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GJEPC
MAGAZINE



Cornered by Covid-19
GJEPC Fights Back

FUTURE OF BUSINESS AFTER COVID-19

FEATURING

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**TOGETHER WE CAN SAVE
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FUTURE OF BUSINESS AFTER COVID-19

Post the lockdown, returning to work will be defined by strict hygiene compliances and taking cautious and calculated risks. Solitaire International spoke to a handful of government and industry stalwarts for their views on prerequisites for getting back to business post Covid-19

Covid-19 is an unforeseen and unprecedented situation that has turned the world upside down. And like every major disruption, it is pushing the industry's boundaries of resilience. The industry - be it miners, manufacturers, retailers or wholesalers - will have to gear up for a world where the old norms will have to be reframed.

Instead, new rules and different social mores will have to be put into place. Resuming operations in the midst of a pandemic requires a lot of thinking through and courage - because this virus, so far, has no cure.


Already, the world over, the gem and jewellery industry has started resuming operations gradually and with caution. The wheels of the global economy are slowly starting to turn again.

Lucapa Diamond Company announced recommencement of scaled mining operations at Angola's Lulo alluvial diamond mine. Similarly, in South Africa, Petra Diamonds said it was permitted to ramp up to 50% of labour capacity during the nationwide lockdown. Though stores in China are not open fully, the country is

expected to return to normalcy within four months. Luk Fook Jewellery in region reported improved sales for the first two weeks of April.

Closer home, Jaipur's EPIP and SEZ Zone 1 and 2 have started production. Surat Hira Bourse, too, has exported 10 shipments while Surat SEZ has started operations in eight units.

Pramod Agrawal, chairman, the Gems and Jewellery Export Promotion Council (GJEPC), said, "The Indian gem and jewellery industry has a backlog of over \$1 billion-worth of orders. This needs to be delivered soon, or else there is fear of losing business to neighbouring countries like China or Thailand, as both the countries are operational. We are in talks with the Maharashtra government to allow minimal operations at SEEPZ, Bharat Diamond Bourse (BDB), etc., which are the most prominent export zones in India. GJEPC along with the Bharat Diamond Bourse is working with Maharashtra Industrial Development Corporation (MIDC) to formulate an SOP to commence minimal operations at BDB, while complying with Covid-19 safety guidelines set by the state government. At the



same time, GJEPC, along with the SEEPZ authorities, is pursuing the state government to commence minimal operations with the objective to clear backlogs by adhering to the guidelines.” (See page 16 for the latest updates about the state government permitting gems and diamond business to resume limited jewellery operations).

Colin Shah, vice chairman, GJEPC, stated, “This industry has emerged from every crisis more resilient. This time, it will take longer to find the new normal, which could be about 20% below the pre-Coronavirus level in value terms. The industry collectively took a decision to halt rough diamond imports for a month starting from May 15th, 2020 to stabilise diamond prices and clear the existing inventory.”

While there’s a definite buzz in the industry to restart, a conscious effort will have to be undertaken to realign old ways with new ones. To shed light on the situation, Solitaire has

endeavoured to put together a holistic view of the way forward through interviews with officials from the government, mining segment, marketing and jewellery retail.

As the business world slowly awakens from the never-ending nightmare that is the Covid-19 pandemic, there is a universal understanding and acceptance that things will never be the same again.

It is essential to remember that Covid-19 is – first and foremost – a humanitarian crisis, not purely an economic one. It should be acknowledged that the GJEPC had made health care its top priority years earlier when it launched the Swasthya Ratna health insurance scheme for employees of member companies. This was followed a few years later by the introduction of the Swasthya Kosh health insurance fund for the large number of independent jewellery artisans who hold the Parichay Card. ■

UNITE TO SURVIVE

Once the lockdown is lifted, the gem and jewellery industry needs to ensure that its massive workforce starts to slowly return to work and get the economic engine back on track.



Along with government initiatives, the industry should also unite to help and protect the precious human resource.

RUPA DUTTA, Economic Advisor, Ministry of Commerce and Industry, Government of India

The future of the diamond, gold and gemstone industry remains uncertain, and it will take some time before we see exports revive. What steps can the industry take to resume operations and revive the industry's moribund state?

Covid-19's unprecedented impact on business across the globe has completely derailed established

supply chains of various sectors and industries. Restrictions on travel by many countries have resulted in cancellation of business events, deferment of committed orders, reduced demand, elongation of receivables, etc.

Further, rising uncertainties and fear of severe value loss along with the prospect of instability in business has aggravated trade sentiments globally. It is severely impacting all sectors, especially the export-oriented sectors like gems and

jewellery where the products are also high value items.

The future of all businesses including the diamond, gold and gemstone industry remains uncertain till some certainty is reflected on controlling and containment of the Covid-19 pandemic. It will take some time before we see some revival in exports.

However, once the lockdown is lifted, the gem and jewellery industry needs to ensure that its

massive workforce starts to slowly return to work and get the economic engine back on track. For this, the industry will have to ensure availability of work and job security. Sustaining manufacturing over the next two to three months will be crucial and conserving cash on hand will be the key to survival for most businesses. As such along with government initiatives, the industry also should unite to help and protect the precious human resource.

What are the commerce ministry's expectations from gems and jewellery industry leaders?

The coronavirus' outbreak has created an unprecedented situation globally. Humans have encountered outbreaks of diseases earlier too, but this is the first viral outbreak/pandemic of this nature and scale.

The gem and jewellery community has initiated several reforms to fight and overcome the Covid-19 pandemic at individual industry levels. The Gem & Jewellery Export Promotion Council (GJEPC) has provisioned a fund of ₹50 crore for the sector out of which ₹21 crore has been contributed to the 'PM CARES' fund. The balance is being spent for the well-being of the industry, workers/artisans and employees to help them cope up with the present strain of the pandemic.

Now, we expect the industry to unite and survive this crisis by taking care of its workforce. We hope from that daily wagers are paid minimum wages required for survival till work is resumed. Additionally, the industry is expected to protect its employees' pay and job by availing reserves created for such purposes or by any other means. The utmost priority at

this time is just to save the job/work of the human resources so that they can survive in this crucial period.

What is the commerce ministry's plan to support the industry during these tough times?

Both the government and industry must jointly do everything in their power to ensure that jobs are saved and families are unhurt by Covid-19's economic impact. The government has already announced several fiscal measures to assist traders in this period of uncertainty. Various policy measures/relaxations and changes in regulatory compliance have been initiated to minimise the hurdles faced by the exporters/industry players and facilitate ease of doing business in such a critical time.

In a continuous process, the government is coming up with different relief measures for various sectors from time to time based on the changing economic situation in the country. While the Government of India has undertaken numerous measures and ensure availability of facilitating measures to help the industry in these tough times, it is also expected that this industry takes steps and devise measures where community members support, sustain and nurture each other.

Are there any new marketing strategy that the industry should focus on, since all the shows and events are postponed or cancelled?

During the lockdown, the entire world conducted business via video conferencing calls. The integration of technology in daily business will continue to grow in coming years. Now more than ever, the use of data and analytics will be crucial for studying sales information, analysing customer behaviour, maintaining

efficient stock-keeping, reducing wastage, building a strong client database and connecting with potential customers through digital mediums.

Besides, the possibility of holding Virtual Fairs needs to be explored. Events can be held using the existing videoconference/teleconference platforms where the exporters, GJEPC and Indian missions abroad, along with prospective buyers can be brought on the same platform.

What about reviving the domestic market in some months? Could you suggest some plans of action to deal with the pandemic's ramifications?

This will depend on how the coronavirus pandemic is contained in the coming months, followed by relaxations in lockdowns and resumption of necessary business activities in a phased manner. Even after the lockdown is over, millions will avoid going to work because of fear, bad health or lack of transport.

This shortage of workers will hit the supply of goods and services. Further, there will be a slowdown in demand in the gems and jewellery sector and people fearing a recession, may put off their purchases. As such, revival in the gem and jewellery sector will definitely take more time as compared to other sectors.

However, the coming festival and marriage seasons will surely help in some revival of domestic sales of gems and jewellery. Besides, usage of digital gold and other financial instruments, including the existing Gold Monetisation Scheme, should be explored. Focus on promoting sale of low cost and high value addition jewellery such as imitation and silver jewellery through e-commerce will help in creating demand as well as increasing margin of profit. ■

EMBRACE THE DIAMOND INDUSTRY'S RIPPLE EFFECT

Global diamond demand from the cutting centres may decline by 50-60% in 2020!

By CHAIM EVEN-ZOHAR AND PRANAY NARVEKAR

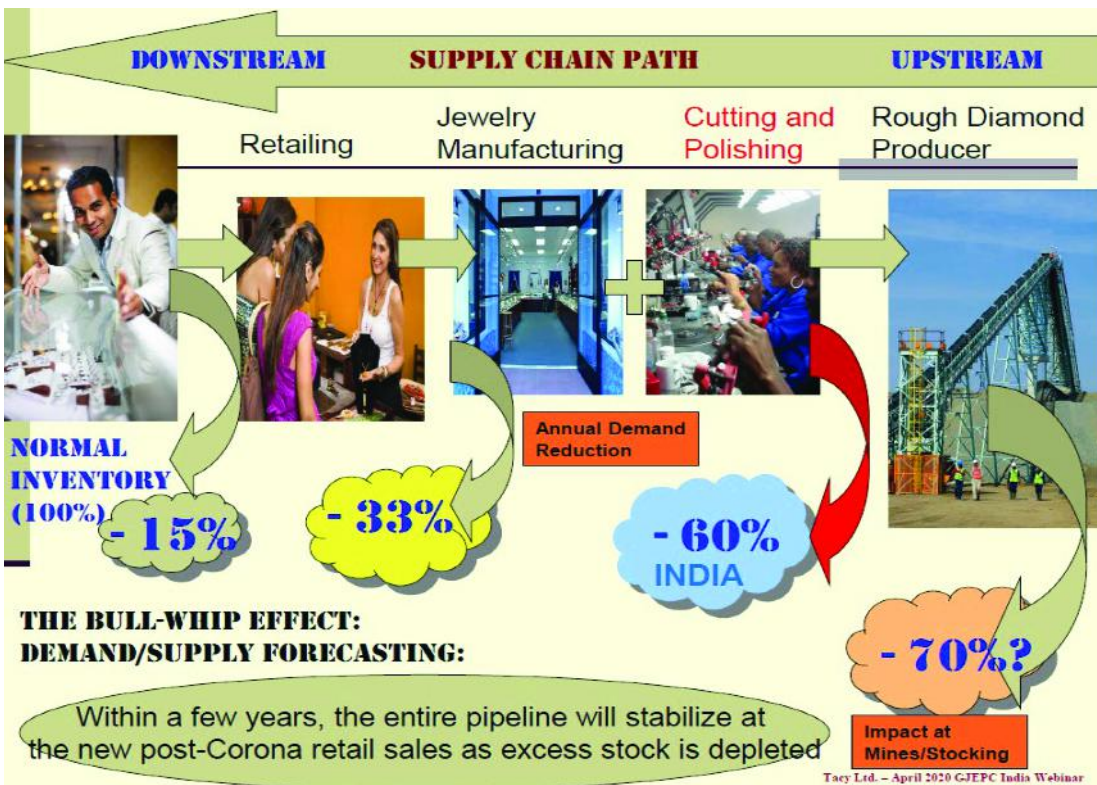
The now inevitable economic slowdown will impact the entire diamond pipeline, but each phase will be impacted in a different way - with the diamond cutting centres taking the more severe beating, only second to the producers. The economic phenomenon that explains with considerable certainty the ways diamond and players are going to be affected is the “ripple effect” - a theory that has proven itself over time within our industry.

If diamond jewellery retail consumption declines by only 15% by the end of 2020, I think we should consider ourselves extremely lucky. It is likely to be higher. We better prepare ourselves for more. The “destruction” of trillions of dollars globally as a result of stock market crashes and

bankruptcies, the enormous unemployment which we will face in the post-corona era, the recession (if not outright depression) in the United States, the uncertainties about renewal of coronavirus attacks (new peaks in winter), the 10% or maybe higher decline in global GDP, will reduce the level of income and the savings of virtually all consumers.

EXCESS DISPOSABLE INCOME WILL FALL OR DISAPPEAR

The liquidity crunch and economic uncertainties are greater (and globally wider) now than they were in previous crises. The de-stocking by the retail trade and in the jewellery manufacturing sector, the resultant decrease in demand for



polished diamonds and destocking in the cutting centres, will have a most severe negative impact on the rough diamond market. We are facing already a significant fall in rough demand, downward pressures on rough prices, shortage of liquidity and reduced pipeline profitability (especially on the level of the producers).

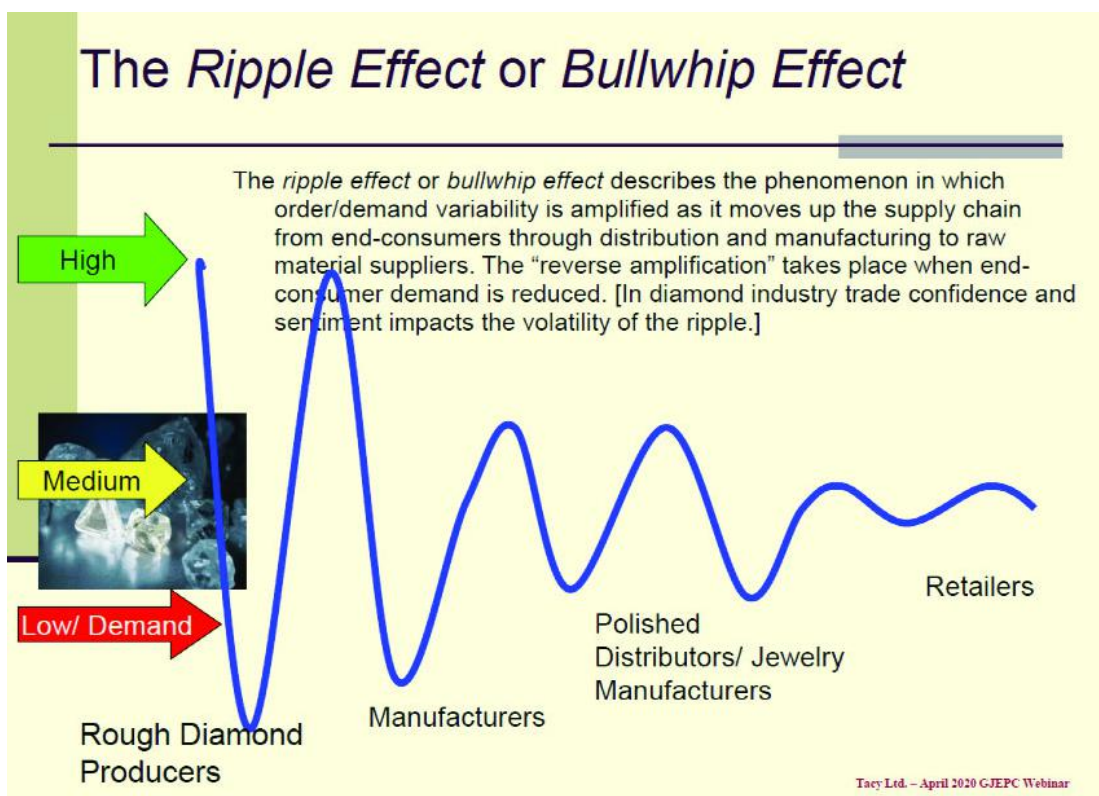
Consumers may not have any money left to purchase luxury items. Diamond jewellery will be impacted. Before explaining how the “ripple effect” (economists also refer to this as “bullwhip effect”) works, allow me a graphic illustration:

Another way to look at the ripple is shown in the following illustration. It shows how a small change (volatility) at the retail level can create enormous wave as the cutting centres and rough diamond production levels:

let’s say 5%, could well trigger a correspondent rise of industry rough diamond off-take of some 15-20%.

The reverse may also be true, as we have seen in 2001: a small decline in retail sales, in conjunction with negative trade sentiments, may cause a substantial fall in demand for rough and cutting centre polished diamond sales. This occurrence is known as the ‘ripple effect’ and the ‘reverse ripple effect’.

How does this phenomenon manifest itself? If it takes an average of 22-26 months for a diamond to move from ex-DTC level to the consumer, this means that the total normal pipeline stock level is \$36-\$43 billion (rough and polished, expressed in wholesale polished prices). This figure is of vital importance and means that at the



How the Ripple Works

HOW THE RIPPLE WORKS

The ripple works both ways - both in a growing and in a falling market. It is premised on the facts that under certain circumstances, increases of diamond retail sales of a few percentage points,

retail level it takes almost one year for the inventory to be turned over (in some places it is slightly shorter).

If consumer purchases of diamond jewellery decline, as we expect will happen in 2020, the

need for the retailer to replenish stocks falls accordingly. Depending upon trade sentiment, he will also be satisfied with a lower level of stock. *Thus, a small reduction in retail sales will trigger a far greater decline in the level of replenishment. These dynamics will be repeated at every intermediate level of the diamond pipeline. This explains why even a 2-3% decline in the diamond jewellery retail market, coupled with a negative trade sentiment, can cause a 20-30% reduction in cutting centre sales.*

This is the ripple effect. Take a hypothetical example (see following table): A retailer whose stock turns around once a year has an opening stock of diamonds of \$100,000. His sales also totalled \$100,000. In the next year, he sells \$120,000, ie a 20% increase on the preceding year. Being optimistic about the future, he wants to have a stock of \$120,000 at the year-end. Consequently, his diamond purchases went up that year by 40%, from \$100,000 to \$140,000.

Now let's look at a different scenario in which the market falls. In the third year, the retailer's sales declined by 10% to \$108,000. Because of his now pessimistic view of the economy, he feels that his stock level should be adjusted in line with his sales volume. In such a year, the retailer's diamond purchases from his wholesale supplier would plummet by a figure much greater than

10% (in this hypothetical view by 31%). What happens in the retail sector also occurs in diluted form at each stage of the pipeline, and this causes steep rough diamond sales fluctuations in the cutting centres.

One of the problems the industry is facing this time around is the suddenness and severity of the economic crisis caused by the corona pandemic, introducing exacerbating factors. The total standstill of the supply chain. Diamonds cannot move from mine to sorting centres and to sales offices. Half the world is in lock-down. Business has come to a halt at each level of the pipeline.

We are mostly concerned with the industry's "front line": the retailers. In Europe and the US there are already reports about credit lines being slashed - when a retailer doesn't make sales he also will not have the funds to replenish, thus he simply won't. He will have less goods to offer - and will sell even less. A bad year will dampen the retailer's confidence. Whatever happens, given the negative sentiments, he will replenish at significantly lower levels in the year or years ahead.

That's the Ripple Effect at work. As this still early stage we can only quote the stewardess (when we still were allowed to fly) who demanded that we fasten our seat belts and sit tight. We are in for a very bumpy ride. ■

HYPOTHETICAL DIAMOND RETAILER'S SALES AND INVENTORY MOVEMENTS

Year	Opening stock & Purchases (US\$)		Purchase Change (%)	Sales (US\$)	Sales Change (US\$)	Closing Stock (US\$)	Sales Change (%)	Sales/Stock Ratio
1	100	100		100		100		1.0
2	100	140	+40	120	+20	120	+20	1.0
3	120	96	31	108	-10	108	-10	1.0
4	108	122	+27	115	+6	115	+6	1.0

CHAIM: INDIA WILL EMERGE STRONGER FROM THIS CRISIS

The Gem & Jewellery Export Promotion Council (GJEPC) organised a Webinar on "Indian Diamond Industry: The Recovery Options" on April 27, 2020.

The session included Chaim Even-Zohar, eminent industry journalist and analyst. He was accompanied by industry stalwarts from leading companies, including Dinesh Lakhani (Kiran

Group); Hitesh Patel (Dharmanandan Diamonds); Vipul Shah (Asian Star and incumbent vice chairman of the GJEPC) and Russell Mehta (Rosy Blue). The session was moderated by GJEPC's diamond panel convener, Sanjay Shah.

3,082 participants joined the session from across the world. Covid-19 has snowballed into an unprecedented calamity and India, the world's largest manufacturing cutting and polishing hub,

has been reviewing and taking stock of the situation, contemplating, and implementing measures to adapt and adopt new ways of doing business.

The collective initiative in the form of suggestion by Indian diamond industry to impose a month-long self-disciplined moratorium from May 15, 2020 on rough diamond imports is the first step to ensure that the supply chain pipeline is not overburdened.

HERE ARE SOME OF CHAIM'S KEY POINTS AND TAKEAWAYS FOR INDIAN MANUFACTURERS:

- Over 30 years, rough sales have gone up, but the diamond content in jewellery at retail has remained the same. Though money is being made from high turnover and greater production, the midstream value addition has remained constant at only \$5 billion.
- India has a monopoly in cutting and polishing diamonds, so it should have more leverage and power over pricing.
- Producers have long considered diamantaires to be merely their distributors and dealers. And so, in a crisis, it is always the manufacturer who will go bankrupt.
- A recent Bain & Co. report shows mines are earning about 19-21% operating margin; retailers about 20%, and midstream is anywhere between -3% and +2%, despite taking the maximum pipeline risk. So, what's the return on capital?
- The midstream should not go back to the status quo post corona because it was not making money.
- Use coronavirus pandemic as a turning point and become more united. If the industry leverages its collective strength, it will be the most powerful segment of the pipeline. The midstream is taking a huge risk, it doesn't know what the polished demand will be in the market. The midstream needs to make more profit because it's them who is taking most of the risk.
- Post Covid-19, there may be a short-term pent-up diamond jewellery demand from postponed weddings. The industry will see a flare of activity, but this will not translate into a renewed replenishment from cutting and trading centres, certainly not immediately.
- This industry has come out of every crisis more resilient, this time it will take much longer to find the new normal, which could be about 20-30% below the pre-corona level in value terms.
- India realistically requires a three-month moratorium on rough diamond imports. Voluntary curtailment will bear good results.
- No one knows what polished prices will be post Covid-19, so don't overproduce. Be resilient and add value to the midstream.
- Don't compete with each other and don't undersell polished goods. Restore price stability, and stop being too fixated on manufacturing for volume. Nobody should sell at a loss.
- Change the mind set and go for profit. Make it commercially viable since the industry has enough rough in India to last until end of 2020 - there is approximately \$2.5 billion-worth of polished in the pipeline. Stop over-producing and competing with each other to the point of bankruptcy.
- India will emerge stronger from this crisis - but focus on marketing, along with bodies like the GJEPC. Educate people, hold town halls and take marketing very seriously.
- The time has come that producers should share the financial burden by offering credit to manufacturers.
- Think about new, innovative marketing ideas, people are spending time productively - in nine months there will be a baby boom. ■

MINING PERSPECTIVE

At the March trading session Alrosa reduced the mandatory buyout limit for long-term contracts to 50% even before the session began. Clients were allowed to purchase not less than 40% immediately and postpone buying of the rest (up to 10%) until the end of May 2020



An international travel ban added to the miners' woes as rough diamond stocks couldn't reach the market.

The Covid-19 pandemic hit the mining industry as well – production was scaled down, operations froze, and part owner of Canada's Diavik and Ekati, Dominion Diamond Mines was forced to seek creditor protection under the insolvency law. An international travel ban added to the miners' woes as rough diamond stocks couldn't reach the market.

In an email interview with Solitaire International in April, Alrosa stated, "Our business is closely connected with travel, and travelling restrictions imposed between countries put on hold traditional diamond trade that implies experts' visit to diamond miners' offices to analyse offered goods."

The lockdowns enforced in India and other countries impacted Alrosa's business. "Main diamond trading centres and hubs around the world had to close under quarantine and social distancing rules. Indian authorities, who account for more than 90% of the world's diamond

cutting and polishing operations, had to put facilities in the state of Gujarat on hold to limit the infection's spread. This has a direct impact on the demand for rough diamonds. At the same time, we are seeing a slump in consumer demand for diamond jewellery in developed economies, with stores temporarily closed and overall sentiment fading."

What are some challenges that Alrosa is facing on a day-to-day basis? "Every day, Alrosa makes every effort to be prepared and to provide safety and, if necessary, treatment for its workers and all the people in the regions where it operates. Recently, it invested over 200 million rubles (approx. \$2.7 million) to counteract the spread of Covid-19. We purchased lung ventilators with monitors and concentrators for them, bactericide units, thermal cameras, recirculators, non-contact thermometers, masks and protective suits, medicines. All this goes to equip our doctors and hospitals. We also launched sewing

of protective suits for drivers of our joint ventures and subsidiaries. The company provides maximum protection for employees.

Administrative staff switched to 'working from home' regime where possible."

In times of crisis such as this, the mining companies have tried to minimise the burden on its clients. For instance, at the March trading session Alrosa reduced the mandatory buyout limit for long-term contracts to 50% even before the session began. Clients were allowed to purchase not less than 40% immediately and postpone buying of the rest (up to 10%) until the end of May 2020.

"It's worth noting that we were the only large diamond miner with a trading session in March on schedule. Moreover, we supported our clients with full flexibility for the April 2020 trading session, lifting mandatory buyout requirements. Clients were free to defer up to 100% of (rough diamonds) allocated for April volumes to forthcoming sales periods of 2020 if they didn't have an opportunity to purchase goods at the time of session. Those who were interested in buying rough, could apply for the required volumes."

Due to the global situation, the company decided to cancel the upcoming auctions for special-sized (over 10.8 carats) rough diamonds, simultaneously offering customers to take part in a digital tender if they need such rough. ■

DPA PERSPECTIVE

The Diamond Producers Association has introduced an e-learning platform wherein retailers educate staff during the current period

While it may be difficult at this time to have consumers thinking of jewellery, David Kellie, CEO, Diamond Producers Association (DPA) believes that diamond jewellery is well positioned to connect with consumers as the world starts to open up.

“Consumer respect and appreciation for all things natural will be enhanced by the crisis. Also the desire for a connection between friends and loved ones as we come out of isolation will grow. Both trends will favour natural diamond jewellery.”

In order to show support to the trade community, DPA has introduced campaigns in various markets worldwide. These initiatives will be focused on skill building, keeping the trade engaged and encouraging consumers to support local jewellers.

One such initiative is the Jeweller Support Network that was launched recently. It is a coalition of bodies, resources and skills, bringing together the Diamond Producers Association, the National Association of Jewellers (NAJ), the Company of Master Jewellers (CMJ), Houlden Jewellers, the London Diamond Bourse, the Goldsmiths’ Company, the Goldsmiths’ Centre, the Society of British Jewellers, the Women’s Jewellery Network (WJN) and the Responsible Jewellery Council (RJC).

Its goal is to minimise the damage and disruption caused by Covid-19 by directing small and large business owners to relevant resources, including government financial advice, e-learning resources and trade-specific opportunities. Kellie stated, “For easy access, we have taken the digital approach through a dedicated web page and Instagram account. We’re also working to provide educational materials, webinars and other assets to independent jewellers to help them make the most of this challenging time.”

The DPA has introduced an e-learning platform wherein retailers educate staff during the current period. “The e-learning initiative has received an extremely positive response from trade partners. As physical presence in stores is minimal, this is the ideal time for sales staff to upskill and train in new ways of reaching



DPA's initiatives will be focused on skill building, keeping the trade engaged and encouraging consumers to support local jewellers.

consumers, building positive conversations around natural diamonds. The current situation has given us time to re-think our strategies and introduce new ways to leverage technology to engage with consumers and trade alike,” he said.

Kellie further added, “The digital medium is the most powerful tool we have at our disposal today. When people are stuck within the confines of their homes, they are turning more and more to technology to keep themselves abreast of the happenings around the world, connect with their loved ones and keep their minds engaged. We are leveraging not only our social media platforms to keep alive the interest and desire for natural diamonds, but also placing relevant advertising messages on over-the-top (OTT) platforms.” ■

RETAIL PERSPECTIVE

The jewellery retail trade has already started witnessing a huge drop in the cash-flow due to the ongoing lockdown. Banks have already cut exposure to the jewellery industry. There is liquidity crunch in the industry and the prevailing crisis will compound the scenario further.

In the present scenario, private equity investors may not be bullish about investing in the jewellery trade. So, unless the jewellers show value to the investors and banking institutions with sustainable business models and regulatory compliance, and the government offers relaxation in loan repayment norms, the industry will continue feeling the liquidity pinch.

VINOD HAYAGRIV, managing director, C Krishniah Chetty & Sons (CKC), Bengaluru

Hygiene and sanitisation will be the new watchwords after the lockdown is lifted, especially in the retail segment.

Hayagriv is of the opinion that it is imperative to follow the stipulated guidelines set up by the government and World Health Organisation (WHO). The company has demarcated social distancing marked areas for its customers who will visit the showroom for shopping. “Our sales staff will wear masks, gloves and transparent visors to protect our clients at all times.”

In the retail segment, nearly 70% of costs constitute rents, staff salary, etc. Given the fact that overall consumption will continue to remain impacted for at least four to six months, sustenance will be an issue for most retailers. “We will have to observe on a week-by-week basis. In order to see the revenues build, we are looking to defer or waive rents wherever possible,” noted Hayagriv, adding that fixed salaries will be paid in full without delays even during the lockdown.

“While variables will be tempered in keeping with sales, and if and when the sales return to ‘normal’ we hope to share the gains back with



CKC & Sons hopes to gain more business traction on its CKC Live video-based shopping. It will pay home visits where requested once vehicular movement is permitted.

our teams. It’s a sacrifice for all of us. We as directors are reducing our remuneration to 50% for the next three months. Our goal is to ensure all other services, manufacturing, vendor payments are not delayed beyond unavoidable limits due to lockdown, and we will make payments from our contingency funds and reserves. We are a conservative company otherwise. So we will continue to be cautious in our expenditure till normalcy returns. We may not reduce all marketing expenses but will be tempered to sales,” Hayagriv stated.

CKC is gearing up to strengthen

its online activities. “We will be making a better sticky app as well, and increase our batches from the current 5,000 or so to around 7,500 to allow for more essential purchases being available online. We also have CKC LIVE video-based shopping, and are hoping to get more traction there. We will pay home visits where requested and as vehicle movement allows.”

The pandemic is expected to create a deep liquidity crisis post the lockdown. Hayagriv hopes that the banks, RBI, and the government will take more steps that will help businesses better. “We hope our

representations will be heeded by the government quickly,” he stated.

His wish list for extended working capital credit lines include, extending gold loan repayment to 365 days from current 180 days; waiving interest on working and term loans and gold loans for three months; allowing EMI payment for jewellery purchases to consumers; allowing all tax disputes, if any, including search cases, to be paid without interest if assessed tax is paid within three or four months (if the assessee does not intend to appeal the case); extending PF payment schemes to all employees up to

₹50,000/- per month without limit of number of employees; no imposing of penalties for delayed statutory payments and statutory compliances; extending time to hold board and general meetings and other secretarial compliance requirements by three months; refunding all income tax, Customs duty and GST refunds within one month; extending additional funding facilities to businesses to the extent of 20%, if businesses warrant.

“In fact,” Hayagriv noted, “all banks, private and nationalised, could extend similar facilities. Other benefits already given by our

honourable Finance Minister should be reviewed and extended, if required, based on the situation going forward; and reducing Customs duty or alternately crack down heavily on smuggling of gold which is a menace to organised business.”

Post Covid-19, CKC’s objective is to offer a lot more value to the client – not by way of discounts, but by getting more active on social media and digital platforms. “But going forward, we hope to reach 80% of normal sales in about three months, depending on how the easing of the lockdown is strategized,” Hayagriv predicted. ■

S AHAMMED, chairman, Malabar Gold and Diamonds, Kozhikode, Kerala

Every crisis – even the ongoing Covid-19 pandemic – presents an opportunity to reflect on the journey so far and reorganise the strategy. Ahammed commented, “While battling with the crisis, we have realised how important it is for the business entities to develop a sustainable business model to withstand such sudden shock. Going forward, we’ll intensify our focus on environmental, social and governance aspects while taking key business decisions.”

In general, the margins have always been under pressure in jewellery retail due to rising overheads and input costs coupled with weak consumer sentiment. The scenario has become even more challenging due to the Covid-19 impact on the economy. As a result, the business growth prospect has become further constrained.

“Therefore, we have to focus on



Malabar Gold and Diamonds will relook at its supply chain strategy, product strategy and customer acquisition strategy to achieve market competitiveness and strengthen business sustainability.

streamlining our operations and enhancing our cost-efficiency. We need to be cautious while deploying and managing our assets as cash-flow is affected by the nationwide lockdown. We will relook at our supply chain strategy, product strategy and customer acquisition strategy to achieve market competitiveness and strengthen business sustainability,” Ahammed opined.

Tax relaxation measures will improve capital adequacy in the businesses in this time of crisis, Ahammed believed, and says that

the government should extend loan repayment tenure under the Gold Metal Loan by 180 days. “Deferring the GST return will also boost trade sentiment. Extending working capital credit lines to the jewellery industry with flexible terms is a great trade booster for the organized segment of the industry. The government should initiate a dialogue with the jewellery trade bodies to create the ground,” he stated. Malabar will be focusing on enhancing their already established digital platforms to enhance consumer engagement and loyalty. ■

SOME CHEER AMIDST THE GLOOM

The Ministry of Commerce and Customs department worked relentlessly for gearing up gems and jewellery exports amidst the covid-19 lockdown. The State Governments have allowed limited diamond and jewellery operations during the lockdown at Mumbai, Jaipur, Delhi, Surat and Chennai



Thousands of gems and jewellery exporters in Mumbai heaved a breath of relief as the government of Maharashtra allowed designated export units of diamond and jewellery to begin their operations in Mumbai. However, considering the ongoing covid-19 pandemic, the state government has permitted limited workforce in these jewellery export units. Additionally, transport of the employees will be the employer's responsibility during the lockdown period.

Gem and jewellery industry's exports \$1bn worth is pending

This move is significant as gems and jewellery export operations will commence in Mumbai's Bharat Diamond Bourse and SEEPZ, two of India's largest jewellery export designated zones. Also, it is believed that Bharat Diamond Bourse has received export interest applications

from the members worth \$550 million from 1673 consignment parcels, while SEEPZ is expected to export \$10 million worth of diamond exports from 50 units.

On the other hand, Surat Diamond Bourse and Jaipur resumed work after a gap of almost five to six weeks. These centres are operational by adhering to the covid-19 safety guidelines set up by Gujarat government. The Gem and Jewellery Export Promotion Council (GJEPC), along with other trade bodies, has been pursuing state

and central government to make all major gem and jewellery centres operational across India. This will clear the backlog of orders from the pre-lockdown period.

Pramod Kumar Agrawal, chairman, GJEPC said, “This is a great step by the Maharashtra government as it will help commence the exports of gem and jewellery from Mumbai and clear pending orders. I would like to express my gratitude to Chief Minister, Uddhav Thackeray, and officials from the CMO for this landmark decision. I also thank Piyush Goyal, Union Minister of Commerce & Industry, Department of Revenue and Department of Customs for the continued support. Bharat Diamond Bourse and SEEPZ in Mumbai are major centres that have a huge backlog of orders and the industry is happy that these centres will be operational within few days. We would make sure that all factories and units are operational following strict guidelines of maintaining social distancing and ensuring frequent sanitisation of factory premises, equipment, and workers.”

Colin Shah, vice chairman, GJEPC added, “It has been a collective effort from all the stakeholders that has helped us start gem and jewellery exports. As always there has been a tremendous support from the Ministry of Commerce & Industry. The Customs department has remained open during the ongoing lockdown and officials have bravely come forward to ensure exports to take place. Both the Ministry of Commerce and Customs department worked relentlessly for

the gems and jewellery exports and we as an industry thank them for their constant support. As a result, cancellation of orders were minimised from Mumbai SEEPZ, Surat Diamond Bourse and Jaipur.”

Jaipur is another important centre for gem and jewellery wherein on an average daily seven to eight shipments take place from ACC,

We would make sure that all factories and units are operational following strict guidelines of maintaining social distancing and ensuring frequent sanitisation of factory premises, equipment, and workers.

Jaipur (DTA). Till date, 40 units in SEZ, Sitapura and 25 units in gems and jewellery zone of EPIP, Sitapura has commenced their production. DTA has cleared 185 shipments of value ₹22,87,79,565 and from SEZ, 42 shipments of value ₹8,81,05,254 were cleared till May 9, 2020.

“Exports of gold, silver and imitation jewellery has started. Exports of studded jewellery will also begin soon,” added Agrawal.

Exporters are using the parcel services of logistic companies to send consignments as it is cheaper than booking directly on cargo flights following an increase in air freight rates. The parcel sizes are also smaller compared with usual times, as the output of factories has come down as the factories have not started in full strength. “Exports of gold, silver and imitation jewellery has started. Exports of studded jewellery will also begin soon,”

added Pramod Agrawal.

At Surat SEZ, operations of G&J units commenced post 27 April, 2020 with the first export of gems and jewellery commodity taking place on 5 May, 2020. Eight units started their operations in Special Notified Zone, Sachin, Surat and two export shipments worth ₹109.12 lakh was cleared in first week of May, 2020. ACC, Ahmedabad cleared 10 shipments in April, 2020 worth ₹18.8 lakhs.

Surat Hira Bourse is facilitating exporters in clearance of shipments and exports to Hong Kong has been possible from Mumbai airport with direct flight/cargo connection. Five units in Gem & Jewellery Park, Ichhapore, Surat have started operations with minimum strength of the staff.

One consignment export of gold jewellery commenced in May from Delhi Port and few silver jewellery exports are in pipeline. Noida SEZ is also operational. Few units of gems and jewellery exports in Chennai, too, have started functioning and exports to resume in May.

GJEPC and the trade fraternity is thankful to the support extended by Ministry of Commerce and Industry, Department of Commerce and State Governments across the centres. Customs at each Centre of Mumbai, Surat, Jaipur and Delhi have been providing continued assistance and backing the trade in clearing parcels both at Import and Export. It is expected that the Indian gem and jewellery industry will be gaining back its momentum slowly by strictly adhering to the Covid-19 safety guidelines set up by Government. ■



CORNERED BY COVID-19

To mitigate Covid-19's economic effects, GJEPC has taken several proactive steps. These include setting up an ₹50 crore corpus from its own reserves for welfare measures and liaising with global trade bodies and apex industry organizations to ensure that price stability and supply and demand equilibrium are maintained. Moreover, it is constantly interacting with authorities of central government agencies, to ensure that much-needed relief is extended to the sector, particularly micro, small and medium enterprises

By Rashmi Arora and Sabyasachi Ray

When a report appeared in the South China Morning Post on November 2019 that a patient from Hubei was diagnosed with a novel Coronavirus strain, few paid attention to it. Within a month, this new disease had spread rapidly across China's Hunan district, afflicting close to 266 people. That is when the Chinese authorities announced the emergence of the dreaded Covid-19 virus.

Within weeks, the SARS-like virus became a pandemic, affecting 40,13,728 people across 203 countries and killing 2,78,993 deaths as per World Health Organization's report on May 12, 2020. On the same date, India recorded 67, 152 confirmed cases with 2,026

people succumbing to it. These numbers continue their unfortunate upward climb.

To contain Covid-19's rampant human-to-human transmission, on March 25, 2020, Prime Minister Narendra Modi announced a 21-day lockdown. In his public address to the nation, he said that this aggressive step was necessary adding, "If this pandemic is not contained, it could set us back by decades." However, as the cases kept rising, the lockdown was extended to May 3, 2020. To lessen hardship to the public, and provide economic support to low-income earners, select additional activities were permitted in non-containment areas during the period."

GEARING UP FOR SLOWDOWN

While the nationwide lockdown was necessitated keeping public welfare in perspective, it is expected to hit the Indian economy, which was already reeling under sluggish growth for the past few quarters, really hard. Barclays estimates that it could bring the country's growth down to 2.5%, from its earlier estimation of 4.5%.

The biggest brunt of this economic blow will be felt by India's large MSME segment. According to Union minister Nitin Gadkari this sector accounts for 48% of exports and employs 11 crore people, which underline its sheer immensity. On taking charge of the MSME portfolio last year, he had said, "One of the most important things is to raise the employment potential and it is my priority, both in rural and urban areas." Now, with the lockdown and widespread global recession looming in the background, the very survival of MSME players is under threat.

Let's take the case of India's gems and jewellery industry. It contributes 7% to country's total GDP and employs more than 5 million in the work force, with majority of them being in the MSME domain. Mumbai's Zaveri Bazaar, which is acclaimed as the country's largest gold and jewellery market and is home to many MSME jewellers and manufacturing units, is closed until further notice.

When the first lockdown was announced,

retail outlets across the country downed shutters to comply with the government regulations and also because no customers are visiting their stores. After almost a month and half of inactivity, brands Tanishq reopened select showroom in green zones in May. To follow social distancing norms, it decided to get shoppers to seek appointments before visiting the outlets and encourage cashless payments. Kalyan Jewellers, too, opened 10 stores in Odisha, Assam, Puducherry and Karnataka after getting clearance from respective state governments, as did Senco Gold & Diamonds which reopened outlets in West Bengal, Assam, Odisha and Karnataka. Moreover, traders have been urged to pay full salaries to their employees to ease the latter's financial woes during the pandemic.

However, MSME entities are now worried about their own financial challenges in the current scenario. Order books are drying up for domestic and export business, production cycles are askew, supply chains are disrupted, and the financial markets have turned volatile. This labour-intensive industry will likely witness people being retrenched as the export-oriented business bears the brunt of this crisis.

A DISMAL SCENARIO

The Gem and Jewellery Export Promotion Council (GJEPC) noted that following the Covid-19 outbreak, declining rate of gem and

EXPORT TO KEY EXPORT DESTINATIONS WITNESSED A DECLINE (US\$ MILLION)						
Countries	Apr-Nov 2018	Apr-Nov 2019	% Growth (Y-o-Y)	Feb-19	Feb-20	% Growth (Y-o-Y)
UAE	7,068.91	6,863.09	-2.91	806.03	1,013.01	25.68
Hong Kong	7,446.57	6,747.66	-9.39	1,466.66	526.59	-64.10
USA	7,348.61	6,411.16	-12.76	716.47	761.93	6.35
Belgium	1,273.00	1,289.47	1.29	138.65	171.39	23.61
Israel	708.72	604.92	-14.65	69.36	123.25	77.69
Turkey	38.27	500.91	1,208.94	74.29	4.03	-94.57
Singapore	389.07	441.61	13.51	62.42	40.71	-34.79
Thailand	393.35	429.99	9.31	56.58	64.84	14.59
UK	455.37	325.00	-28.63	82.62	35.38	-57.18
Japan	278.74	269.88	-3.18	31.00	36.59	18.02
Others	1,417.85	1,366.15	-5.85	185.15	196.84	6.32
Total	26,818.46	25,249.84	-5.85	3,689.23	2,974.56	-19.37

Source: GJEPC Statistics Dept. Analysis



Mumbai's Zaveri Bazaar, home to many MSME jewellers and manufacturing units, is closed following lockdown regulations. Traders have been urged to pay salaries to employees to ease the latter's financial woes during the pandemic

jewellery exports doubled to -11.32% during December 2019 to February 2020 as compared to -5.53% registered in the previous quarter. It has projected that the gems and jewellery exports could lose up to a whopping \$2.57 billion by end of March 2020 due to this crisis.

Gems and jewellery exports have been recording waning trends since the beginning of FY 2019-20. This can be majorly attributed to factors like a rise in import duty on precious stones – namely polished diamonds and coloured gem stones – tightening of lending terms by banks, stringent customs inspection procedures, sluggish import demand and withdrawal of Generalised System of Preferences (GSP) benefit by the US. These resulted in exports in this sector declining by 5.53% during April to November 2019.

Challenges for the sector were aggravated with the Covid-19 outbreak. As the disease spread across continents, manufacturing and trading activities were stalled or suspended, business events were cancelled, confirmed orders were deferred, customer demand lessened and the cycle of receivables became drawn-out.

Since this sector is highly export-oriented, the impact of global health emergencies can be

estimated through its continuous slump in of exports. This has recorded a steep decline of -19.37% in February 2020 against a decelerating rate of -9.17 % in January 2020 and -1.89% in December 2019.

In February 2020, exports of gems and jewellery recorded the highest fall of -19.37% in the present fiscal year to \$2.97 billion as compared to \$3.69 billion in the same period in FY 2019. This reflects the impact of coronavirus. Overall, in value terms, exports fell by \$2.56 billion to touch \$33.63 billion during April 2019 to February 2020 as compared to \$36.19 billion in the same period last FY 2019.

Similarly, cut and polished diamonds, coloured gemstones and imitation jewellery have recorded a significant fall of -40.92%, -64.58% and -39.78% respectively in February 2020. It is expected that all other gems and jewellery commodities are likely to witness severe slump as all customs and other operations are currently shut in the country.

Exports of gem and jewellery commodities to Hong Kong, Turkey, Singapore and the UK have been most affected. Exports to these countries before the Covid-19 outbreak in December 2019

were registering either growth or relatively less declining growth. In February 2020, exports witnessed a drop of -64.1% (Hong Kong), -94.57% (Turkey), -34.79% (Singapore) and -57.18% (UK).

STEPPING IN TO SUPPORT

Therefore, GJEPC is addressing regulations, policy and other issues that the respective industry segment is facing. This could provide an impetus to tradespeople to recover their business during the Covid-19 period and in its aftermath.

GJEPC's chairman, Pramod Kumar Agrawal, vice chairman Colin Shah and executive director, Sabyasachi Ray have already initiated several proactive measures to benefit the community. This includes setting up a ₹50 crore corpus out of GJEPC's own reserves towards welfare measures to be undertaken in the current scenario. The Council has also decided to contribute ₹21 crore

to 'PM-CARES Fund' pledging its commitment on behalf of the entire gem and jewellery trade at a time when the nation is facing an unprecedented crisis.

Additionally, it is liaising with different trade bodies and apex industry organisations across the world, such as the World Federation of Diamond Bourses (WFDB) and the World Gold Council (WGC). These discussions are centred on steps that can be taken to ensure that the supply and demand equilibrium as well as price stability are maintained in these troubled times.

To enable trade during the lockdowns, GJEPC initiated talks with respective embassies to organise virtual B2B meets. This initiative can enable buyers of respective countries to connect with Indian sellers of various gems and jewellery products. The Council will facilitate this online connectivity platform to give exports business some momentum. It is also communicating with

A QUICK RESPONSE

After the Covid-19 outbreak, GJEPC consulted business stakeholders, collated opinions on ways to mitigate the stress that the industry was undergoing and shared that with the government. Following this, Finance Minister, Nirmala Sitharaman, announced these measures to reduce the potential impact on the trade:

GST related

1. Last date for filing GST returns for March, April and May 2020 is extended to June 30, 2020 from March 31, 2020
2. Date for opting for composition scheme is extended till June 30, 2020
3. No interest, late fee or penalty for companies with less than ₹5 crore turnover
4. Interest at reduced 9% rate with no late fee or penalty for companies with over ₹5 crore turnover

Income Tax related

1. Last date for filing Income Tax Return for 2018-19 is extended to June 30, 2020 from March 31, 2020 and interest on delayed tax reduced from 12% to 9%
2. Interest on delayed TDS deposited has been

reduced from 18% to 9%

3. The date for Aadhar-PAN linking is extended to June 30, 2020
4. Settlement of IT cases under 'Vivad Se Vishwas' scheme can be done up to June 30, 2020 without payment of 10% penalty

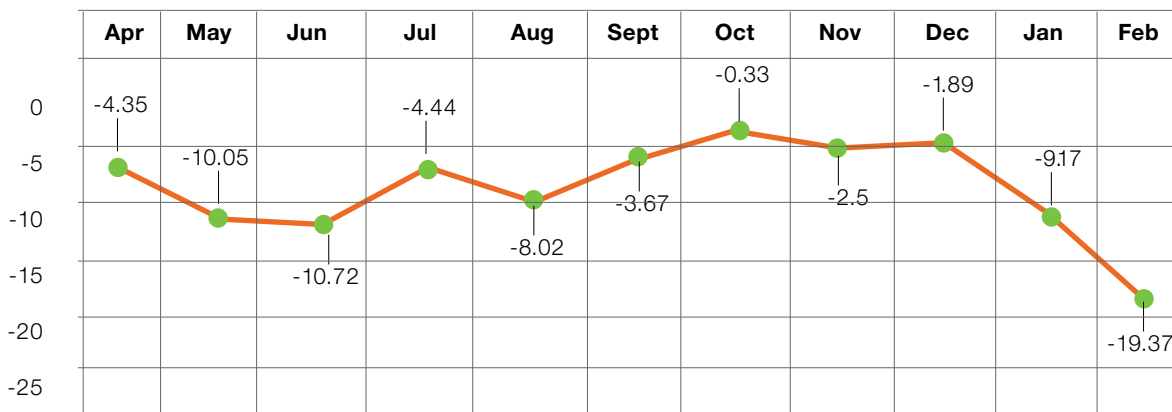
Banking related

1. To help MSME units, the bankruptcy threshold limit has been increased from ₹1 lakh to ₹1 crore
2. Bank charges for digital trade transactions reduced
3. No minimum balance required for maintaining bank accounts for three months till June 30, 2020
4. Debit card holders can withdraw cash from any bank's ATMs without any charge till June 30, 2020

Customs related

1. Customs will work as an essential service 24x7 till June 30, 2020
2. The last date for settlement of customs related issues under 'Vivad Se Vishwas' scheme has been extended to till June 30, 2020, without any penalty interest

MONTH-WISE GEM AND JEWELLERY EXPORTS TRENDS (IN %)



COVID-19'S IMPACT ON EXPORTS

- Declining rate of gems and jewellery export doubled to -11.32% during December 2019 to February 2020 as compared to -5.53 registered during April to November 2019
- Gems and jewellery export recorded the highest fall of -19.37% in February 2020
- Cut and polished diamonds, coloured gem stones and imitation jewellery are the severely hit key export commodities
- Going forward, all other gems and jewellery commodities would have a challenging time, until business sentiments and consumer confidence are regained
- Exports to key destinations, especially Hong Kong, have witnessed a steep decline

GJEPC Statistics Dept. Analysis

several High Commissions so that exporters of gems and jewellery from India can start supplying to Switzerland, Japan and Singapore.

TALKING BUSINESS

GJEPC is interacting with various authorities of the central government to arrange for much-needed relief measures for the sector, particularly the MSMEs. It is in touch with the Ministry of Commerce & Industry (DGFT), Ministry of Finance (Customs / CBIC / ICEGATE), Ministry of Finance (DFS / RBI), Ministry of Labour and Ministry of Human Resource Development.

One of the recommendations it made to these agencies includes revising the definition criteria of MSME from the basis of capital investment to turnover base. In light of challenges in managing funds, it has also suggested relaxing NPA recognition norms from 90 to 180 days.

Moreover, GJEPC has proposed priority lending to the MSME segment with only 25%

collateral requirement. This will help them get their businesses on track once the pandemic is medically resolved. They can get a further incentive with an additional 2% interest subvention for a total of 7% interest subsidy. The Council believes that the implementation of these suggestions will jumpstart export trade and protect India's precious forex earnings.

In its representation to the Ministry of Commerce & Industry (DGFT), GJEPC suggested that the export period be extended by another 90 days for exporters of gold, silver and platinum jewellery, who were obtaining precious metals from nominated agencies on outright purchase or loan basis. It also endorsed that exports realisation be extended from nine months to 15 months, which is in line with what was done during the 2008 downturn. Goods sent on consignment basis should be given an extension period of six months.

Usually for replenishment, the exporter can book with the nominated agency within 120 days after the

AN INDUSTRY WITH A HEART

GJEPC has contributed ₹50 crore from its reserves to fund livelihood of daily wage workers of the industry and support the government's initiatives to fight Covid-19

The Gem & Jewellery Export Promotion Council (GJEPC), the apex body of the gem and jewellery industry in India, has come forward to contribute a fund of ₹50 crores from its own reserves to help the needy workers of the industry impacted by Covid-19.

Under the leadership of Prime Minister Narendra Modi, the Indian government has initiated every proactive measure to contain the spread of this virus in the country. The Fund allocated by GJEPC will also be utilised to support the Indian government in undertaking several initiatives to fight the current crisis in the country.

Pramod Agrawal, chairman, GJEPC, said, "In our endeavour to combat the situation caused by Covid-19, GJEPC, from its own reserves, has decided to contribute ₹50 crore towards several welfare initiatives to be undertaken in the current scenario. India's economic situation and that of our industry has taken a severe beating. Our businesses are impacted, but those most affected is our daily wage worker community. This is an industry that contributes 7% to India's total GDP and employs more than 5 million people. It becomes important and mandatory at such distressing times to take adequate care of our employees and support them wholeheartedly. We have braved many turmoils before and this time will be no different. This is the time to show solidarity towards our nation and our industry. It's time for us to reveal our philanthropic side once again."

Colin Shah, vice chairman of GJEPC, added, "We at GJEPC will leave no stone unturned when it comes to protecting and taking care of the industry workers as they are the trade's backbone. We are thankful to the government for announcing certain waiver in compliance and tax filings to mitigate the woes of all industries. We have also made representations to the Finance Minister and Commerce Minister with measures that need to be implemented to revive the Indian gem and jewellery



GJEPC's chairman, Pramod Agrawal with vice chairman, Colin Shah.

industry from this crisis. Daily wage job workers are rendered jobless due to cancellation of export orders. In order to ensure minimum livelihood to these job workers, we have proposed to the government that the gems and jewellery sector be included in the list of job works covered under the MNREGA scheme. This will help them sustain themselves during this difficult time."

Here are some steps undertaken by GJEPC towards relief measures:

1. GJEPC has appealed to all its members to take care of their employees during the lockdown period as also stated by the government and demonstrate a united and humane approach at these unprecedented times.
 2. GJEPC has contributed a sum of ₹50 crore from its own reserves to mitigate the impact of Covid-19 on the industry and nation at large.
 3. The Council has formed a Task Force to decide on modalities of utilisation of ₹50 crore donated by GJEPC by identifying the industry needs and government initiatives to support in the current scenario.
 4. The fund allocated by GJEPC will be utilised to aid daily wage workers employed in the gems and jewellery industry whose livelihood is directly impacted by Covid-19.
 5. The contributed resources will also be used for funding specific initiatives undertaken by the government to fight Covid-19, such as creation of medical facility, health related needs or any other
- GJEPC urges all sections of the gems and jewellery industry, including trade bodies and organisations, to come forward and replicate its donation efforts with generosity. Their support in helping the needy workers of the trade and funding initiatives of government will go a long way in tackling the Covid-19 crisis and its aftermath. ■

exhibition or export promotion tour as against the items sold abroad. This period could be doubled from 120 days to 240 days for those exporters whose time limit expired on March 1, 2020.

Additionally, as per para 4.80 of the Hand Book of Procedures (HBoP), unsold items in overseas exhibitions should be reimported within 60 days of the event's closing, while the time for US exhibitions is 90 days. GJEPC has requested that the reimport period be extended by a further 90 days for all countries.

While interacting with officials at the Ministry of Finance (Customs / CBIC / ICEGATE), GJEPC proposed that uploading of permissions and KP certificates on e-SANCHIT be allowed for traders who were not registered on ICEGATE till May 21, 2020. Applicants who have started the detailed registration process could also be permitted to file the copy of the KP certificate for export-import till their application is approved or rejected. This process usually takes three to seven days on e-SANCHIT, during which time a daily demurrage charge of ₹5000 is levied, if shipments are not cleared.

HELP FOR ALL

GJEPC also made representations to the Ministry of Finance (DFS/RBI) for three major topics. This included interest and incidental charges on export credit. It suggested that this be waived off for a period of 180 days up to June 30, 2020 to accommodate business loss. Similarly, the time limit for packing credit for exports could be extended by 180 to 270 days, while the post shipment credit could be extended from nine to 15 months.

RBI may contemplate taking up these two recommendations, while including continuation of eligible interest subvention for the extended period. It may also advise banks to consider ad hoc 10% to 20% credit facilities. This could be more than 10% for firms having term loan servicing commitments. These facilities could help them meet their fixed overheads like salaries and taxes. RBI is also likely to issue a notification to relax classification norms by minimum 180 days.

Additionally, GJEPC has requested for extension of gold loan repayment by 180 days

wherein nominated agencies or banks could consider extending fixed value gold loans. It also pointed out that the slowdown could impact cash flow, affecting traders' ability to make timely repayment. Hence, there is a need to offer flexibility in revolving the gold loan.

According to GJEPC, gold metal loans should be allowed to all manufacturers through ADs. This will encourage exports and prevent manpower retrenchment in the gems and jewellery industry.

While making a strong case to the Ministry of Finance (DFS/RBI), the apex body said that the entire sector should be extended a 7% interest subvention benefit for at least another year. By providing a special interest-free term loan to 20% WC limits, the stress on this domain would come down substantially. Additionally, banks can relax credit rating eligibility of jewellery companies to BB level, while capital subsidy of 25% can be offered to new projects or those under implementation with capital investment ceiling up to ₹10 crore.

GJEPC has also urged the Ministry of Commerce & Industry to reintroduce WTP immediately for the entire sector. To support MSME exporters, Export Credit Guarantee Corporation of India (ECGC) can address issues like cancellation of orders by buyers or revised payment terms negotiated by them.

Similarly, it has urged that SEZ rules pertaining to domestic sales be relaxed in the wake of the Covid-19 slowdown. Permission should be given to SEZ units to sell in the domestic market after paying necessary duties to avoid double taxation. Workers can, thus, retain their jobs if these units are utilised for domestic market production.

As the global and national response to tackle the pandemic continues, from a medical and economic perspective, GJEPC is doing its best to respond to the business challenges Covid-19 has flung at the gems and jewellery industry. It is constantly communicating with key stakeholders – government agencies, global trade bodies, organisations and local traders. All this in a proactive bid to minimise the risk of business disruption. ■

ANSWERING QUERIES REGARDING PAYMENT OF WAGES DURING THE LOCKDOWN PERIOD



The Ministry of Home Affairs had issued Order No 40-3/2020-DM-I (A) dated March 24, 2020, whereby the National Disaster Management Authority confirmed the threat of Covid-19's spread. The National Authority then invoked Section 10 (2) of the Disaster Management Act 2005 and a lockdown was enforced throughout the nation for 21 days from March 25, 2020.

The above order was followed by addendum Orders dated March 25, 2020 and March 27, 2020, addressing the issue of migration of large number of people mainly workmen. Further directions were issued under Section 10 (2) of the Disaster Management Act.

The relevant extract in the Order inter alia, reads as follows:

“Whereas, to deal with the situation and for effective implementation of lockdown measures and to mitigate the economic hardship of the migrant workers.... to take following additional measures:

iii. All the employers, be it in the industry or in the shops and commercials establishments, shall make payments of wages for their workers, at their workplaces, on the due date, without any deduction, for the period their establishments are under closure during the lockdown;

In the backdrop of the above Order dated March 29, 2020, the Department of Industry,

Energy and Labour under the Government of Maharashtra vide Resolution No - Misc 2020/Q.No 54/work-9, took a decision regarding all the workmen/employees who have been affected by the Order issuing lockdown.

The decision taken in the above resolution has been translated and extracted below:

'The Government of India had ordered a complete lockdown owing to the outbreak of Covid-19. The State Executive Committee of the Maharashtra State Disaster Management Authority has decided to invoke Section 24 of the Disaster Management Act 2005 in respect of all the workmen/employees who have been affected by the above order.

All private establishments, factories, companies, shops shall pay the salary and allowances to workmen/employees towards the period where the workmen/employees were asked to stay at home as per the Order of the Government. That for such period the employees would be considered deemed to be on duty.

That a workman/employee includes those employees on contract, outsourced, temporary, daily wages.

This Order is applicable to all industrial, commercial and shop establishments in Maharashtra.'

The office bearers of SEEPZ Gems & Jewellery Manufacturers Association, Santacruz, Electronic Export Manufacturers Associations and Export Promotion Council for EOUs and SEZs in SEEPZ-SEZ have raised the following queries, which have been addressed as follows:

Whether the above orders are binding on the SEZ units?

The above orders are applicable to all establishments, factories, shops and units. The Payments of Wages Act, 1936 and other Labour legislations are applicable to SEZ with slight modifications viz with special rules framed thereunder.

Hence, the Employers are liable to pay wages to all the workmen/employee as per the above

order for lockdown period.

Whether the lockdown period can be adjusted against paid leave?

That the Order dated March 29, 2020 is clear that the wages/salaries will be paid without any deductions. The above resolution dated March 31, 2020 has invoked Section 24 of the Disaster Management Act, directing the employers to make payment towards wages/salaries and allowance by deeming such lockdown period as workmen/employee on duty. Hence, the wages/salaries for the lockdown period cannot be adjusted against paid leave.

Whether the units can ask the workers to work for extra days equivalent to the lockdown period during season?

The SEZ units being of prime importance to the nation's economy, the units could definitely ask the workmen/employees for extra days due loss of works during the lockdown period so to as to ensure the production/service is not adversely affected. But the workmen/employees should be paid for the extra days they worked for and the same cannot be adjusted.

Whether the units can ask the Employee State Insurance Corporation (ESIC) to bear the wages equivalent to the lockdown period by way of adjustment against payments due to ESIC?

As replied above, all establishments, factories and shops should ensure payment of wages/salaries for the entire lockdown period for 21 days. If any workmen/employee has unfortunately contracted the Covid19 pandemic virus or any other sickness and the said workmen/employees seeks medical benefit under ESIC the same shall be implemented by the ESI authority.

PENALTY PROVISION

Please note that the government has the powers to prosecute the management for violation of any of the provisions referred herein above. ■

AT THE FRONTLINE OF RESOLVING CUSTOMS ISSUES

When several exporters were issued show cause notices for non-levy of customs duty on re-import of products exported for international trade shows, GJEPC stepped in quickly to resolve matters. It also made representations to officials about keeping 'Origin of Goods' in abeyance for a while



It was a regular working day for Kumar Jain of Umedmal Tilokchand Zaveri till he checked his mail and saw a show cause notice (SCN) for non-levy of customs duty. Rubbing his eyes in disbelief, the Mumbai-based jeweller checked again and saw that it was for re-imports of unsold gems and jewellery exported for a promotional event on consignment basis.

Perplexed, he called an industry peer, Kishore Gajaria, who also participates in international events. Imagine his surprise, when he learnt that Gajaria, too, had received a similar missive!

Vasantraj Birawat of Chain N Chain Jewels, who did not receive a SCN, soon learnt about the issue and became worried. The trader community decided to escalate matters to the Gems and

Jewellery Export Promotion Council (GJEPC), which got cracking with its team of experts to understand the issue at hand and resolve it quickly.

EXERCISE OF EXCISE DUTY

Around 1,000 exporters were issued SCN for non-levy of customs duty. These were charged on re-import of unsold gems and jewellery exported for exhibitions and export promotion tours on consignment basis under the entry at Sr No 3 of the table contained in Customs Notification No 94/96-cus dated 16-12.1996. Many exporters also received a pre-notice consultation (PNC) for availing undue notification benefit under notification no.46/2017.

GJEPC representatives met the Additional Commissioner of Customs, Member Customs, CBIC, Additional Director General of Foreign Trade, Additional General of Export Promotion and CHA to discuss this matter. It disseminated a circular among its members outlining steps they can take on receiving a SCN and how to submit an extension letter on its receipt. It also guided them on attending the personal hearing (PH) and requesting for time to submit their reply.

Moreover, it distributed a mailer regarding the extension letter to members who received the SNC and informed them about the modalities involved in submission for extension letter to the customs department. To everyone's delight, the Ministry issued a clarification, vide circular no.17/2019, which made everyone heave a huge sigh of relief.

Taking cognisance of those members who had received PNC for availing undue notification benefit, GJEPC officials made a representation to the Chief Commissioner of Customs, requesting for withdrawal of instructions issued for constitution of task force for the purposes of issuance of PCNs and SCNs in the matter. It also distributed circulars to members with a reply draft for PNC and a reply draft on receipt of SCN. This came as a ready resource for members who wanting to seek an extension so that they could prepare their documents accordingly.

The Council also guided members on how to fill out these drafts, including information to be filled in the blanks provided, where to submit it, what the various paras meant, where to take the printout, should to put their initials on documents, etc. GJEPC also conducted a seminar to educate them about SCN and PH, what is a normal notary or a registered one, the value of stamp paper and should they submit an affidavit on receipt of PH. **The outcome of these initiatives was that on submission of the documents, members received an order for non-payment of duty.**

HELPING IN STREAMLINING PROCESSES

The Office of the Commissioner of Customs, Mumbai, directed industry members to provide

elaborate details of rough diamonds declared for export to decide their value. It noted that the description of goods stated in the documents filed for clearance was often incomplete and, in most cases, the imported and exported goods were merely stated as 'Rough Diamonds'. This was primarily in the case of valuation of rough diamonds, which had been disseminated suspecting the same as cases of 'suspected mis-declaration'.

A note from the Customs Office stated that details like origin, size, shape (octahedrons, longs, mackles, flats, triangles, etc.), colour and clarity are essential for proper assessment of imported rough diamonds or those entered for export. It put the onus on the importer or exporter to state these details in the bills of entry or shipping Bills filed for the clearance of such goods.

GJEPC pointed out that India is the Chair of Kimberley Process Certification Scheme (KPCS) 2019. A special forum on 'Valuation on Rough Diamonds' was conducted in June 2019 where intersessional meeting with WCO representatives were invited. It therefore requested the Customs office to keep this procedure in abeyance and not implement it for the time being.

The Indian government has been working hard to boost domestic manufacturing and promote exports. The board decided to incorporate additional attributes in the Shipping Bill to enable the Customs System to capture the Districts and States of Origin for goods exported.

GJEPC met the Commissioner of Customs and officials at the Ministry of Commerce to apprise them about the practical challenges in this domain. They also recommended keeping the information provided on Origin of Goods in abeyance, till the practical solution to some challenges are finalised.

They requested the Customs department to allow exporters to carry on their exports by mentioning Mumbai as the district and Maharashtra as state since exports takes place from Mumbai's Precious Cargo Customs Clearance Centre. A circular about this meeting was shared with the Council's members, so they were aware about the proceedings. ■

INDIA'S GOLD INDUSTRY IS ON THE CUSP OF TRANSFORMATION

In an exclusive interview to *Solitaire International*, Somasundaram PR, managing director – India, World Gold Council, sheds light on the new gold policy, contemporary challenges and an exciting future filled with innovations

Somasundaram PR, managing director – India, World Gold Council has been always the leading voice of the Indian gold industry. A staunch advocate of a progressive policy for the trade, he explained how it can augment demand, promote development of the gold market, increase employment opportunities, spur exports and enhance consumer protection – making it a win-win proposition for the entire ecosystem.

What are some challenges prevalent in the Indian gold market?

The Indian gold industry's growth has been impressive since the withdrawal of the Gold Control Act in 1990. Despite its significant size, it has remained a fragmented, largely unorganized, sector with significant untapped potential.

With an annual demand of approximately 800 tonnes to 900 tonnes and a market size second only to China, India still lags in infrastructure and standards. It has not leveraged its buying power to have any influence on the global gold market.

There is a pressing need to reform India's gold market. There is serious lack of standards affecting integrity of gold, very low mining and limited recycling of household gold restricting the growth of domestic gold market and resulting in the

majority of demand being met through imports.

Additionally, there exists a large segment of unorganised trade (over 60%) with a complex and fragmented supply chain, with varying degrees of compliance. Higher taxes on gold and short-term outlook and frequent tax changes hinders confidence of the trade in making investments behind innovation and exports.



A stable policy environment and an integrated approach to domestic and export is critical to alter the role of gold in the economy – from being perceived as a negative asset impacting tax transparency to one that is a compliant mainstream asset with significant potential to protect wealth and boost economic growth.

– SOMASUNDARAM PR

MD - India, World Gold
Council

Will the new gold policy resolve these challenges?

A comprehensive gold policy that addresses both opportunities and challenges, would be a prime enabler to ensure that the economic benefits of gold are amplified and visible. A stable policy environment and an integrated approach to domestic and export is critical to alter the role of gold in the economy – from being perceived as a negative asset impacting tax transparency to one that is a compliant mainstream asset with significant potential to protect wealth and boost economic growth.

In the absence of such a policy, frequently, short-term policy interventions in the form of import curbs have been made, leading to unintended consequences including smuggling and tax evasion, which keep the industry from becoming progressive and mainstream. Effective reforms could create impact at multiple levels; grow demand without creating macroeconomic instability, promote orderly development of the gold market, increase employment sizeably, spur investments in value added manufacturing, boost exports and enhance consumer protection.

When do you expect India to implement the new gold policy? How are the stakeholders making a collective effort to ensure it is rolled out at the earliest?

Further to budget announcement about a comprehensive gold policy in 2018, NITI Aayog released a comprehensive report to transform India's gold industry. With industry support, we have published blueprints on specific recommendations like gold spot exchange and bullion banking.

We believe 2020 will see phased introduction of further policy measures designed to increase transparency in gold as an asset class. We expect policy-led and industry-led initiatives that will reflect a marked shift in the next three years towards making the industry better organised.

How will the jewellery manufacturing and retailing segment benefit from an organised, transparent gold market?

Gold is a global market and Indian handcrafting is an untapped opportunity in this area. Enhanced consumer trust, more investments, easy access to finance, better innovation and greater reach will be some of the benefits of an organized market. The risk of remaining unorganized in an increasingly global market is too well known to need re-statement.

What would be the potential revenue of India's bullion banking operations once up and running?

Bullion banks are, and continue to be, a key pillar of the gold market – they build greater trust across the gold value chain, drive efficiency, provide liquidity, promote transparency and support price discovery. The result is that customers can participate in the bullion market with confidence.

Several countries, including the UK, US, China and Switzerland have fully functional, well-organised bullion markets. In these countries, participants access the bullion market through bullion banks. Bullion banking has the potential to generate massive revenues, primarily from interest from financing activities, and brokerage and fee income from sales and trading activities.

In 2017, revenue from global bullion banking operations was estimated at US\$ 1.5-1.8 billion. The revenue potential of each bank differs according to the breadth and depth of services offered. While tier I banks such as UBS, HSBC and JP Morgan each generate revenues of US\$100-250 million from bullion banking, smaller, tier II banks generate revenues of less than US\$50mn.

The development of an effective bullion banking industry in India will require real commitment from both banks and policymakers in seeking to create a viable domestic bullion banking market. Apart from substantial revenue, increased bullion

demand should also result in significant job creation. It is estimated that higher manpower requirements could create an additional 15,000-25,000 jobs.

How can mandatory gold hallmarking across India benefit the trade?

India’s gold industry is at the cusp of transformation, as transparency, standards and infrastructure begin to define the next phase of reforms. Making hallmarking mandatory is a much-awaited progressive step to safeguard the interests of the consumers, particularly women, who put their hard-earned savings into this asset class.

This reform should be backed by a tight enforcement mechanism and has potential to enhance trust in Indian gold jewellery, thereby enabling a favourable environment to market our famed handcrafting skills appropriately. Employment potential in assaying and hallmarking will increase.

Hallmarking will also create a level playing field, benefitting small players. The transition time of one year will allow the industry enough time to sell the existing inventory—while simultaneously, plugging any gap in infrastructure or making suitable changes in logistics. To make this a smooth success, government and the industry players should also create a strong consumer pull, through consumer awareness campaigns.

How is WGC ensuring that gold jewellery has top-of-mind recall amongst consumers? Will it revive its highly successful jewellery-related promotions in India like Gold Expressions, Azva, etc.?

Our strategy changes from time to

time depending upon the needs of the market. Currently, the priority is to make sure the future of this industry is aligned to the broader economic agenda. To this end, our current efforts are focused on working with stakeholders for a stable policy environment.

Will WGC focus purely on investment-driven demand?

There is no difference between investment-driven demand and jewellery. In India, gold in any form is an investment and our households understand that like any seasoned economist. We are building marketing support and a strong case for gold through industry events and digital platforms such as MyGoldGuide.

Almost all efforts to smuggle gold into India stem from the government’s efforts to curtail its import. How can the country balance the cultural affinity for gold

Bullion banks are, and continue to be, a key pillar of the gold market – they build greater trust across the gold value chain, drive efficiency, provide liquidity, promote transparency and support price discovery.

with macro-economic pressures?

India’s per capita gold consumption, despite being a large gold market, is low at less than 0.50 grams, lower than many advanced countries that have sophisticated financial markets. This speaks of a large pent up demand at the lower end of the economic hierarchy.

As more people grow out of the subsistence level to become middle class, their desire to hold gold will



World Gold Council is building marketing support and a strong case for gold through industry events and digital platforms such as MyGoldGuide.

Apart from substantial revenue, increased bullion demand should also result in significant job creation. It is estimated that higher manpower requirements could create an additional 15,000-25,000 jobs.

only drive demand. A 1% increase in income leads to a 1% increase in gold long term. So, instead of trying to curb demand, we should look at ways of making gold more accessible through banks so gold savings happen through the banking system -which can put this to use just as any other savings.

Supporting innovation in gold through a massive tech programme on gold, promoting exports and reviewing India's untapped gold mining opportunities are ways we can balance the macro-economic pressures. GMS and SGB need to be made more flexible and that can add ease supply side pressure - besides making the market more organised.

Despite being the second biggest gold consumer, why does India have

such little influence in the global market, in terms of setting the gold price?

This has to do with a limited purpose and inconsistent policies so far. It tended to focus on just controlling imports rather than leveraging gold as an asset class, one that promoted savings at all levels of the social and economic hierarchy.

What innovations can we expect to see in the Indian gold market over the next five years?

We can expect innovations in both investment products and jewellery. This will be led by digital trends, bullion banking and technology integration into the jewellery lifecycle - covering manufacturing, selling, marketing, storing, usage and recycling. ■



NIRUPA BHATT TAKES ON NEW ROLE AT GIA INDIA

From June 15, 2020, she will take on a consulting advisory position focusing on GIA's Diamond Origin Report service

Nirupa Bhatt will be transitioning from her full-time position as managing director of Gemological Institute of America, India (GIA India), from June 15, 2020. She announced that she intends to transition to a consulting advisory position focusing on GIA's Diamond Origin Report service. "This decision offers a smooth succession plan for GIA India, with me available to personally guide a quality transition for customers and the trade," she added.

Bhatt's position will be filled by Sriram Natarajan, currently vice president of Laboratory Operations, and he will report to the organisation's board of directors. Prior to joining GIA India in August 2017, he held operational and leadership roles in a variety of international industries. Apoorva Deshingkar, who joined GIA

India in 2009, has been announced as the organisation's senior director of sales, reporting to Natarajan.

Bhatt joined GIA India on January 1, 2008, with a responsibility to expand education



Since joining GIA India in 2008, Nirupa Bhatt oversaw the opening of its Mumbai and Surat laboratory, and increased the scope of GIA education offerings in India

programmes and laboratory services. She oversaw the opening of the GIA India laboratory in Mumbai, and increased the scope of GIA education offerings in India. In 2018, GIA India opened a laboratory in Surat to serve clients in that important diamond manufacturing centre. In her role as managing director, Bhatt oversaw the successful 10-year expansion of GIA India.

Susan Jacques, president and CEO of GIA commented, "Nirupa has overseen the launch of the GIA India laboratories in Mumbai and Surat, and the GIA education programmes in India. She has been instrumental in the establishment of GIA India, and her tremendous contribution to the industry, to GIA India and to our mission will have a lasting impact that will long be remembered."

Bhatt noted, "The Indian gem and jewellery industry is very important for its role in employment generation, forex earnings and socio-economic development. I'm glad to have worked with organisations like Argyle / Rio Tinto and GIA that have given me the opportunity to contribute to the growth story of the industry."

Prior to joining GIA India, Bhatt was with the mining conglomerate Rio Tinto, owner of the Argyle Diamond Mine in Australia and the

Diavik Diamond Mine in Canada, for 20 years.

She also managed the Indo Argyle Diamond Council. Apart from her full time jobs, Bhatt has been active in many industry and trade organisations, including The Gem & Jewellery Export Promotion Council (GJEPC), the All India Gem and Jewellery Domestic Council (GJC), the Indian Diamond & Colorstone Association (IDCA) New York and the Women's Jewelry Association (WJA). She also served on several juries for industry awards and she established the India chapter of WJA. ■

THE GRANDE DAME OF INDIA'S DIAMOND INDUSTRY

Nirupa Bhatt needs no introduction to the Indian gem and jewellery industry. She radiates a sense of self-assuredness and purpose that comes with the territory. Recognised with several accolades and awards by her peers, Bhatt has played a pivotal role in the prominent positions she has held during her long and illustrious career.

Disentangling oneself from stereotypes is not an easy task, but Bhatt has always let her work speak for itself. She has toiled with a singular purpose - to ensure the welfare of the industry at large. The announcement of her stepping down from the managing director's post of GIA India took the industry by surprise. But for a woman whose aim has always been able to rediscover herself through the different and challenging roles that she takes on each time, she is clearly excited about her onward journey. Bhatt, in an email interview with Solitaire International, reminisces about her life, career, challenges and learnings.

You were the first woman in India to break the glass ceiling in this industry, especially since the industry was male-dominated.

NB: My approach has been that I am first a human being, then a woman. This has helped me to be strong, empathetic and an assertive professional. It is a privilege to be born as a woman, and I have enjoyed my journey in the gem and jewellery industry.

Each role and industry presents challenges and opportunities. I focussed on the opportunities presented in this sector. My efforts in understanding the industry and its needs helped me to connect with the enterprising diamond community and jewellers. I have great admiration and respect for the Indian diamantaires for establishing our country as a global cutting and polishing centre. I owe my success to the lessons I learnt from owners of small cutting units to multi-million-dollar global business owners.

Earlier, I worked in the engineering industry and travelled to smaller towns across the country for sales. I learned early on that effectiveness is appreciated irrespective of gender. I applied being sincere and truthful to the cause and so, did not have problems.

I lost my father at a young age. My mother was a strong-willed, hard working woman. I saw her raising us in adversity and she encouraged us to achieve our dreams. My training in the National Cadet Corps and becoming a senior under officer, attending the Republic Day Parade and national

campus gave me confidence to be myself. Thanks to my family that empowered me, and taught me not be intimidated.

Tell us more about yourself, and the reasons why you choose to join this industry.

NB: The uniqueness of this industry is its ability to teach newcomers how to flourish and contribute towards its growth. I am grateful to so many for giving me their time and helping me to grow.

My entry to the industry was accidental and I am so glad to be here. During these years, I have worked with two generations - the first generation was my guru, and I am happy to have contributed to the growth of many from the second generation. Today, many of these young men and women are leading the businesses and my connection with their families for the last 30 years has helped me nurture those relationships.

Which was your first job in the industry and what lessons did you take away from it?

NB: The journey into the world of gems is always fascinating and mine has been very fortunate. I worked with Argyle Diamonds and it was a great place to work at. Argyle was new to the industry and was keen to make a difference. It was not easy to get the role in Argyle as there was some hesitation to hire a woman in India. However, once I was hired, there was no looking back.

My expertise at the time was market

intelligence and I was able to provide them with a better understanding of the industry. I acquired knowledge through my work with those in the diamond trade, and from other experts and jewellers in India, Antwerp, Australia and the US. Their goal was to help the Indian industry improve technical capabilities to cut and polish diamonds and market them effectively. We worked with the diamond cutters in Gujarat to improve their productivity and yield from rough diamonds.

Another major role was to work with jewellery manufacturers and exporters to help them design, merchandise and market jewellery for American retailers. I feel very satisfied that I could make a difference through those programmes. I am fortunate to serve industry organisations and that has helped me to contribute to the greater good of the industry. My biggest lesson from Argyle Diamonds was to respect and fulfil customer needs.

Could you share an anecdote or two about the hurdles you faced then as a newcomer?

NB: I distinctly remember two stories. The first was my interaction with Mike Mitchell, general manager of sales and marketing, when I was visiting the Argyle Diamonds headquarters in Perth within a few weeks of joining the company. He called me into his beautiful corner office overlooking the park and said, “India is very important for Argyle Diamonds and the need to understand and support the industry.” He also told me that I was hired against the conventional wisdom (he was referring to hiring a woman in India from a male-dominated industry) and that Argyle was investing in me. Sensing his hesitation, I assured him that he and Argyle Diamonds will never regret the decision. The rest is history. I learned a lot from Mike. He was a great manager, a taskmaster, and a fine gentleman who kept the team spirit high. I am lucky to have worked with the Argyle team.

The second instance is when the Argyle Board decided not to renew their contract with De Beers, and go to market directly in 1996. It was one of the most challenging times, as I used to visit diamond offices in Opera House, Mumbai, to support the existing customers and identify

potential customers. I was told by a few leading diamantaires that I was wasting my time with Argyle Diamonds and that this decision to go to market directly would fail. The entire Argyle team worked diligently and sincerely to make this board’s decision successful. The leadership of managing director Gordon Gilchrist and general manager Mike Mitchell led us to success, and it became a turning point in the history of the diamond industry. Some of these diamantaires became Argyle Diamonds customers. It was a well-deserved success.

When did you actually start to make a mark for yourself? Expound on the qualities one requires - to scale up the ladder of success.

NB: It took about three years for me to get my vehicle in top gear. I started doing price discoveries and connected with grassroots workers in villages and small towns of Gujarat. Diamantaires in Opera House were not willing to give me the time. However, over those three years, they started to hear about me visiting factories, providing technical support and my efforts to work with jewellery manufactures to understand the US market.

Formation of the Indo Argyle Diamond Council (IADC) and the development of Business Excellence Model (BEM) were the two important milestones. My experiences have taught me to adapt in a challenging environment. I live and thrive in uncertainties, and I do not give up.

After having spent 20 years with Argyle Diamonds (later Rio Tinto Diamonds), I started my stint with the Gemological Institute of America (GIA) India as managing director of India and Middle East in 2008. My role was to create awareness about the institute’s mission of ensuring public trust in gems and jewellery through research, education and laboratory services across the length and breadth of India and the Middle East. I felt this was the perfect opportunity for me to contribute extensively to this industry.

Your advice to the women entrepreneurs and designers of today.

NB: The gem and jewellery industry thrives

because of women and I believe that an increase of women in the workforce at all levels will bring fresh perspectives, hopefully leading to expansion and improved quality. We are fortunate to be able to work with natural precious gemstones like diamonds and precious metals like gold and platinum. Entrepreneurs and designers – regardless of their gender – should respect the intrinsic value of these natural resources. The beautiful ornaments which are gifted and purchased often serve as a memory for decades.

There are plenty of opportunities and trade bodies, like the GJEPC, are making efforts to give women the platform to shine. I urge women to come forward and demonstrate the value they add to their chosen profession. Persistence, purpose and passion are keys to recognition and making a difference.

How was it working at the helm of affairs at GIA India? And now as a consultant with GIA...

NB: In the past 12 years, I have built a management team committed to furthering GIA's mission. I was the first employee of GIA India in 2008, and today GIA India has more than 1,300 skilled and committed staff. I am confident that the team will take GIA India to greater heights. GIA's leadership has been supportive and encouraging of India operations. The Indian diamond industry has benefitted with GIA's grading services available at their doorsteps. In my opinion, there is great potential for GIA's coloured stone and pearl identification services in India.

I am looking forward to working with GIA in an advisory/consulting role and focus on the GIA Diamond Origin Report. Backed by scientific matching of polished and rough diamond, the Diamond Origin Report service enables retailers to tell the story of where diamonds come from and the socio-economic impact it has on the

region. I visited Argyle mine a few times and have witnessed the development of local community in terms of education, health and employability.

Other than being steeped in industry matters and GIA-related work all this while, how do you unwind? Tell us about your hobbies.

NB: I love teaching and my first job was as a teacher. In the past three decades, I have mentored and coached many young men and women, helping them grow in their roles. During my Argyle days, I played a role of consultant to customers and IADC participants to manage, design and merchandise for the target market. I am a certified coach and love to empower people by coaching them. I also love reading, watching movies and cooking for my family. My favourite book is Atlas Shrugged by Ayn Rand.

Post coronavirus pandemic, where, according to you, will the Indian diamond industry be headed? How long do you think it will take for the industry to come out of the downturn?

NB: This is a difficult and unprecedented time for all industries across the globe. I am not a health expert and do not know when will it be over.

Jewellery has an emotional appeal. It is possible that as we come out of this situation, consumers will return to stores. Since industries like tourism are likely to be adversely impacted, there may be a possibility that some consumer spend could be directed at discretionary purchases.

Any one key mantra that you think the industry should adopt to reach greater heights?

NB: The manufacturing competency of Indian gem and jewellery industry is recognised globally and has potential to be the single-point sourcing centre for retailers. Indian jewellery manufacturers should focus on quality, productivity and design. ■

GJEPC MEMBERS MAY APPROACH BANKS FOR BENEFITS FOR EXPORT CREDIT

Member-exporters are advised to approach their banks directly to seek benefits following changes in provisions related to packing credit and extension of repayment time introduced by the RBI



Banks can extend the period of realization of export proceeds up to six months from the date of export, subject to certain RBI stipulations.'

The Gem & Jewellery Export Promotion Council (GJEPC) has advised all its member-exporters to approach their banks directly and seek benefits arising from certain changes in provisions related to packing credit and extension of time for repayment that have been recently introduced by the RBI. These changes in the Master Direction - Export of Goods & Services 2016, issued by RBI, have been announced by the central bank in the context of disruptions to business due to the current Covid-19 pandemic.

It may be recalled that the GJEPC had last month requested the government for certain relaxations in time limits for repayment of export credit due to then anticipated delays in realisation of export proceeds. At

that time the impact of Covid-19 was mainly limited to Hong Kong and China, which account for about one-third of India's exports. Since then, the virus is reported to have spread to more than 100 countries across the globe.

GJEPC said that after it had further discussions with the Ministry of Commerce & Industry (MoC&I) and Ministry of Finance (MoF) about the impact on the trade, the government has introduced some changes in terms of Packing Credit and Extension of Time for realisation of export proceeds for delays arising due to the impact of Covid-19 on the business.










Some key highlights include seeking permissions for delays in shipment under packing credit; granting of period of nine months from the date of export for realization

and repatriation of export proceeds for exports from SEZs, EOUs, Status Holder Exporters and certain others; and of 15 months from the date of shipment of goods in the case of goods exported to a warehouse established outside India.

Additionally, AD Category-I banks have been permitted to extend the period of realization of export proceeds beyond the stipulated period of realization from the date of export, up to a period of six months, under certain conditions as stipulated by RBI. The Council has stressed that all reporting of exports should be done under the EDPMS and has asked trade members-exporters to make use of above provisions and approach the banks directly so as to streamline business activity in the current situation. ■

GEM AND JEWELLERY EXPORTS

April-February 2020 (US\$ million)

<p>CUT & POLISHED DIAMONDS</p>  <p>Apr 2018-Feb 2019 Apr 2019-Feb 2020</p> <p>21,953.46 17,699.40</p> <p>▼ 19.38</p>	<p>PLAIN GOLD JEWELLERY</p>  <p>Apr 2018-Feb 2019 Apr 2019-Feb 2020</p> <p>7,798.99 8,207.22</p> <p>▲ 5.23</p>	<p>SILVER JEWELLERY</p>  <p>Apr 2018-Feb 2019 Apr 2019-Feb 2020</p> <p>764.70 1,459.39</p> <p>▲ 90.84</p>
<p>STUDED GOLD JEWELLERY</p>  <p>Apr 2018-Feb 2019 Apr 2019-Feb 2020</p> <p>2921.08 3205.02</p> <p>▲ 9.72</p>	<p>COLOURED GEMSTONES</p>  <p>Apr 2018-Feb 2019 Apr 2019-Feb 2020</p> <p>369.23 307.25</p> <p>▼ 16.79</p>	<p>IMITATION JEWELLERY</p>  <p>Apr 2018-Feb 2019 Apr 2019-Feb 2020</p> <p>61.21 55.92</p> <p>▼ 8.64</p>
<p>PLATINUM JEWELLERY</p>  <p>Apr 2018-Feb 2019 Apr 2019-Feb 2020</p> <p>8.43 9.69</p> <p>▲ 14.95</p>	<p>OTHERS</p>  <p>Apr 2018-Feb 2019 Apr 2019-Feb 2020</p> <p>2119.57 2292.89</p> <p>▲ 8.18</p>	<p>GROSS EXPORTS</p>  <p>Apr 2018-Feb 2019 Apr 2019-Feb 2020</p> <p>36,192.03 33,629.99</p> <p>▼ 7.08</p>

Source: GJEPC Database

- Figures for April 2019 to February 2020 are provisional and subject to revision
- Data does not include exports/imports figures pertaining to FPO-Jaipur for May 2015 to Feb 2020. Others include Gold Medallion, Rough Diamonds, Pearls, Synthetic stones, etc.

TAKING A SHINE TO THE MIDDLE EAST

As buying preferences evolve, customers in the Middle East are gravitating away from heavy jewellery towards contemporary and minimalistic designs, which can be worn more than once. Traditional gold and diamond jewellery still has a market, albeit for occasions like weddings or festivals

By VINITA BHATIA



When his company participated in the Gems and Jewellery Export Promotion Council's annual (GJEPC) IJJS Signature 2020 exhibition this February, Mahesh Seth of Mumbai's SK Seth Jewellers was unsure what to expect. The Indian industry had been suffering in the aftermath of volatile gold rates and the Budget had not been particularly encouraging.

However, he was pleasantly surprised with the response to the event, especially to his company's wedding jewellery collection, Vivah Muhurtham. He bagged orders from a couple of UAE clients for these handmade bridal sets, which were available in lightweight and heavy varieties.

In fact, bridal jewellery has always been a big draw for buyers in the entire Middle East market, not just the UAE, who regularly participate in IJJS Signature. Rohan Sharma, managing director of RK Jewellers, South Extension 2 predicted that while this category will continue to sustain in

terms of business, it might witness budget cuts. The reasons are varied - the geo-political issues that currently envelop the region, fluctuating gold prices, changing buyer preferences for more lightweight designs, and yes, the fallout of the Covid-19 outbreak.

A VITAL MARKET

The gems and jewellery industry plays a vital role in a country's economy especially India's as it is one of the largest exporters and contributes a major chunk to its total foreign reserves. In the absence of a transcontinental export break-up for the Middle East region, Sharma elaborated, "India's overall net exports rose from \$15.66 billion in FY2004-05 to \$32.71 billion in FY 2017-19, growing at a 5.83% CAGR during this period."

The Middle East has always been among the top consumers of Indian gems and jewellery products. Interestingly, one of the reasons why

people invest in gold here is not merely due to traditional practices, but also considering the volatility in the region. This habit is especially prevalent among the large number of expats spread throughout GCC.

Bhavesh Triveni, an analyst explained, “Whenever the markets are headed in an inflationary direction, people prefer to invest in gold, which they consider as a valuable physical asset, rather than currency. This is because they worry that the latter might devalue without notice. Gold, on the other hand, has long-term asset value.”

Fortunately, these customers have a plethora of brands to buy from in the Middle East, which is also home to several indigenous brands, including Joyalukkas, Malabar Gold & Diamonds and Kalyan Jewellers. Of course, one can't forget that this region is the world's best known destination for uber luxury names like Damas Jewellery, Tiffany, Chopard, Bulgari, Harry Winston, Pandora, David Yurman, etc.

This is in addition to regional brands like the Mouawad Group, Ali Bin Ali Luxury Group, Dusoul by Dhamani, etc., and local ateliers. Some prominent ones include Bahrain's Aisha Jewellers, Al Mahmood Pearls and Ramzana Jewellers; Saudi Arabia's Nadine Jewellery, Charmaleena Fine Jewellery and Bin Matar Gold, Jewellery and Diamonds; Qatar's Sky Jewellery, Ghada Al Buainain, Amiri Gems and Al Fardan Jewellery, as well as Al Zain Jewellery that is spread out across GCC in Bahrain, Qatar, and UAE.

According to Leshna Shah, creative director and founder of Irasva, while the Middle East remains a lucrative market in terms of luxury jewellery there has been a

gradual shift to everyday wear jewellery in the region. “People are unwilling to invest in heavy jewellery, except on occasions such as weddings or festivals. Customers are looking for unique and contemporary designs, which are minimalistic and can be worn more than once,” she noted.

Sharma seconded this surmise, “After India, the Middle East is the only other market that has an appetite for jewellery. They have a tradition of wearing heavy jewellery on weddings and also gifting jewellery to each other on special occasions. That is what makes it a much more lucrative market than the rest of Asia.”

Customised creations are also becoming quite popular among customers. Qatar's Haya Jewellery, which has been dealing in gold, diamonds and pearls for over two decades offers many made-to-order and custom designs. Turkey's Verda Alaton also designs interesting custom-made pieces with natural stones that she collects during her travels across the world. Moreover, for some clients, she designs pieces that match their personality.

Lebanese designer Donna Hourani, who has owns a brand under her name, said that this



Lebanese jeweller Donna Hourani recycles and customises old jewellery pieces as keepsakes for generations to come.



Emeralds, amethyst and tourmaline are embedded in this signature gold ring by Donna Hourani.

personal touch has become very popular among her clientele. She creates limited collections annually and especially focuses on jewellery pieces based on birthstones or family heirlooms, which can be handed down generations as keepsakes.

FUSION STYLES

India shares many parallels with the Middle East - be it cuisine, culture or a sense of communal togetherness. This affinity is reflected in the jewellery trends prevalent in the latter region.

For starters, traditional Middle Eastern ladies, especially from the local populace, favour heavy gold and diamond jewellery, which they can showcase as a symbol of their family's prosperity. They especially like to flaunt it on special occasions like weddings, family functions or during festivals, much like their Asian counterparts.

This is where brands like Malabar Gold & Diamonds are best placed to fulfill their needs. The company has a wide collection of designs in gold and diamond jewellery from Italy, Turkey, Bahrain and India in its branded jewellery segment. This includes 'Era' uncut diamond jewellery, 'Ethnix' handcrafted designer jewellery, 'Divine' Indian heritage jewellery, 'Mine' diamonds unlimited and 'Precia' gem jewellery.

However, for regular wear, customers in the Middle East seek contemporary designs, which are

According to TechSci Research, UAE's gems and jewellery market stood at \$8.4 billion in 2018 and is projected to grow at a CAGR of around 8%, to cross \$13 billion by 2024. This growth is expected to be driven by rising disposable income, changing consumer lifestyle, growing e-commerce and organized retail channels, coupled with innovative and premium product launches by leading jewellery players in the UAE.

minimalistic yet individualistic. Joyalukkas' Zenina 22-karat gold collection is inspired by Turkish designs to meet this need. Similarly, Qatar's Amiri Gems offers fusion creations like its 'Panjshir Ring'. Inspired by Kabul's Panjshir Valley, it has emeralds from this region, which are renowned for their coveted green hues. Its 'Miniature Demi Mogra Ear Jacket', available in blue tanzanite, yellow aquamarine or pink tourmaline, is based on the famous Indian flower. Bahrain's Devji jewellery store recently unveiled a collection of Arab-oriental necklace and earring set

with meenakari details for Mother's day, this year.

Narendra Zaveri, a jeweller in Dubai's old Hamdan Street said that 22-karat gold jewellery and diamond jewellery have emerged as the popular choice among Asian buyers. "Europeans customers are keener on 18-karat gold jewellery with contemporary designs. Even the younger crowd is going for these trendier designs instead of heavy patterns," he added.

THE WELL-ADORNED BRIDE

Another similarity that the Middle East shares with India is extravagant wedding celebrations. And in events like these, bridal jewellery take pride of place. In most Indian families, weddings are occasions when spending on jewellery is never curtailed. In the Middle East, it is increased to the point of extravagance!

When it comes to what appeals to brides, Sharma of RK Jewellers, South Extension 2 stated that it varies from one lady to another. "However, most brides are very quality conscious and prefer D Flawless diamonds. One bride may go for a 1-carat diamond, whereas the other would go for a 10ct. But none of them would compromise on quality. Also, this year, gemstones, especially tanzanites and rubies, will do well," he added.

Lebanese jewellery designer Donna Hourani has noticed that most of her clients have been re-designing and re-setting their old solitaires. "Many have a budget and prefer to use other types of stones instead of diamonds. Some favour a bigger coloured stone than a smaller diamond, for instance. People also like the idea of having a unique and different wedding ring as opposed to your traditional kind.

Sometimes clients choose their stones based on their metaphysical properties," she added.

Narendra Zaveri has seen a continuous uptake for gold bridal jewellery among the Indian diaspora, albeit with more delicate work. "Till a few years ago, many brides would opt for heavy, traditional gold jewellery, probably due to traditional reasons. However, the younger generation is keen to explore options with diamonds and real natural gemstones like emeralds, rubies and blue sapphire," he elaborated.



Malabar Gold & Diamonds has a wide collection of branded jewellery designs from Italy, Turkey, Bahrain and India.

CHILD'S PLAY

Another interesting market emerging in the region is for children. Spotting an opportunity in this space, companies like Qatar's Sky Jewellery, have a special range called 'Glyde' that targets children with tiny jewellery pieces. These bear pretty animal, flower and musical motifs embedded with tiny diamonds with a well-rounded edge to avoid hurting their skin.

Malabar Gold & Diamonds, too, has its 'Starlet' kids' jewellery range for ages one to 10 years. This includes everything from earrings to bracelets and rings to pendants and features funky shapes to suit the target audience's taste. The ornaments are crafted in meenakari



Qatar's Sky Jewellery's 'Glyde' range of gold ornaments is aimed at children. It has tiny jewellery pieces with playful motifs.

designs with a bright appeal, which also make for great gifting options.

When it comes to gifting, weddings, birthdays and anniversaries have been the bedrock for the jewellery business. However, Leshna Shah has increasingly found that customers are now focusing on self-care and self-gifting as a practice of wellness and mindfulness. She added that brands are increasingly changing their messaging to convince people to buy for themselves by creating more personalized jewellery to express one's personality. Minimalistic designs are gaining momentum as chunky and heavy jewellery takes a back seat.

2020'S SHAKY START TO CONTINUE

This year began on a rocky note for most jewellery companies with weakening consumer buying sentiment and rising gold prices. It is expected that it will take some time for the demand for luxury products to pick up in the region.

The political uncertainty in the entire GCC region, especially the Iran-US tension, added to the business woes in the region. Tourism saw a dip in various

countries, which affected jewellery sales as well.

Even the annual Dubai Shopping Festival (DSF) was not spared from this business debility. Dubai, often called the City of Gold with an entire souk dedicated to trading of the yellow metal, hosts a month-long shopping festival. This event has made it a popular shopping destination among tourists, who visit it to buy jewellery at affordable prices.

According to Chandu Siroya, vice-chairman, Dubai Gold & Jewellery Group, the rising gold price coupled with geo-political issues led to a dip in jewellery sales midway during DSF this year. There was a decline in footfalls from traditional buyers from Asian countries like India, Pakistan, Bangladesh as well as other GCC countries, who are heavy shoppers during this event. Fortunately, the impressive prizes offered during the campaign helped boost sales, which reflected in encouraging total overall business, he added.

Damas, a leading Dubai retailer, is banking on the power of 22-karat, and over the coming few months, it will unveil new 22-karat retail concepts throughout UAE and the

Gulf region. Regional brands like Bahrain's Devji Diamonds are trying to retain their customers with buy-back schemes, which are popular among the expat community.

However, with devastation that Covid-19 has wrecked on economies globally, many jewellers are expecting further slowdown in the business. Sharma said, "We expected demand to go up by the second half of this year. However, we are now looking at a negative growth. For the next two years, also the growth is not going to be great."

Leshna Shah is more optimistic. "It is essential to focus on a sustainable business model, apart from technological innovations. Brands also need to focus on the drastically changing consumer demands. Companies need to invest in projects that can ensure a long-term supply of goods to the market."

As the market evolves and customer buying preferences change with trends like ecommerce gaining ground, it is likely that consumers in the Middle East will gravitate away from larger and higher-priced jewellery to minimalistic designs with unique design cuts. They are also likely to be on the lookout for pieces that offer them better value for their investment, which might lead to the emergence of multi-purpose jewellery. This is especially with the younger generation clued into social media platforms, where they can exchange ideas and photos of jewellery that they can flaunt daily, rather than letting it languish in their closet - only to be paraded on special occasions. ■

FLEUR & NOËLLE'S HEARTS BEAT FOR INDIA

The annual ritual 'Design Inspirations', a seminar organised by the Gem & Jewellery Export Promotion Council (GJEPC) in association with trend forecaster Paola De Luca of The Futurist Ltd., was held on the last day of IJS Signature on February 16, 2020. A galaxy of speakers from various fields shared their experiences with the audience, giving them insightful directions whilst promoting an exchange of cross-disciplinary thinking. Here's the first article in the Design Inspirations series based on the session dedicated to 'Heritage and Values'.

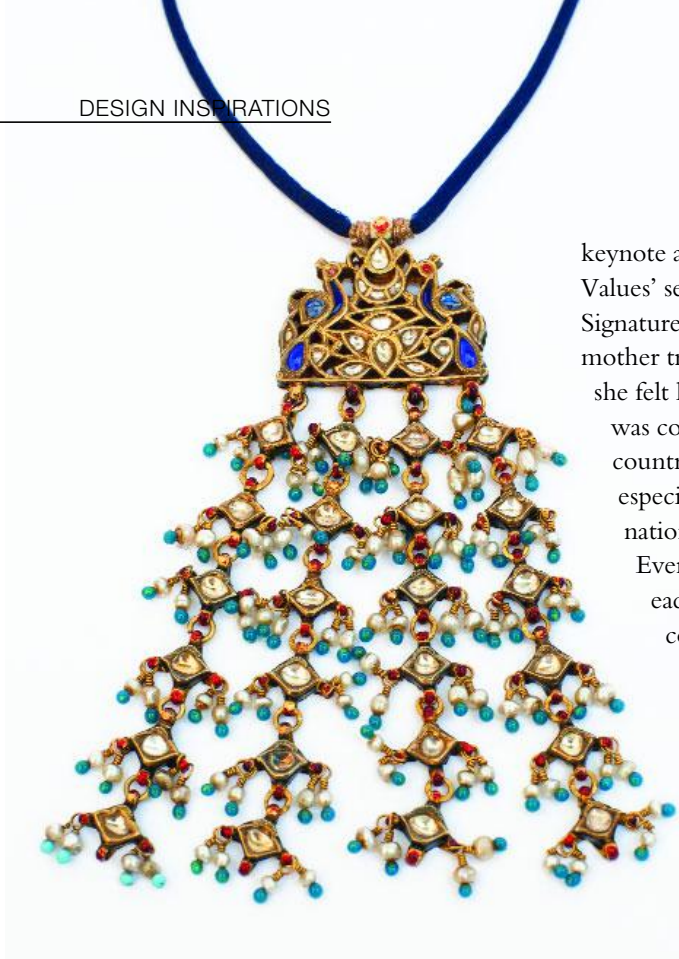
Meet Fleur Damman-van Gelder and Noëlle Viguurs, the two sisters who run the Van Gelder Indian Jewellery (VGII) in the Netherlands, which was founded by their mother, Bernadette van Gelder-van der Ven in 1980. VGII is a leading international dealer, specialising in traditional Indian jewellery.

The sisters got hooked to the unique aesthetics of Indian jewellery and two decades later, they took charge of VGII. Even as they embraced the new world, they have not lost their grip on the company's core business. India was, and remains, the focus of their collections, and last year, they relaunched the 'Heritage' and 'Contemporary' collection, which includes four lines - Colors, Jali, Jodha Bai and Chandra - all inspired by the country that is close to their heart.

By SHANOO BIJLANI



Colin Shah, vice chairman, GJEPC and Shreyas More, Green Charcoal Project with Fleur Damman and Noëlle Viguurs of Van Gelder Jewellery.



keynote address at the ‘Heritage and Values’ session on the last day of IIJS Signature 2020. “The first time my mother travelled to India with my father, she felt like it was a homecoming. She was completely in love with the country, the people, their kindness and especially, the jewellery. India is a nation, but for us, it is a continent. Every culture, and the tradition in each and every corner of the country is different. It intrigues us so much that we want to know more,” she stated.

Bernadette’s entrepreneurial nature drew her to India a couple of times a year, and she began collecting heritage jewellery pieces to understand them. Noëlle said that this comprehensive study prompted her to specialise in Indian jewellery, adding, “If you want to achieve success, you need a bit of luck and my mother had that luck. She was at the right place at the right time. She also met the right people who guided her.”

THE FAMILY JEWELS

Growing up, Noëlle and Fleur, too, became acquainted with the history of Indian jewellery, courtesy Bernadette’s enthusiasm. “Every time she would return from India, we little kids would get to see

A small gold jhumar chabkka head ornament shows the open-worked top kundan set with foiled white sapphires and rock crystal on blue foil (jadat) in an intricate pattern of flowers, a crescent moon and sun symbol, flanked by two peacocks. Suspended from the top is an elaborate fringe of gold collets, kundan-set with white sapphires, sides decorated with red and green enamel, suspended pearls and turquoise glass beads. The reverse of the jhumar is decorated with Safed Chalwan enamel, red and green on a white base in a crescent moon, flower and bird design, echoing the frontal design. The jhumar or chabkka is a traditional Muslim wedding ornament worn by women on the left side of the head. It is not an ornament that is to be worn daily.

An act of providence led Netherlands-based Bernadette van Gelder-van der Ven to dive deeper into Indian jewellery. The country’s culture, history, mythology and artistry fascinated her so much that she went on to specialise in Indian heritage jewellery. Soon, Van Gelder Indian Jewellery (VGIJ) grew into a leading international dealer, displaying its products at top galleries, museums and shows such as the TEFAF.

Her daughter, Noëlle, recalled Bernadette’s tryst with India during her





18-karat gold ear pendants from the Colors collection bear an oval top with a suspended stem. The gold oval bead halfway down the stem and a gold oval bead at the end are decorated with delicate white enamel in a wave like linear pattern.

unique jewellery and learn how to handle them; how to wear them; learn about their quality; the meena work and so on. It was a gift for us! Hence, it was a logical and natural decision to join the company once we grew up,” Noëlle added.

The two sisters, who have an Arts background and spent years studying in Italy and France, joined VGIJ in 2000 to become torchbearers of their mother’s legacy. However, both were clear that they did not want to replicate what Bernadette did, but add their individualistic signature to the designs over time.

“Initially, we did what Bernadette had left behind, which itself was challenging. We displayed Indian jewellery at international art fairs like TEFAF and various art and exhibition events. Although the shows were successful, we later explored avenues to exhibit the collections through different collaborations. We curated museum exhibitions and teamed with fashion designers and also started our own contemporary jewellery collection,” Noëlle recollected.

As second generation businesspersons, the duo felt the urge to express their interpretation

of Indian jewellery in the Netherlands, while remaining close to country’s tradition. They wanted to make these collections feasible through designs.

Additionally, they wanted their designs to carry a detailed history with scientific specifications. So, in 2012, the sisters extended their research methods with a complete and factual scientific review by commissioning an independent precious metal and gemmological research report. They collaborated with Dr JC Zwaan of The Netherlands Gemological



The spherical 18-karat gold ear pendants from the Colors collection feature an oval top with a suspended stem, terminating with a spherical white agate oval bead. The gold stem is decorated with three delicate rims of white enamel in a linear pattern.

Laboratory Leiden.

Today, every item in their collection is accompanied by a full art history and an independent gemmological scientific account, gold report, as well as its wear and tear information. “We take our responsibility and reputation with regard to our company, collection and clients very seriously.”

REVISITING TRADITION

In 2007, Fleur met with a serious accident, which put the pair’s plans

on the backburner for a while. But overcoming this challenge, she emerged stronger and actually started sketching designs.

Talking about those trying times, Fleur said, “During this difficult time, I encountered a void that I wanted to explore and see what it brings me to. I wanted to go beyond to the acquired knowledge about Indian jewellery that we grew up with. The void gave me a distance to look from further than I could have ever imagined and visualise the outlines. And with the beautiful miniscule images that I used to see under the microscope in the lab made me discover the origin of quality, intricacy of designs, gems and their amazing flaws, and what makes something so special. This helped me embrace the new perspective to create the various collections.”

This resulted in the relaunch of the ‘Heritage’ and ‘Contemporary’ collections. The former is VGIJ’s backbone, and defines the best kind of sustainable luxury, which should be re-worn all the time. Fleur



A pair of white gold Jodha Bai ear pendants, topped with a suspended tapered stem decorated with delicate filigree, twisted wire and engraved linear patterns. The blunt bottom is carved with a stylised floral motif. The earrings are enhanced with blue and green enamel.



Obverse and reverse view of enameled Champakali necklace from the Heritage collection.

commented, “We look for museum-quality pieces, which are collectibles.” They also have a workshop in Amsterdam, where the company restores old jewellery with original elements.

The challenge in creating the ‘Contemporary’ range lay in infusing the same credence into it as the ‘Heritage’ collection. “We had to take care that the designs had multiple aspects - including tactile appeal. Above all, it had to be an intelligent, well-thought-through, balanced design.”

The ‘Colors’ collection was inspired by colours seen on the Indian streets - the colourful saris, belles carrying water pots gracefully with a flowing sense of femininity. The ‘Jaali’ (trellised) series was influenced by the screens of Fatehpur Sikri palace’s architecture, which have a linear geometric visual language.

“We incorporated rigid patterns in the line. The Jaali not only shields



Heritage baju band, 1980.

the view but filters light through it on the floor, regulates temperature by allowing air to come into the room in a compressed way. We wanted to lend that flowy and flexible feel to the collection,” explained Fleur.

BEJEWELLED BEAUTY

The ‘Jodha Bai’ collection, named after one of Mughal emperor Akbar’s favourite wives, is again inspired by her palatial quarters in Fatehpur Sikri. The ornate enamelled collection is an ode to the formidable queen.



The 18-karat gold latticed (Jali) cuff showcases open and cupped circular elements of varying size. The interior of the each cupped shape has a high polished, mirror-like finish, while the rest of the bangle has a matte finish.

Rajasthan evokes stories of the strength of Rajput warriors and rolling expanses of deserts. These elements are reflected in the ‘Chandra’ collection, which has solid and strong designs in silver or white gold jewellery. “Silver is represented by the moon and gold by the sun, and the combination symbolises the male and female

influence. We will launch two more collections later in the year,” Fleur noted.

Sharing a few words of advice for designers wanting to make a mark for themselves, she suggested, “Make jewellery that is meaningful for you. Ask yourself, ‘What do I want to bring to the table?’ Your design represents who you are. Materialise your vision, and come back to the same question again and again: ‘Why did you want to be a designer in the first place?’

And if designers want to make inroads into foreign markets, it is important to use the power of styling - to envision the blending of Western and Eastern aesthetics, she said.

VGJ continues to build bridges between international clients and India. And their glorious journey continues. ■



A pair of flexible 18-karat yellow gold Jali earrings features five hexagonal linked pendants, which are crafted with matte knife-edge outline and inside, high polished round trellis, creating a geometrically latticed decor. The version with the gemstone ruby, are the stones randomly set as a reference to damaged, coloured glass in Mughal palaces.

COVID-19 SLAMS THE BRAKES ON DIAMOND INDUSTRY GLOBALLY

The Bonas Market Report for February-March 2020 points out that global retail has seen a very significant slowdown, which is likely to worsen following lockdowns in several parts of the world



The optimism that January heralded was short-lived as global retail has seen a very significant slowdown in the subsequent months. Covid-19 brought China to a standstill during one of its main selling seasons, and continues to keep stores shut.

Whilst the US has not been affected till the Bonas Market Report for February-March 2020 was drawn up, reordering has been lacklustre in the first couple of months despite a decent season. Europe is also feeling the effects due to the drop-off in Chinese tourists. And things have steadily gone south from there, as the threat from Covid-19 has only increased globally.

This has had an obvious impact on sales from the mid-stream. Polished prices have softened quickly and stocks are beginning to build again. Confidence has been severely shaken. Major miners had to take decisive action in 2019, and they are starting to do so again.

The hope is that the virus disappears as quickly as it arrived, and that the return to normality is swift. But at this stage, no one really can foresee how long the current situation will last.

BUSINESS CONFIDENCE DIPS IN INDIA

The current business slowdown has impacted the

Indian diamond industry in many ways. There has been a serious net change in cashflow. Nobody had expected or prepared for such a strong brake to be applied to consumer demand in the Far East. This has directly impacted inventory levels and cashflow positions.

Cashflow from other investments has also dried up. Banks are again selectively tightening lending, which is creating further stress on companies.

Confidence has been severely shaken. Manufacturing has slowed and demand is depressed. No one knows when this will be over, and the concern is that we haven't seen the worst yet.

Moreover, competition amongst manufacturers is so fierce that when there is an order for goods, the terms are not in their favour. Worries are also re-surfacing about who is financially strong enough to do business with. De Beers boxes that had been in demand for manufacturing in December and January are now being sold on the market at discounts, as there is little confidence to hold those goods. Most factories are reducing their manufacturing levels to match the reduced demand.

Even trading is very slow in India due to the loss of confidence because of the coronavirus, a

depreciating rupee and pressure on polished prices.

There is some demand for US-driven retail and polished prices are holding in that area. Well-made fancy goods in 1.5ct+ are also performing well. But demand for Chinese goods has all but stopped. A few players have dropped their polished prices by 2-3% and are selling small businesses to those that can pay cash.

India is experiencing a huge slow down as liquidity dries up. Retail overall has decelerated. For Indian jewellers, gold prices have gone up but demand at these prices is reduced. As the rupee devalues, diamonds get 2-5% more expensive.

DEFICIENT DESIRE FOR ROUGH IN ANTWERP

As with other diamond centres, Antwerp is not immune to the virus outbreak. The mood on the market has worsened since January 2020, with many believing that the situation has deteriorated beyond that seen last year or even in 2008. It is likely that this could continue for another few months. As a result, the appetite for rough has slowed dramatically.

De Beers did not make any price changes. But it did offer flexibility by allowing people to defer boxes that predominantly produce goods for the Far East. This move was welcomed and applauded by many. However, there are other challenges, such as lack of flexibility in smaller sizes. As a result, some boxes got refused on top of the deferrals.

Whilst December and January were good months for Antwerp, that has now drastically changed. Many fear that significant quantities

of polished will be coming off the wheels soon and will distort the market further. There are expectations that some large companies may yet again face liquidity issues, potentially resulting in distress sales.

Polished trading plunged in recent weeks. Business has dropped anywhere between 10-50%. No one knows how long the coronavirus crisis will last, how far it will spread and what impact it will have on consumer luxury spending. While many hope to see a V-shaped recovery at some point (soon), there is a general belief that the polished market won't see a pick-up until second half of the year.

Feedback on sales is spotty; some buyers are still ordering as they have ongoing jewellery production lines, while others have slowed down or even stopped completely. Sourcing is price point focused and polished activity is concentrated on areas such as 1-2ct commercial goods and selective clean smalls. Several brands (especially those with high exposure to Chinese consumers) have indicated that they will be buying (much) less, going forward.

THE RETAILING LANDSCAPE

The consumer confidence indicator in the Euro area was confirmed at -6.60 points in February, the highest reading since last September, thanks to households' brighter expectations in respect of the general economic situation. It outstripped slightly more upbeat appraisals of their past and future financial situation, as well as their intentions to make major purchases. It seems that the threat of the coronavirus has not affected the European consumer confidence

levels and/or has not fully kicked in yet, as per European Commission.

While the year started in a better mood, all European markets have now been seriously affected by concerns about the spreading Covid-19 virus. Italy, Europe's biggest diamond market, has been described as 'dead'. Last week two key fairs, Baselworld and Watches & Wonders Geneva (formerly Salon International de la Haute Horlogerie (SIHH)), decided to

US INDICATORS

▲ **Consumer Confidence**
+ 0.3 pts

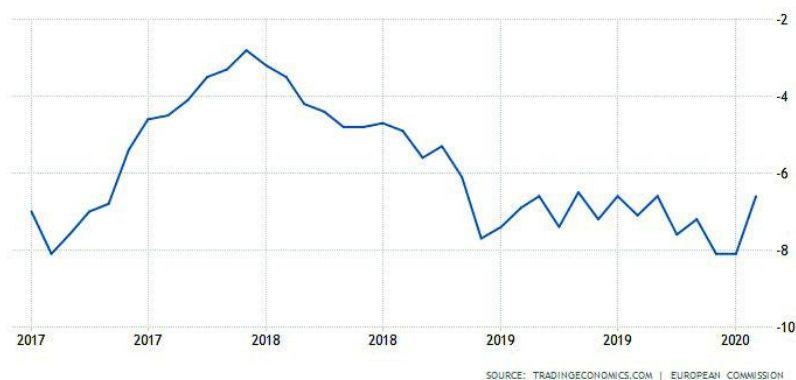
▲ **Employment Trends Index**
+ 1.29%

▲ **Leading Economic Index**
+ 0.8%

▲ **Measure of CEO Confidence**
+ 9.0 pts

cancel their shows. As this is the main gathering for brands to collect orders from their retailer partners, it goes without saying that this will impact and complicate their sales and forecasts.

Coming to the US, the Conference Board Consumer Confidence Index improved slightly in February, following an increase in January. The Index now stands at 130.7, up from 130.4 in January. "Consumer confidence improved slightly in February, following an increase in January. Consumers' assessment of current conditions was less favourable in



Consumer confidence indicator in the Euro Area was confirmed at -6.60 points in February thanks to households' brighter expectations in respect of the general economic situation.

February, however consumers were more optimistic about the short-term outlook (combination of income, business and labour market conditions). This, coupled with solid employment growth, should be enough to continue to support spending and economic growth in the near term," according to The Conference Board.

Watches of Switzerland Group announced that sales at Mayors for its third financial quarter, which includes the Christmas period, were up 9% on a like-for-like basis. However it is believed that most of this was driven by demand for watches.

Macy's announced that comparable store sales for the fourth quarter were down 0.5%, but its destination business, which includes fine jewellery, rose 4.3%.

Most retail shops in Hong Kong are open but have no business, whereas stores in mainland China were closed and are gradually opening again, depending on the area in which they are located. Chow Tai Fook recently published an activity report for the first two months of the year that shows that on a same store sales basis, volumes were down 52% in mainland China

and 61% in Hong Kong and Macao; down 50% and 57% respectively, in gem-set jewellery.

The report also stated that 70% of CTF's POS in mainland China resumed operations and 64% in Hong Kong and Macao. The slow sell-through over that period means inventory levels with all retailers are higher than usual, and that will limit their appetite to buy new product.

A survey of 28 CEOs and CFOs—conducted by Altagamma, an association of Italian luxury companies, in conjunction with Boston Consulting Group and investment firm Bernstein—estimated the industry could lose -30bn to -40bn in sales this year, for an estimated total sale of -309bn in 2020. The consequence would be a roughly 15% drop in earnings for the industry, meaning a loss of about -10bn.

The main concern is business in China, where sales are plummeting due to widespread store closures and shoppers hunkering down in their homes. The survey estimates as many as 10 to 15 million products originally destined for China could go unsold, forcing companies to redirect those items

HOW COMPANIES PERFORMED IN ANTWERP

- Market premiums on De Beers boxes came down by a substantial margin, with many boxes trading below cost
- Alrosa did not make any noticeable changes to their pricing in February. Many believe they sold over \$300m. The fact that Alrosa sold earlier in the month is likely to have helped them achieve this. Premiums also fell for Alrosa boxes
- Catoca did adjust to the market and reportedly goods were sold slightly cheaper than the month before
- Dominion sold a few goods on the Antwerp market. Prices were quite stable compared to last month
- Rio Tinto generally kept prices flat for both Diavik and Argyle, however some diamond companies believe that Argyle goods were actually slightly more expensive than last month
- Diavik volumes were about 20% lower and are expected to be 10-15% below last year's levels for the rest of 2020. Argyle also sold small volumes
- ODC recently concluded its sale, which saw prices down substantially. With an average price anywhere between 7 to 10% lower, this gives a picture as to the situation on the market

to other parts of the world.

That said, many analysts believe economic activity will normalize from Q2 onwards, partly helped by the frontloading of monetary and fiscal stimulus, and a relaxation of regulation. ■

GIVING THE MSME SEGMENT A BIG BOOST

GJEPC organised a series of seminars for MSME jewellers and karigars in association with local trade bodies and industry experts. Together, they shared their perspectives on how these traders could elevate their business potential



At Satara, GJEPC organised the seminar along with the Satara Saraf Association.

In its endeavour to promote the MSME sector, the Gem and Jewellery Export Promotion Council (GJEPC) has been regularly organizing MSME seminars, workshops and camps across the country. Taking this initiative forward, it held MSME events in Bhopal, Indore, Ujjain, Satara, Mumbai, and Ratnagiri.

Eminent speakers from various trade and government organizations were invited to participate and make the seminar more informative at each of these cities. During the seminars, Mithilesh Pandey, director Membership, GJEPC spoke about the Council's various initiatives, including membership, Micro Membership, Parichay Card, Swasthya Kosh, Swasthya Ratna, Jewellery Park, Common Facility Center (CFC), Cluster Development, IJJS Premiere, Signature exhibition, Buyer Seller Meets, Mobile App and Help desk. He briefed the attendees about the benefits

of Cluster Development Scheme, Lean Manufacturing Competitiveness Scheme and Technology upgradation scheme for machinery where exporters can receive a loan of up to INR 1 crore with a subsidy of 15% and interest subvention scheme.

GJEPC's MSME assistant manager, Mrunali Elle, provided an overview of several government schemes for the segment. She briefed attendees about DIC, NSIC, SIDBI, Udyog Aadhar registration as well as banking procedures and documentation required for the same. While talking about benefits of technology upgradation scheme, she also described MSME schemes available for machinery loans, exhibition and infrastructure related benefits. She updated new entrepreneurs about the eligibility and procedures to avail these loans and also touched upon the importance of having good infrastructure through CFC. ■

TOPICS DISCUSSED AT THE SEMINARS

1. Role of MSME-DI in export facilitation and development of MSMEs
2. GJEPC initiatives for the sector
3. Banking and financing
4. Hallmarking
5. GST
6. ECGC
7. New business opportunities for jewellers using IT and online platforms



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GJEPC'S GTL SIGNS CERTIFICATION PROGRAMME MOU WITH eBAY FOR SELLERS

Within a span of a month, the testing under this MoU has already crossed the 1000 mark.

The Gem & Jewellery Export Promotion Council's (GJEPC) Gem Testing Laboratory (GTL) Jaipur and eBay signed a MoU in January 2020. Under this agreement, GJEPC-GTL will offer certification services to eBay sellers for a nominal fee. This arrangement will facilitate sellers on the ecommerce platform to obtain authentic reports from GTL Jaipur before their gemstones are delivered to buyers located in various geographies outside India.

At present, many of these sellers are unable to afford certification fees for commercial grade goods that are commonly sold on ecommerce websites, including eBay. Hence, these gemstones are sold without any validated reports, or are backed by reports from ill-equipped laboratories, or in worst scenarios, even fake reports! The lowered certification fee is likely to encourage sellers to provide reports from a reputed lab even for commercial grade gemstones.

A GLOBAL PUSH

Addressing the audience during the signing ceremony, Pramod Kumar Agrawal, chairman, GJEPC, said, "This agreement will facilitate all types of gemstones to be certified,

including disclosure of presence or absence of treatments on gemstones, as per existing criteria. This strategic initiative enhances consumer trust and credibility in the global markets and also helps to promote brand India internationally through credible certification. It will help sellers on eBay to build customer confidence as well as assist in increasing sales of Indian handcrafted gemstones and allied jewellery in overseas markets. This is a significant step in taking Indian gemstone craftsmanship and designs to international markets in 2020, and we expect many more ecommerce platforms to sign similar agreements with GTL Jaipur."

Vidmay Naini, eBay's country head added, "We have more than 15,000 MSMEs and artisans exporting across 195 countries using the eBay global marketplace platform. Indian jewellery is amongst the most

popular products across our 180 million global buyers. To build trust and saliency for Indian jewellery sellers and enhance their business, we are partnering with GJEPC to enable eBay India Seller's certify gemstones sold on our marketplace. The GTL certification ensures that global customers are assured of the best quality of gemstones which are 'Made in India'."

This MoU is expected to result in reports being issued for an additional 20,000 gemstones annually, helping brand India reach an equivalent number of consumers globally. Indian gemstone sellers will definitely gain an edge over other global sellers, since no gemmological laboratory with world-class advanced laboratory set-up issues reports at such a nominal fee of ₹250. Within a span of a month, the testing under this MoU has already crossed the 1000 mark. ■



Pramod Agrawal, Chairman, GJEPC addressing the audience at the MoU signing ceremony

A GLIMPSE AT REGIONAL ACTIVITIES

GJEPC organized technical and strategic dialogues for members in various cities

The Gem & Jewellery Export Promotion Council (GJEPC), Surat jointly with RSM Astute organized a seminar to analyse the Union Budget 2020 on February 3, 2020. Keynote speaker, Nirav Jogani, vice chairman, RSM Astute Consultech, gave a brief structure of India's macro economy and fund flow. A detailed presentation covered macro-economic data, prominent themes of budget 2020, direct and indirect tax proposals.

GJEPC's Chennai office organized Export Awareness meeting at Udupi on February 5, 2020. The chief guest was Nagaraj Acharya, president Udupi Jewellers Association, along with Girish Shet, secretary of Udupi Jewellers

Association. Jaya Acharya, chairman of Karnataka Jewellers Federation was the special guest at the event.

The Surat Regional Office of GJEPC hosted an Open House-Cum-Awareness Programme on e-SANCHIT with Customs, Surat on February 18, 2020. The Deputy commissioner of Customs, Surat Hira Bourse, Dr Prasad Varwantkar, provided guidance on e-SANCHIT and encouraged members to follow the process mandated by the department. He added that the department would work towards reducing the time taken to clear shipments. He stressed the need for companies to follow best practices in foreign trade to avoid problems in this process.

GJEPC's Delhi office organised a

seminar on e-SANCHIT on February 26, 2020 to inform member exporters that customs has introduced Single Window Interface for facilitating Trade (SWIFT) as part of ease of doing business for seamless processing of import and export clearances. One component of SWIFT is e-SANCHIT. This system allows a trader to submit all supporting documents for clearance of consignments electronically, making the entire process paperless. Every exporter is required to register on ICEGATE to carry on the trade process smoothly. Babu Lal Meena, deputy commissioner, CBIC was invited to demonstrate how the registration can be done and uploading of documents on the system.

Discussing Fiscal Matters

With an objective to address various critical banking and financial issues being faced by our member exporters and to resolve the same at the earliest and to provide the much-needed financial respite, the Regional Office-Delhi organised three interactive sessions with three leading banks. Senior banks officials, along with their compliance, made a presentation and also promised to resolve queries of exporters.

An interactive session was organized on January 6, 2020 wherein Pankaj Singh, regional head, ICICI made the presentation

and discussed key banking issues of member exporters in northern region. Around 20 members attended the session.

An interactive session was organized on January 10, 2020

wherein Anuj Sahai with his compliance team from Axis Bank interacted with member exporters. They discussed the key banking issues in detail with 20 members who attended the session. ■



An interactive session was organized on January 29, 2020 wherein Inder Mohan Uberoi with his compliance team from Kotak Mahindra Bank interacted with member exporters to discuss the key banking issues in detail. Around 20 members had attended the session.

POSITIVE VIBES AT IIJS SIGNATURE 2020

All segments of the Indian gem and jewellery supply chain - from raw material suppliers to jewellery manufacturers, designers, wholesalers, exporters and retailers - participated wholeheartedly in IIJS Signature 2020. The show also witnessed an influx of international buyers seeking alternatives amid changing international trade equations and China's position as the epicentre of the coronavirus outbreak

by REGAN LUIS and SHANOO BIJLANI

IIJS Signature 2020 spread a palpable wave of optimism among the trade, with most aisles abuzz with frenzied trading activity over the four-day period from February 13 to 16, 2020. Although the footfalls, at more than 15,000, were moderate to above average, exhibitors were thrilled about the high percentage of genuine buyers who attended the show, resulting in a higher conversion rate.

IIJS Signature 2020 hosted more than 700 exhibitors and 1,300 booths, spanning an area of over 45,000 sq m. at the Bombay Exhibition Centre, Mumbai.

One of the show's most-talked-about new features was the Jewellery Startup Zone in Hall 6 that promoted 16 budding designers and 16 women entrepreneurs. This novel concept won unanimous praise from visitors and participants alike.

The 13th edition of IIJS Signature and the 7th edition of India Gem & Jewellery Machinery Expo (IGJME) commenced the year's first buying opportunity for the domestic and global trade. The show was inaugurated by Subhash Desai, Maharashtra's Minister of Industries and Mining, along with the Gems & Jewellery Export



(From left) Shailesh Sangani, member, National Exhibitions Sub-Committee, GJEPC; Sanjay Kothari, chairman, GJSCI; Richa Singh, MD, Diamond Producers Association; Pramod Kumar Agrawal, chairman, GJEPC; Colin Shah, vice chairman, GJEPC; Sabyasachi Ray, executive director, GJEPC; and Mansukh Kothari, co-convenor, exhibitions and COA member, GJEPC at the inauguration of IIJS Signature 2020 and IGJME 2020.



(From left) Milan Chokshi, convener, Promotion, Marketing & Business Development, GJEPC, with some of Design Inspirations speakers, including filmmaker Rishabh Anupam Sahay; Narendra Kumar of Amazon Fashion; Thomas Lazzarini of Farfetch; and Ash Allibhai of ASBO magazine.

Promotion Council's (GJEPC) chairman, Pramod Agrawal; GJEPC vice chairman, Colin Shah; GJEPC convener, National Exhibitions Sub-Committee, Mansukh Kothari; GJEPC co-convener National Exhibitions Sub-Committee, Kirit Bhansali; GJEPC convener Gold Jewellery Panel, K Srinivasan; GJEPC executive director, Sabyasachi Ray; GJEPC National Exhibitions sub-committee member, Shailesh Sangani; GJEPC former vice chairman and Committee of Administration (COA) member Russell Mehta; and GJEPC Western Regional chairman, Ashok Gajera, amongst others.

Addressing the inaugural session, Pramod Agrawal said, "IJS Signature is now seen as an integral part of an Indian jeweller's business cycle. Despite business and environment headwinds, people from India's gem and jewellery exports

spanning every stage of the supply chain - from raw material suppliers to manufacturers, designers, wholesalers and retailers - participated wholeheartedly with energy and enthusiasm. We witnessed an influx of international buyers who are looking for alternatives considering the emerging international trade equations and China's current situation."

He added, "We have been pursuing our government constantly with few concerns that require immediate attention like reduction in import duty on precious metals gold/silver/platinum from 12.5% to 4%; reduction of import duty on cut and polished diamonds and gemstones from 7.5% to 2.5%; amendment in taxation laws enabling sale of rough diamonds in the special notified zone (SNZ), Mumbai. This is very important to give a



GJSCI, GJEPC SIGN MOU FOR DATA SHARING

The GJEPC and Gem & Jewellery Skill Council of India (GJSCI) signed a Memorandum of Understanding (MoU) for the mutual sharing of data of craftspersons. GJSCI's CEO Rajeev Garg said, "The GJEPC has collected the Parichay Card data and we run the Recognition of Prior Learning (RPL) initiative and both of these activities address the craftspersons. So, the MoU is about exchanging this data so that both bodies can have a wider reach, and eventually we want to include it in the Labour Management Information Systems (LMIS), as it will help us collate genuine, verified data."

level playing field to our traders in the global market."

Colin Shah added, "Despite various challenges like coronavirus and global slowdown, we had a decent attendance of over 15,000 participants at the IIJS Signature 2020. We anticipate that globally, the second half of the year will be better than the first half and hence, business will scale up going forward. Buyers have shown interest and have pre-booked orders at the IIJS Signature, which is a healthy sign for the Indian diamond and jewellery

exports business."

Commenting on the feedback he received, Mansukh Kothari noted, "The overall enthusiasm of buyers was high. The Startup Zone got a good response and the industry appreciated the initiative. I got to hear from exhibitors that there were only serious buyers at this show, which was a good thing. We also witnessed demand for light to medium weight jewellery."

LESS IS MORE

Hardik Shah of BR Designs, which specialises in high-end diamond

jewellery, said the show had been great. "We are meeting lots of potential buyers. The networking event last night was brilliant as it gave us an opportunity to connect with international buyers. Serious buyers had come to this show and we are seeing good movement of goods between ₹15,000 and ₹2,50,000."

First-time exhibitor at the India Gem & Jewellery Machinery Expo (IGJME), Vijay Parekh, managing director of Rishikesh Electromatic, exclaimed that his experience at the

show had been “beautiful!” “We have already sold four of stocking mesh and gope chain machines by the second day. After this positive experience, we are keen to exhibit in the August IIJS Premiere show.”

Mehul Dhinoja, director of sales and marketing, CVM, which specialises in antique rose-cut diamond jewellery, said that while footfalls on the first day were moderate, he was hopeful of a bigger crowd on the weekend. “We are seeing more corporate buyers at this show and would be happier if we get more inquiries from single-store owners. There is decent demand for



Jaipur Jewels by Vaibhav Dhadda

bridal sets between 40 grams and 300 grams.”

A'Star marketing executive Saket Shah said that 95% of the buyers he met were regular customers. “The show is pretty decent, but we are not seeing too many new buyers. We are getting queries from pan-India and earrings, rings and pendants below ₹50,000 are in good demand,” he said.

Siddharthaa Sawansukha, director of Sawansukha Jewellers, Kolkata, found that people at the show were placing orders hesitantly. “Jewellery below INR 2 lakh is popular. Buyers these days are opting for



GJSCI LAUNCHES 'UNLEASHING JEWELLERY MANUFACTURING EXCELLENCE' BOOK

During the inauguration function on the first day, the Gem & Jewellery Skill Council of India's (GJSCI) chairman, Sanjay Kothari and GJSCI's CEO, Rajeev Garg, along with GJEPC officials, released a book titled 'Unleashing Jewellery Manufacturing Excellence'. It is a compilation of the 20 papers presented during the inaugural India Jewellery Excellence Symposium (IJES) that was adapted on the lines of the Santa Fe Symposium.



Subhash Desai (sixth from left), minister for Industries & Mining, Maharashtra, and Pramod Agrawal (centre), chairman, GJEPC, inaugurated the 13th edition of IJS Signature and the 7th edition of India Gem & Jewellery Machinery Expo (IGJME) on 13 February 2020. Joining them are (from left) Sanjay Kala, member, national exhibitions committee, GJEPC; K Srinivasan, convener, GJEPC; Mahendra K Tayal, regional chairman - South, GJEPC; Mansukh Kothari, convener, National exhibitions sub-committee, GJEPC; Kirit Bhansali, co-convener exhibitions sub-committee, GJEPC; Sabyasachi Ray, executive director, GJEPC; Shailesh Sangani, member, national exhibitions sub-committee, GJEPC; Russell Mehta, former VC and COA member, GJEPC; Ashok Gajera, regional chairman, GJEPC; and Prakash Pincha, regional chairman - East, GJEPC.

classic, minimal and youth-oriented designs. They are coming to the show well prepared and are conducting extensive research between themselves before attending trade shows.”

Abhishek Sand, co-founder and director of Savio Jewellery said he was not concerned by the low foot traffic at IJS Signature because the show had a 100% conversion rate for him, as against a 15-20% conversion rate at IJS Premiere. “India is benefitting from factors such as the US-China trade war and more recently the coronavirus outbreak, which has led many companies in the US to divert their orders to India. Another reason for India doing well is that our product finish has improved significantly as many Indian manufacturers are introducing CAD/CAM into their



Anand Shah

manufacturing process. This has several benefits including raising accuracy levels, which is essential for ensuring uniformity when fulfilling large international orders.”

TIME TO CONNECT WITH NEW BUYERS

Mumbai-based Anand Shah was happy to meet new buyers from many regions across the country, while regular customers kept coming as well. He noted that trends are changing and customers are opting for light weight jewellery - not above 125 grams - with good designs. “The price of gold did impact the demand. Currently, the markets across India are sluggish due to this factor,” he noted.

Sanjay Jain, proprietor, Manoj Ornaments, felt that the show lived up to his expectations. Apart from

regular buyers, he got to meet few new buyers from the northern region. His firm exports jewellery across the globe, and saw demand for gem-studded, designer jewellery from some international buyers. It introduced a collection of opal, mother-of-pearl, and some other new concepts - all lightweight lines with affordable price points.

The response was great for this year's show, according to Viral Kothari, partner, Kosha Fine Jewels. He notes that IJS Signature has always been a serious buyer-seller show. "Lightweight and daily wear designer jewellery, which most millennials aspire for, did well. We launched lightweight ring-cum-pendant pieces and two-in-one. The trend of lightweight designer jewellery is only getting stronger."

Amish Kothari, CEO, Rosentiques Fine Jewellery, revealed, "The show has been growing in strength year-on-year. Though buyers from the northern region were less in numbers, we had good meetings with our existing buyers and some new customers as well." Since the manufacturer specialises in couture and bridal collections, it received decent orders from across India. This time, Rosentiques presented a special range of tanzanite-infused earrings under its sub-brand Amolya.

Toshiba Jariwala of Mumbai's Zundaa revealed that the show was below average for them as footfalls were less than expected. "However, we were able to attract new buyers, and we got enquiries from two very big visitors - one from the west and another from the south. There is a sharp shift from high ticket items to low-ticket tags - clients are definitely looking for jewellery with fancy-cut diamonds in designer

jewellery, but with an eye on maintaining price points." Zundaa got a good amount of orders for its bracelets, a product line that is sold off the shelves quite quickly.

VOLATILITY HAS HIT BUYER PREFERENCES

Kulthia Jewel of Kolkata got bridal orders but with specific price points in mind. "This time we focussed on settings that gave an expansive look with the usage of rounds and fancy-cut diamonds and carved or massive colour stones with changeable options," noted Anand Kulthia, adding, "Overall, the industry has been reeling under the after-effects of volatile gold rates and the budget.



Bhavesh Jewellers

Compared to last year, the demand did drop in terms of the amount of gold used. Buyers are looking for jewellery that have considerably lesser usage of gold and yet look grand. Like the international market, a lot of buyers have also found interest in different purity, namely, 14-karat gold."

This point was seconded by Naman Kala of Kalajee Jewellery, Jaipur. "Due to the high gold rates, we are seeing a marked shift to 14-karat jewellery from retailers who had never strayed from 18-karat gold

GJSCI PROMOTES INDIA'S HERITAGE CRAFTS - TEMPLE, BIDRI AND FILIGREE

The Craft Pavilion in Hall 6 promoted three traditional Indian jewellery crafts - temple, bidri and filigree, with live demonstrations by artisans at the booth. GJSCI CEO Rajeev Garg told Solitaire, "Apart from promoting these crafts, we are also documenting crafts like tarakashi. We have already prepared qualification packs so that the training material is ready. We are doing the same for hupri payal, whose artisans were brought to the previous show. There is a National Skill Development Corporation-approved (NSDC) qualification pack, so anybody can start training using those documents. Next, we will document bidri. The aim is to preserve the knowledge of these crafts for posterity because right now they are only being passed down the generations by word of mouth or through on-the-job training. The authenticity of these crafts has to be retained, because their USP is that it is all 100% handmade. Already, people have started using cast components for temple jewellery, which is part casting and part handmade; that is a business reality. One very heartening thing to note is that all the three crafts have drawn qualified people such as graduates and even chemical engineers, which is a promising sign and it demonstrates that they are coming back to jewellery profession."



Jewellery Startup Zone in Hall 6.



BR Designs

in so many years,” observed Kala. He added that his company was seeing a rising demand in tier-2 and tier-3 cities also such as Ambala, Karnal, Dhanbad, Kota, Sri Ganganagar, Bareilly, HarDOI and many others.”

Kulthiaa stated that the western and southern Indian regions have a strong liking for diamond and gold jewellery, respectively. “In western India, consumers are experimental

and wouldn’t mind splurging on products that are unique in terms of every element involved in jewellery making. Down south, gold is given a lot of importance, particularly traditional jewellery. At this time, the industry is feeling the heat of surging gold rates and a tough economic scenario. With increasing technology and better innovations, I



Kulthiaa Jewel

am optimistic about our industry’s growth and definitely see it bouncing back in all its glory.”

Milan Chheda of Tara Fine Jewelry, Mumbai, too, got buyers from the southern and western regions. “We had serious buyers, though the footfalls were less this

time.” Designer jewellery pieces ranging from ₹1 lakh to ₹3 lakh were sought after, and bridal sets between ₹8 and ₹25 lakh were booked. However, mid-ticket items had no takers. Tara’s collections were replete with rose cuts, diamonds and gemstones such as tanzanite, morganite, opal, and chalcedony. “Jewellery business is at an all-time low,” says Chheda, “as a result of the high gold rate. However, there is demand for daily and couture segment. This is a phase we have to ride through with



Savio Jewellery



Sangam Chains

equanimity. I am sure everything will be back to normal soon, or perhaps the new normal.”

ROOM FOR ALL

Viral Kothari believes that the current market is conducive for organised retailers as well as manufacturers. “With the implementation of GST, the jewellery trade is getting formalised, and I welcome the change.”

According to Sawasukha, rising gold prices have dented demand. “The steady climb of gold prices has been affecting the trade adversely. The entire industry was hoping there would be a slash in the import duty and GST in the 2020 Budget from the present rate of 12.5% and 3% respectively. The slash would have brought much-needed relief to the sector. Having said that, I believe that with time and proper government policies, the market can revive as gold is seen as an investment among Indians. The jewellery market, fortunately, has stayed strong in both the eastern and southern parts of India. I am happy to observe that the Bengali karigari of the eastern region is finding its long due appreciation globally. And I am hopeful that the future is bright for all of us.”

VISITOR VOICE



LINDSEY STRAUGHTON, INDUSTRY AMBASSADOR, THE NATIONAL ASSOCIATION OF JEWELLERS, UK:

Our journey at the India International Jewellery Show (IIJS) Signature has been one of fascination, wonderment and excitement at all the collaborative possibilities between the UK jewellery industry and the Indian jewellery industry. What we found amazing and exciting was the marriage between traditional handcraftsmanship and cutting-edge engineering technology and how that has been fused together to create an exciting and innovative future.

The National Association of Jewellers has over 2,000 members who represent the entire supply chain, from stone dealers and designers to retailers. We are the trade body for the UK jewellery and silversmithing industry. Some UK retailers attended the show and industry consultant Helen Dimmick also joined us. I plan to bring around a dozen buyers to the Jaipur show in April as it is especially designed to cater for the export market.

Vaibhav Dhadda, creative head and founder, Jaipur Jewels, “In terms of sales January was better as we saw the gold prices stabilising in December. But in January again we witnessed volatility in gold prices; therefore, buyers were deferring their purchases in February. Considering all factors affecting the current global economic environment, I feel India is still the best bet as the love for jewellery both as investment and adornment will remain forever.”

Dhadda received good response at the show and met a few new buyers from South India and Maharashtra, apart from the old customers. The atmosphere at Signature is more relaxed, and we get the time to interact with our clients, he says. “That’s a good time to do the



A Star Jewellery

groundwork ahead of IIJS Premiere. Buyers want to be wowed all the time, and this time we presented a collection of one-of-a-kind cameo jewellery and daily wear cameo jewellery at the show.”

Sunil Datwani of Gehna felt that markets such as Punjab, Madhya Pradesh and Hyderabad may offer potential to grow. “We met

potential buyers from northern India, who opted for trendy designs. Lately, among them, there is a curiosity about modernity in jewellery which was missing earlier. So this is an exciting avenue to explore.”

In terms of demand, Datwani noted: “At the wholesale level we haven’t felt any impact yet. At the retail level, the confidence of the customer could do with a little boost. The jewellery industry has faced many challenges in the last few years, and I feel challenges only make you stronger! The enthusiasm amongst buyers at the show is a heart-warming factor.

“The current market scenario is encouraging. This year there are a lot of auspicious days, and no matter how modern we get, I think jewellery will always retain its status that it enjoys.”

Archana Jain, creative head, Swastik Jewellers, Mumbai, stated that despite lesser number of footfalls, the conversion of queries was good - thanks to the presence of genuine buyers at the show. Jain received most buyers from major chain stores based in South India. The new collection of mangalsturas and ‘men’s sutras’ received a lot of attention from retailers. Lightweight jewellery with a lesser component of gold was on top of the charts. “Demand for gold jewellery has been definitely affected due to the high cost of the yellow metal, and going forward the I can see that tier 2 and 3 cities are still investing in precious jewellery as compared to metros.”

STARTUP ZONE - SUPER HIT

Exhibitors at the Startup Zone section expressed their gratitude for the opportunity given to them at a



Kosha Fine Jewellery



Gehna Jewellers



Wondercuts

big platform like IJS Signature.

They were happy to interact with B2B buyers from across India, which was a new experience for most of them as, as earlier they had dealt only with end consumers.

The Startup Zone, which was fashioned on the lines of the Skill India, Stand Up India and Start-up India initiatives launched by the Government of India, gave exhibitors an idea about the needs of serious buyers. They were all ready to participate in the coming year if given a chance, and informed that they would now be better prepared to meet the B2B customers next time.

Designer Rosily Paul said she had nothing but gratitude for the organiser, GJEPC, for providing this platform to emerging entrepreneurs. “This is an ideal place for experimentation where we can test fresh concepts and ideas. I hope this initiative continues in the future as well.”

Kapila Bhutta of Joolrie Fusion said she was extremely thrilled about the opportunity to exhibit at the Startup Zone. “I’m absolutely certain that this is a tremendous opportunity, but it will take time to bear fruit.”

An exuberant Gitanjali Sahijwaala of Lotus Sutra said that the Startup Zone was a wonderful networking platform as she got to meet people from across India. “It is a great place for up-and-coming designers to get good exposure.”

The Startup Zone is genius, said an excited Shweta Aarsaria. “This is a great initiative. Even though the footfalls may be light, for me this initiative is all about connection, not selling. I hope the stall allocation is done earlier next time as it would be of great help for people like me who



Savio Jewellery

are from out of town.”

ON THE SIDELINES

On February 15, 2020 the GJEPCC presented the first ever Business



Zundaa

Knowledge Forum, in association with EconomicTimes.com, which discussed the importance of modern-day information technology and tools like Robotics, Artificial Intelligence, Digital Marketing, Importance of Social Media and Impact of Influencers, etc.

The Forum had eminent speakers like Raghunath Subramanian, chairman UI Path; Animesh Samuel,

co-founder and product head, NLP Bots; Vedanarayanan Vedantham, SME business head, Razorpay; Sowmya Iyer, founder and CEO, Dvio Digital; Aditya Bhat, head, Jio Studios; Bollywood actress, Aditi Govitrikar and TV actress, Tridha Choudhury.

The daylong Design Inspirations seminar on the last day of IIJS Signature was conducted by jewellery trend forecaster, Paola De Luca. The core themes of Design Inspirations 2020 were Social Culture (The era of volatility), Sustainable (Being planet sensitive and conscious), Heritage (Looking deeper into authenticity) and, Design (Envisioning the ideals of tomorrow).

Among the eminent speakers at

Design Inspirations were Ash Allibhai, international fashion & content director, ASBO Magazine; Narendra Kumar, creative director, Amazon Fashion; Thomas Lazzarini, private client personal shopper at Farfetch; Shreyas More, interior designer, Green Charcoal Project; Fleur Damman and Noëlle Viguurs, co-founder, Van Gelder Indian Jewellery; Saikat Mitra, creative director, Van Heusen and VP design at Aditya Birla Fashion and Retail; Akash Das, creative director at MeWeStudioX. The speakers shared with the gathered trade members their insights, perspectives and knowledge gleaned from their diverse backgrounds. ■



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FOR YOUR EARS ONLY

Earrings are a staple in every woman's treasure box. From jhumkis, shoulder-dusters and single earrings to ear-climbers and more, this versatile category has seen varied manifestations in the recent past. At IJS Signature 2020, we spotted some notable ear studs—large, sophisticated, classic, colour-infused, folkloric and futuristic. Here's what caught our eye!



A'Star Jewellery



Jaipur Jewels by
Vaibhav Dhadda



Jewels of Jaipur



Kalajee Jewellery



Savio Jewellery



Wondercuts



ARTISAN AWARDS 2020: TOASTING THE WINNERS

Pulsating emotions, collective celebrations and sighs, glamorous celebrities and above all, an avant-garde star of the global jewellery world, legendary British designer Stephen Webster, who gave away The Artisan Awards. This was the culmination of the extravaganza organised by the Gem & Jewellery Export Promotion Council (GJEPC) at Four Seasons Hotel, Mumbai, on 12 February 2020



Winners seen with the GJEPC dignitaries and chief guest Stephen Webster

Teeming with celebrities, international guests and media, and top industry leaders, there couldn't have been a more fitting finish to The Artisan Awards, India's highest honour in jewellery design, which was presented by the Gem & Jewellery Export Promotion Council (GJEPC) and powered by the Gemological Institute of America (GIA). The winners held up their trophies in the spotlight before an august audience, who cheered them on.

This distinction of winning an Artisan Award will go a long way in their journey to fulfil their dreams as

designers in this industry. Among the dignitaries who graced the occasion were GJEPC's Chairman, Pramod Agrawal; GJEPC vice chairman, Colin Shah, GIA India & Middle East's MD, Nirupa Bhatt, and GJEPC convener of the Promotion, Marketing and Business Development (PMBD) sub-committee, Milan Chokshi.

Speaking at the event, British jewellery designer Stephen Webster said, "For a piece of jewellery, materials are everything. Materials and craft form the basis, but the element of design pushes things further. Design competitions are

important because they challenge you to push yourself creatively, to push your own boundaries. India is steeped in tradition and India has influenced nearly all jewellery designers. I congratulate all the winners of The Artisan Awards presented by GJEPC and can say we have seen some great pieces."

CREATIONS THAT AWED

The Artisan Jewellery Design Awards 2020 invited talented designers from across the country to take up the challenge and create extraordinary pieces of jewellery based on the core theme of

‘Architectural Gems’. Architecture and jewellery share similar tenets of function and design; both follow key principles of durability, utility and beauty, and that’s what the finalists proved with their ground-breaking creations.

The theme was further subdivided into three periods: Art Deco, Islamic Arabesque and Neo Futurism, to celebrate three key periods from different architectural eras. Participants were asked to submit their sketches choosing from any one of three categories listed:

Art Deco, which focuses on streamlined geometric symmetry; Islamic Arabesque, which pertains to rhythmic linear patterns interspersed with swirling foliage motifs; and Neo Futurism, which suspends old notions of function and possibility with dynamic forms and lines.

In his address, Pramod Agrawal said, “India has an extremely talented pool of jewellery designers. The Artisan Awards is a one-of-its-kind initiative of the GJEPC to felicitate the best talent in jewellery design. The objective of organising Artisan Awards is to encourage and motivate our students and designers to reach their full potential and make it big in this industry. I congratulate all the designers who crafted such beautiful designs and the manufacturers who brought these designs to life. Looking at these exquisite jewellery pieces, I can say that the future of this industry is in safe hands.”

Commenting on the Artisan Awards, Colin Shah noted, “India’s craftsmen are amongst the best in the world when it comes to product engineering. At GJEPC, it is our sincere effort to nurture the design talent, provide platforms to showcase their potential to the world. One



FIRST RUNNER-UP
Arif Hossain
A'Star Jewellery

SECOND RUNNER-UP
Monu Jain Gupta

Monu Jain Gupta



ART DECO



WINNER
Harjas Kaur
A'Star Jewellery

amongst various initiatives that GJEPC has undertaken is The Artisan Awards. In its third year, we have fairly good representation from India and abroad. Through this platform, we tapped talent that not only has the vision to create designs that push the boundaries of creativity but also imbibe factors that give jewellery a 360-degree touch to be accessible to the end user.”

Milan Chokshi said, “The kind of designs we saw through this process have been truly amazing. The eminent jury had a real tough task in selecting the finalists and winners. And the support that the manufacturers gave these young designers was heartening to see. This year’s theme ‘Architectural Gems’ has been devised to inspire designers to use a nonlinear approach to create jewellery, inspired by three distinct eras of architecture. I congratulate all 625 participants for their inspiring interpretations of the theme.”

The Artisan Awards 2020 had a stringent judging process that encompassed three rounds. The first round involved scrutinising 625 sketches that were evaluated on technical grounds. The first panel of judges included IIGJ senior faculty

FINALISTS

Ashishkumar Doshi

Oopal Diamonds

Budoor Albudoor

La Marquise Diamonds, Dubai

Hema Harika Chandana

Imaginarium, India

Juhee Bolakhe

Vummidi Bangaru Jewellers

Saurabh Jhaveri

Tiara Silver

Shruti Sharma

KP Sanghvi

Sushma Sawant, Meenal Chokshi, creative director at Moksh Jewellery, and Vikram Singh, the creative head of Walking Tree, who narrowed the selection down to around 300 finalists.

The second round of judging was conducted by an eminent jury consisting of architect and interior designer Ashiesh Shah, fashion designer Rimzim Dadu, fashion photographer Jatin Kampani and jewellery expert Richa Goyal Sikri,

NEO-FUTURISM

FINALISTS

Archangel Caszo

Reliance Jewels

Ashishkumar Doshi

Opal Diamonds

Juhee Bolakhe

Vummidi Bangaru Jewellers

Mitali Kikani

H. Ajoomal Fine Jewellery

Saayli Dhongade

Diagold Creation

Anant Jain

Mukti Gold



WINNER
Namrata Bhardwaj
A'Star Jewellery

FIRST RUNNER-UP

Kosha Shah
Anand Shah



SECOND RUNNER-UP
Jinal Patel
Reliance Jewels



FIRST RUNNER-UP
Ketki Ambardekar

Jewel Goldi



WINNER

Koushik Mondal

Tanvirkumar & Company



SECOND RUNNER-UP

Sonali Sheth

Sphere

ISLAMIC ARABESQUE

FINALISTS

Bhagyashree Vaidya

Tanvirkumar & Company

Jaydeb Dolui

Tribhuvandas Bhimji Zaveri

Pratiksha Gandle

Reliance Jewels

Rakesh Bakuly

Kiran Gems

Saloni Kaushik

Titan Company Ltd.

Tanaya Agarwal

Imaginarium India

along with high-end jewellers Pavan Anand of Dagmar Jewellery and Abhishek Haritwal of Symetree, who whittled the number down further to 27 finalists. The designers were then

asked to manufacture the pieces, which were vetted by the third panel of judges.

The third and final round of judging took place at Soho House in Mumbai with a distinguished jury

drawn from across the arts and craft world. The winners were adjudged by Aparna Badlani, co-founder at Atosa; Ambika Anand, fashion consultant and TV anchor; Neha Dani, fine jewellery designer; Anna



Sanskriti Jewels-Winner CGS Jewellery



Shakti Jewellers-Winner Gold Jewellery



Anand Shah- Winner Cocktail Rings



Anand Shah -Winner Couture Cuffs



Manak Jewellers-Winner Daily Diamond Wear

Martin, board president and executive committee member of GIA; Nirupa Bhatt of GIA India and Middle East; and Smriti Bohra, creative director at Jewels Emporium.

SPECIAL EXHIBITOR CATEGORY

The Artisan Awards included a special award category of Best Product Inventory exclusively for IIJS Signature 2020 exhibitors. Participants were asked to email photographs of their finished products in any two of the following categories: Couture Cuffs, Cocktail Rings, Silver Jewellery, Daily Wear Diamond Jewellery, Coloured Gemstone jewellery, Couture Diamond Jewellery, Gold Jewellery, and Kundan Meena Jewellery.

The finalists were narrowed down by IIGJ faculty member Sushma Sawant and jewellery designer, Hetal Vakil. The winners were then picked by Ishu Datwani of Anmol Jewellers and Apurva



Birdhichand Ghanshyamdas – Couture Diamond Jewellery



Ira Jewels-Winner Silver Jewellery

Kothari of Savaab.

BEST PRODUCT INVENTORY AT IIJS SIGNATURE 2020

Couture Cuffs

Anand Shah Jewels

Cocktail Rings

Anand Shah Jewels

Silver Jewellery

Ira Jewels

Daily Wear Diamond Jewellery

Manak Jewellers

Coloured Gemstone Jewellery

Sanskriti Jewels

Couture Diamond Jewellery

Birdhichand Ghanshyamdas

Gold Jewellery

Shakti Jewellers

Kundan Meena Jewellery

Sparsh Jewellers



Sparsh Jewellers-Winner Kundan Meena Category

AI'S POTENTIAL TO HELP BUSINESSES GROW

AI can free customer service executives from routine support requests so that they can focus on complex tasks. Similarly, with its self-learning capability, it can resolve service issues before they arise, which could lower customer abandonment. These are few examples of the critical role it can play in any business environment

Innovation is the only way to stay relevant in contemporary times. Hence, at the 13th edition of IJS Signature 2020, GJEPC organised a Business Knowledge Forum powered by Economicstimes.com. This platform offered valuable insights into emerging technologies in the digital world and highlighted how jewellers could use these to their advantage.

Amongst the many experts at the Business Knowledge Forum was Animesh Samuel, co-founder of Light Information Systems and NLP Robots, who spoke on the theme 'Reinvent with Artificial Intelligence (AI) and Machine Learning'. Here are excerpts from his presentation at the event:

EMERGENCE OF AI

During the Industrial Revolution, people transferred their physical powers to machines. This was followed by transference of computation powers where machines were taught to process information for faster results. Later, they were programmed to manage various repetitive jobs, so that they could achieve within minutes what humans would take days to do.

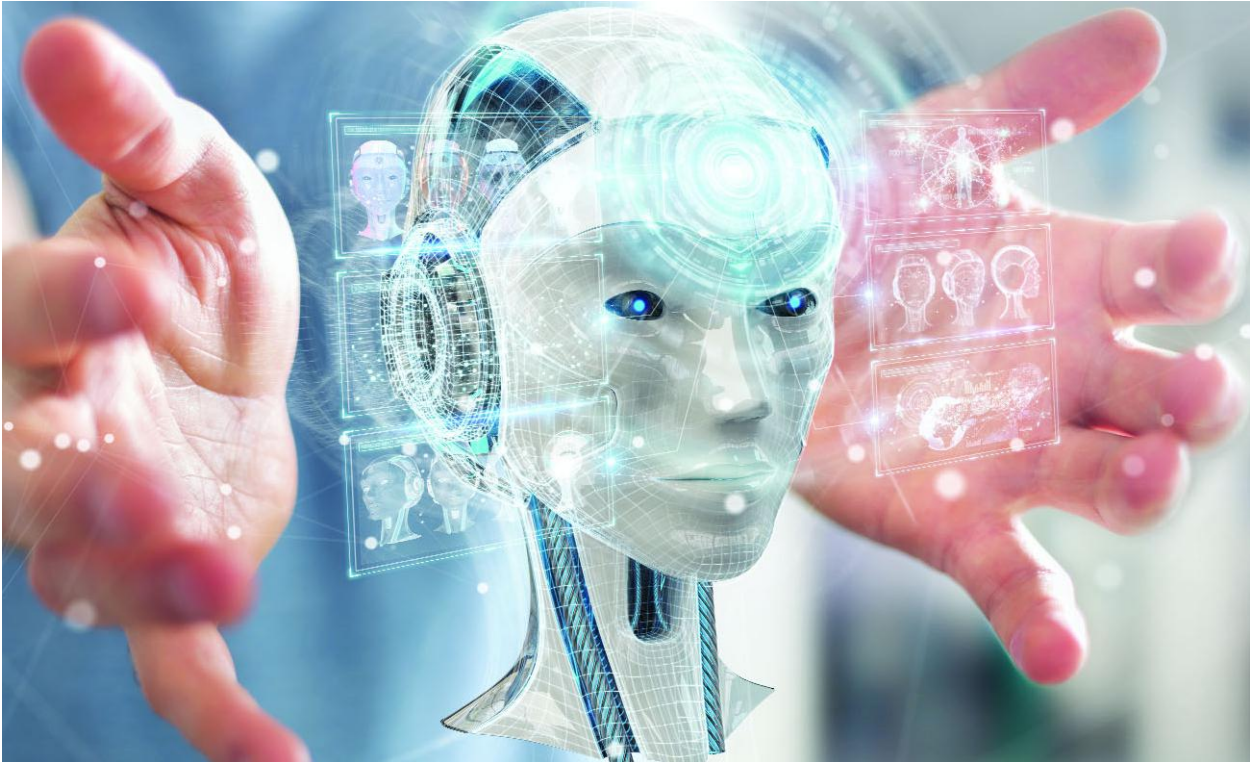
Today, mankind is on the verge of technological breakthrough. Now that machines have taken care of physical, computational and automation attributes, it only lacked the ability to think. With AI, this absence has been fulfilled.

To understand how AI does this, let's take the example of a single document and then extrapolate it to one lakh documents. A user can tag each document as either an invoice, receipt or certificate. This is called training data for the machine's neural networks. So when a fresh document is added to its system, the machine will automatically tag it as either invoice, receipt or





According to the International Data Corporation (IDC) Worldwide Semiannual Cognitive Artificial Intelligence Systems Spending Guide, global spending on cognitive and AI systems is expected to continue its trajectory of robust growth as businesses invest in projects that utilise these capabilities. According to the research agency, spending on cognitive and AI systems will reach \$77.6 billion in 2022, more than three times the \$24.0 billion forecast for 2018.



By 2020, 80% of all customers will be handled without a human agent, freeing this manpower for more critical work. AI, chatbots and automated self-service technologies free up call centre from routine tier-one support requests so they can focus on complex tasks. Additionally, resolving customer service issues before they arise could significantly lower customer abandonment.

certificate, after assessing certain parameters, without human intervention.

A BRIEF HISTORY OF AI

Contrary to popular notion, AI isn't a new concept. It has been spoken about since the 1950s. Back then conversations revolved around cybernetics and early neural networks, Turing's Test, Game AI, Symbolic reasoning and the Logic Theorist, though momentum was lost after 1956. From 1974 interest reawakened in reasoning as search and natural language.

The period from 1980 to 1987 saw the rise of expert systems, the knowledge revolution and a revival of connectionism, before funding for these projects tapered off. The last decade of the century witnessed a lot more research on deep learning, Big Data and AI behind the scenes.

AI requires lots of data to operate. It might not always be perfect but it will self-learn to avoid repeating mistakes. It also requires tons of computational power to access various algorithms and take the right



Colin Shah, vice chairman, GJEPC felicitates Animesh Samuel, co-founder, NLP Bots and Light Information Systems

decision. More importantly, there are no formulae that apply to AI.

Currently, this concept is taken a lot more seriously. One of the reasons is because increasing computational and computing prowess is readily available. The second is collaboration; today, more numbers of industries and companies are collaborating across continents. When

these two elements are brought together, it means disruption is occurring at a phenomenal pace.

PUSHING THE FRONTIERS OF COLLABORATION

When Star Trek series burst on TV screens in 1966, the thought that people could communicate with each other across long distances using portable devices seemed fantastical. Today, though, we can freely video chat with anyone across the world. This unimaginable feat underlines that change is occurring at a fast clip.

So, why is this happening now? The rapid adoption of AI-powered applications is because of varied reasons. Firstly, 2.5 quintillion bytes of data is created daily, of which 80% is unstructured. This is especially in enterprises, which have systems like ERP, CRM, HRMS, etc. Identifying, classifying and then utilising this data for appropriate reasons is humanly impossible. However, AI can do it faster with better outcomes.

Additionally, availability of better hardware with faster chips for graphics processing units (GPUs) and tensor processing units (TPUs) is no longer a challenge. Secondly, there is constant innovation in algorithms that iteratively learn to enhance data that helps AI better predict outcomes. Thirdly, the proliferation of apps, systems and AI solutions has led to lowering of costs and improved savings for enterprises that are keen to deploy this technology. This, in turn, is encouraging them to create more use cases for AI-based solutions.

REIMAGINE EVERYTHING

AI has changed everything, compelling enterprises to reimagine everything. For instance, in the future when self-driving cars will become the norm, AI will take decisions for the driver. It will also know that it will have to steer clear from the driver ahead of vehicle. The reason? It has accessed his insurance records in real time



ANIMESH SAMUEL

An alumni of St John the Baptist High School and Pune's Fergusson College, Animesh Samuel completed his Bachelors in Mechanical Engineering from Kolhapur's Shivaji University in 1999. He was always inclined towards technology from a young age and when he was just 25, he became CEO of Compulink India. A couple of years later, he joined Pune's KAPS International LLC as Partner, where he offered corporate training, functional consulting and counselling to several leading corporations including Infosys and Cognizant Technology Solutions.

In 2012, he co-founded Light Information Systems with an objective to transform man-machine interactions in the future by using AI and natural language processing. Its enterprise product, NLPBots automates conversations and processes in the areas of HR (employee engagement or hiring automation, etc.), customer care, marketing assist, reseller/partner management, technical support, lead generation, user validation processes, etc.

and found the driver pounded his car five times in the past year!

With the introduction of a 5G network, machines will be able to communicate with each other faster. In the gems and jewellery industry especially this will have several ramifications. For example, with 3D printing in the backdrop, manufacturers can use AI for making customised products at a faster pace.

Homo sapiens have been around for approximately 5,00,000 years. And after all these years, renowned physicist Stephen Hawking noted that with AI, mankind is at the cusp of a revolution in its evolution. This shows the kind of revolution that AI can herald in the world, across various aspects, be it business or welfare. ■

EDUCATING PEOPLE, BUILDING INDIA

KANTILAL CHHOTALAL

Partners

MR ASHISH KANTILAL MEHTA, MR MILAN RAJNIKANT MEHTA,
MR PARTHIV MEHTA, MR AKSHAR MILAN MEHTA



The Trust runs Kalayatana, where students are trained in song, dance, music and drama.

The best way to give back to the society is by investing in its future'. That is the motto Ashish Kantilal Mehta and his three partners – Milan Rajnikant Mehta, Parthiv Mehta and Akshar Milan Mehta – live by. It has held them in good stead while managing the affairs of the Vidyamandir Trust.

This well-known education Trust, located in Gujarat's Banaskantha district was started in 1948 by Late Kantilal Chhotalal Mehta. A diamantaire from Palanpur city, his main aim was to provide quality education to the youth and an economic impetus to the Banaskantha district, which was declared a backward region by the government.

He established Kantilal Chhotalal as a diamond solitaire manufacturing unit in Mumbai in 1941. Today, the company is in the business of trading cut and polished diamonds as well as manufacturing and trading of jewellery, catering to a diversified clientele in the domestic and overseas markets.

A COMMUNITY INITIATIVE

Over the years, diamantaire families from Palanpur supported Late Kantilal Chhotalal Mehta's philanthropic efforts by extending financial support and help in running the Vidyamandir Trust. One family that has been closely involved with the Trust since inception is Rosy Blue and presently its chairman, Russell Arunbhai Mehta, heads Vidyamandir Trust.

The charitable body currently runs English and Gujarati medium schools from the kindergarten level to higher secondary. Since the 1970s, it has operated its own teachers' training colleges for pre-primary, primary and secondary school levels, as well as a special college for teaching differently-abled students. Today, it manages over 135 educational across 14 campuses with a team of 250 teachers catering to around 5,800 students.

One innovation by Vidyamandir Trust is an education programme for children of rural schools lacking basic infrastructure like a library and

science lab. Its mobile lab and library reaches around 5,000 students in 52 schools in as many villages.

Promising students from these institutions are provided special coaching at classes conducted by Vidyamandir teachers every Sunday in regular classrooms and labs at its Palanpur schools.

The Trust also has facilities like a state-of-the-art English language lab, separate labs of physics, chemistry and biology, a library with over 30,000 books, a 600-seater air-conditioned auditorium and a landscaped garden spread over 12 acres.

PROMOTING SELF-RELIANCE

A special feature of the campus is Mamtamandir, an institute for the

differently-abled, including visually impaired, hearing impaired, orthopaedically handicapped and mentally challenged students.

Founded in 1963, it is the only establishment of its kind in Gujarat and education is provided absolutely free to students.

Mamtamandir provides vocational training to help the students become self-reliant and a part of the social mainstream. It is also a pioneer in the concept of integrated education where visually impaired students study alongside normal students in the same classroom. This method, pioneered by Vidyamandir in 1969, was later accepted by educationists all over India.

The Trust has been at the forefront of change by introducing

new technologies and teaching techniques. For example, it first introduced computers to the students in the 1980s and soon after, incorporated it into the regular syllabus.

It has also been encouraging its students to pursue medical careers. About 20% of its students from the higher secondary section opt for medical careers choosing the country's leading medical colleges, and with many of its alumni building successful careers in different professions. Due to the number of students opting for medicine, Palanpur has become the hub for medical tourism with people from surrounding areas, including the bordering state of Rajasthan, coming here to avail quality medical service.



Mamtamandir provides vocational training to help the students become self-reliant and a part of the social mainstream.

GOING BEYOND BOOKS

In addition to a regular curriculum, all Vidyamandir Trust schools place plenty of emphasis on extracurricular activities for a student's overall personality development. They are encouraged to participate in sports, drawing and essay competitions.

Several of them have won laurels at the district and state levels in these fields, bringing honour to their teachers and institutions. The sports academy of the Trust offers training under expert coaches in 15 different disciplines and many students are selected to represent the district and state in national and state level competitions.

The Trust, furthermore, runs Kalayatan, where students are trained in song, dance, music and drama. They get an opportunity to perform at functions held by the Trust and at competitions organized by the government and private cultural organizations. ■

FOCUSING ON PRIMARY ISSUES

MAHENDRA BROTHERS EXPORTS PVT. LTD.
MR SAUNAK J PARIKH, Director



Mahendra Brothers have been directly involved in providing free education and hostel facilities to the students of Manta Mandir Residential School.

Established in 1960, Mahendra Brothers has become central players in India's diamond business. A manufacturing Sightholder of the Diamond Trading Company since 1969, amongst the first in the country, it has been, and still is, a one-stop destination for diamonds. With a wide array of diamonds ranging from round, princess, marquise, taper and baguettes in qualities from 300 per carat to 2 carats in VVS to I3 clarities, it remains a preferred partner for clients across the world.

CONTRIBUTING TOWARDS SOCIETY'S HEALTH NEEDS

In 1983, Mahendra Brothers established Parikh Foundation with an objective to create and manage structured CSR programmes. The company's family members are actively involved as trustees and run it professionally. The Foundation focuses on four primary areas, namely healthcare, animal care, education as well as relief and rehabilitation.

Besides contributing for many healthcare needs across India, Parikh Foundation has helped build some

charitable hospitals. The principal amongst them is 'BA' Smt. Lilaben Chimanlal Parikh Cancer Centre, a radiotherapy and cancer care centre established in Gujarat's Navsari district in 2011. It is implemented under the state government's public private partnership scheme.

The facility has state-of-the-art equipment along with futuristic technology. It conducts cancer awareness programmes on a regular basis and provides cancer detection and therapy at extremely subsidized rates.

Growing over the years, 'BA' Smt. Lilaben Chimanlal Parikh Cancer Centre currently has pre- and post-operative facility for cancer care. This includes radiation, mammography, CT scan, x-ray and chemotherapy.

Its recognition as a Central government's Ayushman Bharat center has come as a boon for women in the area. Regular cancer awareness programmes are conducted in villages, and women forums are engaged for early detection and preventive care of breast cancer within 100km area of Navsari.

CARING FOR ANIMALS

Established in 1994, Mahavir Vishwa Kalyan Trust is a shelter home spread over 6 lakh square feet for deserted animals and ailing birds near Navsari. Around 1,100 to 1,200 small and big animals are sheltered and looked after here with consistent medical check-up and treatment.

Close to 20 caretakers visit villages in Navsari's surrounding areas to conduct medical camps on a regular basis and provide medical facilities to domestic and abandoned animals. Animal welfare awareness programmes are held periodically and medical camps are scheduled between November and February. School children are invited and lessons on environment, Jeevdaya and kindness towards animals are imparted.

SPEARHEADING RELIEF & REHABILITATION WORKS

Parikh Foundation has been at the forefront of relief and rehabilitation of people affected by natural calamities like earthquakes, floods and cyclones across India. The Foundation's work includes rebuilding of homes, schools, roads and other infrastructure facilities for those affected directly and indirectly by the calamities.

During the 2001 Bhuj

earthquake, Parikh Foundation built houses in Gujarat's Morbi region besides doing community work along with others associations. 80 houses were built in Ram Nagar along with a community hall for 100 people. The Foundation also created 'Leela Gram' and built 80 houses and another community hall for about 100 people there.

TEACHING FOR EMPOWERMENT

Since the early 1990s, Mahendra Brothers has been directly involved in providing free education and hostel facilities to the students of Mamta Mandir Residential School, managed by Manav Kalyan Trust. This is an institute for the deaf and mute and other differently abled children in Navsari.

The school educates children from nursery till class X, enriching their experience through a host of extra-curricular activities. An estimated 1,500 students have graduated from Mamta Mandir since the early 1990s and more than 700 are currently enrolled.

Parikh Foundation is also a major contributor to many educational institutions, and has done a great deal of work for deaf and mute students in Gujarat. To have skilled workforce for the gems and jewellery industry, Parikh Foundation, together with GJEPC, set up the Indian Institute of Gems & Jewellery (IIGJ), also known as Bagnal Laxmichand Parikh Campus in Mumbai. Since 2003, the institute has provided more than 4,000 skilled workforce to the industry.

Mahendra Brothers tries to add value to any initiative it takes up so that over a period of time it has a wider reach and benefits a larger section of society around the facility.



'BA' Smt Lilaben Chimanlal Parikh Cancer Centre is one of its kind radiotherapy and cancer care centre in Navsari, Gujarat.

ROYAL ASSCHER'S PRESIDENT RETIRES AFTER 50 YEARS

Following patriarch Edward Asscher's retirement, his daughter, Lita, and son, Mike Asscher, will take manage the business as co-presidents.



Edward Asscher, president of Netherlands' Royal Asscher Diamond Company has retired after managing the family diamond dynasty for 50 years. Upon his departure, Edward's daughter Lita, and son Mike Asscher will serve as the firm's co-presidents.

Edward joined the family business in 1970 after completing his academic studies. He apprenticed with his father and uncle, working alongside some of the finest diamond craftsmen in the industry, making him the fifth generation family member to join the dynasty.

10 years later, he stepped into his father's shoes as company president. During 36 years, his brother Joop, and he worked cohesively, before the former passed away in 2006. Upon taking the company's helm, Edward expanded Royal Asscher's reach in the international market, creating a presence and developing strategic partnerships, on all of the

globe's continents.

With Mike and Lita coming on board as the family's sixth generation, Royal Asscher began to focus on the manufacturing of fancy cut diamonds, investing in innovative technology, which led to the patenting of four proprietary diamond cuts based on popular existing shapes.

Talking about his five decade long journey, Edward said, "It was a pleasure and an honour to work with three generations of Asschers – my father, my late brother, Joop, and two of my three children. Our industry has had its challenges in many aspects, but ethical standards, transparency, innovation, and professionalism have become the norm and will keep the industry as beautiful as the product itself. I now leave, with confidence that the future of Royal Asscher is in the able hands of the next generation!"

Talking about her father, Lita added, "He is an amazing example, and has instilled us with a drive and passion for the diamond business. His work ethics, his command of complexities, his devotion and focus have been exemplary at the company. His achievements and energy will always resonate throughout Royal Asscher."

Her brother, Mike Asscher, added, "Working alongside my father has been an incredible experience. He has been a mentor, friend, and business partner for over 21 years. Together we have created some of the world's most beautiful

patented diamond cuts, which are now part of our family tradition. I want to thank Edward for all he has done for Royal Asscher. I look forward to continuing to work closely with Lita in leading our company, serving our expanding client base and delivering strong growth for our retailers across the globe."

Outside of the family business, Edward is a passionate campaigner for an ethical responsible diamond industry that respects human and environmental rights. He held board positions across numerous charities and industry bodies and served as president of the World Diamond Council (WDC) from 2014 to 2016, beginning another two-year term in June of this year. As an NGO, the WDC represents the complete diamond supply pipeline, from mining to retail, in the Kimberley Process (KP). With Asscher's focus on human rights, he will promote further changes in the global diamond supply chain.

Other illustrious positions that Edward held in the past included president of the International Diamond Manufacturers Association (IDMA), president of the International Diamond Council, president of the Liberal Party in Amsterdam. He also served as a senator for the Liberal Party in the Dutch parliament from 2007 to 2011 and received a knighthood for his social and ethical work and was consequently named an Officer in the Order of Oranje-Nassau. ■

NEWLY DISCOVERED MINERAL NAMED AFTER GIA GOVERNOR, DR BARBARA DUTROW

Dutrowite, the newest species of tourmaline, was discovered in the Apuan Alps of Italy's Tuscany region.

Dutrowite, a newly discovered mineral species of the tourmaline group, is the namesake of GIA governor Barbara L. Dutrow, Ph.D. Discovered in the Apuan Alps of Tuscany, Italy, this unique mineral – now recognized by the International Mineralogical Association – is formed from the compression and heating of a volcanic rock called rhyolite.

Researchers from Austria, Italy and Sweden who discovered dutrowite named the mineral after Dutrow in recognition of her many contributions to mineral sciences and crystal chemistry, and particularly for her well-known and comprehensive research into tourmaline and its embedded geologic information. Of the 34 tourmaline species, dutrowite is the first species named after a woman.

“Gems, and especially minerals, have been my life’s passion. It is tremendously gratifying to receive this honour,” said Dutrow. “Discoveries such as this show us that there is still much to learn about our earth and its many minerals and the geologic information they contain.”

Dutrow is the Gerald Cire and Lena Grand Williams Alumni Professor in the Department of Geology and Geophysics at Louisiana State University (LSU). Her teaching and research have focused on mineralogy, petrology, geochemistry, and computational



Dutrowite was named after GIA governor Barbara L. Dutrow in recognition of her contributions to mineral sciences and crystal chemistry, especially her comprehensive research into tourmaline.

modeling and visualization for more than 25 years. She has authored and coauthored many publications, including her textbook “Manual of Mineral Science,” a worldwide standard and reference for the study of minerals now in its 23rd edition. Dutrow earned her master’s degree and Ph.D. in geological sciences from Southern Methodist University, TX. She joined the GIA Board of Governors in November 2016.

Sample of dutrowite (brown) and dravite (blue) tourmalines in meta-rhyolite from Italy (From Biagiona et al. 2019).

“On behalf of the Institute, we congratulate Barbara on this exceptional honour and recognition of her many contributions and

achievements,” said Susan Jacques, GIA president and CEO. “Barbara is a significant contributor to our Board given her research and scientific expertise, as well as her focus on the student experience from her higher education background.”

Six GIA contributors have been honoured through the years with minerals named after them for their outstanding work. This began more than four decades ago with former GIA president Richard T. Liddicoat who was honoured with liddicoatite, a species of tourmaline; rossmanite, another tourmaline species, was named after former GIA governor Dr. George R. Rossman; the magnetic mineral known as valleyite was named after GIA governor Dr. John Valley; G. Robert Crowningshield, a pioneering researcher at GIA, was honoured with crowningshieldite; and in 2019, johnkoivulaite was named after GIA researcher John Koivula.

The members of the GIA Board of Governors are innovators and leaders in their fields. They have high-level experience in diverse professions, industries and academic disciplines. Their role is to direct the strategy of the Institute to ensure that the consumer protection mission and vision of GIA are reflected in all decisions; that the reputation of GIA is preserved and continues to grow globally; and that the financial goals of the Institute are met. ■

PANDORA WITHDRAWS 2020 FINANCIAL GUIDANCE FOLLOWING COVID-19

Announced on February 4, 2020, the financial guidance excluded any impact from Covid-19, and the jewellery giant said it is no longer meaningful

Jewellery company, Pandora, has withdrawn its financial guidance for 2020, stating it is “no longer meaningful” amid the impact coronavirus is having on business. The company stated that the recent Covid-19 escalation has had a negative impact on the global economy, affecting jewellery firms like Pandora. The Denmark-based company designs, manufactures and markets hand-finished jewellery, which is sold in over 100 countries through 7,400 points of sale, including more than 2,700 concept stores.

While financial performance was strong in January and February, with particularly good development online and total like-for-like, excluding China, is better than the full-year financial guidance, the Covid-19 escalation has led to a material weakness in sales across markets.

It added that in China, like-for-like has been between -70% and -80% since late January 2020. Revenue is currently slightly improving, but a return to normal demand will expectedly take time and is outside Pandora’s control. The European markets, and Italy in particular, have been visibly impacted since late February.

Italy generated solid positive like-for-like in January and February, while trading in March has now almost come to a complete halt. Australia is impacted due to a



decline in tourism and most other markets are now indirectly impacted through a general dampening of consumer sentiment. In the markets affected by lockdowns and other governmental measures, revenue is expected to be negligible while these circumstances prevail. The company said that the timing and pattern of the return to normalised business is obviously subject to uncertainty and outside its control.

It added that it is actively managing cost levels, including media, rent and other store costs, to ensure an appropriate balance between protecting profits while continuing to drive revenue from its online store and build on the underlying momentum of the brand.

Despite the headwind caused by Covid-19, profitability is expected to continue to be strong in Q1 2020. The profitable and cash generative business model means that Pandora can absorb several months of suppressed traffic and still be profitable and cash generative for the full year. Combined with a conservative capital structure policy, light funding covenants and healthy

funding availability, Pandora has a strong financial position to manage through this downturn period.

To preserve a strong balance sheet under these extraordinary circumstances, Pandora has decided not to buy back any further treasury shares under the authorisation given at the 2020 Annual General Meeting. It expects to initiate a programme when the situation improves, subject to the capital structure policy of having net interest bearing debt including committed leases of 0.5-1.5 times EBITDA excluding restructuring costs.

While continually monitoring the pandemic’s development, the jewellery company said that its primary focus was the well-being of employees and ensuring safe environments for customers. Guidelines set by local authorities will be followed, and the company has temporarily closed stores and offices as advised. Pandora’s manufacturing facilities in Thailand continues to run with stable supplies and currently without notable impact from the situation. ■



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