



For Immediate Release

The Global seat of diamond manufacturing - Surat, is humming again

The steadfast diligence and entrepreneurial spirit of Surat diamond manufacturers shines through even in the times of the pandemic.

Mumbai 10th Sept. 2020: Surat, the world's leading cutting and polishing diamond manufacturing hub, is humming again. Despite the imposed restrictions due to the pandemic till sometime back, many leading manufacturers aren't reporting any new Covid cases.

Colin Shah, Chairman, GJEPC said, "Cut and polished diamonds are a major contributor to the overall India's gems and jewellery exports amounting to \$35 billion. Although exports in the first quarter have been severely impacted by the ongoing pandemic, it is heartening to note that exports have commenced from the global seat of diamond manufacturing. As there are orders coming from the US, Hong Kong and parts of Europe for certain types of polished goods, the sector is on the path of recovery. The upcoming holiday season in the western countries, would further boost the demand for gems and jewellery."

Sanjay Shah, Convener, Diamond Panel Committee, GJEPC, estimates that India's overall exports are currently pegged at 50%. "We are optimistic about the third and fourth quarters as orders have come in from the US, and we expect demand from China to pick up from September onwards. Things are looking better as we expect an additional 10-15% boost in orders.

"Due to the pandemic, consumers worldwide are valuing their relationships much more than ever, and diamond-studded jewellery is on everyone's

wish list, especially for gifting their loved ones to show they care. Consumers now have disposable income, which was earlier being spent on travelling and vacations; some of it is being diverted towards jewellery. With fuelled hopes of a successful vaccine soon, we will see a complete revival of the industry in a year's time."

Currently in Surat, of the nearly 7,000 diamond manufacturing units, about 70% or 5,000 small, medium and large units are operational. Following the stringent Government guidelines, the factories have been working at 70% capacity. **Dinesh Navadiya, Regional Chairman, Gujarat Region**, informs that Covid cases in Surat, especially the diamond sector, have reduced considerably, with some factories reporting no new cases in the last couple of months. "Awareness has spread rapidly, and people are maintaining social distancing norms and building their immunity by resorting to ayurvedic and herbal, home-made immunity boosters," says Navadiya.

He notes that exports to Hong Kong are reportedly strong, while demand for the US market is slowly picking up. "The GJEPC's move to call for a voluntary ban on rough imports for a couple of months has helped clear the diamond pipeline, which, in turn, has generated some liquidity for manufacturers," Navadiya states.

To help the MSMEs connect to global buyers, the GJEPC held a virtual B2B buyer-seller meet in the first week of September.

Pravin Shah, one of the directors of Ankit Gems Pvt. Ltd., a Surat-based diamond manufacturing company, notes that the safety protocols in their company were implemented ever since the lockdown was relaxed in the city. "Our workers are our extended family, and we consider it our duty to look after them as our own," says Shah, adding, "We have been operational since May, and are working at 80% capacity." Each worker is given a personal sanitisation kit, oximeters are used to check the oxygen levels of each worker twice a day, premises are sanitised each day before and after office hours, and workers have been attending office in rotation,

Instead of four workers sharing the diamond polishing wheel, only one employee uses it. No cases of Covid have been reported from Ankit Gems, so far, notes Shah.

Ankit Gems specialises 1 carat+ diamonds and is currently witnessing demand for emerald, radiant and oval-cut diamonds. Prices of polished goods, in general, are soft, but the goods that are in short supply are seeing a price rise, like D,E,F colour diamonds, with VS2 and VVS clarity, Shah adds.

Shreyans Dholakia, Brand custodian, Shree Ramkrishna Exports, said, “We have started almost at full capacity and are able to scale up as we have spare capacity in our new factory, SRK House. Aligned to the new normal and Government-guided safety precautions, our team wears Personal Protective Equipment (PPE kit) while coming to office. They sanitise their hands, get their body temperatures checked and pass through a disinfectant tunnel before entering office premises. The office interiors and exteriors are completely sanitised on a daily basis.

“We are also taking all the precautions while safely packing and exporting diamonds, so that only pure and untouched diamonds reach our customers. Polished goods are moving in markets such as the US and Far East. Although we had mixed opinions about the voluntary suspension of rough imports, we went ahead and supported the industry. This move has helped to keep the production of polished diamonds in check and ensured that polished prices across the range remained consistent.”

Pravin Shah echoes the sentiments of Sanjay Shah, and is confident that post Covid, workers will return and demand, too, will pick up. “Consumers have realised that life is uncertain and ephemeral -- live in the present, enjoy life as long as it lasts. Indulgence in jewellery will be witnessed for sure.”

Star Rays, one of the prominent diamond companies that manufactures goods between 30 cents to 5 carats is working at 70% capacity. Dilip

Mehta, the company's partner, informs that strict protocols are being adhered to and workers above 60 have been told not to attend office. The office common canteen is closed in order to maintain social distancing in the office, and the staff brings its own lunch boxes. Dilip Mehta, partner, Star Rays, notes that their major export destinations are the US and China, and certain parts of Europe. "While the US demand has not reached normal levels, Hong Kong is seeing good demand for D-H colour, SI1,SI2 IF, VS2 diamonds; 50 to 70-cent diamonds are doing well, and 1-carat-plus are being favoured," Mehta states.

While he can't predict how demand will see a surge post Covid, Mehta estimates that overall for 2020, Hong Kong will see a dip in demand by 30%, but the US and other countries will see a demand deficit of 60% or more.

Vipul Sutariya, director, Dharmanandan Diamonds, informed that their company has put in place all the safety measures as per the guidelines set by local civic authorities. Working with just 30% of staff currently, the diamond company is seeing an increase in demand for polished goods. "Hopefully, business will be normal soon as the preparation for the upcoming season has already started. The voluntary ban on rough import was the right decision considering the gravity of the situation, but going forward, it is eased as the markets are returning to normal."

There is a general sense of acceptance in the diamond industry that one has to live with the virus till a solution is found. Life has to go on and manufacturers are picking up where they had left - albeit with a lot of care. The Surat diamond industry has time and again shown the art of bouncing back in times of calamities.

About The Gem and Jewellery Export Promotion Council (GJEPC)

The Gem & Jewellery Export Promotion Council (GJEPC), set up by the Ministry of Commerce, Government of India (GoI) in 1966, is one of several Export Promotion Councils (EPCs) launched by the Indian Government, to boost the country's export thrust, when India's post-Independence economy began making forays in the international markets. Since 1998, the GJEPC has been granted autonomous status. The GJEPC is the apex body of gems & jewellery

industry and today represents 7000 exporters in the sector. With headquarters in Mumbai, GJEPC has Regional Offices in New Delhi, Kolkata, Chennai, Surat and Jaipur, all of which are major centres for the industry. It thus has a wide reach and is able to have a closer interaction with members to serve them in a direct and more meaningful manner. Over the past decades, GJEPC has emerged as one of the most active EPCs, and has continuously strived to both expand its reach and depth in its promotional activities as well as widen and increase services to its members.