

Indian Diamond Traders Meet to deliberate on the strategy and Way Forward for the trade

Decides on No Embargo on Rough Import and Encourage Self Discipline. Review the situation post 30 days

July 7, 2015, Mumbai : Prominent diamond Industry associations of India, viz. GJEPC, BDB & MDMA, organized a meeting with top 250 diamond exporters on 7th July 2015 to discuss the current market scenario and issues faced by the diamond industry and derive a way forward. The meeting was held at S.G. Jhaveri Trading Hall, BDB, BKC, Mumbai at 4.00 pm today.

The industry leaders of all associations, viz. BDB, GJEPC & MDMA, and members present unanimously agreed that the market has been going through tough times and there is a need to take short term as well as long term measures to address the issues faced by the industry.

The current market situation of diminished polished demand coupled with issues related to absence of profitability in diamond manufacturing due to bank finance becoming increasingly costly, absence of relativity of pricing of rough and polished diamonds is causing a severe strain on the players mainly in the mid segment of the diamond value chain.

The Traders reviewed the market situation and have unanimously decided to defer the option of voluntary Closure or Embargo on Rough Import, like in November 2008, for the time being and encouraged upon Self Discipline by the Traders in import and purchase of rough diamonds based on their inventory and demand for polished diamonds.

The traders collectively took following decisions:

- a) No stoppage of import of rough at this moment as the workforce in factories will be the first priority for the trade.
- b) Formation of a 10-15 Member Committee comprising of businesspeople from all associations such GJEPC, BDB, MDMA and Surat Diamond Association representing Big Medium Small mfgs, traders, sight holders etc.
- c) A Delegation of nominated representatives from trade to Meet with Miners to Review the situation
- d) A Delegation to Meet with the Bankers for increasing Bank Finance
- e) A Delegation to Meet with the Government to address the Policy measures
- f) Make Promotional efforts along with diamond miners and other segments of the industry to increase the demand for Diamonds by increase of sales of diamond jewellery
- g) All stakeholders will be taken into confidence including small manufacturers of diamond Industry from Surat through SDA
- h) Situation will be monitored for a month and a meeting will be organized after one / two months to discuss the decision of the trade as way forward

The industry feels that collective efforts need to be taken to address the problems like, diversification of funds to other businesses by some of the companies; Profitability crunch due to low demand and stock hangover of polished inventory; bankruptcies, which have affected the availability of Bank Finance & eroded the Credibility of the industry; increased Rough prices and absence of discipline in purchase of rough inventory; un-disclosed mixing of synthetic / lab grown diamonds.

Indian Diamond Industry will make efforts across various stakeholders and review the situation in a month with a larger group and arrive at a decision thereafter.