



FICCI GEMS & JEWELLERY DELEGATION TO CHINA AND HONG KONG 14th September – 20th September 2010

Introduction

Federation of Indian Chambers of Commerce & Industry (FICCI) mounted a business delegation from the Gems and Jewellery sector to China and Hong Kong from 14th September to 20th September 2010 coinciding with the Shenzhen International Jewellery Fair 2010 & Hong Kong Jewellery & Gems Fair, September 2010. The visit of the delegation was supported by Ministry of Commerce and Industry, Government of India.

FICCI, Shanghai Gold and Jewellery Trade Association, Shanghai Diamond Exchange and Hong Kong Trade Development Council in coordination with Indian Consulate General in Shanghai worked out the programme of the delegation. The objective of the FICCI Mission was to promote economic cooperation and bilateral trade with China and Hong Kong in the Gems and Jewellery sector.

The delegation covered B2B meetings with the Shanghai Gold and Jewellery Trade Association & Hong Kong Trade Development Council (HKTDC), visit to the Shanghai Diamond Exchange, Shenzhen International Jewellery Fair 2010 the Hong Kong Jewellery & Gems Fair.

The delegation had an overwhelming response from the industry. The delegation members included prominent & large retailers, branded players, wholesalers and manufacturers from all across India and people from all verticals of the Indian jewellery industry. (Gold, Diamonds, Silver and Gemstones)

Mr. Saurabh Gadgil, Partner, P.N. Gadgil and Executive member, FICCI Gems and Jewellery Committee led the delegation in China whereas Mr. Mehul Choksi, Chairman of FICCI's Gem and Jewellery Committee and Chairman and Managing Director, Gitanjali group led the delegation in Hong Kong . FICCI's Secretariat was represented by Dr Vaijayanti Pandit, Director, FICCI-WRC and Ankesh Jain, Research Associate, FICCI Gems and Jewellery Division

Objectives

Mission Objectives:

- Bilateral trade promotion and economic co-operation
- To promote Indian Exports/ Imports with China and Hong Kong
- To explore and initiate business opportunities
- To provide a gateway for future partnerships.
- To encourage technology transfer

Specific Objectives

- Visiting two of the biggest Gems & Jewellery fairs in Asia- Shenzhen International Jewellery Fair 2010 & Hong Kong Jewellery & Gems Fair, September 2010.
- Networking with international exhibitors and visitors from more than 41 countries
- To invite Gems and Jewellery companies from China and Hong Kong to visit India and explore business opportunities.
- To capitalize on joint synergies for a greater share in the global market

Key Findings

- China is one the fastest developing nations in the world. Shenzhen the largest manufacturing centre for jewellery in China is a barely a 30 year old city
- The Jewellery consumption pattern is drastically different from India.
- Jewellery is considered more for investment than adornment.
- The Chinese buy gold more in the form of coins and bars. Gold idols are also very popular.
- Bulk of the Jewellery used in the Chinese market in made form 24 carat gold.
- The Chinese also have started buying loose Diamonds mostly solitaires for investment.
- Hong Kong has become a nerve centre of Business and Trade in Asia.
- Hong Kong is a perfect amalgamation of Asian work ethic and systemic approach like US and Europe

Summary of Business Meetings

Day 1, 14th September, 2010, Shanghai

The FICCI delegation arrived in Shanghai late in the evening. The delegates checked into the hotel and prepared for a hectic day of meetings the following day

Day 2, 15th September 2010, Shanghai

10.30 am- Meeting with Shanghai Gold and Jewellery Trade Association

FICCI- Shanghai Gold and Jewellery Trade Association identify areas of cooperation



Mr. Wenjan Xu & Mr. Binghai Chen from Shanghai Gold and Jewellery Trade Association Addressing the Delegation with Mr. Saurabh Gadgil, Executive member FICCI Gems and Jewellery Committee & Dr. Vaijayanti Pandit ,Director FICCI

Mr. Gadgil gave the participants a presentation on the Indian Gems and Jewellery sector which highlighted India's core strengths and its share in the Global market. The Chinese counterpart briefed the Indian delegation on the Chinese jewellery market, the latest trends and the consumption patterns in China for Jewellery and Gold. One of the major observations in the meeting was the use of 24 carat gold for manufacturing Jewellery and high consumption of gold in the form of Coins and Bars in China

The meeting was hosted by FICCI and was concluded after lunch

Mr. Saurabh Gadgil, Partner P.N. Gadgil and Executive member, FICCI Gems and Jewellery Committee and Cheng Bing Hai, President Shanghai Gold and Jewellery Trade Association analyzed strengths of China and Indian in the Gems and Jewellery Sector and zeroed in on areas of trade and business cooperation. The meeting was attended by the Indian delegation and 25 leading jewellers from Shanghai



FICCI delegation members with members of Shanghai Gold and Jewellery Trade Association

2:00 Meeting with Ms. Riva Ganguly Das, Consul General, Shanghai



Ms. Riva Ganguly Das, Consul General, Shanghai presented with a token of appreciation by Mr. Saurabh Gadgil

One of the Important points made by the Consul was that seating up a business in China can take a lot of effort and hardship but in the long run this would pay rich dividends as the growth rate of the Chinese market for both production and consumption has outpaced the US and Europe in the last few years.



FICCI delegation members at the Indian Consulate in Shanghai

The Consul also briefed the delegation on the fast pace of infrastructure developments in the region known as the Yangtze River Delta which includes Shanghai.

4:00 Meeting at the Shanghai Diamond Exchange



Mr. Lin Qiang, President and Ms. Caroline Yuan, Vice President, Shanghai Diamond Exchange with Mr. Saurabh Gadgil and Dr. Vaijayanti Pandit, FICCI

The FICCI delegation met Mr. Lin Qiang, President and Ms. Caroline Yuan, Vice President, Shanghai Diamond Exchange.

Authorized by the State Council, Shanghai Diamond Exchange (SDE) is the only diamond exchange in China, which enjoys favorable taxation policy and is operated in accordance with international practice of diamond industry. It provides diamond dealers a fair and safe transaction venue. SDE is located in a special control zone of the Customs with special security and inspection systems. The customs, inspection and quarantine, foreign exchange control, industry and commerce, taxation authorities all are stationed here to provide one-stop government functions and services,

facilitated by banks, escort agents, customs declaration agents and diamond laboratories. SDE is the nodal agency for Importing and Exporting diamond to and from China

Ms. Caroline gave the delegation a presentation on the day-to-day today operations of the exchange and the benefits to the members. The delegation was happy to know that out of 267 members in the exchange, India's share was highest among foreign member with 44 Indian companies being members of the SDE. The SDE was a great example of an organized system of diamond trading was can be replicated to benefit the Indian Diamond Industry.



Delegates at the Shanghai Diamond Exchange

6:00 Market Visit

The FICCI delegation visited few of Shanghai's leading Jewellery outlets such as Chow Tai Fook Jewellery, Splendia jewellery and Forever Mark stores. The delegation member got a firsthand experience of how retail business is conducted in China.

The day concluded with a Dinner hosted by Giantti Jewellery Trading (SH) Co. Ltd at the the Bukhara Indian Grill & Lounge, Shanghai.

Day 3, 16th September, 2010, Shanghai

The Delegation leaves for Shenzhen by an evening flight

Day 4, 17th September, 2010, Shenzhen



Mr. Saurabh Gadgil with Dr. Dr. Vaijayanti Pandit at the Shenzhen International Jewellery Fair

Shenzhen is the biggest jewellery manufacturing, processing and trading centre in mainland China. The Shenzhen jewellery industry is one of the top six traditional industries with distinct advantages. It produces more than 70% of the total jewellery production in China. There are over 2,100 jewellery companies. The total value of jewellery processed and manufactured amounts to RMB 50 billion (about 6.4 billion Dollars) annually. Shenzhen is also known as the "Jewellery Hub of China".

The FICCI delegation visited the the Shenzhen International Jewellery Fair which is the largest and most successful trade fair held in Mainland China. Spanning over 52,500 sqm of exhibition area and about 2,500 booths, the fair features over 1,000 exhibitors from China and 30 from other countries. It is also the annual showcase of the top Chinese and over 300 international brands. The fair attracts 40,000 trade buyers from 73 countries and regions. This fair is a must visit for jewellers interested in sourcing gold and diamond jewellery form China.

After the fair visit the delegation leaves for Hong Kong by an evening ferry

Day 5,18th September, 2010, Hong Kong

Asia's biggest show of its kind, the September Hong Kong Jewellery & Gem fair is the world's biggest jewellery fair in terms of number of exhibitors. The Fair features over 3,000 exhibitors spread over 120,000 square meters of exhibitions space in two venues: the Asia World-Expo (AWE) and the Hong Kong Convention & Exhibition Centre (HKCEC).

All jewellery raw materials including diamonds, pearls and gemstones, and equipment & packaging was showcased in AWE, while all fine finished jewellery was displayed in HKCEC. Such arrangement helped buyers locate the products more efficiently, in turn improving their success rate as well as that of the exhibitors. The Hong Kong Jewellery & Gem fair get visitors from more than 71 countries and provides an excellent business and networking platform.

On the 18th the FICCI delegation visited the Asia World-Expo (AWE) which was the venue for the loose diamonds, pearls and gemstones, and equipment & packaging material. The delegates spent the entire day the AWE

Day 6,19th September, 2010, Hong Kong

On the 19th the FICCI delegation visited the Hong Kong Convention & Exhibition Centre (HKCEC) which was the venue for the finished fine jewellery show. The delegates spent the entire day the HKCEC

Day 7,20th September, 2010, Hong Kong



Mr. Silas Chu, HKTDC with Dr. Vaijayanti Pandit, FICCI at the Market Briefing session

The FICCI delegation met senior officials from the Hong Kong Trade Development Council (HKTDC). A briefing on Hong Kong as an ideal business destination was held at one of the meeting rooms at the Hong Kong Convention & Exhibition Centre (HKCEC) which the delegates thought was very informative and useful.

After the briefing the Hong Kong Trade Development Council hosted a sit down formal lunch where the Indian delegation met some of the leading stake holder of the Hong Kong Gems and Jewellery Industry. The lunch was hosted at the Golden Bauhinia Restaurant in the HKCEC. This networking lunch included office bearers and senior members of HKTDC, Diamond federation of Hong Kong and top management from leading companies such as Waddy Jewellery group, Chow Sang Sang Holdings International Ltd, Denis Hazell International Ltd, Sunny Creations Ltd among others.



Delegates at the HKTDC briefing session