two countries.

1. There are a lot of commonalities and a long-standing relationship between Oman and India creating immense possibilities to take this trade relationship forward.
2. Indian and Omani design aesthetics are almost similar and there is a strong liking for India-made 22-karat gold jewellery.
3. There is not much price sensitivity in gems and jewellery as Oman depends entirely on locally made gems and jewellery due to which the pandemic had relatively less impact on Oman's gems and jewellery market.
4. The diamond jewellery market is small in Oman, but it is growing.
5. IIJS can serve as a platform to establish a direct link between Omani and Indian Jewellers to strengthen gems and jewellery trade.

6. Indian labourers and workers working in plants and manufacturing units in Oman should be facilitated by the Omani Government.
7. A design preference and a deep cultural affinity work in favour of Indian gems and jewellery and can be a way forward between the two countries.

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