

India's Total Gem & Jewellery Exports increases by 2.74%

Gold Jewellery drives growth with a 34.55% increase"

Mumbai April 17/04/07 The Gem & Jewellery Export Promotion Council (GJEPC) of India announced the performance figures for the Indian Gems & Jewellery Sector for FY 2006-07. The Indian Gem and Jewellery industry has witnessed a growth of 2.74% with total gem & jewellery exports reaching USD 17.1b (Rs. 77180.28 crores) as compared to USD 16.6b (Rs. 73342.44 crores) in the same period last year.

Total Cut & Polished Diamond exports witnessed a decline of 7.83% in FY 06-07 . Wherein Diamond Merchandise exports marked a growth of 3.37% in FY 06-07, with exports touching US\$ 9.77 billion (Rs.44106.95 crores) as compared to US\$9.45 billion (Rs.41657.94 crores) in the same period last year. Exports from Bonded Warehouses stood at US\$ 1.129 billion (Rs. 5099.27 crores) in FY 06-07 as compared to US\$ 2.374 billion (Rs. 10463.90 crores) in FY 05-06.

Gold Jewellery exports which primarily drove the growth in the sector, witnessed a remarkable increase of 34.55% from US\$ 3.87 billion (Rs.17063.33 crores) to US\$ 5.21 billion (23515.84 crores) in FY 2006-07.

Exports of Cabined Gemstones at US\$ 246.48 million (Rs.1112.38 crores) in FY 06-07 shows a growth of 6.08% as compared to US\$ 232.25 million (Rs.1023.73 crores) in 05-06 .

Commenting on the industry's performance, Mr. Sanjay Kothari, Chairman, GJEPC, The industr

(Rs.18238.35 crores) in FY 06-07 USA continues to be the largest exporting destination followed by UAE and Hong Kong with exports accounting for 31%, 19% and 21% respectively.

"GJEPC, the apex body of the Gem & Jewellery trade in India, has embarked on three pronged approach for driving industry growth, namely, Marketing & Product Development, Policy and sourcing of Raw Material.

Towards developing new markets and avenues for industry growth, GJEPC has undertaken initiatives to capture a larger market share in regions such as Japan, CIS and East European nations. Regular Buyer-meetings @ 8 K nations, media exchange programmes are being organized at frequent intervals.", Mr. Kothari added Budget recommendations by Council, for introduction of Turnover Tax Regime and Reduction on import duty of Cut & Polished Diamonds are a welcome move by the Ministry. The net profit of 8% in Turnover Tax is an unviable proposition felt by the industry, wherein the industry barely witnesses profit beyond 3% . Reduction on import duty of Cut & Polished Diamonds from 5% to 3% is also felt as a non motivator as reduction to 0% would have helped the industry enhance growth in the C&PD sector.

GJEPC towards liberalizing the Gem & jewellery trade has also recommended for elimination of 1% VAT on supply of Gold for Exports by nominated agents that has been increasing transaction cost for exports.

Levy of Octroi duty on purchase of Gold/Silver/Diamonds etc for consumption in Mumbai at 2% is also too high for valuable commodity.

Sourcing of Raw Materials is yet another significant move undertaken by the industry. A company named DIL - Diamond India Limited comprising of members of the trade have been formed which is working constantly towards sourcing of Rough from Mining nations directly, such as Alrosa, Botswana, Canada, Angola and others.

"International Diamond Conference" - Mines to Market 2007

The buoyancy in the sector is also expected to be reflected at the forthcoming Mines to Markets 2007, International Diamond Conference to be held at the NCPA in Mumbai on the 26th and 27th of April, 2007.

Announcing this mega initiative, Mr. Sanjay Kothari says, "This is the second Conference to be organised in India by the GJEPC. The speakers include heads of De Beers, Rio Tinto Diamonds, ABN Amro Bank NV, J. C. Penny, Alrosa, Endiama, Ministry representatives from Botswana, South Africa and Democratic Republic of Congo etc. participating and deliberating on various topics ranging from mining to retailing. It will set new directions for the industry and chart its future growth and capabilities."

About the Gem & Jewellery Export Promotion Council (GJEPC):

The Gem & Jewellery Export Promotion Council is an all India apex body representing more than 6500 gem and jewelry traders from India. Set up in 1966, it operates under the supervision of the Ministry of Commerce and Industry, Government of India and elected representatives of the industry. The Council is a non-profit organization involved in promoting the exports of the Gem & Jewellery sector.