



United Gemco

Strong Indian Showing in Vegas



Indian exhibitors at the JCK Las Vegas show this year reported good US retailer response to their offerings and are now bullish on the US market in general, reports DEBORAH YONICK.



United Gemco

The Gem & Jewellery Export Promotion Council (GJEPC) helped to open the 19th annual JCK Show in Las Vegas June 4 as a major sponsor and partner. GJEPC chairman Vasant Mehta recognised the importance of the US market to the Indian industry and the JCK venue in particular, for exposing Indian manufacturers to US retailers during the past two decades.

Mehta told the crowd waiting to enter the fair that the US market is showing signs of recovery and expectations are high for business moving forward, saying, "2009 witnessed a substantial increase in the jewellery exports to the market. From the existing 20 per cent in the previous year, India today accounts for 26 per cent of

gems and jewellery imports by USA. This rise reflects the US retailers' and consumers' growing interest in Indian-manufactured jewellery."

For India, the future looks bright as it stands on the threshold of great expansion. In addition to improving sales in a recovering US market and also servicing its own vibrant market, India is creating inroads in untapped markets including China, the Middle East and Russia, particularly for diamonds and diamond jewellery. India came out ahead of the global recession because it acted boldly early on. "As the industry leader, the GJEPC gave a call for a time-bound suspension of imports of rough diamonds to streamline the situation," said Mehta, who commended the industry for its unanimous and overwhelming response to this call. "It cleared the overhang in the pipeline and avoided inventory build-up at a time when everyone could ill afford it. While workforces had to be reduced temporarily – not an easy thing to do – it helped us to manage the liquidity crunch."

The GJEPC's bold move allowed US retailers, heavy in inventory, to sell off what they had and now they are ready to buy again. Exhibitors in the India pavilion at JCK reported a solid show this year. "There was a friendly and enjoyable atmosphere at the whole event which gives us a sign that the market is improving," said Ben Searle, director of the Jaipur-based manufacturer, Dwarkas. He reported that the first two days of the fair were especially busy.

In general, Searle said his company is seeing momentum in sales, especially in the United States, compared to two years ago. To respond to the changing business environment, Dwarkas has incorporated a greater range of price points and more fashion-forward looks that he describes as Italian-inspired. Among its latest styles that caught buyers' attention were gem-bead and pearl multi-strand bracelets with belt buckle-like clasps; new takes on Tutti Frutti

looks; and black diamonds, onyx and rose gold designs.

For Amita Navlakha of Arshumita Jewels in New Delhi, retailers are looking for variety. "It's all about something new, you have to keep on changing," she said, noting that buyers are more confident. "While people may still be somewhat conservative in their spending, if they like something they'll buy it." And what they liked at Navlakha's booth included earrings set with rough diamonds of different colours with small white diamonds around them, rose-cut sapphire in white gold jewellery, and designs with unique gems like watermelon tourmaline.

Bridging Indian inspiration with fresh, contemporary design, Derewala of Jaipur uses silver, gemstones, CZ, and enamel in more delicate styles, says Debi Nishimura, director. "We use India as a base of inspiration and try to bring it together in a way that makes it wearable to everyone," she explains. "We want to appeal to a broader audience." She adds that this very tack has kept her business strong, as Derewala does not rely on one market alone.

Among its latest collections popular in Las Vegas were Mehndi, inspired by one of the most popular tattooing arts in India in silhouettes of paisley, peacock feathers, flowers and leaves; and Blue Pottery, influenced by the blue glaze technique used to decorate mosques and make pottery and tiles. "We try to produce at least six new collections per show," said Nishimura, who noted that JCK was excellent this year. "The enthusiasm was great. We're very optimistic."

Kapil Benara of United Gemco noted that the \$300 to \$1,000 wholesale price range is the most popular for his company in the United States, with mixed silver and gold designs in greater demand. The US-based company, with India-based manufacturing facilities, produces a variety of merchandise, but hails anything with diamonds "number one".



Dwarkas



GJEPC chairman Vasant Mehta and JCK head Dave Bonaparte inaugurating the show.



Dwarkanis

Ratnika Swami of Ratan Mani, New Delhi, said her company has found that partnering with her clients on designs special to each one, has helped sustain her business. “It’s really important to work with our customers to get them something that they really love,” she said, noting that India produces amazing handicraft for great value.

Overall, exhibitors in the Indian pavilion were bullish on the US market. Said Navlakha: “I’m looking forward to tomorrow!”

Bridal segment revival

Back in India, some of India’s top diamond jewellery exporters told Solitaire that there had been a resurgence in demand from the US, particularly for the ubiquitous bridal segment. In the mid- to lower-end segment, fashion jewellery dominated, with a focus on multi-tone precious metals, silver and on designs with illusion settings – multiple small diamonds set to give the illusion of a solitaire.

“The younger generation desires something different and unique in bridal

jewellery. Although price points in this segment have survived the recent economic upheavals, they have slipped downward in mass-market fashion jewellery,” said Priyanshu Shah, managing director of Jewel Art.

The age of the average jewellery consumer has dropped to between 25 and 34 years, whereas the 55-plus baby boomers are showing a more cautious approach to jewellery buying. Last year, 20 per cent of Jewel Art’s business volume was from the US, and this year it expects this figure to cross 25 per cent.

Shreyans Dholakia, director of marketing for Shree Ramkrishna Export, added, “There is a new buying environment in the US. At JCK, demand was good for both bridal jewellery in lower price points (\$700 to \$1,500 at retail) and fashion jewellery in silver with diamonds (\$49 to \$99 at retail).”

Many exporters are hopeful of strong Christmas sales in the US and are already gearing up production for the revival. “The



Avinash Gupta



Shreyans Dholakia



Dwarkanis

business climate in the US is positive and demand is higher than supply at present. We expect our US sales to grow by 25 per cent this year,” remarked Raj Parikh, director of Uni-Design Jewellery. However, he noted that clients now needed lighter gold pieces to compensate for the high price of the yellow metal.

“Demand in the US market is growing and we have seen an increase in sales of smaller pieces in the range of \$300 to \$3,000. The bridal segment took a backseat, although a few buyers did ask for jewellery above \$10,000. So we experienced mixed demand but mostly in the lower price band,” said Avinash Gupta of Hyderabad-based Mamraj Musaddilal Jewellers, which makes diamond studded silver and gold Victorian jewellery.

Meanwhile, Indian jewellery exporters are seeing steady growth in emerging markets that they targeted when their primary export market, the US, was in the grip of a slowdown amid the global financial crisis.

Over the last two years, Jewel Art has made steady inroads into the BRIC nations (Brazil, Russia, India and China) and the Commonwealth of Independent States (CIS), the former states of the erstwhile Soviet Union.

“A few of the CIS markets we have targeted are essentially unexploited markets and we are fast gathering confidence in terms of customer preferences and business protocol in these markets,” noted Shah, adding, “there is a vast difference in design sensibilities in the newly emerging European markets, where consumers prefer classic designs and delicate shapes and small sizes. But at the same time the diamond quality desired is far superior.”

Shree Ramkrishna Export’s Dholakia noted, “We are trying to develop our business in Latin America, Australia, Spain, Canada, Dubai and the UK, which are smaller markets but are more profitable and secure. Demand is steadily increasing in all



Priyanshu Shah

markets except the UK and Dubai.” Fashion and gifting are the two main sales drivers in these emerging markets, which prefer 14 karat and 18 karat gold over silver, he added.

Many in the Indian jewellery industry are now in the happy predicament of wondering whether they can keep up with demand as the resurgence in the US now competes with the emerging markets that they have penetrated in recent years. ■

– India inputs by Shanoo Bijlani & Regan Luis

Gold Rush

Kiosk

At JCK the Hon Group unveiled a gold bar card kiosk that allows customers to easily purchase gold bar cards of their preferred weight and size using cash and credit cards. The Gold Rush kiosk sells six types of gold bars: 0.5g / 1.0g / 2.0g / 3g / 5g / 10g. The price of the product varies correspondingly with the global market price of gold.

