



◆ **India Global Connect** ◆  
**Business Networking Meet**  
**India- Lebanon**  
**4th February 2022**



**...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 - Lebanon 4<sup>th</sup> February 2022, Time- 3:00 P.M IST

Covid-19 pandemic has tested the macro-economic resilience and strength of the economies worldwide. India saw sooner than anticipated and faster than expected pace of recovery majorly on account of the dynamic reforms by the Government in terms of enhancing liquidity, providing fiscal support to the affected industries, systematic unlock downs and resumption of economic activities and addressing operational challenges among others.

According to the global organizations - IMF and World Bank, Indian economy is projected to grow by 9 % and 8.7 % in 2022 supported by ongoing structural reforms, better than expected financial sector recovery, improving investment outlook and increase in infrastructural spending. India's industrial activity has also witnessed a significant growth of 17.4 % during April -November 2021 as compared to contraction of (-) 15.3 % in the same period last year.

India's merchandise exports have witnessed a complete turnaround in the financial year 2021-22, India's total exports of merchandise goods grew by 49.66 % from US\$ 201.38 billion in April -December 2020 to US\$ 301.38 billion registered during April -December 2021. This is the historic export performance recorded in the country. It was largely on account of significant growth in engineering, rice, oil meals and marine products as well as other sectors. The Gems and Jewellery sector has been one of the key drivers behind the exports. Exports of Gems and Jewellery products increased by 71.22 % to US\$ 28.90 billion during April - December 2021 as compared to US\$ 16.88 billion recorded in the same period last year. Specific to the gem and jewellery sector, the GJEPC has undertaken several initiatives from organising virtual trade shows, virtual BSMs, trade shows in physical formats.

**India-Lebanon 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-Lebanon Global Connect** is the 13th 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



### Key Participants

Dr. Suhel Ajaz Khan	Indian Ambassador to Lebanon
Mr. R Arulanandan	Director, MOC&I
Dr. Mohammad Abou Haider	Director General, Ministry of Economy, Lebanon

### Panelists from Lebanon

Dr Linda Sultan	
Mr. Atef Nsouli	
Mr. Wael Ghazal	
Mr. Patrick Abou Haidar	
Dr. Iman Kamali	
Mr. Danny Gedaoun	DG, Ministry of Industry, Govt. of Lebanon
Mr. Mohammad Saleh	
Mr. Boghus Kurdian	President of Syndicate of Gems & Jewellery, Lebanon.
Ms. Susan Edi	

### Panelists from India

Mr. Abhineet Boochra	Silver centre
Mr. Rahul Jauhari	Star Rays
Mr. Manish Jiwani	Anand International
Mr. Ram Tambi	Swastik Exports
Mr Sabyasachi Ray	ED, GJEPC (Moderator)



**Dr. Suhel Ajaz Khan** said, “India has made a spectacular recovery after the covid slump. India is all set to grow at 9.2%, which is going to be the highest among the biggest economies in the world. We are also projected to grow 8-8.5% in the next financial year 2022-23. So there are opportunities for all our partners to do business with India. As far as the bilateral trade between India and Lebanon is concerned, there is a huge potential to be tapped, and I am happy that today with India Global Connect meet we have initiated the talk to improve the gem and jewellery trade between both countries. India and Lebanon are both export-oriented when it comes to gems and jewellery, but there are ways to collaborate and complement each other’s strengths.”

**Sabyasachi Ray** said, “The gems and jewellery trade between India and Lebanon has been declining for the past several years. The India Global Connect meet with Lebanon is an endeavour to explore ways of reviving and increasing the bilateral trade, opportunities relating to skills, marketing, etc. India and Lebanon complement each other well when it comes to the gem and jewellery trade. With Lebanon being one of the largest manufacturers of studded jewellery, the direct sourcing of raw materials such as diamonds and coloured gemstones from India can be beneficial for both.”

At present, Lebanese jewellery manufacturers source the bulk of their raw materials from Antwerp, Hong Kong, and Thailand,

**R. Arulanandan** noted, “India’s exports of cut & polished diamonds to Lebanon have come down in recent years, but we need to connect our buyers and sellers to understand the capabilities and requirements of each other, so that we will be poised for revival in trade in the coming years.”

**Dr. Mohammad Abou Haidar** said, “India and Lebanon have a longstanding friendly relationship, however, trade between India and Lebanon is not up to our expectations. Trade figures reflect this—in 2019, Lebanon’s overall imports from India were USD 300 million while exports to India were just USD 11 million. Top imports include diamonds, motor cars, medicines, etc. while exports included non-value-added products like aluminium, copper, etc. I am sure this platform today here will help us both understand the requirements and help in boosting our trade relationship.”

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

India -Lebanon total bilateral trade in 2020-21 stood at US\$ 218.33 million. Organic chemicals, pharmaceutical products, Plastics and articles, nuclear reactors, Electrical machinery and equipment, cereals and meats and edible meats are the key commodities exported to Lebanon. India majorly imports aluminium, copper, lead, zinc and articles, iron and steel, nuclear reactors and boilers and other miscellaneous manufactured articles from Lebanon.

The bilateral trade between the two countries pertaining to gems and jewellery trade is not much significant and have witnessed a decline from US\$16.84 million in 2015-2016 to US\$ 4.75 million in 2020-21 (**Refer Table 1**)

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

Year	Exports	Imports	Total Trade
	US\$ Mill	US\$ Mill	US\$ Mill
2015-16	16.83	0.01	16.84
2016-17	14.78	0.40	15.18
2017-18	16.68	0.04	16.72
2018-19	17.21	0.76	17.97
2019-20	9.93	0.02	9.95
2020-21	4.73	0.02	4.75

Source: DGCI&S

## 1.2 India 's Export basket to Lebanon

Cut and polished diamonds is the key commodity exported to Lebanon constituting more than 96 % of India's total exports of gems and jewellery commodities to the country. Coloured Gemstones, Gold jewellery and silver imitation jewellery are the other commodities that are exported from India to Lebanon.

**Table 2 - India's exports of gems & jewellery commodities to Lebanon**

Commodity	Amount (US\$ million)
Cut & Polished Diamonds	9.56
Coloured gemstones	0.20
Imitation Jewellery	0.13
Gold Jewellery	0.03
Others	0.01
Total	9.93

Source: DGCI&S



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

Lebanon total imports of gems and jewellery commodities from the world are valued at US \$ 894.1 million which majorly consist of gold bars, rough diamonds, cut and polished diamonds, gold jewellery, and coloured gemstones. Gold bars account for 65 % of Lebanon total imports of gems and jewellery commodities from the world.

**(Refer table 2)**

The share of India in Lebanon’s total imports of gems and jewellery commodities stood at 2.1 % in 2020 and the country is one of the major sourcing partners for Cut and Polished Diamonds for Lebanon. It is to take note that Lebanon’s imports of gold jewellery and Coloured Gemstones from India are low despite, India being a key exporter of these products in the world market. The duty rates applicable for India in Lebanon for the key gems and jewellery commodities stood at 5 %.

**Table 2: Lebanon Key G&J imports from World and India and duty rates applicable for India in Lebanon - 2020**

HS Code	Commodity Description	Lebanon’s Imports from World (US\$mn)	India’s % share in Lebanon’s Imports & rank	Duty rates applicable for India in Lebanon
71	Gems and Jewellery	US\$ 894.1 million	2.1 %, 7 <sup>th</sup> rank	----
710812	Gold Unwrought (Bars)	US\$ 586.86 million	0.01 %, 15 <sup>th</sup> rank	Free
710231	Non-Industrial Unworked Diamonds (Rough diamonds)	US\$ 190.08 million	-----	Free
710239	Cut & Polished diamonds	US\$ 80.74 million	21.6 %, 2 <sup>nd</sup> rank	Free
711319	Gold Jewellery	US\$ 25.36 million	0.2 %, 15 <sup>th</sup> rank	5 %
710391	Rubies, Sapphires & Emeralds	US\$4.6 million	16.5 %, 2 <sup>nd</sup> rank	Free
7117	Imitation jewellery	US\$ 1.4 million	2.1 %, 6 <sup>th</sup> rank	5 %
710221	Industrial diamonds unworked or simply sawn, cleaved or bruted	US\$ 1.08 million	-----	Free
711311	Silver jewellery	US\$ 1.06 million	0.1 %, 12 <sup>th</sup> rank	5 %

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 Lebanon 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

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

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 Lebanon within the WANA region is insignificant and valued at US\$ 9.93 million in the same period accounting for less than 1 % 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
Egypt	2.55	0.02
Sudan	2.09	0.02
Jordan	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. Sabyasachi Ray started the rounds of discussions with panellists; outcomes of which are briefly described here below:

### Gem and Jewellery products preferences and designs in Lebanon

Lebanon has always been on the fulcrum in jewellery manufacturing and is known as the region's goldsmith and consumer appetite for jewellery has always been voracious in country. Gems and jewellery industry in Lebanon have changed over the years and combine the traditional fashion trends with new modern trends of jewellery wear.

Lebanese women opt for classical jewellery for their daily wear along with fashionable accessories such as chains with a combination of gold /rose gold/silver jewellery. There is also a preference for branded jewellery from global retail stores such as Cartier & Tiffany. There are a considerable proportion of consumers who are spending on gems and jewellery products despite the pandemic and economic crisis. Lebanese usually purchase gold for its uniqueness, creativity, beauty, and innovation rather than just as an investment. Locals are inclined towards coloured gemstones manufactured by India.

There is a difference in Lebanese and Indian gems and jewellery product preferences, culture, and designs. Lebanese gems and jewellery designs are a mixture of Arabic and western culture and consumers prefer locally manufactured products. The country majorly imports gems and jewellery products from Italy which is then processed further to suit the cultural requirements of the Lebanese people.

#### a) Gold Jewellery /Coins

Lebanon majorly imports raw materials from Switzerland which is then exported to the Gulf region. There is a lack of direct suppliers for importing gold jewellery from India. However, Lebanese prefers Indian gems and jewellery designs, especially 21 karat gold jewellery. There needs to be more engagement/communication between the two sides to increase bilateral trade

Traditionally, Lebanese people utilize gold and other high precious metals as investment. However, the gold coins are mostly imported from Switzerland and other international banks



## b) Diamonds (Lab-grown diamonds & Natural diamonds)

Lab-grown diamonds is one of the fastest-growing jewellery commodities in the world with increasing demand and acceptability of the product in major markets such as USA and Europe. India's lab-grown diamonds exports have grown exponentially in comparison to last year and is expected to cross US\$ 1 billion (in value) in the current financial year. Lebanon has expertise in terms of craftsmanship of gems and jewellery commodities especially studded jewellery. On the other hand, India has an existing supply chain in terms of cut and polished diamonds and growing capability in terms of manufacturing lab-grown diamonds at competitive rates. Thus, Lebanon can import diamonds from India and manufacture studded jewellery for exporting to markets in Europe and Gulf region.

Diamonds is one of the key gems and jewellery commodity that is imported by Lebanon. India specializes in the production of high-quality diamonds in the world. However, there is dearth of direct exports of gems and jewellery commodities products including diamonds to Lebanon

## c) Silver jewellery

India is one of the biggest manufacturers and exporters of silver jewellery and imitation jewellery in the world. Additionally, Lebanon has traditionally not been a strong market for silver jewellery. India has globally recognized expertise in manufacturing high-quality silver jewellery at an affordable rate catering to designs and preferences of the global market coupled with state of art infrastructure facilities. Lebanon mostly sources its gems and jewellery requirements especially silver jewellery from UAE.

### Key points

- Lebanese prefer buying gold for its uniqueness, creativity, beauty, and innovation rather than just as an investment.
- There is a difference in Lebanese and Indian gems and jewellery product preferences, culture, and designs
- Lebanese are inclined towards coloured gemstones manufactured by India
- Locals prefer 21 karat gold jewellery.
- Lebanese gems and jewellery designs are a mixture of Arabic and western culture and consumers prefer locally manufactured products
- Diamonds is one of the key gems and jewellery commodity that is imported by Lebanon.
- Lebanon can import diamonds from India and manufacture studded jewellery for exporting to markets in Europe and Gulf region
- Lebanon is not a strong market for silver jewellery

## Issues and constraints hindering gems and jewellery trade.

Lebanon has been severely hit by the economic crisis which has diminished consumer's buying capacity of gems and jewellery commodities relying mostly on exports. Indian manufacturers need to customize their products to suit the preferences of the Lebanese population. There is lack of awareness of Indian gems and jewellery designs and products in the Lebanese market.

India exports gems and jewellery commodities to Lebanon both directly and indirectly through countries such as UAE, Thailand & Hong Kong. India's direct exports to Lebanon is lower majorly on account of ease of doing business, logistics, supply chain and lack of visa issues in comparison to other countries. The addressal of these concerns along with organizing specific export-oriented buyer-seller meets with only Lebanon can enhance trade relations between the two countries. India can also capture the opportunity of supplying-coloured gemstones as the commodity attracts zero duty in Lebanon.

Lack of awareness of Indian gems and jewellery designs among Lebanese companies has inhibited exports in the country. There needs to be more exchanges, discussions, events, and meetings between Indian and Lebanese manufacturers /companies to increase awareness about Indian gems and jewellery products in the market. Operational issues pertaining to customs duties and ease of doing business issues in terms of banking and finance facilities needs to be addressed to boost gems and jewellery trade between the two countries.

### Key points

- There are operational issues pertaining to customs duties and ease of doing business in terms of banking and finance facilities, Visa issues, logistics and supply chain in relation to other countries
- There is a lack of direct exports to Lebanon
- Lack of awareness of Indian gems and jewellery designs among Lebanese companies has inhibited exports in the country
- Indian gems and jewellery products do not adhere to the requirements of the Lebanese market
- Organizing specific export-oriented buyer-seller meets with only Lebanon can enhance trade relations.
- India can also capture the opportunity of supplying-coloured gemstones as the commodity attracts zero duty in Lebanon.



## Measures to enhance gems and jewellery trade between the countries

A majority of gems and jewellery exports to Lebanon are being routed through UAE. A favourable duty structure can enhance the direct exports of gems and jewellery products into Lebanon. There is possibility of collaboration between the two countries in terms of exchanges of artisans /karigars and skilling

There are no specific challenges /constraints to enhance direct trade relationship between the two countries. There is a need to organize seminars /trade shows /conferences /VBSMs to bridge the information gaps pertaining to awareness of Indian gems and jewellery products and to introduce importers /exporters from both countries. India can meet the sourcing requirements of gems and jewellery products in terms of raw materials of Lebanon that is required for the manufacturing of finished gems and jewellery products

Lebanese jewellers are designers, trendsetters and serve as manufacturers to the surrounding gulf area. They are particular about the way they look at jewellery which they perceive as a reflection of their country's civilization and gateway to the east and west. They majorly source inventory from multiple suppliers for procuring the best quality raw materials in terms of quality and price ratio. Lebanese jewellers reduce their level of business risk and base their buying decisions on measurable market trends.

There is a need to share insight and knowledge, study the market needs of the market, and interact with Lebanese manufacturers to tailor the gems and jewellery products as per requirements of the local market to create a mutually beneficial trade relationship between the two countries.

### Key points

- There is a need to organize seminars /trade shows /conferences /VBSMs in order to bridge the information gaps pertaining to awareness of Indian gems and jewellery products
- India can meet the sourcing requirements of gems and jewellery products in terms of raw materials
- A favourable duty structure can enhance the direct exports of gems and jewellery products into Lebanon.
- There is possibility of collaboration between the two countries in terms of exchanges of artisans /karigars and skilling



## Lebanon's sourcing countries and competitors

The gems and jewellery sector accounts for around 30 % of total exports of the country. Lebanese has expertise in jewellery manufacturing using latest available technology, cheap labour and skilled designers as compared to other European countries. The Gulf region and USA are the major importing sources of gems and jewellery commodities for Lebanon. However, a proportion of industrialists have shifted to other markets in the Gulf region on account of the current economic crisis and small population. The Lebanese gems and jewellery products are able to compete with other countries due to its affordability, high -quality and uniqueness

### Key points

- The Gulf region and USA are the major importing sources of gems and jewellery commodities for Lebanon
- The Lebanese gems and jewellery products are able to compete with other countries due to its affordability, high -quality and uniqueness



## Conclusions

Mr. Ray 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 invited Lebanon panelists to visit the India International Jewellery Show (IIJS) Signature show organised by the council from 18th - 21st February 2021

- Lebanese prefer buying gold for its uniqueness, creativity, beauty, and innovation rather than just as an investment.
- There is a difference in Lebanese and Indian gems and jewellery product preferences, culture, and designs
- Lebanese have a preference towards coloured gemstones manufactured by India
- Locals prefer Indian 21 karat gold jewellery.
- Lebanese gems and jewellery designs are a mixture of Arabic and western culture
- People in Lebanon usually opt for locally manufactured products
- Diamonds is one of the key gems and jewellery commodity that is imported by Lebanon.
- Lebanon is not a strong market for silver jewellery
- There are operational issues pertaining to customs duties and ease of doing business in terms of banking and finance facilities, Visa issues and logistics
- There is lack of direct exports to Lebanon
- Lack of awareness of Indian gems and jewellery designs among Lebanese companies has inhibited exports in the country
- Indian gems and jewellery products do not adhere to the requirements of the Lebanese market

## Collaboration Possibilities

- India can capture the opportunity of supplying-coloured gemstones as the commodity attracts zero duty in Lebanon.  
There is a need to organize seminars /trade shows /conferences /VBSMs in order
- to bridge the information gaps pertaining to awareness of Indian gems and jewellery products
- India can meet the sourcing requirements of gems and jewellery products in terms of raw materials
- A favourable duty structure can enhance the direct exports of gems and jewellery products into Lebanon.
- There is possibility of collaboration between the two countries in terms of exchanges of artisans /karigars and skilling
- Lebanon can import diamonds from India and manufacture studded jewellery for exporting to markets in Europe and Gulf region

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