

GJEPC WITHDRAWS APPEAL FOR SUSPENSION OF ROUGH DIAMONDS IMPORTS

Mumbai, December 26, 2008: The Gem & Jewellery Export Promotion Council (GJEPC) has unanimously decided to call off the appeal made on November 25, 2008, to cease the import of rough diamonds for a period of one month. The initial appeal had been made at the height of the global banking credit crisis to enable Indian diamond merchants and their bankers to obtain the necessary clarifications from industry stakeholders, industry financing institutions, rough producers, government and banking authorities, overseas clients and others.

The one month 'breather' period was used by the GJEPC to bring in overseas experts to brief members of the Council and bankers and to enter into dialogue with the government on specific assistance measures -- while at the same avoiding an irresponsible increase in the industry's banking debts. Council members utilized the opportunity to discuss the fall in global demand for rough and polished diamonds with their workers who will bear much of the burden that will be caused by the inevitable contraction of the diamond business for the foreseeable future.

The GJEPC will continue, and even intensify, its efforts to secure the 'softest possible' landing from the crisis, and will prepare the diamond and jewellery sectors for renewed growth when the global conditions stabilize. When announcing the decision to rescind the call for the rough imports stoppage, **Mr Vasant Mehta, Chairman, GJEPC** said, *"I am thankful to the industry for supporting the appeal to cease the import of rough diamonds for one month. Though the global situation has not improved – and U.S. Holiday Season retail sales were greatly disappointing – we feel confident that our members now possess all the tools and the information required to exercise the needed self-discipline in their future rough diamond acquisition decisions."*

Mr. Mehta further noted that, *"Our industry is committed to free and open markets and the fierce competition among and within manufacturing centers has caused an alarming shrinkage of margins. The sudden fall in global diamond demand, and the unprecedented volatility in prices, has enhanced the levels of commercial and financial risks facing our members. The GJEPC will take all possible steps to mitigate the risks for our members and to increase our endeavors to promote India's diamond and jewellery sector in the global markets."*

The Council will continue to monitor the global situation very closely and will not hesitate to announce new measures if and when the situation warrants this.

Notes to Editor

The Gem & Jewellery Export Promotion Council is an all - India apex body for Gem & Jewellery representing 5,500 members. Set up in 1966, it operates under the supervision of the Ministry of Commerce & Industry, Government of India.

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