

Press Release

For Immediate Publication

## **GJEPC opens doors to ‘India Diamond Trading Centre’ at BDB**

*Nurturing Prime Minister’s vision of making India the Global Diamond Trading Centre*

**Mumbai, December 21, 2015:** The Gem & Jewellery Export Promotion Council (GJEPC) and Bharat Diamond Bourse (BDB) launched the India Diamond Trading Centre marking a significant milestone in PM Modi’s ‘Make In India’ campaign to promote India as a global diamond-trading hub. **Chief Guest, Smt. Nirmala Sitharaman, *Hon’ble Minister of State (Independent Charge) for Commerce & Industry, Govt. of India*** inaugurated the Centre in the presence of **Ashish Shelar, MLA , Alka Kelkar, Deputy Mayor;** and Special Guests including leading **Global Miners -Mr.Jean-Marc Lieberherr, *Managing Director, Rio Tinto Diamonds,* Mr. Andrey Polyakov, *Vice President, ALROSA* and Mr. Marcus Lung, *Senior Sales Manager (Asia Pacific), De Beers.***

The IDTC SNZ is fully equipped viewing rooms as per international standards, strong room, conference room, and state-of-the-art security systems. Major mining companies around the world have already confirmed their participation at the SNZ till December 2016.

Speaking at the launch of India’s first SNZ at BDB, **Praveenshankar Pandya, Chairman of GJEPC** said, *“Although India is the largest diamond cutting and polishing centre, we had to depend on other trading centres like Belgium, Israel for supply of roughs. By establishing SNZ in India, ready availability of rough diamonds in India through IDTC will make a huge difference as the manufacturers won’t have to travel across the world to procure diamonds. We are hopeful that there would be a drastic improvement in production of cut and polished diamonds in India. Establishment of SNZ in Mumbai is just the first step in realizing the vision of our Hon’ble Prime Minister and the industry to make India the global diamond trading Centre, while 50% has been achieved, simplifying tax hurdles will help accomplish it in totality.”*

Addressing one of major industry’s concerns the Chairman spoke about immediate requirement for easy financing provision from the Financial Institutions and separate credit rating systems for the SMEs and relaxed taxation laws for ease of doing business. *On an optimistic note, he added, “The mining companies need to support this endeavor by also allocating rough diamonds to MSMEs instead of tenders and auctions here. It is a norm in the world that 90% of production is sold through sights and allocations by the mining companies and 10% through tenders and auctions. I expect that they should follow the same norm for SNZ in India.*

*Once the operations of the IDTC is fine-tuned, similar SNZs will be set up by GJEPC in association with various other bodies in other states also especially Surat. The Gujarat Heera Bourse has already proposed to set up a gem bourse with such SNZ set up inside it. The concept can also be extended to coloured gemstones segment Jaipur where Council has proposed to set up a Gem Bourse”.*

**Smt. Nirmala Sitharaman, Hon’ble Minister of State for Commerce & Industry, Govt. of India** said, “Prime Minister Narendra Modi in the presence of the Russian Prime Minister in 2014 had approved for the decision of making a SNZ and now in 2015 we have opened the IDTC with high standards, even before the scheduled time of Prime Minister Narendra Modi’s next visit to Russia. This industry is a very important sector as it provides a huge amount of employment, accounting to 13% of the exports of the country, and we would surely look into the taxation matter as mentioned by the Chairman”.

**Anoop Mehta, President BDB** said, “BDB is not only open to the international market but even to the Indian manufacturers. The stage1 of IDTC has already been completed and now we are expected the same government support to complete our stage2 that will be beneficial to the manufacturers.”

**Mr Jean-Marc Lieberherr, Managing Director Rio Tinto** said, “IDTC is providing a great service because of which we can do business in ease, which is really important requirement in this industry. We even plan to set up diamond mine in India which will be of the international standards for which we are getting great support from the Maharashtra Government & the Central Government.”

**Mr Andrey Polyakov, Vice President Alrosa** said, “For me it’s a very personal event and I am really proud to be associated with it. IDTC is an effort to promote and push our companies into the Indian market.”

India currently accounts for a 65% of the world polished market by value; 85% by volume; and 92% in terms of number of pieces. Needless to say, the raw material requirements for such a large industry are huge. India’s off-take of rough diamond accounts for a major share of total rough production worldwide, which for 2015 is expected to touch 135 million carats of rough diamonds, valued at \$17.8 billion.

Of its requirements, India imports approximately 90 per cent from the main trading centers in the EU, Israel and the UAE. Only 10 per cent of its procurement comes directly from rough producing countries like Russia, Australia, Canada and those in Africa. However, the diamond industry, in recent times has faced many challenges. For a centre as large as India, it becomes important to source its roughs directly from producers for both stability and continuity of supply, as well as to ensure economies, which will greatly help the performance of this industry.

India has gained this monopolistic position in manufacture of diamonds, despite the fact that rough diamond neither is mined nor traded in India. However, for a long period of time, India has languished behind countries such as Antwerp, Tel Aviv, Dubai, Hong Kong, Shanghai etc. who are thriving as the largest trading hubs of diamond due to favorable and conducive policies followed by the Govt. of those countries. All the major Rough Diamond Mining Companies in

the world are trading their diamonds today mainly through these trading centres. All these growth-limiting constraints reversed in December 2014, when the Prime Minister of India, Hon'ble Shri Narendra Modi announced his government's acceptance for the proposal of creating a Special Notified Zone in India and we are optimistic of a turnaround in the revenue growth and contribution to the GDP by gem and jewellery sector.

### **Notes to Editor**

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 6000 members.