



Indian Global Connect
Business Networking Meet - India-Singapore
18th March 2021

Unleashing Untapped
Trade Potential...



Organised By

GJEPC
INDIA

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Gem and Jewellery Export Promotion Council (GJEPC)

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Covid-19 pandemic has tested the macro-economic resilience and strength of the economies worldwide and after contracting for two quarters from April-September 2020, India's gross domestic product (GDP) has turned positive in quarter three majorly on account of the dynamic reforms by the Government in terms of enhancing liquidity, providing fiscal support to the affected industries, systematic unlock downs and resumption of economic activities and addressing operational challenges among others.

The GJEPC has undertaken prompt measures in terms of constantly interacting with the industry, understanding their requirements, and further working closely with the Government so as to chalk out the desired measures for supporting the industry in terms of sustaining, surviving, and reviving back even amid the critical situation like Covid-19.

India-Singapore Global Connect-Business Networking Meet has been organised to understand the current business scenario with regard to the gem and jewellery sector and have discussions among manufacturers, exporters, and importers of both the countries and initiate a dialogue, explore trade opportunities, and project India as a viable sourcing destination.

India-Singapore Global Connect is the 6th Business Networking Meet that the GJEPC has organised after the successful meetings with the UK, Switzerland, Colombia, Angola, and Oman.

Key Participants	
Mr. Siddhartha Nath	Deputy High Commissioner to Singapore
Panelists from Singapore	
Mr. Ahmad Meeran Mohamed Bilal	President, Gem Traders Association , Singapore (GTAS)
Mr. M. Rafi Ahmed	Secretary, Gem Traders Association , Singapore (GTAS) - Arfa Gems
Mohamed Jahabar Sadik	Assistant Secretary, Gem Traders Association, Singapore (GTAS)- Fatima Gems & Jewellery
Mr. Bhupesh Patni	Haniffa Jewellers
Mr. Ramoo	APJ Abiraame Popular Jewellers(P) Ltd
Mr. Deepak Singapuri	Newlight Enterprise
Mr. Habeebur Rehman	Golden Goldsmith Pte Ltd
Ms Basria	Maduras Jewellery
Panelists from India	
Mr. Colin Shah	Chairman, GJEPC
Ms. Surbhi Didwania	My Motif
Mr. K Srinivasan	Convener ,Jewellery Panel
Mr. Milan Chokshi	Moksh Jewellery
Mr. Mansukh Kothari	Convener ,Events
Mr. Sabyasachi Ray	Executive Director, GJEPC (Moderator)

Mr. Sabyasachi Ray welcomed all the esteemed dignitaries and participants and briefly explained the objective of connecting with Singapore which is to initiate a dialogue with the traders/manufacturers over there explore trade opportunities, and project India as a viable sourcing destination by having discussions among manufacturers, exporters, and importers of both the countries.

Mr. Siddhartha Nath, Deputy High Commissioner to Singapore, said, Singapore and India have a very good trade relationship and there is further a scope for improvement in the gem and jewellery exports to Singapore. India Global Connect is a great platform organised by GJEPC to discuss the challenges and issues faced by both parties while dealing with each other. We assure full support of the High Commission of India in Singapore to the efforts of GJEPC to deepen engagement and build new connections in the country.

Colin Shah, Chairman, GJEPC said, Singapore is amongst India's top trading partners, accounting for gem and jewellery exports of USD 573 million. We would like to see this to escalate to USD 1 billion in the coming years. The gems and jewellery trade between the two countries can be enhanced by participating in trade shows (IIJS Virtual, IIJS Premier, BSMs), building manufacturing tie-ups for gems and jewellery products with manufacturing units in Singapore and understanding the product preferences of different customer groups in Singapore for setting up an appropriate B2B or B2C model and so on.

Mansukh Kothari, Convener, Events, GJEPC, said, India Global Connect with Singapore has brought lot of insights and learnings about gem and jewellery sector of both the countries. We will make an effort to come together for such sessions on a regular basis to understand the changing trends and requirements. I would like to take this opportunity to invite buyers from Singapore to our annual shows like IIJS Signature and IIJS Premiere which would give them an idea about our manufacturing capability and skills.

1.1 India -Singapore Gems and Jewellery Trade: A Brief Glance

Bilateral trade between the two countries in 2019-2020 stood at around US\$ 24 billion. India's total exports to Singapore are recorded at around US\$ 9 billion in 2019-20 and some of the major export commodities to the country include mineral fuels, ship, boat and floating materials, nuclear reactors and boilers, organic chemicals, precious pearls, and electrical machinery. The total imports between the two countries stood at US\$ 14.7 billion which is mainly constituted by iron & steel, mineral fuels, ship and boat, rubber and articles, organic chemicals, among others.

India and Singapore bilateral trade pertaining to the gems and jewellery sector have witnessed an upward trend during the last five years increased by 58.5 % from US\$ 609 million in 2015-16 to US\$ 966.05 million in 2019-20 while the gems and jewellery exports rose by 33.6 % from US\$ 428.71 million in 2015-16 to US\$ 573.11 million in 2019-20. (Table 1)

Table 1: India-Singapore Gems and Jewellery Trade

Year	Exports to Singapore (US\$ million)	Imports from Singapore (US\$ million)	Total Trade (US\$ million)
2015-16	428.71	180.70	609.41
2016-17	564.94	420.98	985.92
2017-18	560.25	492.11	1052.4
2018-19	703.35	481.27	1184.6
2019-20	573.11	392.94	966.05

Source: DGCI&S

1.2 India-Singapore G&J Trade Complementarities

There exist vast trade complementarities between India and Singapore with respect to the gems and jewellery trade. The major export items to Singapore from India includes Cut and polished diamonds, gold, and silver jewellery while India mostly imports Rough diamonds, gold bars and silver bars from Singapore (Table 2)

Table 2: Existing G&J Trade complementarities

Exports to Singapore	Imports from Singapore
Cut & Polished Diamonds	Rough Diamonds
Gold Jewellery	Gold Bars
Silver Jewellery	Silver Bar

Source: DGCI&S

1.3 India's top 10 Gems and Jewellery export partners

Singapore is among India's top 10 export partners with an export value of US\$ 573.11 million in 2019-20. Singapore's share in India's gems and jewellery stood at 1.59 % during the same period (Table 3)

Table 3: India's top 10 Gems and Jewellery Export Partners (US\$ Million)

	Country	2019-20	% Share
1.	Hongkong	9524.43	26.39
2.	UAE	9433.84	26.14
3.	USA	9259.90	25.66
4.	Belgium	2175.92	6.03
5.	Israel	914.7	2.53
6.	Turkey	700.	1.94
7.	Thailand	646.84	1.79
8.	Singapore	573.11	1.59
9.	United Kingdom	498.64	1.38
10.	Japan	403.07	1.12

Source: DGCI&S

1.4 Untapped Export potential of ASEAN Countries

The ASEAN countries have with an actual exports of US\$ 1.32 billion have an untapped export potential of US\$ 1.75 billion in 2019-20. Singapore is India's second most preferred export destination after Thailand export within ASEAN countries with around 43.35 % of its gems and jewellery exports going to Singapore.

However, Singapore has the largest untapped export potential among the ASEAN countries with a value of US\$ 914 million in 2019-20 that reflects that there is a significant export potential that can be further realised and explored between the two countries (Table 4)

Table 4: Untapped Export potential of ASEAN countries (US\$ Million)

Country	2019-2020	% Share	Untapped Export Potential
Thailand	646.84	48.93	US\$668 mn
Singapore	573.11	43.35	US\$914 mn
Malaysia	86.43	6.54	US\$ 125 mn
Indonesia	7.77	0.59	US\$ 17.1 mn
Vietnam	7.01	0.53	n/a
Cambodia	0.5	0.04	US\$ 16.4 mn
Philippines	0.27	0.02	US\$ 7.1 mn
Myanmar	0.15	0.01	US \$ 3.1 mn
Brunei	0.00	0.00	US \$ 6.3 mn
Laos	0	0.00	US \$ 1.4 mn
Total	1,322.08	100	US \$ 1758 . 4 mn

Source: Export Potential Map, UN COMTRADE,2019

Indian Global Connect

Interactions and Key Take Away

Mr. Sabyasachi Ray, started the rounds of discussions with panellists; outcomes of which are briefly described here below:

A. Gem and Jewellery products' preferences in Singapore

Mr. Ahmad Meeran Mohamed Bilal President, of the Gem Traders Association Singapore (GTAS), shares that there is a widespread impact on the gems and jewellery market after Covid-19 in Singapore as there is a 70:30 ratio of jewellery demand from tourists versus locals. He shares that Chinese Singaporeans do not prefer Polki coloured gemstones jewellery which is preferred by the Indians in Singapore. The Local buyers are very particular while buying coloured gemstones and prefer Rubies from Burma, Sapphires from Sri Lanka while from India they prefer emeralds, semi-precious stones, and jewellery.

Indians and Singaporeans have quite different tastes in jewellery. Indians prefer buying gold jewellery and coloured gemstones (Rubies and Emeralds) while locals prefer quality gems and jewellery products like white gold and platinum.

Mr. Habeebur Rehman from Golden Goldsmith Pte Ltd. shared that there is a huge demand for Indian gold jewellery in Singapore due to India's ability to supply almost all varieties of gold jewellery.

Mr. M. Rafi Ahmed from Arfa Gems said there is a considerable demand for coloured gemstones in Singapore from both the older and younger generation. Older generation of Singaporeans prefers traditional precious stones like Rubies, Emeralds and Sapphires and the younger generation prefers semi-precious stones like Quartz, Tanzanite, Morganite, etc.

Mr. Deepak Singapuri from Newlight Enterprise said there is a very small market for lab-grown diamonds in Singapore. The locals are very particular about purchasing premium GIA-certified diamonds and the diamond demand in Singapore is driven by an investment psyche. The Chinese have an affinity towards diamond jewellery while Indians prefer gold jewellery. The gems and jewellery tastes and preferences vary according to age group, the older buyers have a preference towards gold jewellery while younger Singaporeans prefer 18 Karat diamonds jewellery studded in white gold or platinum.

Mr. K Srinivasan, Convener, Jewellery Panel, GJPEC shares that Singapore is the second-largest market for Indian jewellery after the United Arab Emirates especially gold jewellery since Singapore has a large proportion of Indian diaspora in Singapore. However, there has been a significant decline in the export of plain gold jewellery to Singapore after the outbreak of Covid-19 since the country's gems and jewellery trade is reliant on the tourist's population.

Key Points:

- ✦ Singapore-based Chinese consumers favour studded jewellery, while Indians prefer plain gold.
- ✦ Singapore has a 70:30 ratio of jewellery demand from tourists versus locals.
- ✦ Platinum is another metal that is coming into vogue.
- ✦ Diamond consumer demand in Singapore is driven by an investment psyche, so locals are particular about purchasing GIA-certified stones, and there is little interest in lab-grown diamonds.
- ✦ The older generation prefers precious stones while the younger generation prefers buying semi-precious stones within the coloured gemstones segment.

B. Singapore's Sourcing partners

Mr. Bhupesh Patni from Haniffa Jewellers shared that Malaysia is the leading supplier of 22 karat jewellery to the world and has a superior market with respect to manufacturing certain types of jewellery through casting while handmade jewellery is majorly sourced from India. Indonesia's gems and jewellery market are also similar to the Malaysian market but have a larger scale in terms of abundance of labour supply, unlike India. Other countries like France, Italy and other European countries have a very less share in Singapore's gems and jewellery market. Italy's gems and jewellery market is majorly dominated by 12,14,18 karat jewellery.

Key points:

- ✦ Malaysia, Indonesia, and Italy are major sourcing partners of Singapore
- ✦ Countries like France, Italy and other European countries have a very less share in Singapore's gems and jewellery market.

C. Overall demand for Gems and Jewellery products in Singapore

Mr. Deepak Singapuri from Newlight Enterprise shared that in terms of demand for gems and jewellery products in Singapore, gold jewellery (Gold bars and jewellery) is the most preferred gems and jewellery product followed by diamond jewellery, coloured gemstones, semi-precious stones, and pearl jewellery. However, in terms of jewellery diamond-studded jewellery is the leading gems and jewellery product in Singapore.

The locals mostly buy custom made diamonds studded and coloured gemstones jewellery while Indians expatriates buy pure gold jewellery. There is a wide difference in preferences of gems and jewellery products among different age groups in Singapore. The market is shifting towards diamond jewellery as the younger Singaporeans have an affinity for diamonds.

Key points:

- ◆ Diamond studded jewellery is the leading gems and jewellery product, in terms of demand, in Singapore followed by gold jewellery, precious stones, semi-precious stones and pearl jewellery.
- ◆ The Singapore market trend is shifting from gold to studded jewellery with diamonds, emerald and ruby.

D. Issues and constraints hindering Gems and Jewellery Trade.

Mr. Habeebur Rehman from Golden Goldsmith Pte Ltd shared that recently the Government of India has recently placed certain restrictions on hand carriage of goods from Singapore that has created certain supply constraints for jewellers.

Mr. Bhupesh Patni from Haniffa Jewellers shared that there is better ease of doing business/exports with countries like Malaysia and Indonesia which India does not have due to stringent procedures and shortage of export metal. There is a huge global demand for gems and jewellery market and all countries are finding it difficult to meet their import orders due to various supply constraints posed by the pandemic.

Mr. K Srinivasan, Convener, Jewellery Panel, GJPEC shares that there have been various issues that traders face with respect to supply constraints and ease of doing business in India. He points out that Malaysian jewellery is more competitive as compared to Indian jewellery due to its low operational cost and simplistic designs while Indian jewellery is relatively expensive and requires more time in crafting.

However, with the advent of vaccines, the market is expected to open up and all the issues will be taken up to the government so that the gems and jewellery trade can go back to the pre-covid levels.

Key points:

- ◆ There are certain problems with regard to supplying from India as Singapore customers cannot do hand carriage of goods due to some restrictions.
- ◆ India faces stiff competition from other countries and there are certain issues with respect to ease of doing business in India

E. Collaboration Possibilities and Manufacturing Status

Mr. Mohamed Jahabar Sadik from Fatima Gems & Jewellery highlights that Singapore does not engage much in the manufacturing of gems and jewellery products and has only a few factories for producing gems and jewellery products. Singapore is majorly a retail hub due to the large proportion of tourist buyers and has only a small number of factories for manufacturing custom made jewellery.

Ms Basria from Maduras Jewellery mentions that since Singapore is a relatively small trading country due to which there is very less availability of different variety and designs of gems and jewellery products in the country, unlike India that has varied gems and jewellery product portfolio. She suggests that there is a need to introduce more specialised gems and jewellery products in Singapore markets by Indian jewellers to push up the gems and jewellery trade.

Mr. Mansukh Kothari, Convener, Events says that India is one of the best manufacturers of handmade jewellery to the world. There is a need to market India's handmade jewellery in Singapore which can open up a new market for Indian jewellers in Singapore. He also suggested that opening up a trading office in Singapore which can help in solving some of the supply constraints faced by traders.

Ms. Surbhi Didwania from My Motif. shared that there is a soaring demand for silver jewellery in Singapore especially from the younger population who also buy gems and jewellery online. There is a need for collaboration to enhance exports of silver jewellery on a larger in Singapore as the silver market is expanding considerably especially with the high prices of gold.

Key points:

- ◆ Singapore is majorly involved in trading and retail activities.
- ◆ There is a need to scale up silver jewellery exports to Singapore as the younger Chinese generation prefer buying silver and platinum jewellery.
- ◆ Indian jewellers can introduce different types and designs of jewellery which in limited supply or are non-available in the Singapore market.
- ◆ Indian handmade jewellery can open up a new market for gems and jewellery products in Singapore.

Conclusions

Mr. Ray concluded the meet by highlighting key insights gained from the interactions. He narrated that there is a great scope of enhancing bilateral trade relations between the two countries.

- ◆ Singapore has a 70:30 ratio of jewellery demand from tourists versus locals.
- ◆ Demand is suffering at the moment due to the pandemic but very soon with the advent of vaccines, the market is expected to open up.
- ◆ The Singapore market trend is shifting from gold to studded jewellery with diamonds, emerald and ruby.
- ◆ Diamond consumer demand in Singapore is driven by an investment psyche, so locals are particular about purchasing GIA-certified stones, and there is little interest in lab-grown diamonds.
- ◆ Platinum is another metal that is coming into vogue.
- ◆ There are certain problems with regard to supply from India and ease of doing business as Singapore customers cannot do hand carriage of goods due to some restrictions.
- ◆ There is a huge demand for coloured gemstones like Rubies, Sapphires and Emeralds in Singapore.
- ◆ Singapore-based Chinese consumers favour studded jewellery, while Indians prefer plain gold.
- ◆ The younger Chinese generation prefers buying silver and platinum.
- ◆ Indians prefer heavily studded (Polki jewellery) jewellery while the locals

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