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## **ALROSA, Russia and GJEPC, India sign Memorandum of Understanding**

*Agreement a milestone in improving trade ties between Russia and India*

**Moscow, Russia, 10<sup>th</sup> April, 2014**: India, the world's largest diamond-processing nation and Russia, the world's largest rough diamond producer, have taken a significant step towards greater direct diamond trade between the two countries. India's Gem & Jewellery Export Promotion Council (GJEPC) and state-owned Russian diamond mining firm Alrosa signed a memorandum of understanding to share trade and statistical data on the diamond trade between the two countries.

The MoU, inked by GJEPC Chairman Vipul Shah and Alrosa President Fyodor Andreev, is more evidence of warming trade relations between the two countries.

Russia produced 34.9 million carats of rough diamonds in 2012. India imported 163.11 million carats of rough worth \$16.34 billion and exported 36.46 million carats of polished diamonds worth \$20.23 billion during the calendar year 2013. Total Indian provisional exports of gems and jewellery during calendar year 2013 stood at \$36.04 billion.

ALROSA and GJEPC agreed to exchange information pertaining to the development of the co-operation between Indian and Russian diamond sectors, including overviews of the diamond market situation, the Indian and Russian trade figures, information on Indian diamond market research.

Speaking at the Event, Mr. Vipul Shah said, "India has long sought long-term contracts between Alrosa and the Indian cutting and polishing industry. With this association, Both trade bodies look forward to cooperation and exchange information in the framework of implementation of Kimberley Process Certification Scheme and jointly seek to maintain separate sales of natural and synthetic diamonds and diamond

jewellery. This is just the beginning and we look forward to strengthened trade relations between India and Russia.”

Last February, Indian Commerce Minister Anand Sharma brought up the subject with visiting Russian Deputy Prime Minister Dmitry Rogozin. Sharma suggested that the state-owned Minerals & Metals Trading Corporation (MMTC) be made a nodal Indian agency with a long-term contract with Alrosa.

An Alrosa study team visiting India recently stated that that most of the rough diamonds produced in Russia are cut and polished in India. However, direct imports of rough diamonds from Russia to India are modest, with the fiscal 2013 figure standing at some \$767 million.

Alrosa accounts for close on 25 percent of the world output, while the Indian diamond processing industry accounts for some 60 percent by value of global polished diamond output. An estimated 14 out of 15 polished diamonds studded in jewellery globally are cut and polished in India. An Indian think tank recently stated that more direct supplies of rough diamonds to India could easily boost the current figure to between \$4 and \$5 billion.

The Indian diamond industry has long said that the indirect routing of rough diamonds into India simply adds to cost and increases the complexity of sourcing steady raw material supplies. Direct imports would bring benefits to both Alrosa as well as the Indian cutting industry, Indian diamond dealers say.

Streamlining overall trade procedures could also see increased Indian exports of polished diamonds to Russia. Indian dealers already have a significant presence at the Moscow Diamond Bourse and relations between the diamond dealing communities of both nations are warm and close. Russian buyers have been a steady presence in India and particularly at the India International Jewellery Show (IJS), one of the four largest gem and jewellery trade shows in the world.

Procedural matters are all that stand between the two countries and sharply increased trade in polished diamonds between the two countries. The engagement between the Commerce Ministries of both nations in sorting out these procedural matters has diamond industry watchers hopeful of a major increase in trade in coming years.

### **About GJEPC**

Established in 1966, the Gem and Jewellery Export (Promotion Council GJEPC) of India, has dynamically led the industry to flourish. Being a powerful engine, driving India's export-led growth, with more than 5,300 members spread nationwide, the GJEPC is primarily involved in introducing the Indian gem and jewelry products to the international market and leverage their international relationships to promote exports.

In its endeavor to promote India as the "Innovation & Design Destination" for jewelry, GJEPC holds India International Jewellery week (IIJW) annually, the only Jewellery Week in the world. The Council's flagship jewelry trade event India International Jewellery Show (IJS) is where the industry converges in larger numbers with more than 30,000 trade visitors converging in Mumbai, the gem and jewelry capital of India, making it one of Asia's largest trade fair. GJEPC's IJS Signature is yet another landmark event, where exclusive jewelry is showcased by India's finest in top-of-the-line jewelry design and manufacturing.

A critical area of activity of the Council has also been aiding better interaction and understanding between the trade and the Indian Government. To ensure that the Indian industry achieves the highest levels of technical excellence, GJEPC conducts training programs. Expanding on its expertise, GJEPC has entered into agreements with the government of Gujarat and the Gemological Institute of America to set up and run gem and jewelry institutes. In a responsible role, the Council has been appointed as the Nodal Agency in India under the Kimberly Process Certification Scheme. [www.gjepc.org](http://www.gjepc.org)