

Post Event Report on 2nd Indo Russia Jewellery Summit 2012

Name of the show:	2 nd Indo Russia Jewellery Summit
Date of Summit	29 th - 30 th Oct 2012
Exhibit Profile:	Jewellery Manufacturers
Organizers:	The Gem & Jewellery Export Promotion Council
Venue:	Hyatt Regency, Mumbai

Visitors' details

Jewellery importers, traders, wholesalers and retailers from Moscow & other parts of Russia

Objective:

To encourage sourcing of finished jewellery from export houses located in SEEPZ (Special Economic Zone) and help them to actively discover the power of Indian Jewellery manufacturing (production/supply-side) especially in view of the increasing demand to penetrate this market.

The Summit was attended by 13 jewellery wholesalers & retailers from Russia who met 15 leading Indian Jewellery Manufacturers for their sourcing needs. The buyers were provided to & fro business class airfare trip, hotel stay, F & B, & transportation facility for the Summit. Below mentioned companies participated & displayed best of their products:

Sr. No.	Participating Companies	Russian Buyers
1	Asian Star Jewels Pvt. Ltd.	Almaz Holding
2	Core Jewellery	Almaz, Ukraine
3	Gitanjali Gems Ltd	Art-Jeweller
4	Gold Star Jewellery Ltd.	Briant Ltd
5	Goldiam International Ltd	Gold For You
6	H K Designs (India)	NCM Trading
7	Indigo Jewellery Pvt. Ltd.	Our Gold
8	Inter Gold India Pvt. Ltd.	Russian Gold
9	K P Sanghvi International Ltd	S B Zoloto
10	KBS Designs	Tulupov Trading House
11	Kiran Jewelry	Valdai Trade
12	Kiran Jewels India	Zoloto-v
13	Patdiam Jewellery Pvt. Ltd.	Zolotye Uzury
14	Shrenuj & Co. Ltd	
15	Uni-Design Jewellery Pvt. Ltd	

28th Oct 2012: Welcome Evening

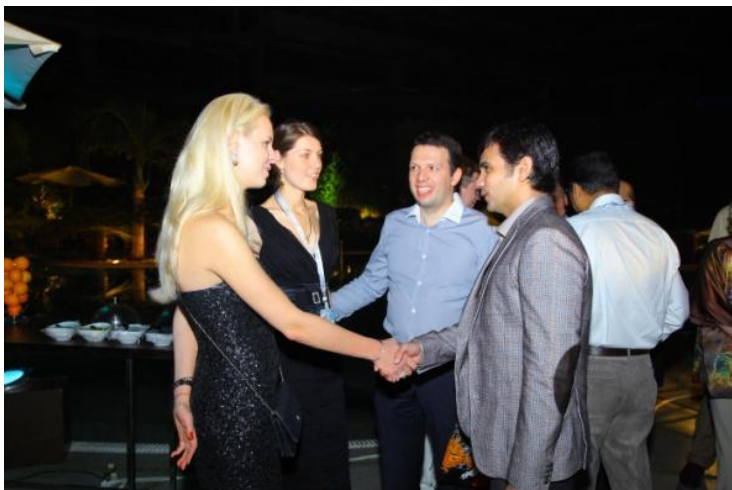


Council had hosted a welcome evening for the invited buyers, participating companies.

Mr. Vipul Shah, Chairman - GJEPC, welcomed all the participants & buyers for the show & wished them a successful show.



The participants were introduced to the buyers over networking dinner. The buyers were also provided dedicated interpreters who would be helping them in communication with the participants.



The participants & the invited buyers interacted over networking dinner.

29th Oct 2012: Inauguration Ceremony



Council had organized the inauguration ceremony of the Summit on 29th Oct 2012 at The Ballroom of Hyatt Regency, Mumbai which was attended by all the invited buyers from Russia, Representatives from the participating companies & the Press / Media Personnel. Mr. Vipul Shah, Chairman-GJEPC in his speech welcomed all the buyers & the manufacturers & wished them a successful Summit. In his speech, he also mentioned that despite the recent downturns caused by the domestic and international economic slowdown, the industry has bounced back on a promising note as the outlook for the festive season shows encouraging signs of recovery. He mentioned Russia a key global player in Diamonds is the powerhouse, be it rough production or Manufacture of Diamond Jewellery. India, the leaders in cut and polished diamonds is soon emerging as the fastest growing jewellery

manufacturing Centre. The Summit is an effort to bring the two key players together and strengthen trade and business ties in this sector.

The Summit was formally announced open with the lighting of the traditional lamp, wherein Mr. Vipul Shah, Chairman - GJEPC, Mr. Sabyasachi Ray, ED - GJEPC, Mr. Alex Popov, President - MDB, Ms. Reshma Lakhani, Jt DC - SEEPZ & Mr. Priyanshu Shah, sub-committee were present during the lamp lighting ceremony



Mr. Alex Popov, President of Moscow Diamond Bourse (MDB) gave a short presentation on MDB & urged Indian jewellery manufacturers to consider Russia as a good trading nation as Russia has 7000+ jewellery stores. Mr. Alex Popov also gave insights on the Gems & Jewellery Industry in Russia as under:

- Total output of local industry is steadily growing at the rate of 15% annually.
- There are approx 4500 jewellery manufacturers in Russia of which 1300 are factories & the rest 3200 are individual workshops
- It is estimated that around 25000 people are employed in the jewellery manufacturing units
- Russia has more than 20000 jewellery shops in Russia
- The jewellery retail shops are mainly concentrated in Moscow & St. Petersburg
- It employs over 150000 people
- The annual turnover of the jewellery retail is estimated to be around USD 16 Billion
- Customs & VAT
 - Customs duty on diamonds & diamond jewellery is flat 20%
 - Importers have to pay additional 18% as VAT & 1.2% as inspection charges bring the total to around 42% of the import value of the jewellery
 - Due to this the jewellery prices in Russia is more or less the same as compared to jewellery from London High Street or 47th Street in New York
 - Russia, Belarus & Kazakhstan have formed a joint custom union to harmonize duties and tariffs in three countries and serve as an example for other CIS countries
- He also mentioned that MDB is actively lobbying for elimination / reduction of duties on polished diamonds and color gemstones for jewellery manufacturing
- Moscow Diamond Bourse is considering to open a “Real” Diamond Grading lab in cooperation with one of the big names in diamond grading

Ms. Reshma Lakhani, Jt. DC, SEEPZ also gave a small presentation on SEEPZ. She also welcomed all the invited buyers for the Summit & wished that the summit was a grand success in forging ties between the 2 nations





The Dy. Consul General of Russia, Mr. Alexy Mzareulov attended the opening ceremony. In his speech he spoke about technical problems like issuing of visas & official sanctions to gem & jewellery dealers of Russia & India. He suggested that the industry members of both the countries should register at Russia-India Trade House, after which they can get visas on priority basis & would also receive political support. Likewise, there would be a trade body in Moscow to help the traders. He also mentioned that the two governments had set a \$20 Billion bilateral trade targets by 2015, which he said would be difficult if the SMEs are not involved in it.

Each participant were provided display showcase in the conference area to display best of their designs. The buyers got a glimpse of the products that they would be going through during the one-on-one meeting during the 2 days.



The participants were also allotted individual rooms for one-on-one meeting with the buyers on 29th - 30th Oct 2012. The participants showcased best of their products during the meeting schedule. Each buyer was given an opportunity to meet each seller for their sourcing requirements

A panel discussion with the Russian buyers was arranged to discuss & have views on the following:

- Expectation from Indian manufacturers
- Views on Russian importation system
- Views on joint co-opted marketing programs to draw consumers
- Returns & replacement policy
- What edge do Indian manufacturers have over other manufacturing centers
- Openness to new ideas on displaying, new marketing ideas etc



The panel members were of the opinion that their major expectations from the Indian manufacturers that they should provide the products of the highest quality. They also mentioned that despite a massive 42% tax imposition on imports, they were keen on sourcing finished Indian jewellery, which they found to be adequately priced. They were also open in

partnering for joint co-opted marketing programs to draw consumers. On asking as what edge did Indian manufacturers had over other manufacturing centers, they mentioned it was clearly on the pricing of the products that gave Indian manufacturers upper hand over other centers however, they reiterated the fact that the Indian manufacturers need to provide products of International quality.

A cultural folk dance was organized for the entertainment of the group. The group participated & enjoyed with the performers.



31st Oct - 1st Nov 2012

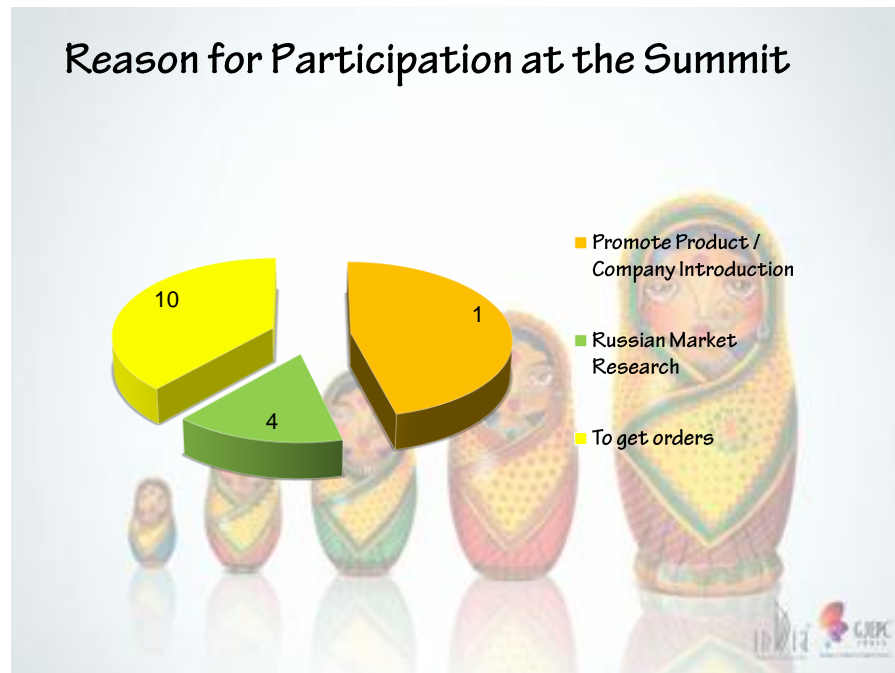
Based on the meetings on 29th - 30th Oct, the buyers were asked for their preference for arranging factory visits of the participants, to get an overview of behind the scenes activity involved in the manufacturing process. Each buyer had an opportunity to visit atleast 6 factories in SEEPZ for further meetings. The buyers also showed interest in meeting/visiting the factories of the companies with which they could not meet during the 2 days of factory visit.

The buyers left for Jaipur on 2nd Nov for an excursion trip. Buyers then left for New Delhi on 4th Nov to return back to their respective destinations in Russia.

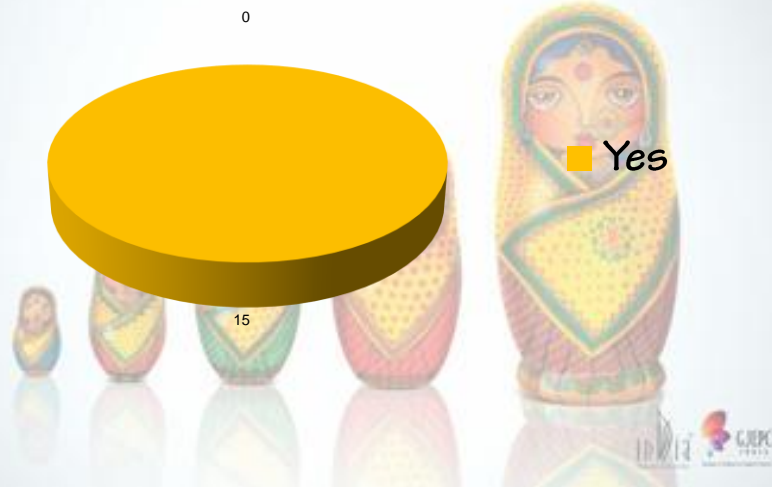
Points to Note for Russian Market

1. The Russians prefer the product to be of highest quality & of international standards
2. Russians had perception of Indian Jewellery to be of low quality stones at low prices. However, this perception has changed after the Summit
3. They prefer more of European light weight designs, of 14 karat white, yellow & rose gold jewellery ranging from daily to semi-formal wear
4. Few companies are interested in sourcing Palladium Jewellery
5. They would also prefer to source exclusive jewellery made of large stones required that the product is of good quality
6. They would also like to discuss on the marketing support that can be provided by the manufacturers.

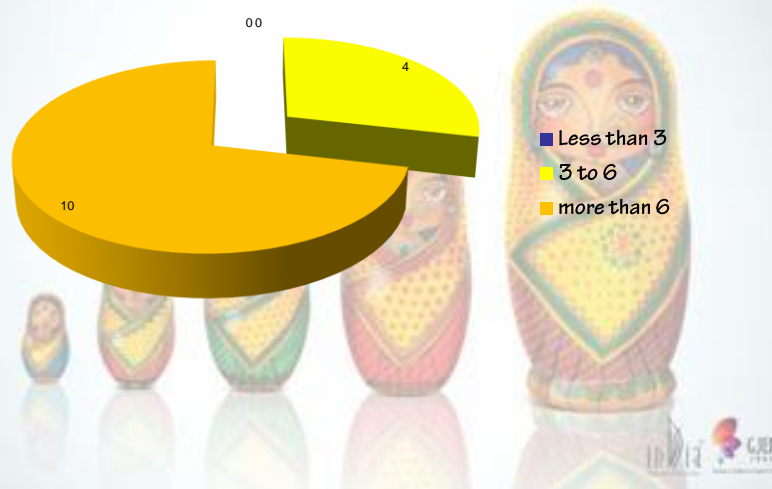
Few snapshots of the feedback forms are as under:



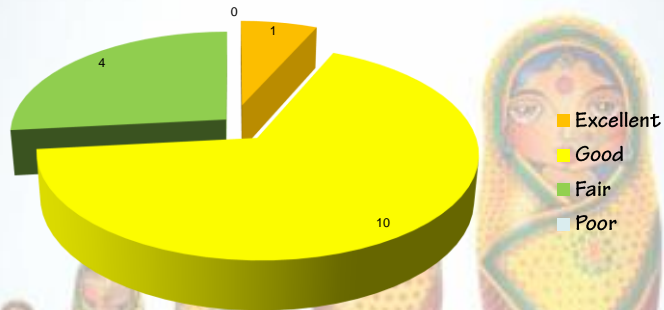
Were the objectives achieved



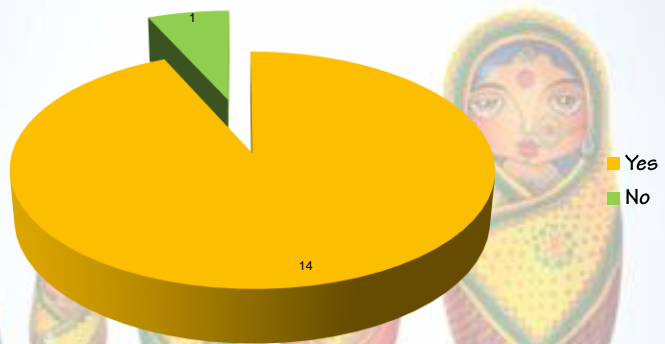
Useful business enquiries/contacts received during the conference



Overall result at the Summit



Participation in Indo Russia Summit 2013



Other Markets to be Considered

