

## The Gem & Jewellery Export Promotion Council reviews and redresses the challenges of flood affected diamond industry in Surat

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**Mumbai:** Reviewing the recent flood situation in Surat , Mr. Bakul R. Mehta, Chairman, Gems and Jewellery Export Promotion (GJEPC), has officially commented on the immediate losses incurred in the Diamond Industry of Surat.

“Around 6000 cutting and polishing units operate from Surat . Of the 6000 units, 1000 units are believed to have been totally damaged, while 2000 units have been passively affected. All the machinery in the 1000 units will have to be replaced as they are not operational. On an average, about 80 workers are directly employed per unit. Therefore, around 200 000 workers have been affected directly by the floods.

Most of the electrical circuits and connections have been completely destroyed in these areas. The factories are not likely to start operations in full swing until 1 st week of September, 2006.

As a result, the total revenue loss is estimated at Rs. 300 crores. While no loss of stocks in trade has been reported, the estimated **production loss** amounts to US \$ 60 Million.

The Diamond industry has also witnessed a mass exodus of labour with 50% of the workforce fleeing Surat in the wake of this flood. It is a mammoth task for the Diamond Industry to retain and recall these workers to continue working in the units.”

Speaking on the impact of the Surat flood on the total export target of the Gems and Jewellery industry, Mr. Bakul Mehta says, “The floods have definitely disturbed the entire supply cycle of diamonds to the international markets and as clients do not carry huge inventories, the total exports of gems and jewellery is likely to receive a setback to some extent”.

Mr. Mehta further adds, “A team has been sent to survey further losses and reports are expected soon on the assessment of needs”.

On the relief exercise to the flood affected areas, Mr. Mehta says, “The (gems and jewellery) industry has immediately acted and provided relief not only to their workers but also the entire town by way of food packets, water pouches and medical supplies. A team of doctors has also been sent to assist in treating the injured”.

Elaborating on the relief work, Mr. Praveen Shankar Pandya, Managing Trustee, Gems and Jewellery National Relief Foundation (GJNRF) explains, “The GJNRF has over 6000 members and all are contributing to the relief exercise in the flood affected areas of Surat .”

As per our most recent figures (August 17, 2006), we have already distributed 16,500 kits of food, which will maintain the food supply for 15 days; a total 300,000 pouches and bottles of

mineral water; tea powder, milk and even masks for the people as a precautionary measure against infections that they would be susceptible to whilst cleaning their homes.

We have 24 medical camps with 167 doctors operating in the flood affected areas and are spending Rs. 2 lakhs daily only on medical supplies. The doctors are volunteers and have attended to 38,622 patients till date.

Up until now, we were concentrating on providing short-term relief. We are now preparing a medium-term relief kit that will address other personal necessities like utensils, bed-sheets, etc.

Our biggest challenge is to clear the streets of the rotting debris that has been left behind by the floods. Due to the acute shortage of drivers for the dumpers that will be used in clearing the streets, we have approached the Indian army for assistance. We are happy to say that they have agreed to send in volunteers to help us with the cleaning exercise.

The next two weeks are critical. We are committed to bringing the diamond industry back on its track no later than 2 weeks.”

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