

Gem and Jewellery Industry Continues to Dazzle ***Cut and polished diamonds grow by USD 30.19%***

Mumbai, April 15, 2008 – The Gem and Jewellery Export Promotion Council (GJEPC) today released the annual performance figures for the financial year 2007-08. The Indian Gem and Jewellery industry has witnessed a growth of **22.27%** amounting to total exports of **US\$ 20.8 billion** (INR 84,058.19 crores) in April 2007 – March 2008 against **USD 17.1 billion** (INR 77,100.12 crores) in the previous year. The Gem & Jewellery sector accounted for **13.41%** of India's total merchandise exports.

This performance is all the more commendable considering the fact that the rupee showed a steady gain over the US dollar for most part of the year.

Export of **cut and polished diamonds** which was the performance driver for the period in consideration amounting to nearly 68% of the export basket, grew from **USD 10.9 billion** (INR 49,156.28 crores) in 2006-07 to **USD 14.2 billion** (INR 57,061.45 crores) in 2007-08. **Hong Kong** emerged as largest importer of cut and polished diamonds from India, with a share of **35%** of the total exports followed by The United States, which accounted for 24% and UAE at 13%.

Export of **coloured gemstones and others** grew from **USD 246.4 million** (INR 1112.33 crores) in 2006-07 to **USD 276.42 million** (INR 1112.32 crores) in 2007-08.

The export of gold jewellery rose by **8.07%** with total exports amounting to **USD 5622.41 million** (INR 22624.59 crores) in 2007-08 as compared to **USD 5202.48 million** in 2006-07 (INR 23478.81 crores).

Mr. Sanjay Kothari, Chairman, GJEPC commenting on the performance for the year said, *"The industry has maintained a steady rate of growth this year too, but this growth is result of increase in trading activities as actual manufacturing has shown a decline. Due to the volatility of gold prices and international economic scenario, demand for Gold Jewellery has witnessed a slow down worldwide."*

Adding further Mr. Kothari said, *"What is more remarkable about this performance is that they have been achieved in face of appreciating rupee, high interest rates, withdrawal of GSP benefits and general economic slowdown in our major markets. The increase in the exports of diamonds, that are cut and*

polished in the country are a testimony to the talent of our artisans in this industry.

With the assistance of Government of India we at GJEPC are committed to take this industry forward. Over the years Government Of India has keenly considered the needs of Indian Gem & Jewellery Industry and has made favourable amendments in policies to support the continuous growth. For instance last year Government of India reduced import duty on Cut & polished diamonds to 0% that has helped India to be at par with other international manufacturing centers. This will enable India to transform from largest manufacturing centre to the global trading hub. ”

Highlights of Union Budget (2008-09)

- **Reduction in net profit rate from 8% to 6% for all assesses engaged in diamond manufacturing & trading sector under Benign Assessment Procedure**
- **Import duty exemption on Rough Cubic Zirconia**
- **Reduction of import duty on Cut & Polished Cubic Zirconia and Rough Coral from 10% to 5%**

Recent Developments

In March 2008, **Shri Jairam Ramesh, Hon’ble Minister of State for Commerce** led a delegation to **Angola and Namibia**. A **Joint Working Group** was formed between Namibia & India to prepare a detailed plan for long term partnership in the diamond sector. The focus would be on direct sourcing of roughs from Namibia and on setting up of factories and training institutes.

The delegation in Angola, discussed that ENDIAMA, Diamond mining company would shortly open an office in India. Angola has invited Indian diamond companies to set up factories and training institutes in Angola. The Council has invited the President of Angola as the Chief Guest for **‘Mines to Market 2009’**.

Future Initiatives

GJEPC is now repositioning Indian Gem & Jewellery as “Epitome of Luxury” by developing programs such as the **‘BRAND INDIA’ PROMOTIONS**.

This program is Council’s initiative to promote Indian jewelry to the end users in markets such as **USA, China, Middle East, CIS, Russia and India**.

The Council has also requested **International Diamond Manufacturers Association (IDMA)** to present a report on the capacity of mines worldwide for supply of rough diamonds. **Says Mr. Vasant Mehta, Vice Chairman, GJEPC,** *“This study will help us understand the future action that GJEPC would need to take to bridge the gap between the demand and supply of rough diamonds available.”*

DTC strongly reiterated on continuing the rough supply to Indian Diamond Manufacturing Industry with the same quantity of rough to be continued in the future. DTC also informed the varied array of stones ranging from small to large in their supply to India.

The Council with IIGJ has taken another initiative in the field of Education and Talent Development. This initiative will further focus on the training and development aspects of the students to ensure development of merchandise that will appeal to shoppers' changing tastes. Talent development will also support Council's plan of promoting India as a Design Centre.

Notes to Editor

The Gem & Jewellery Export Promotion Council is an all - India apex body for Gem & Jewellery representing 6,500 members. Set up in 1966, it operates under the supervision of the Ministry of Commerce & Industry, Government of India.

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