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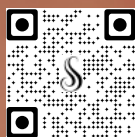
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EDITOR'S LETTER



EDITOR'S PICK

Hanut Singh counts Madonna, Rihanna and Nicole Kidman among the devoted collectors who love his eclectic jewelry. His pieces confidently revisit traditional Indian styles and Art Deco codes. Cue these alluring Crave earrings with pearls, emeralds, rubies, enamel and diamonds.



TIFFANY'S NEW LOOK

How do you say chutzpah in French? “LVMH,” it seems. The Bernard Arnault-owned conglomerate has a reputation for shaking up the image of the legacy brands it acquires. What it’s doing with Tiffany & Co. will be a case study in future luxury marketing courses. Back in July, the retailer launched a new campaign featuring a laid-back look and casual, everyday-wear jewels. So far, so good. Except that its slogan, “Not Your Mother’s Tiffany,” enraged longtime customers and others, who found it ageist and alienating.

In an industry where the word “heirloom” is used almost as often as “unique” (a subject for another column altogether), this is a bold move. Or perhaps a reckless one.

Next on the company’s headline-making path is its new “About Love” campaign, starring power couple Beyoncé Knowles-Carter and Jay Z (aka Shawn Carter), and a 128.54-carat diamond. Millennials and Gen Z-ers have become the biggest spenders in the fashion and luxury space, according to a recent McKinsey & Company report. Tiffany’s strategy to appeal to these demographic groups, which demand a fresher and more diverse representation of luxury, may or may not be a winning gamble; the financial results will tell. The world belongs to the young — and daring billionaires — after all.

Sonia Esther Soltani

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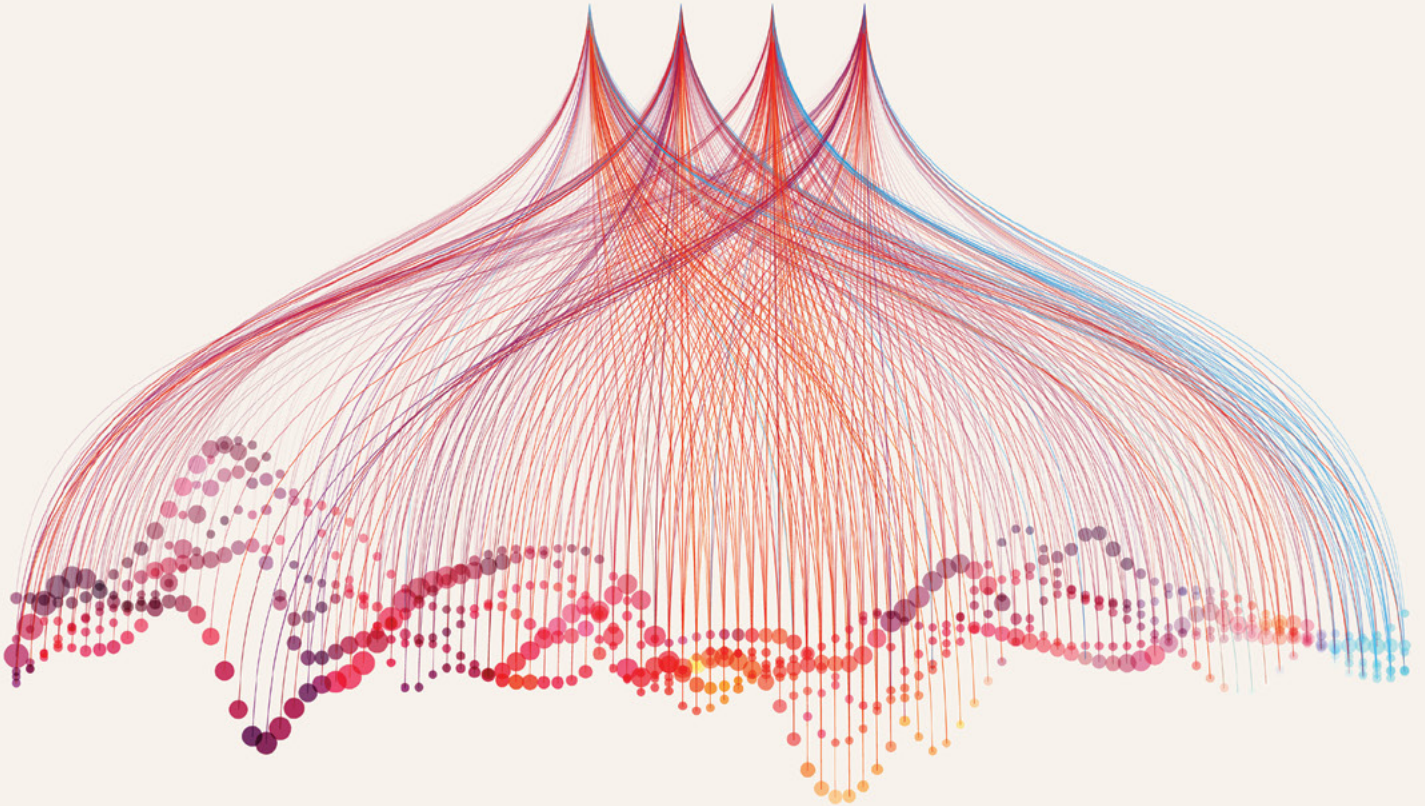
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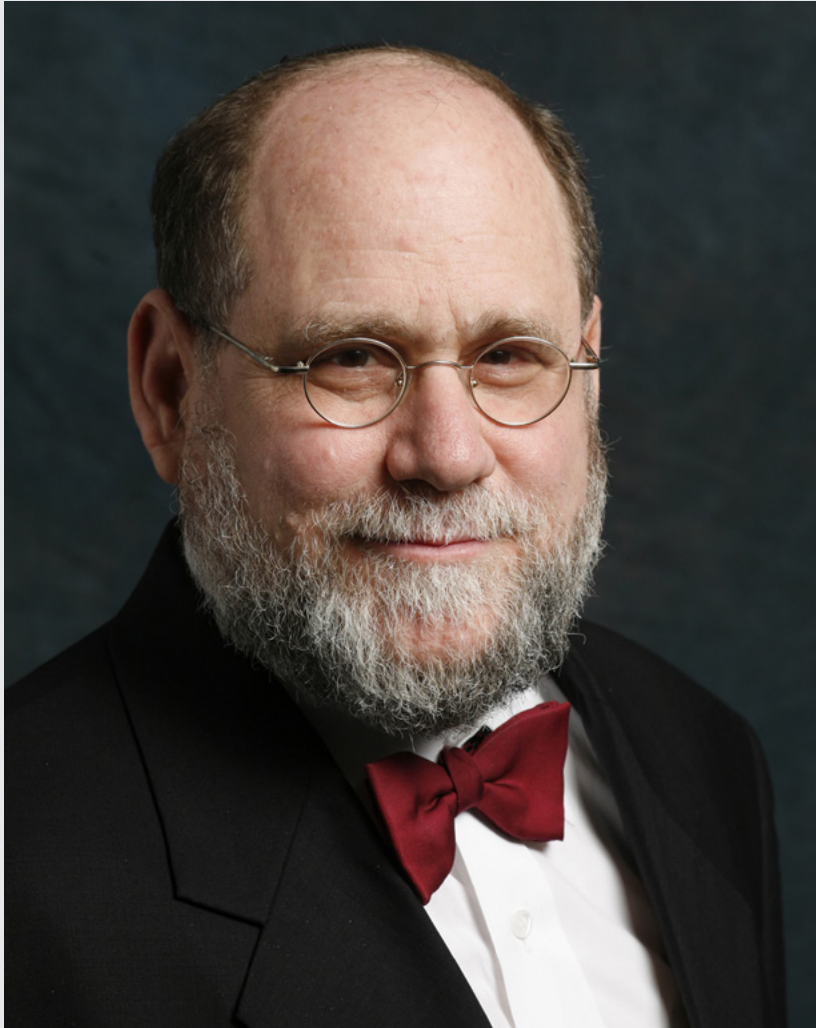
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NOTE FROM THE PUBLISHER

INDIA

India is the diamond industry's supply house. It imports 95% of the world's rough production. Over the past five years, India's average annual net rough imports were \$13.65 billion and net polished exports were \$19.08 billion. India's success can be attributed to the unique family leadership culture and the highly entrepreneurial spirit of its estimated 700,000 diamond cutters.

A new generation of capable Indian diamantaires is reinventing the global diamond industry. Their ability to adapt and scale new technology is moving beyond manufacturing to marketing. How India interacts with buyers will define the future of the diamond pipeline and profits. Indian manufacturers using sophisticated digital marketing tactics could shorten the supply chain as they build direct electronic supply relationships with retailers.

Covid-19 has had a great impact on India and therefore the global supply of polished diamonds. Prices are up for many qualities due to shortages. Demand is strong due to US stimulus and Chinese recovery. And rough prices are surging, eliminating future profits.

India's diamond story is important, complex and fascinating. Read all about it in this September issue of *Rapaport Magazine*.

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THE FINAL ARGYLE PINK DIAMONDS TENDER

Journey Beyond

Rio Tinto has revealed its final annual showcase of extraordinary pink, red and blue diamonds from the iconic Argyle Diamond Mine in the remote east Kimberley region of Western Australia. Since the commencement of the annual Argyle Pink Diamonds Tender in Antwerp in 1984, this iconic event has been the mainstay of the international diamond calendar, setting new benchmarks and fuelling a passion for the incomparable. An invitation-only event, this annual offering has pushed the boundaries of rarity to new extremes.

And the 2021 collection is a show stopper with all the diamonds recovered in 2020, the final year of operations of the mine. There are 70 diamonds weighing in total 81.63 carats in the 2021 Argyle Pink Diamonds Tender and while Argyle diamonds are characteristically small – historically, just over one third of Tender stones have been one carat or more – 43 diamonds in the 2021 collection weigh more than one carat, with five diamonds larger than two carats. In all this is the highest number of diamonds larger than one carat in the history of the annual Tender, creating strong demand from collectors, connoisseurs and luxury jewelers.

This historical collection, the 38th annual Argyle Pink Diamonds Tender, has five “hero” diamonds, including Argyle Eclipse™, which at 3.47 carats is the largest Fancy Intense Pink ever offered at Tender. Titled “Journey Beyond” the 2021 Argyle Pink Diamonds Tender is a celebratory homage to the 1.5 billion year journey from creation to discovery and their remarkable impact on the world of fancy colored diamonds.

“ With a constant stream, albeit miniscule amount, of rare pink diamonds from Argyle over the past forty years, Rio Tinto has succeeded in elevating the colored diamond from a gemological curiosity to the thrilling stars of the world’s most sophisticated high jewelry creations. Argyle pink diamonds have provided a whole new and enticing palette of color and light sparking a new age of creativity, emotion and storytelling. ” Vivienne Becker, Jewelry historian.

The 2021 Hero Collection:

- Argyle Bohème™ 1.01 Carat, RADIANT Fancy Red
- Argyle Stella™ 1.79 Carat, SQUARE RADIANT Fancy Vivid Purplish Pink
- Argyle Solaris™ 2.05 Carat, RADIANT Fancy Intense Pink
- Argyle Eclipse™ 3.47 Carat, RADIANT Fancy Intense Pink
- Argyle Lumiere™ 2.03 Carat, SQUARE RADIANT Fancy Deep Pink



Returning to the Journey Beyond, this is not where the Argyle story ends, but rather it is the beginning of a new one, of a robust secondary market as Argyle diamonds continue to be bought and sold and they establish their potential as a finite unrepeatable natural resource. With almost forty years of beautiful pink, red, blue and violet diamonds in the market, Argyle’s beautiful bounty will live beyond the closure of the mine and remain synonymous with Australian luxury – a beautiful product from a beautiful place.

Bids close for the 2021 Argyle Pink Diamonds Tender on October 4, 2021.



CLIMBING THE SCALE

De Beers' latest changes to its lab-grown business, Lightbox, suggest it might be performing a gradual U-turn on synthetics.

Lightbox, which launched in 2018 as a low-cost fashion-jewelry brand, has announced that it will now offer stones of up to 2 carats, rather than the previous maximum of 1 carat. The company has also unveiled a new, higher-quality range called Finest, featuring lab-grown diamonds with D to F color, VVS clarity and "excellent" cut. Unlike the core range, which retails for \$800 per carat, these stones carry a price tag of \$1,500 per carat.

The new offering stands in contrast to the way De Beers originally presented the category. Three years ago, it characterized lab-grown as a fun, affordable product that consumers could tolerate losing at the beach: No pieces cost more than \$1,000, including the setting. The stones had no color or clarity scores. "Frankly, we don't think they deserve grading, because they're all the same," De Beers CEO Bruce Cleaver commented at the time.

De Beers says the larger and better-quality goods are possible because of progress at its new growing facility in Gresham, Oregon. This is no doubt true, but the move also indicates that De Beers has ambitions of moving up the price scale.

Lightbox has said it maintains its belief that the "real, long-term opportunity for lab-grown diamonds is in accessibly priced jewelry at or below \$2,000." Will it be lifting that bar further?

Joshua Freedman
NEWS EDITOR

1.8%

The downsizing of the US jewelry trade accelerated in the second quarter, with the number of active companies slipping 1.8% year on year to 24,021. Some 143 businesses closed – 53 more than in the same period of 2020, according to data from the Jewelers Board of Trade (JBT).

BIRTH MARK

Two specialists in source verification have teamed up to provide consumers with provenance information about natural and synthetic diamonds. SCS Global Services' Certification Standard for Sustainable Diamonds will use technology from Australian science organization Source Certain International, which has developed a way of tracing stones back to the mine or lab. It does this by analyzing a diamond's chemical traits.

POLISHED PERFORMANCE

Sales at Indian diamond manufacturer Asian Star soared in the first fiscal quarter, reflecting the global market's rebound. Revenue increased more than fivefold to INR 8.65 billion (\$116.5 million) for the three months ending June 30, up from INR 1.64 billion (\$22 million) a year earlier, the Mumbai-based company reported.

DIAMOND SECTOR SAYS 'THANK YOU'

"Your marriage proposal with a natural diamond just helped protect the endangered rhinos and safeguard 200,000 hectares across southern Africa." That's one of the messages consumers will see in a series of advertisements from the Natural Diamond Council (NDC), which has partnered with the Responsible Jewellery Council (RJC) to emphasize the positive impact of diamonds.
diamonds.he



A mock-up of one of the NDC advertisements.

'RECORD' CVD DIAMOND

This 14.6-carat lab-grown is the largest gem-quality diamond ever made using the chemical vapor deposition (CVD) method, the International Gemological Institute (IGI) claimed. Mumbai-based Ethereal Green Diamond produced the stone, according to IGI, which gave it a color grade of F and a clarity score of VS2.



The lab-grown diamond under inspection at IGI.

INDIA AIMS HIGH

India's gem and jewelry trade plans to reach \$44 billion in outbound shipments this fiscal year in a push to expand some of the nation's most important export sectors. The "ambitious" goal for the 12 months ending March 2022 would represent growth of around 18% from two years earlier, said the country's Gem & Jewellery Export Promotion Council (GJEPC).

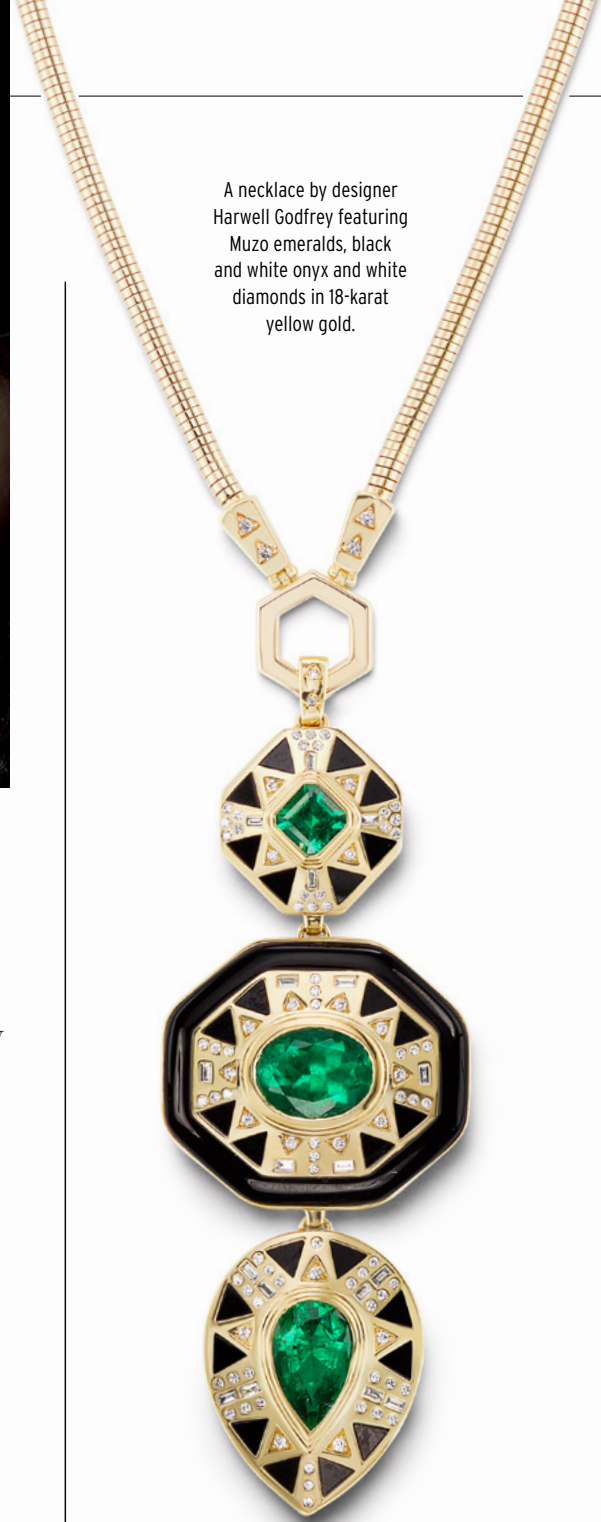
MAPPING A RECOVERY

Resurgent diamond-manufacturing activity boosted sales at Israel-based Sarine Technologies, which sells equipment for mapping and cutting rough stones. Revenue increased 61% year on year to \$36 million in the first half of 2021.

TURNING BACK THE CLOCK

Global demand for timepieces has returned to pre-pandemic levels amid strong domestic spending in the US and China, according to the Federation of the Swiss Watch Industry. Exports of Swiss watches climbed to CHF 2.05 billion (\$2.23 billion) in July — 8% higher than in the same month of 2019, the organization reported.

A necklace by designer Harwell Godfrey featuring Muzo emeralds, black and white onyx and white diamonds in 18-karat yellow gold.



BRILLIANT & BLACK

Black designers will be the focus of a Sotheby's exhibition and sale taking place in New York in September. "Brilliant & Black: A Jewelry Renaissance," curated by writer and stylist Melanie Grant, will feature around 60 pieces dating back to the 1950s, with prices ranging from \$1,500 to \$1 million.



SEVENTH HEAVEN

Lucara Diamond Corp. unearthed this 393.5-carat, gem-quality rough at its Karowe mine in Botswana. The white stone was the company's seventh diamond over 300 carats in 2021. Revenue jumped to \$46.3 million in the second quarter from \$7.5 million the previous year as demand bounced back.

\$62M

Trans Atlantic Gem Sales (TAGS) brought in \$62 million at a rough-diamond tender in Dubai – its highest proceeds to date – as the market continued to strengthen. The sale featured 43,300 carats from mines in southern Africa, including Angola.

PRODUCTION BOOST

Alrosa is considering raising its 2021 production forecast in response to diamond scarcities and rampant demand. Output could reach 33 million carats, 5% above the Russian miner's previous plan, management said. Revenue surged more than tenfold to RUB 92.45 billion (\$1.26 billion) in the second quarter.



Trucks at Alrosa's Verkhne-Munskoe mine in Yakutia, Russia.

IMAGES: LUCARA DIAMOND CORP.; ALROSA; SIGNET JEWELERS; MASON POOLE

DE BEERS RECOVERS

De Beers registered strong profits in the first half of 2021 as demand returned across the diamond supply chain, the miner reported. Underlying earnings came to \$267 million, compared with a loss of \$214 million a year earlier, while revenue more than doubled to \$2.9 billion. Rough prices jumped amid shortages of goods, the company explained.

RIO TINTO IN THE MONEY

Rio Tinto's diamond sales grew 13% to \$160 million in the first half of the year, reflecting the industry-wide rebound. The division recorded a profit of \$5 million for the six months that ended June 30, after incurring a \$40 million loss a year earlier because of an impairment charge related to its Diavik mine in Canada.

MOVERS & SHAKERS



SCS Global Services has hired former Responsible

Jewellery Council (RJC) executive **BRANDEE DALLOW** as vice president of sustainability for luxury goods. In the new role, she will help SCS with the international expansion of its certification program for fine jewelry, accessories and apparel.



The Plumb Club, an alliance of suppliers to the jewelry, diamond

and watch industries, has elected **SAM SANDBERG** of A.Jaffe as its president. He will succeed Goldstar Jewellery's Michael Lerche, who is stepping down after serving the maximum term of three years but will remain on the organization's board.



The Diamond Dealers Club of South Africa has picked **MOLEFI**

LETSIKI to take over from Lionel Noach as chairman for a three-year term. The owner of Molefi Letsiki Diamonds previously served as deputy chairman to both Noach and his predecessor, Ernie Blom. Richard Ramsden will become vice chairman.



ROBERT MOELLER, a second-generation jeweler, will take over from Holly

Wesche as chairman of the board of directors for Jewelers of America (JA). He is president and director of sales at R.F. Moeller Jeweler in Minnesota, overseeing two stores in the Twin Cities region. The election took place at a JA meeting in July.

ALL 'ABOUT LOVE' AT TIFFANY

Tiffany & Co. has released a marketing campaign starring Beyoncé Knowles-Carter and her husband Jay-Z (aka Shawn Carter), aiming to present a contemporary image of romance. "About Love" features Beyoncé sporting the 128.54-carat yellow Tiffany Diamond, while Jay-Z wears designer Jean Schlumberger's famous Bird on a Rock brooch reconstructed as a pair of cufflinks. The print and video content are due to launch in September.



Beyoncé and Jay-Z in the Tiffany & Co. campaign.

SIGNET'S BANTER

Signet Jewelers will rebrand its Piercing Pagoda banner in an effort to connect with new customers. The retailer will test the new name — Banter by Piercing Pagoda — in New York, Chicago, Los Angeles and Seattle, and plans to expand it to more than 500 locations across the US. The redesigned kiosks will carry jewelry pieces and offer piercing.



83%

Jewelry revenues in the US jumped 83% year on year in July as customers returned to stores with extra cash in their pockets, Mastercard SpendingPulse reported. The data provider attributed the jump to pent-up savings and the effects of child tax credits. Still, retail sales across all categories slipped 1.1% compared with June, according to the US Census Bureau.

PANDORA ROCKS

Revenue at Pandora leaped 84% year on year to DKK 5.16 billion (\$816.1 million) in the second quarter amid a solid performance in the US. Online sales jumped 132%. The company also raised its full-year forecast, predicting organic sales growth of up to 18%.

STRENGTH AT MACY'S

Macy's fine-jewelry sales saw double-digit growth in the second fiscal quarter, which ended July 31. Shoppers were refreshing their wardrobes for a return to social occasions, the company said.

IN MEMORIAM



AVI LEVY, North America president at the International Gemological

Institute (IGI), has joined the board of Mercury Free Mining (MFM). The organization launched in 2017 with the aim of eradicating the dangerous substance from artisanal and small-scale gold production around the world.



Gem Legacy, a nonprofit organization that supports artisanal

miners in Africa, has appointed retail professional **MELISSA QUICK** to its board of directors. Alongside her job as president of Steve Quick Jeweler in Chicago, Illinois, she has been involved in fundraising and other efforts to promote Gem Legacy's work.



ALFRED L. WOODILL, who served 40 years as executive director of the American Gem Society (AGS), died on August 17 at the age of 101, the organization announced. Known as "Big Al" or

"Mr. AGS," he was born in California and was related by marriage to Robert M. Shipley, the famous founder of both the AGS and the Gemological Institute of America (GIA). Woodill worked for Shipley from an early age, often accompanying him on business trips. He succeeded him at the helm of the AGS in 1947, remaining in the position until his retirement in 1987. He stayed on as an "AGS ambassador," and made a point of calling each new president to welcome them and give advice.

Lab-grown rough diamond.



ROUGH RIDE

Many traditional cutters want to get their hands on lab-grown material, but contrary to popular belief, consistent supply is hard to find.

BY JOSHUA FREEDMAN

They may not admit it, but almost every major Indian diamond manufacturer has tried producing, cutting or trading lab-grown goods. Often setting up distinct entities that deal in the category, they have entered the market over the past two to three years in search of better margins.

This appears to have proven a sound strategy. Companies are still reporting better profits on lab-grown than on mined stones — even though margins for the former declined on both the midstream and retail levels last year, according to a recent Bain & Company report titled “The Global Diamond Industry 2020-21.”

Still, one obstacle has made operating in the synthetics sector hard: The difficulty of obtaining a consistent rough supply.

“Rough in lab-grown right now is the most challenging thing to get,” says Marty Hurwitz, CEO of MVI Marketing, which advises several companies on how to get into the sector.

Many established manufacturers, especially De Beers sightholders and Alrosa contract clients, are used to buying large volumes of rough on a regular basis. This enables them to offer polished to customers via fixed supply programs. However, “in order to do [these] programs, you need scalable quantities of rough, and you need consistent supply, repeatable supply of the same qualities,” Hurwitz explains. “And very few growers are skilled enough to provide that.”

Brains needed

Hurwitz rejects the “common misunderstanding” that lab-grown producers can just churn out whatever goods they want en masse. Only the market leaders — such as Maryland-based WD Lab Grown Diamonds, on whose board Hurwitz sits, and Israel’s Lusix — can do this with high-quality results, he asserts.

“There’s a real shortage of human scientists that have experience in growing diamonds,” the executive explains. “There’s plenty of capital to put up machinery. The human intellectual powers [are what’s] in short supply.”

Still, consistency is possible if production runs are substantial enough, says Naman Parikh, founder and owner of New York-based grower Fenix Diamonds, which supplies synthetic polished. Parikh is from the same family that owns India-based sightholder Mahendra Brothers, though the two companies are legally separate.

“If you’re looking at the output from one machine, five machines, 10 machines, you may get a variable result,” he states. “But when you have a much larger quantity being manufactured...you will start to see trends and patterns. You might get more [stones of] 7 carats one month than you had previously, but most of the time, it remains within the range. The rough sizes are pretty similar across a big production.”

Production runs happen every few weeks. That said, there aren’t enough goods at present for producers to hold periodic trading sessions like the contract sales that take place in the natural industry.

“Most of the prime growers have sold out for the rest of this year and are already taking orders [for] 2022,” Hurwitz points out. “Nobody is presenting product every six weeks to a group of customers.”

Pricing: A complex picture

These procurement difficulties have lifted demand for lab-grown rough, supporting prices, Hurwitz continues.

Pricing is a controversial topic in the lab-grown market. At the end of 2020, a 1-carat, G-color, VS-clarity polished synthetic stone was 80% cheaper at wholesale than the equivalent natural diamond, according to the Bain report. For comparison, the discount was 45% at the end of 2017, the report said.

However, the situation is more complex than that, Hurwitz argues. The price declines are in the lower-quality goods, most of which come from India-based growers that produce them using chemical vapor deposition (CVD), he says. Much of this material comes out of the reactor looking brownish, and requires post-growth treatment.

In contrast, larger and higher-quality goods — as well as those that don’t need post-growth treatment — have maintained their price levels, Hurwitz states. (Whether untreated — or “as-grown” — stones deserve a premium is another debate in the trade.)

“In order to grow bigger sizes that yield, say, 2-carat-and-above polished with as-grown, you have to be really good at the science and have really good scientists, because the longer you grow, the more things can go wrong,” stresses Hurwitz. Many firms stop the growth process short to avoid these problems, and then improve the color at a later stage. “That is the bulk

of the product coming out of India. And most of that is 1-carat polished goods [with] G, H, I color. That’s very viable product in commercial markets, and that’s what’s been heavily discounted.”

The right goods

The realities of the synthetics industry have left some of the traditional manufacturers disappointed, says Ben Hakman, a consultant on lab-grown diamonds at New York-based Diamond DNA Solutions. Natural-diamond cutters entered the market because their customers wanted the goods, “but they don’t understand the lab-grown business,” he claims.

Many tried to maximize yield — as they do in natural — by manufacturing emerald, radiant, Asscher and princess cuts in polished sizes above 3 carats, Hakman explains, but most of the consumer demand is for 1- to 2.99-carat stones in all shapes. “And not knowing the market is what’s causing prices to drop, because...everybody’s got the wrong inventory.”

There are a few ways of buying synthetic rough. One is signing up for supply in advance, according to Hakman. Customers will give CVD growers the measurements they require, as producers can design the diamond seeds to help determine the outcome.

Because of the strong demand, the purchasers will also leave deposits, he adds. Another option is leasing one or more reactors and gaining the rights to all the goods that come out of it, though the machines themselves stay with the owners.

Bigger future

The CVD rough market is still small. Most growers have enough demand that they don’t need to offload any rough, says Parikh; rather, they process it all and sell the polished, usually outsourcing the manufacturing to specialists in India, as Fenix does. Much of the rough is grown in India as well, though some goods come from reactors in China via Hong Kong.

CVD synthetics are simpler and faster to cut than natural stones, Parikh adds, and have a lower risk of damage. “You never need to worry about different shapes or models in the rough. The CVD rough is all cubic in form. Not only that, it is all type IIa, the highest quality of material, and so there is far less tension compared to mined diamonds.”

Rough diamonds grown via the High Pressure-High Temperature (HPHT) process, meanwhile, have more of a market. Most of these goods come from producers in China that supply the material to polishers, market participants said.

“In the future, as [CVD] production continues to ramp up, that is when I believe rough sales will start to develop and become a much larger component of the overall business,” predicts Parikh. “It’s like a baby today, and everyone is just starting to explore different channels and opportunities. There’s no market standard. [It’s not like] when you see a De Beers box of 5 to 10 carats and you know what to expect in terms of the quality and pricing. There’s nothing like that yet in lab.” ■

“MOST OF THE PRIME GROWERS HAVE SOLD OUT FOR THE REST OF THIS YEAR AND ARE ALREADY TAKING ORDERS [FOR] 2022. NOBODY IS PRESENTING PRODUCT EVERY SIX WEEKS TO A GROUP OF CUSTOMERS”

INDIA'S ENTREPRENEURIAL SPIRIT

Colin Shah, chairman of the Gem & Jewellery Export Promotion Council (GJEPC), talks about the country's diamond and jewelry markets with Martin Rapaport

How has Covid-19 impacted India's diamond trade?

When the pandemic hit, the country went into a lockdown. At that time, everyone was guesstimating that the problem would be over in two weeks at the most. Then those two weeks became four, and it became six weeks, and we were shut till the end of April 2020. Not only was India closed, but the entire world was going into lockdown. The feeling was that the polished-diamond market would slide. There were huge concerns about employment, bank credit lines, polished-diamond prices, and generally the future of the industry. By May, the industry had reached a consensus to curb manufacturing of diamonds.

In April, May and June, rough imports were significantly less. We normally import about \$1 billion a month, and these three months put together totaled only \$100 million. In August and September, to everyone's surprise, demand opened up very well. A little cutting and polishing started. Everyone in the pipeline saw a surge in demand and margins.

[The period from] October to March, the last six months of India's financial year, was one of the healthiest that the diamond market has seen in terms of demand and profitability. The second wave struck in April-May this year, but otherwise those six months were fabulous.

When you look at the pandemic, it started off very badly. But at the end of the year, everyone made healthy profits, [and] their inventories are at an all-time low. Diamond prices actually went up toward

the end of the year, and for most qualities, demand was greater than supply. Believe it or not, even the debt that the Indian manufacturers had with the banks came down by a good 15% to 20%. The industry is much healthier today than it was pre-pandemic.

How is the current situation?

The diamond manufacturers today are in a reasonably healthy situation coming off a very nice, strong year. Their inventory levels are at all-time lows, with good profit margins over the past quarter. For July, August, September, everyone's expecting it to be less profitable, but in terms of demand, it's still very strong, especially from America and China.

Retailers in America were used to an oversupply of diamonds and jewelry-manufacturing capacity. Last year, because of the strong demand, there weren't enough diamonds and there wasn't enough jewelry-manufacturing capacity. This year, most of the majors have given purchase orders. That's been good for the pipeline because the diamond manufacturers have the diamonds they need, or are manufacturing them. They are reasonably well-prepared for their orders for this fall. As far as China is concerned, the business is totally demand-dependent. If there is demand, pricing and supply will follow.

In terms of smaller diamonds, we're seeing a severe shortage for a variety of reasons. Obviously, Argyle is no longer producing. Secondly, lab-grown

manufacturing is taking away workers. Close to \$1 billion of lab-grown will be cut and polished in Surat this year. There is a huge demand for workers, with the lab-grown sector taking the same workers the natural industry needs. Nearly 15% to 20% of the workers have gone back to their hometowns or have left the industry. Salaries have gone up — more or less doubled in the last 12 months. And even at double salary, there are not enough workers. This will have an inflationary impact on the pricing of diamonds.

Why is India so successful?

Indians are able to provide greater credit to grow their business, because they have a great trust network. The trust factor is huge when you're handling millions of dollars of diamonds. Having a trust network enables better risk management and greater risk taking.

Whether you're buying rough diamonds or manufacturing, you're giving millions of dollars of diamonds on memo to dealers in Mumbai or Surat, and then ultimately even to end-retailers in America or China. The Indians have this figured out quite well, and that's one key part of the success.

Secondly, there is India's culture, its entrepreneurial spirit, and the great cooperative power of the Indian family. The family model has been massively successful for the Indian community, where one brother is in a Surat factory, one is in Mumbai, one's in Dubai, Antwerp, New York, etc. Indians are able to manage their conglomerates because of this very capable family culture that they have.

Thirdly, Indians are better at polishing diamonds due to the entrepreneurial spirit of our workers. Indian cutters go beyond standard cutting. They are loupe-examining even small stones to make sure they get the most money out of production.

Those few points make all the difference between profit and loss — that ability of the Indian worker, the Indian promoter, the risk-bearing ability, and competence of family members across the globe. I think all these factors have made the Indian businessman more successful.

What's going on with the rough supply in India? Will African demands for beneficiation continue? Rough is about demand and supply. India's strength is the smaller to mid-size stones. I ►



Colin Shah.

think rough will come to India because we are able to pay the best prices and deliver the best result for those diamonds.

Yes, some amount of beneficiation will happen. That's already happened in the last two, three years, so the larger stones will get cut and polished in Africa, Russia and wherever else. We all want to do beneficiation; we want to give some benefit to the local communities. But in the end, they need to realize the best prices also.

For the large Indian companies, it's obviously worrying, because they have these huge investments in large factories and infrastructure in India. I guess we will see partnerships and tie-ups over the long term.

What about profitability? Are rough prices too high?

In the current market, cutters are obviously not making money, because the rough price has again gone up while the polished prices have stayed the same. There is also resistance from retail for further price increases in August and September. We have that challenge, but at some point over the next few months, prices will equalize, which is more or less what we see every year. There's price resistance, and then you see some correction happening — either the assortments will improve or there'll be some amount of price correction.

How profitable is the diamond manufacturing business compared to other businesses?

The diamond industry has a very healthy rate of return on your capital. It's a very nice, compact business. You typically take a partner who's working in Mumbai or Surat. One runs manufacturing in Surat and the other runs trading in Mumbai. If you are managing your focused business well, profitability is equal to or better than other industries in India, or even globally.

Because most of the diamond businesses are not listed, there is no upside due to market cap. Whatever profitability you have in your operations, you have. You don't have stock market valuations. That upside is missing for the gem and jewelry trade.

What does the future look like for India's diamond and jewelry business?

Today, we are around \$30 billion to \$35 billion. In five to seven years, we have

the potential to reach \$60 billion to \$70 billion. Exports will grow. In terms of diamonds, I think we are at \$20 billion to \$25 billion and maybe will grow to \$30 billion. Lab-grown will probably grow from a \$1 billion to a \$2 billion-to-\$5 billion industry very soon. We have huge potential in jewelry because we are equal to Hong Kong, China and Thailand.

The government wants to double India's exports and will make a huge effort over the next two to three years. There's going to be a lot of policy initiatives to grow our exports. Not only gem and jewelry exports, but gems and jewelry will get their share of help.

India used to cover the lowest end of the US and European markets. We serviced Walmart and specialized in price-point jewelry, not the better end. Now Indians are also in the better end of the business. We see jewelry and the lab-grown sectors picking up exponentially. The plain gold and fashion jewelry segments are also doing well.

The industry is evolving. Those concerned about dependency on rough diamonds are investing more in lab-grown and jewelry businesses. With jewelry, you can work with gemstones and synthetics. You don't have to use diamonds to have a nice, profitable business.

A lot of capital and new things are coming into our industry. Young entrepreneurs are innovating. Some from diamond families where one son or daughter is getting into e-commerce. We are quite positive about growth over the next five years.

How many people does the diamond industry support in India?

Just diamonds is one million people with about 700,000 cutters. With jewelry, it's about 3.5 million.

Of those 700,000 cutters, how many are smaller independent individuals?

I think that sector is not more than 10% to 15%, because the trade is getting more and more organized.

What efforts are being made to help the smaller cutters meet supply chain requirements that require audited working conditions? I understand that Surat is creating WeWork-like shared facilities so small diamond

manufacturers can have a good place to manufacture.

As a council, we've already got four centers up and running, and six more are on the way. They are common facility centers where the worker has access to everything, from lasers to Sarine machines for planning the diamond. Smaller to medium-size companies have access to the best tech in the world. Their production can compete with the largest diamond manufacturers.

We have family group medical insurance covering nearly 700,000 to 800,000 workers and their families. The high-tech hospital we run for the workers is 24/7, and everything is free for the whole family. We are working to take care of the entire work cycle, to make sure that the workers are protected and [that] they have infrastructure to produce in a good way.

How big is India's domestic diamond market?

India is the world's third-largest diamond market after the US and China. It's currently a \$7 billion to \$8 billion market at retail. All our top retailers are investing heavily in diamond jewelry, and we expect that the local market will continue to grow. India is also the second-largest market for gold and platinum.

India's economy will grow from a \$2 trillion-to-\$3 trillion economy to a \$5 trillion-to-\$7 trillion economy. The large jewelry chains are doubling their number of stores. The diamond jewelry business will really grow over the next three to four years, because there'll be a huge amount of buying happening for the new stores.

What advice do you have for a young person entering the business now?

My advice to young people is that the future in India is extremely bright. Everyone will get their share of opportunity, but the competition is fierce. Core competency is very important. You cannot be a player in any part of the vertical — whether it's retail, manufacturing, wholesale, e-commerce or design — if you don't have very excellent skill sets.

We are entering an era where equity will be available. Demand will be good, but competition will be strong as everyone fights for market share. Whatever you do, you should excel in that particular field. Then you will be successful. ■

INDIA CONSIDERS ITS FUTURE

The world's largest manufacturing center faces some unfamiliar challenges amid apparent supply and labor shortages.

BY AVI KRAWITZ

“We’ve seen it all before,” was the collective sigh that rang through Mumbai’s massive Bharat Diamond Bourse (BDB) when the pandemic initially broke out. “We got through other crises, and we’ll get through this one.”

The local diamond trade has a reputation for its distinct brand of optimism and cautious confidence, having thrived through the 2008 downturn and survived the many challenges in the decade since.

Some of those challenges have been uniquely Indian. There was the round-tripping debacle of 2012, which fueled a bubble in bank credit and diminished lenders’ trust in the trade. And there was the government’s demonetization program in 2016 — often referred to as Prime Minister Narendra Modi’s attack on cash. While demonetization was deemed necessary to counter the rampant money laundering in the country, it sucked liquidity from the local diamond trade, putting businesses — predominantly small ones — under additional pressure in an already difficult market.

When it comes to global crises, India’s diamond community has been able to work in a more unified way.

It accounts for an estimated 95% of global polished-diamond supply. That means that most rough production finds its way to the country, where diamond factories add value by cutting and polishing at scale. But it is also engaged in jewelry manufacturing and design and has a large domestic consumer market for diamond jewelry that ranks as the world’s third-largest, according to De Beers’ Diamond Insight Report.

When the market crashed in 2008, the trade collectively froze rough imports, which enabled it to focus on reducing existing inventory and freeing up liquidity. That action had a major impact on the rest of the industry, but it mostly helped India strengthen its position even further.

Yet in 2020, when the global market shut down as Covid-19 began to spread in late March, India’s dealers, manufacturers and

jewelers — like those across the globe — were left dumbfounded. It soon became clear this was unlike anything they had previously experienced. Uncertainty and fear that the economic impact of the pandemic would surpass all other crises set in.

This time, Indian manufacturers didn’t need to take such deliberate collective actions, though they claim to have done so anyway. The market made the decision for them: Mining companies stopped selling rough, and trading froze. Besides, no one could travel to buy goods.

SURPRISING TURN

Either way, the rough-market shutdown propped up the manufacturing sector the same way it did in 2008 — arguably more so. It helped reduce excess polished inventory, which had weighed heavily on the trade for years before. Just 16 months after the initial collapse, with the benefit of hindsight, Indian diamantaires see the downturn as a blessing in disguise.

Whereas before the pandemic, an oversupply of diamonds had burdened the market, today there is a scarcity of goods, notes Anshul Mehta, a partner at certified-diamond supplier Subir Diamonds.

“Demand is much higher than supply,” he observes, adding that the recovery has been driven by the strength of the US and Chinese retail markets, where the large jewelry chains are competing for limited production.

Among India’s biggest challenges is securing supply to keep up with demand in both the short and long term. That’s a surprising turn of events, considering the excess supply that constrained the market in the past decade, and bearing in mind that demand stagnated during that time.

THE DIWALI DEADLINE

While demand has bounced back, supply has been volatile. Sporadic outbreaks of the coronavirus impacted both rough production and polished manufacturing over the past year. Between April and June this year, factories reduced their output by 30% to 40% as the Delta variant caused a spike in infections in the subcontinent. Meanwhile, manufacturers had goods in the pipeline, having bought high volumes of rough and manufactured them in 2020’s fourth quarter and 2021’s first, when infection rates were down. A backlog of more than a month developed at the Gemological Institute of America’s (GIA) Mumbai and Surat labs. ►

Polished production is now back to normal levels, stresses BDB chairman Anoop Mehta, who is also CEO of manufacturer Mohit Diamonds. Rough buying has stayed strong despite the high prices. And while turnaround times at the GIA remain at about 40 days, polished exports are rising, as figures from the Gem & Jewellery Export Promotion Council (GJEPC) show (see graph below).

For many Indian businesses, the big test of the market's resilience will come around the Diwali festival, which takes place this year on November 4. Businesses typically take two to three weeks off for the holiday, and that period of inactivity may help ease some of the stress on the GIA's systems, since it will have a lower intake of goods.

For its part, the GIA has added staff in Mumbai and Surat and is working to reduce service times in all locations as much as possible, a spokesperson recently told *Rapaport Magazine*. "Global submissions of diamonds to GIA laboratories and our global output remain at record levels," he added.

The market should also have clearer expectations for the US and Chinese holiday seasons by the time Diwali begins. Anshul Mehta projects that demand will outpace supply at least until then. Afterward, the only thing that could derail this dynamic would be poor holiday sales, he suggests. "If Christmas is good, then the supply shortage will continue."

That doesn't necessarily mean polished prices will continue to rise through the end of the year. Already, retailers are resisting the higher price levels that Indian manufacturers are trying to push following the rough-price hikes in recent months, according to a manufacturer who has requested anonymity.

MARKET CONSOLIDATION

Despite the shortfall in supply, there is some "irrational exuberance" in terms of the price people are willing to pay for rough, continues the manufacturer, who is a De Beers sightholder.

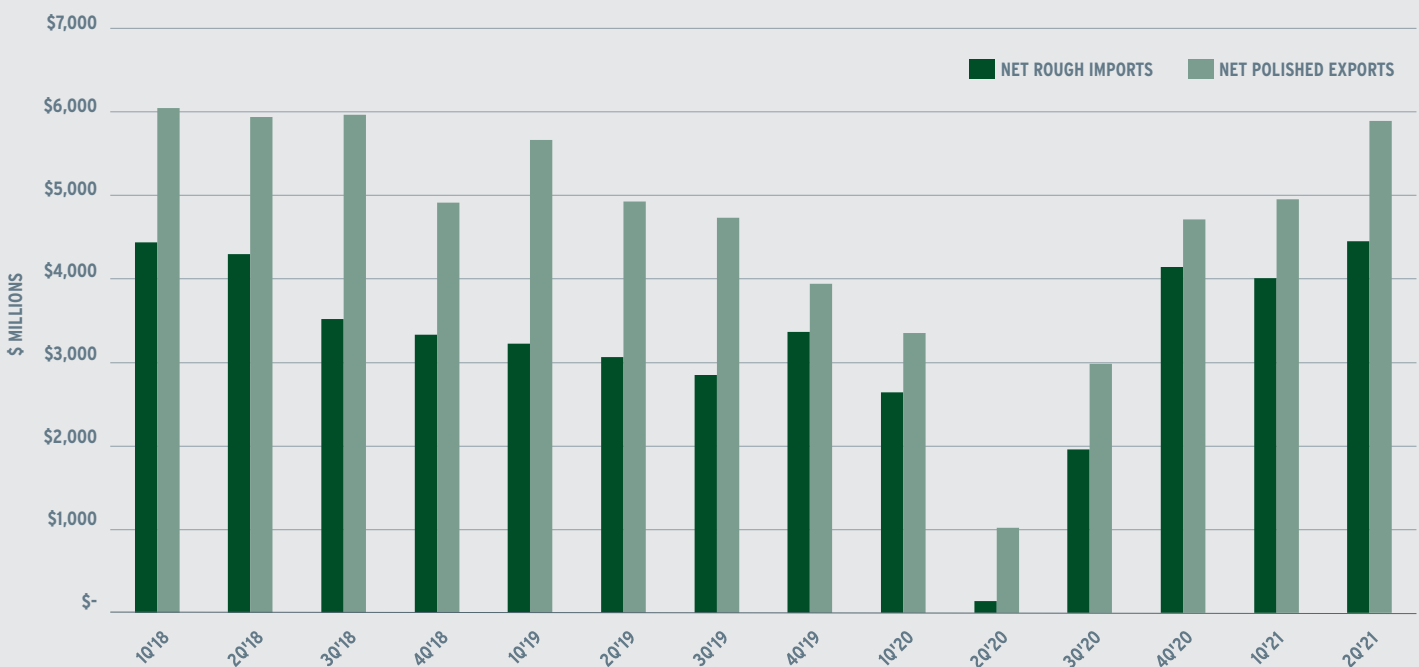
"There is a gulf between supply and demand, and polished has also been strong," he says. "But lately there is growing concern that profit margins are tightening. At these rough-price levels, the business may not be viable in the short term."

The industry has had a strong run of profitability over the past year since the downturn (see graph, Page 23), particularly larger manufacturers that had the liquidity to buy goods when the market was at its lowest point. They could also mobilize staff when social distancing and other workplace restrictions were enforced, notes Ankit Shah, a partner at manufacturer Ankit Gems, which has factories in Surat and Namibia.

The larger manufacturers gained some market share — or emerged from the pandemic stronger — even though smaller businesses eventually also benefited from the recovery. The large exporters were better equipped to operate in the new remote environment, Anshul Mehta says. With their larger inventory and liquidity, they could send stones out on memo, since no foreign buyers could come to India to view goods. That's not something the smaller operators could afford.

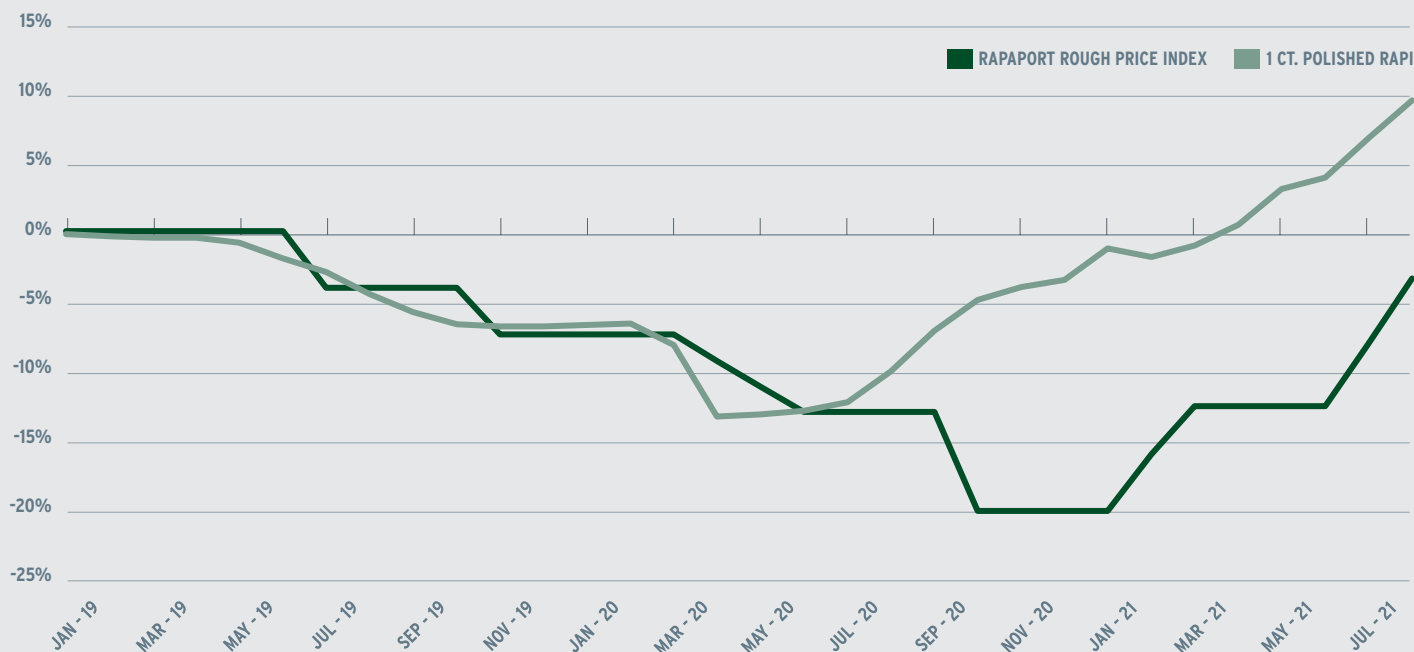
Many large-scale manufacturers had also invested in developing their online platforms before Covid-19 struck. As such, they already had the systems in place to provide accurate information about their inventory, good images, and e-commerce options during lockdown, he adds.

INDIA'S ROUGH & POLISHED TRADE



Based on monthly data from the Gem & Jewellery Export Promotion Council (GJEPC).

MANUFACTURING PROFIT IMPROVED DURING THE PANDEMIC AS POLISHED PRICES RECOVERED, BUT HAS BEEN TIGHTENING SINCE THE RECENT ROUGH-PRICE SURGE



BENEFICIATION BURDENS

Now, with supply lagging behind demand, the larger manufacturers have better access to rough because they buy directly from the mining companies. That again puts them at an advantage over smaller cutting and polishing operations, which source from auctions — where competition is strong — or on the secondary market, where premiums have sometimes been double-digit percentages.

However, larger manufacturers are also adapting to a changing dynamic. Access to rough is expected to become even more exclusive, and the market is becoming more streamlined. De Beers split its sightholders into three categories — manufacturers, dealers and retailers — for the contract period that began on April 1, and has reduced supply to dealers. It wants goods converted to the end product more efficiently, which leaves fewer goods trading on the secondary market, sightholders said at the time.

In addition, De Beers is shifting more of its larger goods to Botswana and Namibia to boost beneficiation — a program to broaden diamond activity in mining countries beyond mineral extraction. Considering that De Beers is the largest supplier of 2-carat and larger rough, southern Africa's gain is India's loss.

"Those goods used to come to India," Anoop Mehta says. "And nobody can replace those, because there's a shortage of production in mining." Alrosa has had its own production challenges this year, and other miners don't have the quantities to fill the hole that De Beers' shift to southern Africa has left in India, he suggests.

THE ARGYLE EFFECT

Meanwhile, Indian manufacturers are also considering the impact that the recent closure of the Argyle mine in Australia will have on the sector. Argyle, which averaged annual production of 12 million

carats over the past decade, was largely responsible for India's emergence as a major manufacturing force. Only Indian factories, with their low labor costs, could polish the low-value Argyle rough into gem-quality stones. With the mine shut and with less rough output overall in 2020, shortages remain an issue, says Anoop Mehta. "Polished is moving well, and the pipeline got cleared out, [but] it's not being replaced."

While some argue that lab-grown may fill that vacuum, executives who spoke with *Rapaport Magazine* see the two as separate products. "Lab-grown doesn't solve the problem for the natural-diamond market, but it does help with labor," says the anonymous manufacturer.

Many Indian manufacturers have ventured into polishing lab-grown stones, which have seen increased demand over the past two years. And many workers have shifted to those production lines, according to Shah.

That has created a dearth of skilled labor for natural diamonds, especially now that manufacturers are trying to raise production to fill the growing demand. "Production has gone up, but the skilled labor has not increased compared to the rise in capacity," affirms Gourav Sethi, a founder of Naturalmark, which offers a screening service for natural and lab-grown diamonds.

Anoop Mehta is confident that India will have the capacity to polish whatever goods become available. Market forces will play out and ensure there is balance, he predicts, even with the current anomaly of rising demand, insufficient supply and a shortage of workers.

Perhaps it's all part of the adjustment India has had to make over the past year of unexpected change, adds the anonymous sightholder. "The industry is in very good shape when you consider where we were a year ago." ■

FAMILY TIES

A close bond with kin forms the backbone of many successful Indian diamond companies.

RUN DEEP

BY VINOD KURIYAN

There is a “secret sauce” that major multinational enterprises say is essential for success in the global arena. Innovative thinking, ground-breaking strategies, unmatched customer assurance and a whole slew of similar characteristics are all part of the recipe. But for the Indian diamond-processing firms that now span the globe, there’s one ingredient that is absolutely key: family.

Not only does family make for trustworthy relationships and dependability, it establishes a business ethos and sets standards that then permeate these successful companies, giving them many of their winning traits. Family, for many of these firms, drives innovation and assures customers.

Every Indian diamond company acknowledges the importance of those relationships and takes them even further with community outreach and corporate social responsibility (CSR) programs. Schools, hospitals, professional training institutions, and massive disaster relief initiatives are all essential parts of Indian diamond firms’ operations.

BUILDING RELATIONSHIPS

Diamond manufacturer Rosy Blue is no exception. The global firm is the result of concerted family action, but the relationship with the community provides the energy and ideas that drive change, says CEO Dilip Mehta.

Mehta likens living and working in the Indian diamond-cutting hub of Surat to California’s Silicon Valley. “You meet people, and you come up with ideas. You

energize each other. Problem-solving becomes easy when you meet so many people and get their input. This is the big advantage that Surat has. If you just sit in your factory and concentrate on your manufacturing, you don’t get new ideas.”

Dilipkumar Lakhi, who heads sightholder Lakhi Group, recalls how the family business his grandfather established in 19th-century colonial India (now Pakistan after the partition) grew and prospered because it projected an aura of dependability and trust (see box).

Lakhi’s siblings take an active role in the business in India and overseas. The eldest brother, Motiram, runs the operations in Hong Kong, while India-based Girdharilal manages Vishindas Holaram, the base company for the Lakhi Group. Brothers Deepak and Prakash respectively head Sparklers International in Dubai, and Vishinda Inc. in New York. Girdharilal’s sons Manish and Ritesh manage polished sales.

Family and community provided the impetus for Vallabhbhai Patel, who founded manufacturer Kiran Gems with Babubhai Lakhani and Mavjibhai Patel in 1985. Most of the people in his village were in the diamond industry. Encouraged by an uncle, Patel would help his father on his farm and then travel to the city of Bhavnagar to learn how to cut and polish diamonds. Eventually, he got a job as a diamond cutter.

“When we started out, we didn’t have any management taglines or buzzwords to use,” recalls company director Rajesh Lakhani, who runs the group’s Mumbai operations with his brother Dinesh. “We

had a simple plan. We would build our business on the ethos of hard work and commitment that we had absorbed from our families and community.”

When Vasantlala Mehta founded Blue Star in 1966, his core group consisted of his sons Akshay, Anuj and Ashit. That tight family unit was essential as the newly minted company bought and sold rough and polished diamonds, farming out manufacturing to small cutting shops in Mumbai and Surat.

Ethics and a commitment to quality were the big drivers for brothers Sevantilal and Ramniklal Shah when they founded Venus Jewel in 1969. At a time when the Indian industry was churning out huge volumes of low-end diamonds, they saw an opportunity to establish a new paradigm of quality and craftsmanship.

THE HUMAN TOUCH

Dilipkumar Lakhi’s son Chirag shares his father’s solid belief in the family heritage and all that it represents. The value of customer assurance resonates strongly with him.

“A family member dealing with a customer projects a much greater sense of assurance than an employee, no matter how highly trained and accomplished,” he says. “It is also better for the business, because there is that extra impetus to make whatever adjustments need to be made in order to close a deal.”

He notes that “we have 5,800 assortments. Our sorting and grading are that precise. And our customers know that the family stands behind all of that.

The human factor plays a big role no matter how much technology changes the business.”

The ideas generated by close family and community interactions are essential to success, affirms Rosy Blue’s Dilip Mehta. “The dynamics of the industry are constantly changing, and one has to adapt. Looking to the future, my guess is that the most cost-efficient and creative people will always prosper in this industry. You need the human touch. Technology is all very well, but you must see what your consumer wants.... Even artificial intelligence (AI) gets its original input from humans. Technology has no heart. And our product is not a necessity; there is heart and passion and feeling involved. You have to translate all of that to your product.”

Dilipkumar Lakhi echoes this sentiment about technology versus human interaction, though he adds that “you need to keep learning new things every day. You must constantly stay in touch with the market and be aware of changes. Most importantly, always remember: Goods are for selling. If you need to stockpile them, you’re doing something wrong.”

LEVERAGING AN ETHOS

Kiran Gems’ Lakhani recalls how the company’s formation leveraged its

community roots and ethos to build the business. “Those who had marketing savvy and client connections were the ones who were at the top of the business. But we knew we had to integrate from the ground up and set up a strong manufacturing base. We knew for sure that the future would belong to those who had both manufacturing and marketing capabilities,” he says. The company started its own manufacturing unit in 1992, a move that started it on the path to becoming the manufacturing and marketing behemoth it is today.

The Shah brothers, meanwhile, were able to leverage their company’s reputation for quality and ethics to make fundamental changes in the way it did business. While it was the norm for Indian firms to supply goods on 120-day credit terms or longer to their clients, Venus Jewel took a bold step — one that many thought was suicidal at the time — and announced that it would only supply goods on immediate cash terms. Even though there was a temporary drop in business when the new terms were announced, clients quickly flocked back to buy goods that were cut to unmatched quality standards.

In the years that followed, Venus Jewel set an international industry standard in ethical business practices, ►

A GRANDFATHER’S WORK ETHIC

“Our family were landowners and jewelers in the 19th century, during colonial times in the town of Shikarpur, in what is now Pakistan,” says Dilipkumar Lakhi, head of the Lakhi Group. “My grandfather was successful in everything he did — our family jewelry business was known for its quality, and our land was very productive. My grandfather became very prosperous, and people said he had lakhs [hundreds of thousands] of rupees. Even though the family name was Kalra, they began calling him ‘Lakhi.’”

The family also set up business in Sakhar, another town in the region. “But despite the prosperity, the family business was not about chasing money,” says Lakhi. “We stood by our excellent product. At that time, any jewelry bought from us came with the unquestioned guarantee that we would buy it back at full price if that was what the customer wanted. I don’t recall anyone returning our jewelry, but that guarantee was rock solid.”

Although the family was well established in Shikarpur, Lakhi says his grandfather believed the business didn’t have a future there. After some consideration, the family moved to Jaipur in 1944 and opened a jewelry outlet in the old walled city’s famed jewelry market, Johari Bazaar. “We used a variety of precious and semi-precious stones — 84 different types — as well as polki (uncut diamonds). Our forte was silver jewelry set with these various gemstones. And even though it was so long ago, we developed the biggest mail-order jewelry business in India.”

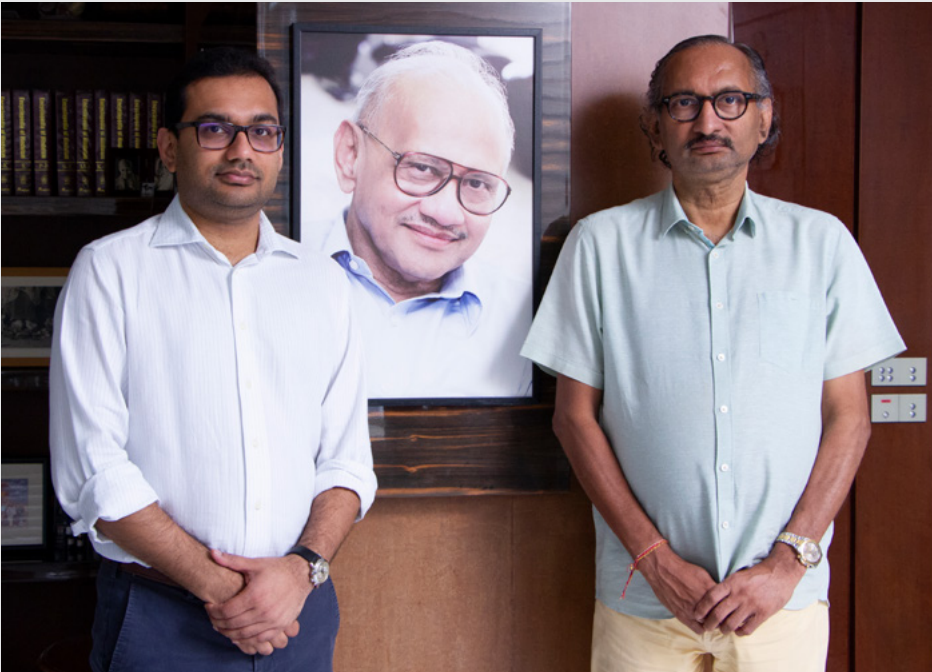
Lakhi, who knew only his native Sindhi as a small boy, had to learn Hindi as an eight-year-old. By the time he was 13, his father would take him to the jewelry outlet in the mornings, since school started around noon. There, he began to develop an innate sense for the gem and jewelry business. Lakhi began working in the family’s Delhi outlet and office.

“That’s where I really developed my work ethic,” he recalls. “I took overnight trips to Jaipur to source goods and materials. Then I would be back in Delhi to oversee the preparation of the final product.” Eventually, he started traveling to Mumbai to source diamonds. “And through all of this, our family policy of buying back our product at full price held strong. Customer assurance was something I grew up with.”

In 1972, the family bought an office on Dhanji Street in Zaveri Bazaar, Mumbai’s jewelry district. By 1973, Lakhi was importing rough diamonds for polishing. In 1977, he established a business relationship with an Indian merchant in Japan. In 1978, his brother moved to Antwerp. “We’ve had a footprint in New York, Hong Kong, Dubai and Antwerp, though we later closed our Antwerp office,” he says. “My generation of five brothers is spread out all across the world.”



Russell Mehta, managing director of Rosy Blue.



employee welfare and pricing, as well as a benchmark for diamond cutting and polishing quality. The exceptional quality enabled them to increase their rough size allotments, becoming the first Indian firm to cut and polish diamonds of 2 carats and above on a large scale. Venus Jewel helped blaze the trail that has made India the premier source of high-quality large diamonds.

At Blue Star, the role of family evolved with time. “My grandfather Vasantlal was originally a diamond broker,” recalls the founder’s grandson Arnav Mehta. “The second generation assumed different roles. My father, Akshay Mehta, oversaw manufacturing in India, my uncle Anuj attended to clients and the polished business, while my uncle Ashit moved to Belgium to procure rough diamonds for the business and also began trading in rough.”

They, in turn, passed down their skills to their children, he says. “As family members of my generation entered the business — Arjav in 2002, myself in 2004, Anshul in 2007, Arpan in 2009 and Achal in 2014 — our fathers and uncles mentored us in the different areas they managed and gradually handed over their responsibilities to us.”

Venus Jewel saw a similar progression. The second generation of the family came into the business in the 1980s with



Anil, Rajesh and Hitesh absorbing the group’s ethics and work ethos. The third generation of Devansh, Samveg and Akshat has undergone thorough training in every aspect of the business, and they are now involved in daily operations.

CONNECTIONS EVERYWHERE

Kiran Gems’ strong belief in the human connection extends to the community of customers it engages via online platforms and social media. “With our massive production, we have to reach a huge audience,” Lakhani explains, adding that the company has invested heavily in its

own human capital to focus on training and upgrading skills. “One way to stay on one’s A-game is to ensure that employee skills and capabilities are at the cutting edge. These are the things that will drive growth for us.”

But it goes further than simple business acumen. “Every employee, in a way, is a part of the Kiran family,” says Lakhani. “If you want to excel, you have to begin by focusing on your ethics.”

Besides the customer and internal relationships, Chirag Lakhi says his company’s ethos has strengthened ties with its peer group of diamond manufacturers. “All the big manufacturers in the market today have, at some time or other, bought rough from us. They all know that our business will always offer goods that are viable in terms of price and that we’ll never gouge anyone.”

Furthermore, he adds, “that assurance about us exists downstream as well. We have never gone chasing customers. They come to us because they have heard about our work ethic. To maintain that assurance, we value our human resources. Without our personnel, we are nothing.”

MATTERS OF THE HEART

Romance was one of the driving forces behind the formation of Rosy Blue. Dilip Mehta, who had worked in the diamond-cutting hub of Surat, got engaged after visiting Antwerp in 1970. “My wife was from an Antwerp diamond family. That was my introduction to Antwerp,” he says with a smile.

Mehta’s elder brother Arun had started B. Arunkumar & Co., his own diamond-cutting business, along with his uncle Bhanuchandra Bhansali. Arun Mehta knew that in order to expand his business to international markets, he would have to rely on family, and he turned to his younger brother.

“At that time, India was entangled in a lot of red tape, with a replenishment license system that allowed a company to import rough diamonds to the tune of 70% of the value of the polished you had exported,” recalls Dilip Mehta. “We thought it best to have a company outside India. Antwerp, which was an established cutting center, was the logical choice. Its big advantage was the availability of

ample financing — though there wasn't much borrowing — which facilitated business operations. We decided to move closer to our customers and suppliers."

He founded Rosy Blue Antwerp in 1973. "The business model was simple. I would buy rough in Antwerp for our cutting operations in India and then import the polished into Belgium for global distribution and sales. We needed an overseas platform to do business in the global arena. Given that I now already had a family connection in Antwerp, it would be easier for me to make the move rather than anyone else in the family."

In 1974, the Rosy Blue group started its global expansion with sales offices in Hong Kong, Tokyo, New York and Israel. "We focused on selling Indian production overseas," Dilip Mehta explains.

Despite being two separate entities, B. Arunkumar and Rosy Blue grew in sync. "One hand washes the other, as they say," Mehta says. "As B. Arunkumar expanded, we could expand our own business." More family members, including cousins, joined the team. "We had family in most of our offices, each dedicated to specific roles for specific markets. Having family gave us the advantage of being able to expand our expertise."

THE POWER TO PIVOT

Because of its positioning outside India, Rosy Blue was able to move nimbly in response to changing global market conditions.

In the mid- and late-1970s, the big development in the market was the supply of sawn goods, which enabled Antwerp's own diamond-cutting workforce of some 20,000 people to produce small diamonds and even single cuts for supply to the Swiss watch industry. However, all this changed with the diamond industry crash of 1980.

"With so many people going out of business, De Beers needed companies that could process these sawn goods," recalls Mehta. "Hampered by the license system, which didn't lend itself to change and adaptation, India was unable to take up the slack. As a result, Rosy Blue moved into cutting and polishing and started operations in Sri Lanka. That was the first step to our expanding our manufacturing around the world."

This flexibility has been helpful more recently as well. "In today's changed world, we're moving our center of focus back to India," says Dilip Mehta. "We took a pause to see where things were happening in the world. We have always moved out when the market didn't make sense. We closed our Singapore and Thailand offices because we don't have an extra family member to oversee things. We serve those markets from Hong Kong, where the business has critical mass."

With a laugh, he adds, "You can talk about strategic planning and long-term views, but years ago, nobody had done any of this before, and there were no examples ▶



From top: Rajesh Shah, partner at Venus Jewels; Dilip Mehta, CEO of Rosy Blue Antwerp; Rajesh Lakhani, director of Kiran Gems. Opposite, from top: Arnab Mehta (left), managing director of Blue Star, in front of a portrait of his grandfather Vasantlal; Chirag Lakhi, group representative for Lakhi Group.



to follow to let you know if it would work. You adjusted and made it up as you went along. My generation started believing that anything is possible. Just apply your mind and ask the right questions. You'll get answers. We understood things, but we really didn't have a road map."

Of course, family members' roles in a business can get complicated as it evolves. "Although we function as a Hindu Undivided Family (HUF) [a government tax entity], we are aware that as the family grows, we need to differentiate between shareholders and management," says Blue Star's Arnav Mehta. "We strongly believe in the spread of the family and business globally. Our roles should be to focus on greater accountability rather than focus on just growth."

OPTIMISM IN A CHANGING WORLD

While Venus Jewel has been at the forefront of information technology and automated procedures, what it truly believes will carry the company forward is its family relationships, its code of ethics, and its unswerving attention to quality.

As for Blue Star, says Arnav Mehta, "we want to turn into a customer-centric business. For the first 50 years, we focused on the supply side and created a backbone for the product. But looking ahead, we want to focus on the key driver of any business: the customer — and more importantly in our case, the end consumer."

After all these years, Dilipkumar Lakhi still has the gung-ho spirit he had as a boy. "Whatever the market conditions, we'll do business. We are market makers," he says proudly.

Dilip Mehta, too, is optimistic about the future. "People thought everything would come to an end with the Covid-19 pandemic. But they are now buying strongly again. People have suffered from what is called 'frugal fatigue.' They are tired of holding back and not wanting to buy anything. They want a return to normality. Everything is definitely not going to end — things are actually looking up. If you talk about the end of the world, you will work toward creating it. You'll be depressed and do nothing. Optimism is what will move you forward." ■

ROSY BLUE: EXTENDING THE PROFESSIONAL FAMILY

When the Asian financial crisis of 1997-98 hit — starting with the collapse of Thailand's currency and then spreading to all of southeast Asia — it was the catalyst that pushed diamond manufacturer Rosy Blue India toward a company management model that combined professional talent with family oversight.

"We call this the 'family corporation' model," says managing director Russell Mehta, son of company founder Arun Mehta and nephew of Dilip Mehta, CEO of Rosy Blue Antwerp. His family was instrumental in his learning all elements of the business. His father encouraged him to complete his studies and then sent him off to Antwerp to learn rough sourcing. After returning to Mumbai, he became a full-time polished diamond sales specialist.

Russell Mehta also served an apprenticeship with another diamond cutting firm, where he learned how to cut and polish diamonds. But polished sales were his focus. "I began gradually interacting with De Beers and getting to know all the aspects and issues in the business," he says.

But the Asian financial crisis, which led to the collapse of many of their markets, "suddenly made us aware that we needed to run a tighter ship, and we weren't really on top of things like managing personnel and proper financial management," explains Mehta, who also cites the company's "huge and expanding" workforce. His father agreed with his suggestion to hire professionals to manage the cutting, sorting and administrative aspects of the business. They hired a head of human resources in 2000 and engaged a chief financial officer soon after.

"Those professional hires we made, however, weren't the result of the usual corporate interview-and-employ process," Mehta elaborates. "I was familiar with their background, and they were referred by people I knew. I could relate to them on a personal level and recognized the sense of responsibility they would bring to the company. They approached the business with an ownership attitude."

In fact, he says, "they raised the level of professionalism across many areas of operation. We hadn't even established an age for retirement until we had a professional human resources executive. People who were way past their retirement age were still on our payrolls. My father started the firm with an emphasis on personal relationships, and he wouldn't ask someone to retire if that person wanted to keep working. I got some of that from my father, too, but I understood we had to professionally manage our personnel and get the right talent if

we were to keep growing as the global environment around us was changing."

Mehta refers to many of the people who run Rosy Blue's overseas offices as "extended family professionals."

"I've been fortunate in that we have been able to hire professionals who understand our culture and who have really made a difference in the way we run the business," he says. "I think we offer a safe environment that allows people to speak their minds freely, knowing that what they say will be taken seriously. While the final decision will be made by the partners and me, they know I'll give them a fair hearing without any strings attached. This makes for better decision-making overall."

The approach "has allowed Rosy Blue to grow and overtake many companies that were far bigger and more established than we were when we started," he adds.

Mehta also brings up an issue common to many family businesses, but perhaps not often discussed. "Every family member may not be suited to doing business, and it is awkward dealing with one who isn't performing. Firing one is sometimes next to impossible — even if strategic planning and decision-making are impacted," he says. "When you have a patriarch like my father was or my uncle Dilip is now, his final word is accepted by everyone. But among the next generation, when we are all equal, as it is with my cousins and me, who gets to articulate that final word? The 'partnership' will have to evolve for better decision-making among the equals."

Mehta says he has "expanded the 'family corporation' concept to include people of other backgrounds. I think that balance will provide the 'fire' and motivation for the generation after us, who already have a success story on their hands and will need a lot to prod them to excellence."

As for the future of the business, he maintains that it will depend on whether or not it can differentiate itself from the competition.

"Technology has leveled the playing field, and there's very little difference in terms of quality between a good factory and a really great one. Artificial intelligence and instant global communications have also taken away the advantage that knowledge acquired early and acted on gave you. Everybody has the same information at the same time, and everyone has more or less the same production capabilities, thanks to technology. Certification has even leveled the field for the finished product," he observes. "You have to come up with an idea that will make you stand out and give you some point of differentiation to make margins across the pipeline you are serving. That is what will define success in the future."



India's tech revolution has brought automated polishers, state-of-the-art imaging machines, and a surge of productivity to the local industry.

BY MELVYN THOMAS



ON THE CUTTING EDGE



From top: Polishing wheel and microscope for polished diamonds at the Dharmanandan Diamonds factory; Govind Dholakia, founder and chairman of Shree Ramkrishna (SRK) Exports.

Years before the wonders of the internet and mobile phones came to India in the mid-1990s, two brothers scripted a revolutionary tech story for Surat's diamond industry. Utpal and Janak Mistry were both top engineers — electrical and mechanical, respectively — at what is now the Sardar Vallabhbhai National Institute of Technology (SVNIT) in Surat.

With the support of a few diamantaires working in Surat's Diamond Nagar area, who had no formal education but who were eager to bring a technological revolution to the industry, the Mistry brothers made their breakthrough.

In 1991-92, the duo developed the first Electro-Mechanical Econo Bruter, a diamond shaping machine that became a huge hit. Three years later, they created the world's first auto-bruter, and for the first time, diamond polishers could see live video of a sparkling diamond on their DOS-based computers.

Utpal Mistry got the idea of connecting the DOS-based computer with a video graphics card while he was searching for works of literature in the college library. Since ISA-based connector cards — the type he needed — were not manufactured in India, the diamond barons aided the brothers by importing them from overseas.

Because they could now zoom in on a diamond's image, *karigars* (diamond artisans) could give the stones more precise shapes. The auto-bruters were so successful that every major diamond-unit owner in Surat started experimenting with these machines on a large scale. This was the turning point for the Mistry brothers and for the diamond industrial revolution in the city, leading the siblings to found the Lexus Group in 1992.

BIG CHANGES IN 30 YEARS

In the mid-1970s and '80s, Surat's diamond industry was taking baby steps. Cutting and polishing was mostly a manual process. There was a time when the diamantaires would break the rough diamonds using a knife and a hammer; many times, they would lose the broken diamond pieces and wouldn't bother trying to find them, thereby missing out on potential profits.

The *karigars* from Gujarat's Saurashtra region — where many of the diamantaires who helped establish the Surat industry came from — have a good eye for planning rough diamonds and are adept at cutting and polishing them. However, the emery wheels — known as *saran* — were hand-operated in those days, which meant the workers might process fewer than three pieces of diamond per day.

Almost three decades down the line, state-of-the-art software and sophisticated machinery have transformed Surat's diamond industry from

THE 'THREE MUSKETEERS'

Lexus Group has been a top name in Surat's diamond industry since its inception in 1992. The three brothers who founded the diamond-machinery and software provider — director Utpal Mistry, CEO Janak Mistry, and chief operations officer Kamal Mistry — are among the pillars of the trade. The group has become a world leader in providing technology to the sector over the last 30 years, partnering with companies in Russia, Belgium and Finland.

"In three decades, Surat has shown the zeal to capture the entire diamond industry, which was earlier [centered around a few companies] in Israel and Belgium," says Utpal Mistry.

He and his brothers "are giving our clients continuous software updates to keep them and us [at the forefront]. Still, we are a highly unsatisfied and hungry breed in terms of technological innovations, and keep ourselves busy researching new technologies and software for the diamond and jewelry industries."

Among those endeavors are its Helium, MBox 3.0, and Immersion Glass technologies for planning rough diamonds.

Under a loupe, one can see diamonds magnified 10 times, whereas the MBox's microscopic analysis has an optical zoom of 180. This lets polishers see even the edges of faint cracks, allowing them to change their polishing plans in the initial rough stage and thus avoid losses later.

Last year, Lexus introduced its X-ray Dia-Tomography machine, which shows an exact 3D image of a stone's structure. About 15 or 20 such machines have been operational in the trade during Covid-19.

traditional to tech-savvy. In the last 10 years, diamantaires in Surat have invested heavily in digital methods of allocating, planning, brutening, shaping, polishing, grading and branding their stones. The average diamond company has an annual turnover of more than INR 50 billion (\$672.5 million) and spends some \$3 million to \$5 million each year on the latest technology so it can stay ahead of the competition.

A PLETHORA OF DEVICES

Lexus has designed a sizable number of such devices and software, among them its X-ray Dia-Tomography inclusion-mapping technology, which produces a precise 3D model of rough stones up to 1,000 carats and is accurate to within 10 to 30 microns (0.010 to 0.030 millimeters). Other innovations include its automatic brutening and girdling machines for diamonds weighing 0.2 to 1,000 carats; its patented Digital Adaptive Light Scope (DALS), a powerful microscope that offers reflection-free illumination of the stones under it; and Cutwise Live, a small desktop device that lets jewelers examine a diamond's optical performance under different lighting conditions.

One revolutionary product Lexus developed recently with fellow diamond-tech firm Octonus is the Galahad Compass. Billed as the "3D digital printer for a diamond," it offers digital assistance to polishers so that even novices can produce expert-quality faceted stones, according to Lexus.

In the wake of Covid-19, the industry has been using artificial intelligence (AI) and cloud-based big-data analysis to offer customized goods and photo-real or virtual interfaces for showcasing diamonds. Cutwise has been a useful tool in this area. Manufacturers can place diamond design options on the Cutwise cloud platform so clients can view high-quality videos and photos and select their preferred cuts. The clients can later preview the polished stone's optical performance on Cutwise's presentation platform, which includes all of the diamond's information. This means buyers get to specify in real time what they want the end product to look like before the rough goes to the factories in Surat for planning and cutting.





“PRODUCTION HAS INCREASED MANIFOLD. A DIAMOND THAT [PREVIOUSLY] TOOK TWO MONTHS...IS NOW READY FOR CONSUMERS IN A MATTER OF 10 TO 15 DAYS”

A NEW LOOK FOR FACTORIES

The atmosphere at factories has changed along with the technological shifts. Large diamond companies such as Dharmanandan Diamonds, Venus Jewels, Shree Ramkrishna (SRK) Exports, and Shree Hari Krishna (HK) Exports have manufacturing facilities in the heart of Surat’s Katargam and Varachha diamond districts, and these are arranged like large corporate offices. There is no more squatting on the floors; diamond karigars can be seen planning and polishing diamonds on raised tables with computer screens and high-tech machinery.

The switch to more precise diamond cutting has had its upsides and downsides. In earlier times, rough was cheap, and the guesswork of the karigars meant clients didn’t always know their stones’ optimal yield. Now, buyers halfway around the world can see in advance what they can get, and it has affected cutters’ profits.

“Three decades ago, when...diamond technology was not invented or introduced [yet], the profit ►



Dharmanandan Diamonds factory in Surat. Top: Inside the Lexus Group factory.



From top left: Lalji Patel, chairman of Dharmanandan Diamonds; Hitesh Patel, managing director at Dharmanandan Diamonds; Lexus Group's "Three Musketeers" (from left): CEO Janak Mistry, director Utpal Mistry, and chief operations officer Kamal Mistry.



margins were as high as 30%," recalls Hitesh Patel, managing director at Dharmanandan Diamonds. "Now, with the latest high-tech diamond [equipment] in use, our profit margins have shrunk to less than 3%."

Still, he appreciates the efficiency. "Production has increased manifold. A diamond that took two months to become a sparkling gem is now ready for consumers in a matter of 10 to 15 days. The technology is such that it can accurately predict the exact 4Cs of the diamonds before [they are] planned or marked."

Dharmanandan's manufacturing facility is spread out over some 7,500 square meters in the center of Katargam. The company's annual turnover is \$800 million, and it spends \$3 million on high-tech solutions per annum. It even has an in-house R&D facility, where it has developed its own diamond technology and software since 2006.

Because many small-scale diamantaires can't invest in costly technology, some companies offer a pay-per-carat (PPC) option that lets these diamantaires pay a fixed amount for processing diamonds on the latest equipment. This gives small businesses a technological edge that lets them compete with the cutting and polishing standards of the big units.

SRK Exports is one of the most technologically advanced diamond crafters in the world. With a 5,000-strong diamond workforce, SRK expanded

"WITH JUST ONE CLICK
FROM THE OFFICE
COMPUTER, I CAN SEE
THE ENTIRE JOURNEY...
FROM ROUGH PLANNING
TO THE FINISHED
SPARKLING GEMS"

into the jewelry segment in 2003, taking its total annual turnover to INR 94 billion (\$1.26 billion).

Among its innovations are the Digiplot feature, which can determine a diamond's depth and map out inclusions; Footprints, which lets customers trace their diamonds' journey from mine to market; and its in-house SRK Grading System (SGS), a comprehensive set of grading criteria that's certified by the International Organization for Standardization (ISO).

In fact, SRK holds several ISO certifications. It is also a member of the US Green

Building Council (USGBC).

"Diamond technology [entered] the diamond industry due to the visionary mind-sets of our fathers," reflects SRK director Shreyans Dholakia. "With just one click from the office computer, I can see the entire journey of the diamonds, from rough planning to the finished sparkling gems. With technology at our side, the customers around the world get flawless diamonds." ■

WORLD-CLASS EDUCATION

The classroom complex where Lexus trains its clients to use its products is on par with the facilities of tech giants like Google or Facebook. As far as the diamond trade is concerned, it is a myth that adopting sophisticated technology will ultimately render skilled workers jobless; many say the tech revolution in the industry has actually increased the demand for skilled workers to operate the equipment. The monthly pay packages have increased as well: Some of these workers earn above INR 100,000 (\$1,344) per month. "You [could] call it a selfish motive, but we need to train the artisans to make use of our technology," says Lexus director Utpal Mistry. "Initially, diamond workers were reluctant, as they had not operated machines and computers. But when we gave them practical training and showed them that the skills required...are even easier than operating a Facebook or WhatsApp account on a smartphone, the artisans were quick to adopt the technology." Indeed, the education worked both ways. "Most of the changes we made in our pieces of machinery are due to the suggestions given by the artisans and clients," he says. Mistry stresses that his firm's machines are beneficial to the companies that use them. "Raw material itself is costly these days, and even if you save just a few microns, it adds up for your profit. The industry has not brought people from outside; those operating the machines are the same set of *karigars* (artisans) working in the industry for years, and if you [calculate the amount] of skilled manpower in the last 30 years in Surat, you will be amazed to see there is a multifold rise in job creation."

CITY OF DREAMS

Surat's diamond trade has changed the fortunes of the artisans from Gujarat's Saurashtra province.

BY MELVYN THOMAS



A decade ago, Mukesh Lathiya arrived in Surat, India's diamond-manufacturing capital, as a 21-year-old from Adtala — a small hamlet in the Bhavnagar district of Gujarat state's Saurashtra region. Many youngsters from his village were employed in small diamond factories and earning a good amount of money from crafting, sorting, and planning cutting patterns for the sparkling stones. Every year during the Diwali festival, these young diamond *karigars* (artisans) in their 20s and 30s would visit the village on motorcycles — a 10-hour trip along the 400-kilometer road from Surat.

Nobel Laureate Kailash Satyarthi igniting young minds. Insert: Students of rural primary schools receive educational tools provided by the gem and jewelry industry.

Lathiya's family consisted of his two brothers, a sister, and his parents. They were all dependent on the agricultural income from their 2 acres of ancestral land. But that was not enough for the survival of a big family, and Lathiya decided to move out of the village. As was the case for many highly educated Indians, working in the US and other foreign countries was a dream; for Lathiya, Surat was his America, and that's where his path led him.

WORKING HIS WAY UP

Lathiya had a few acquaintances from home in Surat, and he started on a monthly salary of INR 4,000 (about \$54) while he was still in the learning ►

stage. Within six months, he learned the art of cutting and polishing diamonds on the emery wheels. In Surat, the contract and job workers — those with fixed wages and those getting paid per stone, respectively — usually move from one unit to another for better wage prospects. Lathiya was no exception; he, too, worked in dozens of small units for over five years.

But destiny had greater things in store for him. A diamond merchant with whom he was closely acquainted offered him a business opportunity. The merchant invested money in helping Lathiya set up a small diamond business, and provided him with rough for processing. Lathiya started with one emery wheel in 2010.

A decade down the line, he is running a small diamond unit and employs about 20 karigars. His annual turnover is somewhere around INR 30 million (about \$404,000), and he recently teamed up with a large diamond company to process stones above 5 carats.

“I am from a farmer’s family,” he says.

“Saurashtra is a parched area where we get very

scant rainfall during the monsoon season. It is a [matter] of pure luck, how much one can cultivate on the farm with scant water. I toiled hard for 15 hours at a stretch, with just half an hour of lunch break, to learn the art of diamond polishing.”

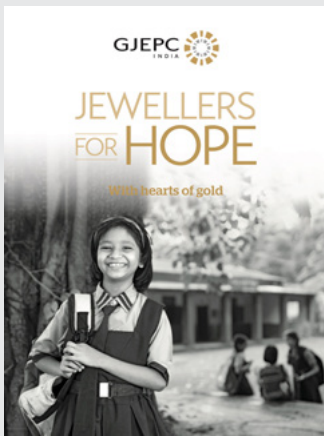
He recounts the story with a big smile on his face, looking at tiny gems through his loupe inside his 1,500-square-foot unit in Surat’s Katargam neighborhood.

“I landed in Surat carrying a small suitcase.

In just 10 years, I have my own house in [the neighborhood of] Varachha, my children are studying in an English-medium school, and I rebuilt my old house in the village,” he shares. “The diamond industry has taught me to take calculated risks and move ahead on the path of success.”

Lathiya is not an isolated case. There are many like him, with stories to tell about Surat’s diamond industry. These artisans have made Surat their *karamabhoomi* — the land where one works — and Saurashtra their *janmabhoomi* — the land where they were born. The majority of these diamond karigars belong to farmers’ families and have internalized the

“IN JUST 10 YEARS, I HAVE MY OWN HOUSE...MY CHILDREN STUDY IN AN ENGLISH-MEDIUM SCHOOL, AND I REBUILT MY OLD HOUSE IN THE VILLAGE”



GIVING BLOOD

The diamond artisans of Surat aren’t just pouring the sweat of their brow into their work; they’re also donating blood to aid critically ill patients. Seven of every 10 donors to Surat’s blood banks have connections to the diamond industry. The diamond centers in Varachha and Katargam run numerous blood-donation stations that are filled to capacity every year.

In addition, out of the 10 Gujarat firms that encouraged their workers to register as stem-cell donors during the pandemic, four were from Surat. About 9,500 *karigars* who had already beaten Covid-19 registered with the DATRI, India’s largest registry for unrelated blood-stem-cell donors. Many diamond workers, merchants and unit owners donated plasma as well to save the lives of patients in Surat and elsewhere in Gujarat.

One prolific donor is 45-year-old Ghanshyam Gabani from Khopala village in Bhavnagar. He has given blood more than 200 times in the last 10 years. As a diamond sorter in a small unit, earning monthly wages of INR 25,000 (\$337), he is part of “a group of 500 diamond karigars from Bhavnagar who are registered with the blood banks in Surat. Whenever the need for blood arises, the blood banks contact our group members for donation.”



Diamond karigar inspecting a stone. Opposite: The Gem & Jewellery Export Promotion Council (GJEPC) launched the *Jewelers for Hope* book, which compiles corporate social responsibility (CSR) activities, in August; diamond artisans in their workshop.

qualities of hard work and passion that have run in their blood for ages.

VARACHHA AND KATARGAM

Crossing the underpass near the Surat railway station, one enters Varachha, one of the city's main diamond domains. Its prolific diamond manufacturing activity extends into the nearby Katargam area, which is home to some of the world's leading diamond companies — Dharmanandan Diamonds, Venus Jewels, Shree Ram Krishna (SRK) Exports, and Kiran Gems, among others — as well as numerous medium and small-scale diamond units.

Out of Surat's total population of 5.5 million, Varachha and Katargam contain about 1.5 million members of the Patel caste who migrated from Saurashtra to Surat in the last six decades. In that time, the diamond community in Surat has gone from a cottage industry to the global manufacturing hub it is today, boasting an average annual turnover of INR 1.5 trillion (\$20.2 billion).

It owes its status largely to its highly skilled karigars and its low labor costs. The artisans there earn wages based on how many stones they cut per day. Diamonds in melee and star sizes, which are usually single-cut, have a labor cost of INR 12 to INR 14 (\$0.16 to \$0.19) apiece, while slightly larger, double-cut diamonds command INR 30 to INR 80 (\$0.40 to \$1.08) each.

Still, as Lathiya's story shows, the glittering Surat diamond industry can change the fortunes of the karigars it attracts. Skilled and semi-skilled artisans there earn average monthly wages of INR 18,000 to INR 150,000 (about \$243 to \$2,022).

In total, there are over 5,000 big, medium and small diamond businesses in Varachha and Katargam, employing about half a million karigars.

TO THEIR HEALTH

The Gem & Jewellery Export Promotion Council (GJEPC) has initiated a slew of health care programs for the industry's artisans and their family members.

The Swasthya Ratna health insurance scheme, which launched in 2015, aims to provide insurance at subsidized rates for the entire gem and jewelry workforce in India. So far, it's given coverage to some 693,000 people and 192,000 families of *karigars* from about 1,000 diamond companies, paying out INR 1.7 billion (\$2.2 million) in total claims.

The GJEPC is also running a social security program known as the Parichay Card system. "*Parichay*" means "identity," and the primary objective is to create a verified and well-organized database of the industry's workers. Since its official launch in March 2019, about 62 gem and jewelry associations from across India have enrolled, and the system has issued 150,000 Parichay Cards. The GJEPC has set a target of five million cards in the next two years.

Among other benefits, registered card-holders will pay only 25% of the premium for the Swasthya Kosh (health coffer) insurance scheme, under which a GJEPC-created fund of the same name will cover the remaining 75%.

During the Covid-19 pandemic, the GJEPC also offered INR 7.5 million (\$101,064) in aid to the SDA Diamond Hospital and Medical Research Centre in Varachha. The funds enabled the hospital — which is run by the Surat Diamond Association (SDA) — to buy medical equipment for an isolation ward, including ventilators, beds and monitors.

The majority of them hail from the Saurashtra region, while others come from states like Bihar, Uttar Pradesh and Odisha. While Saurashtra has its own cutting and polishing centers that employ another half-million karigars — including in the town of Palitana and in the Bhavnagar, Amreli and Surendranagar districts — these work at small diamond units that mainly do job work for diamond businesses in Surat.

FOR LOVE OR MONEY

Though there were few Saurashtrians in the industry during the 1970s, the scene changed in the '90s. Young migrants from the region arrived in hordes for employment in the diamond trade, lured by the established diamond barons. The primary reason behind the mass migration was famine, coupled with scanty rainfall during the monsoon season, and limited resources for employment generation.

Harshad Khandali, 35, is one of the Saurashtrian artisans who have made their way to Surat. Khandali, who has worked in the industry for the last decade, hails from the Botad *taluka* (block) in the Bhavnagar district. At home, he was not finding a girl to marry, as he spent his time working in the field with his father. Boys his age who were employed in Surat's diamond industry were the first choice for girls' parents in Saurashtra, so he decided to move to Surat and become a diamond karigar.

"I am from an orthodox Patel community," he relates. "For the sake of my marriage with a girl whom I liked in my village, I moved to Surat. I became a skilled worker in one year and went to my [hometown] for marriage. I am earning INR 20,000 [\$270] per month and living with my wife and two-and-a-half-year-old daughter in a rented house in Katargam."

Jayesh Dabhi, 32, from Chogath village in Bhavnagar, has been employed in the diamond industry for the last 14 years. Like many others, he moved out of his village at a young age in search of a job in the Surat diamond sector. His father had outstanding debts of INR 100,000, and as the eldest son, Dabhi had to answer the call to try his luck in Surat so he could pay his father's creditors.

"I had no other option," he recalls. "I remember working for 14 hours in the [diamond] unit to repay the farm debt of my father. I worked hard, ate less during the day to save money, slept in a 10-by-10-foot room with six other workers. All this I did for repaying the debt. Today, I live in a rented apartment with my wife and two children; I cleared the debt and also renovated my ancestral house in the village."

These and other hard-working Saurashtrian karigars are a major reason Surat is standing tall today as a multibillion-dollar diamond center. ■

SURAT ON THE RISE



The massive new bourse opening in the diamond-cutting capital next year aims to transform the city into a global trading hub.

BY MELVYN THOMAS

For the last six decades, every sparkling gem processed in the Indian city of Surat — the world’s largest diamond cutting and polishing center — would end up in Mumbai, the country’s economic capital. That’s where international buyers would visit diamond offices to seal deals, and that’s where exporters would ship the stones to countries across the world.

Next year, this dynamic is set to change. India will get its second diamond exchange, the Surat Diamond Bourse (SDB), which will be three times the size of its Mumbai counterpart, the Bharat Diamond Bourse (BDB).

“The SDB is different from all the diamond bourses in the world,” declares Mathur Savani, one of the exchange’s core committee members. Touted



as the world’s largest office building at 6.6 million square feet — bigger than the Pentagon, which spans 6.1 million square feet — the INR 25 billion (\$336.2 million) project is a game-changer for Surat’s economy, as well as for the Indian diamond industry.

‘UNDER ONE ROOF’

The state of Gujarat — which includes Surat and other districts in the Saurashtra region, such as Amreli and Bhavnagar — processes about 93% of the world diamonds. While the polished diamonds from the large and medium-size factories usually reach Mumbai for trading, the smaller diamantaires

From top: Model for the Surat Diamond bourse; site where the new exchange is under construction.



in Surat and the other Saurashtra districts have been trading their goods in the diamond markets of Mahidharpura and the Mini Bazaar in Varachha for decades.

The small alleys in those markets remain cramped throughout the day, with diamonds to the tune of INR 5 billion (about \$67.12 billion) exchanging hands daily. The *angadias* (diamond couriers) shuttle between Mumbai and Surat on trains, transporting the precious goods.

Once the SDB becomes operational in mid-2022, however, the diamond merchants will shift their business from Mahidharpura and Varachha to the Khajod area, where the new bourse will be situated.

“Not just the buyers — even diamond mining companies will have to visit the SDB for the auctions,” says Dinesh Navadia, regional chairman of the Gem and Jewellery Export Promotion Council (GJEPC) and a member of the SDB’s finance committee. “The SDB will not only save the time and money of the diamantaires, but it will allow them to connect with the world under one roof.”

A BROADER PLAN

The SDB is part of the vision the Gujarat government has for the region. The complex is among the businesses that will make up Surat’s

Diamond Research and Mercantile (DREAM) City, a government initiative that will cover 700 hectares of land in Khajod. This “smart city” is near the Surat airport and connects to the Outer Ring Road, a major highway project that is currently under construction.

When Anandiben Patel, then chief minister of Gujarat, laid the foundation stone for the SDB in 2017, the diamond merchants and others occupying offices in the BDB started shifting their bases of operation from Mumbai to Surat. The city’s realty market has boomed over the last three years as a result, riding high on the influx of people connected with the Mumbai diamond trade.

In fact, trade members had already claimed all 4,200 diamond offices in the SDB before construction even started in 2018. When it opens in 2022, the SDB will hold “a grand inauguration,” with government leaders and “the who’s who of the global diamond industry” in attendance, according to Savani.

REALIZING A DREAM

Leading the charge on the SDB project has been Kiran Gems chairman Vallabh Patel, along with other movers and shakers in the Indian industry.

“Our dream of transforming Surat into [a] diamond trading hub will be a reality soon,” says Patel, who serves as the bourse’s chairman. “The SDB is purely a trading center for diamonds and jewelry, and no manufacturing activity will be allowed.” On top of that, it features “infrastructural and other facilities [that] were lacking in other diamond bourses across the world.”

All of this will help realize the project’s aim of developing India as a modern, sophisticated market for diamonds, gems and jewelry. ■

Above: Mathur Savani.
Below: Vallabh Patel.



AN INFUSION FOR THE INDUSTRY

India’s total gem and jewelry exports are pegged at \$37.4 billion per annum, according to the Gem and Jewellery Export Promotion Council (GJEPC). The Surat Diamond Bourse (SDB) is ultimately expected to bring in an annual turnover of INR 2.5 trillion (\$33.56 billion), with buyers from more than 175 countries visiting the site to trade rough and polished diamonds, gems and jewelry. The international buyers will have the opportunity to purchase precious gems at the best prices, since

the bourse’s proximity to the city’s diamond manufacturers would cut down on overhead expenses such as traveling and maintaining offices and staff at the BDB in Mumbai.

The SDB project will help boost Surat’s economy as well, bolstering sectors like real estate, textiles and hospitality. In the last three years, realty prices in neighborhoods such as Vesu, Althan, Adajan and Pal — which are within 5 to 8 kilometers of the bourse — have appreciated by almost 15% to 20% following the SDB-related spike in demand for housing.

PUTTING THE 'CHANGE' IN EXCHANGE

The Bharat Diamond Bourse has brought much-needed structure and greater business opportunities to the Indian trade.

BY VINOD KURIYAN

The Indian diamond industry grew into the global giant it is today in a mostly organic way, with no formal structure as such. However, by the turn of the century, it was clear that the now-mature Indian industry needed to be more organized and better regulated in keeping with global industry standards and practices.

Though it had built an informal system that worked well in Mumbai's downtown Opera House area, the industry was still working in insecure conditions. Brokers would be out walking on public streets, going from one diamond office to another, with goods worth tens of thousands of dollars on their persons.

Industry leaders like S.G. Jhaveri of sightholder London Star had been pushing for the construction of a bourse for some time, but Jhaveri's sudden death in 1991 put the enterprise on hold. Still, other industry leaders realized that a bourse was essential, and eventually, in 2010, the Bharat Diamond Bourse (BDB) opened for business on a 20-acre campus with 2 million square feet of



The BDB campus.

built-up area. Today, the BDB boasts 4,000 members and some 2,500 offices for diamond firms.

BDB president Anoop Mehta of Mohit Diamonds has helmed the diamond exchange through a range of global issues, including the current Covid-19 pandemic. "It has been about 10 years since the Indian diamond industry relocated from Mumbai's Opera House area to the Bharat Diamond Bourse," he says. "Despite the initial reluctance before the move, people have since realized the huge benefits of having moved into a registered bourse."

SECURITY AND CONVENIENCE

Those benefits are many, according to Mehta. "To begin with, everybody is on one campus, and security has improved exponentially. The ease of doing business has also increased tremendously, with services like customs facilities, banks and secure couriers all available at one location. The overall efficiency of the Indian diamond industry has increased manifold since the relocation to the bourse. There is now an appreciation of how much better things are when it comes to doing business."



The Bharat Diamond Bourse.

Jitesh Shah, partner at manufacturer Star Rays, echoes that sentiment. “Opera House had space constraints, so the market grew over time in a group of buildings near each other in an unorganized way. Most of these buildings never had the right space or adequate infrastructure for an international diamond business hub. There was no way to restrict the entry of unauthorized people, which was a big security concern. Facilities that were essential for the smooth functioning of business, like banks, safe-lockers and customs services, were in different locations, leading to a lot of unproductive time as personnel scurried between them.”

The structured environment at the BDB has helped earn the Indian industry recognition as an international diamond hub, he continues. The bourse has also increased business opportunities, according to Shah, whose company specializes in solitaires. “We have a much better chance of connecting with customers — even someone who might be visiting the bourse for the first time.”

Indeed, says Mehta, the bourse has plugged the Indian diamond trade more firmly into the international arena. “The Indian industry has become more aware and has developed an organized response to global diamond industry issues. The bourse has arbitration rules, so matters can be quickly and satisfactorily resolved for both members and overseas buyers. The bourse also ensures that standards and norms are adhered to; new standards are very quickly implemented.”

BIG BOOST FOR SMALL OPERATORS

In particular, the move to the BDB has benefited India’s many small diamond operators, says dealer Mahendra Gandhi of Gandhi Enterprises. Gandhi is president of the Mumbai Diamond Merchants’ Association (MDMA), an industry group that represents small diamond dealers and brokers who have no infrastructure or premises of their own.

“We have three trading halls in the BDB that can accommodate hundreds of people,” he says. “These halls come with the associated facilities, [including] the right sort of lighting, equipment like electronic weighing scales, and more. This has enabled and enhanced the business abilities of all the small operators to an extent they could never have imagined when everyone was still at Opera House.” Because “everybody comes here

to do business,” he continues, the opportunities for these smaller players have increased exponentially, including “a much greater chance of developing direct business relationships with even overseas clients.”

For membership, the MDMA charges INR 1,000 (\$13.50) per year, which includes access to the three trading halls and “an insurance facility that pays out INR 300,000 (\$4,042) in the case of a member’s death,” Gandhi says. “This payout has unfortunately been made a lot in these Covid-19 times. We were able to provide some sort of financial support to many families.”



“SERVICES LIKE CUSTOMS FACILITIES, BANKS AND SECURE COURIERS [ARE] ALL AVAILABLE AT ONE LOCATION”

“There’s nothing wrong with lab-grown diamonds,” stresses Mehta. “The issue was of people trading them without disclosure. So we [initially] banned them to make the point that they can’t be surreptitiously traded on the bourse campus. Once that was understood, we now have members dealing in lab-grown diamonds, which are fully disclosed.”

FULL DISCLOSURE

Diamond dealer Rohit Shah of P. Rohitkumar & Co. agrees that the BDB’s technology and other facilities have improved business, particularly when it comes to distinguishing lab-grown from mined diamonds.

Shah, who serves as vice president of the MDMA, specializes in natts — heavily included diamonds that are almost exclusively sold in the US market. Even in this relatively low-cost category, he says, “nobody wants any undisclosed mixing; they want only natural diamonds.” As such, the ability to test the stones and immediately confirm their natural origins for clients is a valuable asset. “Operating out of the BDB, we are able to provide them that assurance easily. I can even buy from very small operators and supplement my product offerings to my clients with full assurance.”

Even during the pandemic, he reports, US buyers have come to the BDB and bought with confidence.

Mehta affirms this. “We have a gem-testing lab on campus, and we push for full disclosure in all matters. This makes acceptance of decisions and rulings much better with everyone.”

Late last year, the BDB voted to lift a 2015 ban it had imposed on trading lab-grown goods at the diamond exchange.

THE BROKER’S VIEW

While the increase in security is an outstanding feature of the move to the BDB, the shift has also drastically reduced the street-level transactions ▶

that characterized the Opera House area, according to Vinay Parekh, a broker who has been in business many years.

“We now see most transactions at a more corporate level, in various offices,” Parekh says, adding that “the move to the BDB has also resulted in more certified goods being traded. The certification process has become that much easier. Where brokers and their clients had to carefully examine dozens of parcels in Opera House, we now have large numbers of transactions where only paperwork is scrutinized.”

Another change is that brokers no longer keep the goods in their possession while transactions are pending, he relates. “We used to routinely hold on to goods even overnight, keeping them in safety lockers that most brokers would lease. Now goods get promptly returned to their owners if a transaction doesn’t go through.”

In fact, it seems, the BDB has greatly diminished the need for brokers themselves. “It is becoming more difficult for brokers to transact business each day,”

Parekh says ruefully.

Nonetheless, the thousands of small diamond businesses in the market remain a focus for the bourse. These provide even the big Indian firms with an incredible range of size, quality and price-point options.

“Small operators need to be kept in the loop on industry developments and issues worldwide,” says Mehta. “We are looking at publishing a newsletter with known global industry writers contributing to it. But even the small operators

are very well informed and grounded on all the issues. Still, it is our job to make sure that all the information that is relevant to their businesses and future well-being is presented to them.”

ON THE HORIZON

With business at the BDB continuing to grow, the bourse’s biggest issue is the need to broaden its services and infrastructure.

“We are already working on a major expansion of customs services,” Mehta says. “We also need more space for public areas where people — especially the small operators — can meet and do business. Obviously, we have some space constraints, but we are looking at putting up another public hall.”

Indeed, such extra space is on Gandhi’s wish list. “Given the expansion in our membership, we could really do with more meeting and trading facilities,” he says.

Star Rays’ Jitesh Shah, meanwhile, would like to see a food court, additional and more affordable parking, and better

in-bourse medical facilities — though he notes that the best heart hospital in the country is just across the street from the exchange.

Given the global industry’s experience with Covid-19, the future is clearly digital, and that factors into the BDB’s plans as well.

“We are looking at setting up a digital platform for the bourse,” says Mehta. “This is a work in progress. The industry is traditionally wary of open trading platforms, where all their details are on full view. Yet electronic platforms like RapNet are doing brisk business. We’ll grow a digital presence in line with the way our members’ attitudes to these systems evolve.” ■

“THE MOVE [HAS] RESULTED
IN MORE CERTIFIED GOODS
BEING TRADED. THE
CERTIFICATION PROCESS HAS
BECOME THAT MUCH EASIER”



Inside the Bharat Diamond Bourse.

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DELIVERING THE GOODS

India's premier jewelry-making district, Mumbai's Santacruz Electronic Export Processing Zone (SEEPZ), has managed to maintain its momentum even during the coronavirus crisis.

BY PREETA AGARWAL

Mumbai's Santacruz Electronic Export Processing Zone (SEEPZ) is India's largest jewelry-manufacturing hub. The companies in the massive compound feel like they're operating in a foreign country, enjoying a host of benefits on import and export tariffs in return for exporting 100% of the goods they manufacture.

WHAT IS SEEPZ?

Valuables worth millions of dollars cross the gates of SEEPZ — one of Mumbai's most highly guarded areas — several times a day. Categorized as a special economic zone (SEZ), it started with only nine jewelry-manufacturing units in 1988

and today houses 150, spread over 111 acres. It accounts for about 50% of India's total gold-jewelry exports, and its gem and jewelry division employs 35,000 to 40,000 people. With their cutting-edge manufacturing technology and their know-how of materials, these businesses provide a broad selection of exclusive products for overseas clients.

The zone provides numerous facilities and benefits to its firms and is an important mechanism for the nation's foreign trade. Home to banks, a central warehouse, a foreign post office, an offshore banking unit, a foreign-currency exchange, a convention center, customs clearance, superior infrastructure, and foreign direct investment (FDI), SEEPZ is self-sufficient.

Above and opposite (right): Jewelry manufacturing facility at Renaissance Global Ltd. Opposite (left): Colin Shah, chairman of the Gem & Jewellery Export Promotion Council (GJEPC).



“SEEPZ is an export-manufacturing hub that offers the flexibility of completely tax-free offshore manufacturing with the unrestricted, duty-free movement of goods. The government policies and overall business environment are favorable, which enables the units in these zones to manufacture, produce, and trade goods at a lower price to make them globally competitive,” states Colin Shah, managing director of jewelry manufacturer Kama Schachter and chairman of the Gem & Jewellery Export Promotion Council (GJEPC).

MAJOR CLIENTS

In the fiscal year that ended March 31, gem and jewelry exports from SEEPZ stood at \$2.09 billion. While collectively, jewelry exports from all of India’s SEZs plummeted 50% in the pandemic-hit 2020-21 financial year, exports from SEEPZ in Mumbai dropped only 3.2%, proving its manufacturing capabilities even in times of stress.

The US, Hong Kong and the United Arab Emirates (UAE) are three of the top importers of jewelry from SEEPZ, accounting for almost a 75% share. The US represents more than 50% of the total, with exports there reaching \$1.37 billion for 2020-21. Studded gold jewelry (worth \$1.12 billion) and plain gold jewelry (worth \$117 million) were the principal commodities SEEPZ shipped to the US during that fiscal year, with total gold-jewelry exports to the US reaching \$1.23 billion. Natural and lab-grown polished diamonds, along with silver and platinum jewelry and other categories, round out the total export value.

Retailers like Walmart, Zales, Sterling Jewelers, Macy’s, JCPenney and Neiman Marcus are some of the biggest buyers of jewelry from SEEPZ. Many are also trusted suppliers to catalog, e-commerce and television retailers such as Amazon, UK-based



IN A NUTSHELL

The Santacruz Electronic Export Processing Zone (SEEPZ) in Mumbai launched on May 1, 1973, as a single-product export promoting zone (EPZ) exclusively for manufacturing and exporting electronic items. Noting the gem and jewelry industry’s high potential and low pollution levels, the Indian government decided in 1987 to permit the manufacture and export of gems and jewelry from SEEPZ.

SEEPZ became a free-trade district after it was designated a special economic zone (SEZ) in 2000. In that capacity, it offers the flexibility of tax-free offshore manufacturing and unrestricted, duty-free movement of goods.

From modest beginnings in 1988, the export value of the SEEPZ gem and jewelry sector hit \$2.09 billion in the 2020-21 fiscal year. Around 95% of India’s gold-jewelry exports to the US come from SEEPZ. SEEPZ jewelry also goes out to the Middle East, Europe, Hong Kong, Australia and South Africa.

Located near the diamond trading center of Mumbai’s Royal Opera House, SEEPZ supplies easy access to raw materials, including gold. The zone also houses canteens, lakes, gardens, the ruins of an abandoned Portuguese church, a health care center, and daycare facilities.

catalog retailer Argos, and the US Jewelry Television network.

CORE EXPERTISE

Jewelers like Kama Schachter, Hari Krishna, Jewelix, Goldstar Jewellery and Renaissance Global have invested millions in research, increasing their product-development capabilities dramatically over the last few years. Most units have dedicated centers: a separate complex, removed from the distractions of day-to-day production with an attached facility for sampling and a creative team of designers, computer-aided design (CAD) operators, model makers and merchandisers. The original designs and proprietary concepts they develop fuel the growth of jewelry exports.

SEEPZ offers overseas buyers the convenience of a one-stop shop with a working environment and production processes that are on par with international standards.

The cutting and polishing of natural and lab-grown diamonds also constitutes a small part of the zone’s activity and exports. However, many companies — including Hari Krishna and Jewelix — maintain their polishing operations in Surat, India’s main diamond manufacturing hub. Exports of polished lab-grown diamonds from across the country have ballooned from \$63.5 million in the 2016-17 financial year to \$626.3 million in 2020-21. But SEEPZ contributed just \$480,000 of the latter.

THE FUTURE

The wide range of jewelers operating in SEEPZ, the ease of doing business with companies there, and its proximity to an international airport all make the zone a favorite destination for international jewelry buyers. With the post-pandemic shift in global dynamics and politics, Shah is optimistic that India will see a lot more business in the coming years.”

“The future is bright for us in SEEPZ Mumbai, he says. “With new SEZ reforms coming and a lot of business shifting from China to India post-Covid-19, things are looking positive.” ■

THE BIG PICTURE

How has India's largest retail jeweler adapted to the challenges of Covid-19? Ajoy Chawla, CEO of Titan Company's jewelry division and head of its Tanishq brand, talks about recovery, planning and vaccination.

BY PREETA AGARWAL

HOW IS TANISHQ ADAPTING ITS RETAIL STRATEGIES TO THE NEW COVID-19 CONDITIONS?

We see large potential in middle India towns with populations from 100,000 to one million, and with a presence in 216 towns, our roots run deep into tier-3 and tier-4 towns [those with populations below 100,000]. This diversified presence turned out positively for us in the pandemic, helping us bounce back quickly. Our plan to expand by 30 to 40 stores every year makes us reach new towns. In the post-pandemic world, customers prefer not to go too far away from their home to shop.

Titled as Gold Standard Safety, we have adopted very high safety norms, bordering on excessive, with ultraviolet (UV) sanitizers, crowd control, a shop-at-home service, and use of digital tools like virtual try-ons, live chats and video calls to help make selections. These measures make customers more confident to shop at Tanishq.

WHAT WERE YOUR BIGGEST CHALLENGES IN THE PAST YEAR?

The two strong [Covid-19] waves led to a demand disruption. [Our] digital presence contributes only 5% to 10% [of business] and cannot replace physical shopping. Both years, important jewelry shopping festival Akshaya Tritiya was a washout.

A substantial supply disruption was also seen as most artisans migrated back to their villages and it took time to rebuild capacity. Vaccinating our 25,000-person ecosystem, from artisans to frontline staff, has been our focus for this year. With 97% already vaccinated, human life is foremost for us.

Together, I think the uncertainty is what creates a very complex situation. There is constant fine-tuning, revising and iterating our plans so we are ready to accelerate or pull back with agility.

HOW HAS COVID-19 IMPACTED SALES AND THE SHOPPING MOOD?

We saw some deferred demand on weddings from the second half of last year to the first quarter of 2021. Post both waves, we also saw demand from missed milestones like birthdays and anniversaries. Jewelry is seen as a meaningful asset, and with a





Clockwise from top left: Diamond, pearl and gold earrings; model wearing Tanishq bridal jewelry; diamond, emerald and gold bracelet. Opposite: Bridal jewelry campaign.



growing gold rate, investment in jewelry felt like a sensible purchase, helping us to recover faster.

HOW HAS THE PANDEMIC AFFECTED DIAMOND JEWELRY DEMAND?

The last quarter of 2020 saw a full recovery of [our] numbers. There was also a good resurgence in the first quarter of 2021, especially in the affordable diamond space. We have noticed a considerable spike in first-time Tanishq diamond buyers. An increase in self-indulgence jewelry under INR 200,000 (\$2,666) [is due to the idea that] “nobody knows what tomorrow will bring, so live for today!”

WHAT ARE SOME OF THE INNOVATIVE SERVICES AND COLLECTIONS IN PROGRESS?

We are working on introducing extremely light-weight jewelry for this festive season, and we are also going more local by creating capsule collections celebrating local festivals in a meaningful manner. Constant innovation in our virtual and digital services led to Digital Gold, where one can buy gold for even INR 500 (\$6.50). Lastly, we are also looking at a new alloy that will enable us to offer budget-friendly jewelry.

DESCRIBE TANISHQ’S MARKETING APPROACH IN A NUTSHELL.

We have always celebrated the protagonist — a progressive woman of today who makes her own choices, in the context of society, family and culture. Jewelry in India is bought for rituals, festivals and weddings, and she is the glue that holds the traditions and change together.

We also aim to understand the mood of our customer, leading to our current campaign Little Big Moments, which branched out of the idea

FAST FACTS

- Tanishq is the largest Indian jewelry brand, a division of Titan Company that was founded in 1994 and is headquartered in Bengaluru (Bangalore).
- The retail chain has more than 335 exclusive boutiques in over 200 cities.
- Tanishq offers gold and diamond jewelry in more than 5,000 traditional, Western and fusion looks.
- The company’s turnover for the 2020-21 financial year was INR 182.36 billion (\$2.46 billion).
- Tanishq has received the title of Most Trusted Jewellery Brand in India from the Trust Research Advisory.

that the customer has been through a lot. Life is uncertain, but she still wants to feel good and celebrate life.

WHAT HAVE YOU LEARNED FROM THE BACKLASH AGAINST YOUR RECENT CAMPAIGN FEATURING A HINDU WOMAN AND HER MUSLIM MOTHER-IN-LAW?

Our Ekatvam advertisement got mixed up in a Love Jihad controversy and coincided with a national incident, leading to a negative impression. Our idea was to show how families and communities come together to celebrate the gift of life. Though a large number of audience members defended our brand, it was the safety of our frontline staff that made us pull back the ad. We have defined a standard operating procedure to ensure more checks on the sentimental mood of the general audience, both at conception and launch, leaving less scope for misinterpretation in future.

WHAT IS YOUR TEAM WORKING ON FOR THE COMING YEAR?

There are a lot of exciting capsule collections set to be celebrated through both digital and in-store campaigns this festive season. A mega festive-season collection is also a work in progress. tanishq.co.in ■



GUIDE TO THE RAPAPORT® PRICE LISTS

The Rapaport Price List is commonly used by dealers as a guideline for evaluating natural diamond prices. Readers should understand the List's standards for describing diamonds, as well as its limitations and how it can be used to aid buyers and sellers.

The Round and Pear Shape Price Lists are published online every month.

HIGH ASKING PRICES

The Price List quotes Rapaport opinion of high cash asking prices for Rapaport Diamond Specification A3 and better natural diamonds. These prices may be substantially higher than actual transaction prices. It is most common for the diamond trade to transact at discounts to the List. However, select quantities that are in short supply or subject to speculative demand may trade at significant premiums to the List.

Detailed information about discounts is provided online in real time via our RapNet® and RapX® diamond trading networks. They are also included in the Trade Sheets published in this magazine.

The level of discount or premium is influenced by many factors, including diamond quality and cut, credit/memo terms, the location and type of market, the liquidity level of particular size-quality combinations, and the associated risk of ownership. The easier it is to sell a diamond, the lower its discount to the List. Hard-to-sell diamonds often trade at large discounts. Very in-demand, scarce diamonds may trade at premiums.

DIAMOND SPECIFICATIONS

The Price List relates to Rapaport Diamond Specification A3 or better natural diamonds that are graded based on Gemological Institute of America (GIA) standards (except for SI-3, an additional intermediate non-GIA grade).

CAUTION: Grading laboratories use subjective methods of analysis. The same diamond may be evaluated differently by different labs or even each time it is submitted to the same lab.

Grading reports and our Price List do not replace the human factor in evaluating diamond quality or price determination.

The Rapaport Price List does not provide transaction prices, but price indications that serve only as guidelines – a starting point for negotiations and a basis for estimating value. Buyers and sellers are advised to consult with experts before trading diamonds.

RAPAPORT DIAMOND SPECIFICATION A3 THE RAPAPORT PRICE LIST IS BASED ON THE FOLLOWING SPECIFICATIONS:

RAPAPORT	RAPAPORT DIAMOND SPECIFICATION A3
Grading report	GIA
Shape	Round brilliant
Cut	Excellent
Polish	Excellent
Symmetry	Excellent
Culet	None
Depth %	58.5%-63.5%
Table %	55%-62%
Girdle	No extremely thin, extremely thick or very thick
Fluorescence	None
Weight	No .00 sizes for 1.00 and larger
GIA comments	No GIA color comment
GIA comments	No knot or cavity
GIA comments	For SI1 or lower, no "Clarity based on cloud"
Seller requirement	No green tint
Seller requirement	No Marange diamonds

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CUT SPECIFICATION

The Price List relates to fine-cut Rapaport Specification A3 or better diamonds. Additional Rapaport specifications are available at [diamonds.net/rapspec](https://www.diamonds.net/rapspec). These specifications are subject to change without prior notice.

PRICE INDICATIONS FOR 6- TO 9-CARAT DIAMONDS

Approximate percentage increases from 5-carat prices for larger sizes*

These indications should only be used as guidelines. Large stones are very thinly traded, and prices may vary significantly from dealer to dealer and stone to stone. Availability of large, better-quality stones may be limited, and buyers may find that asking prices and/or transaction prices may be significantly higher or lower than these price indications. This price information should only be used as a general indication of the current market.

* Asking price indications are based on Rapaport Cut Specification A3 or better.

APPROXIMATE % INCREASE OVER 5-CARAT PRICES						
6 CARAT RAPAPORT		IF-VVS	VS	SI	II	I2-I3
	D-F	0%	0%	7%	5%	5%
	G-H	5	5	3	3	3
	I-K	5	5	3	3	3
	L-M	5	5	3	2	2
		IF-VVS	VS	SI	II	I2-I3
7 CARAT RAPAPORT	D-F	15%	12%	12%	7%	7%
	G-H	15	15	12	7	7
	I-K	15	15	12	5	5
	L-M	15	15	12	5	5
		IF-VVS	VS	SI	II	I2-I3
	8 CARAT RAPAPORT	D-F	25%	23%	20%	15%
G-H		20	20	20	15	15
I-K		20	20	20	10	10
L-M		20	20	20	10	10
		IF-VVS	VS	SI	II	I2-I3
9 CARAT RAPAPORT		D-F	30%	25%	25%	20%
	G-H	30	25	25	20	20
	I-K	30	25	25	15	15
	L-M	25	25	25	15	15
		IF-VVS	VS	SI	II	I2-I3
		D-F	30%	25%	25%	20%
	G-H	30	25	25	20	20
	I-K	30	25	25	15	15
	L-M	25	25	25	15	15

PRICE INDICATIONS FOR BLUE FLUORESCENT DIAMONDS

The impact of fluorescence on price depends on its noticeability. In some cases, fluorescence gives the stone a milky-white appearance, which greatly lowers value. In some instances, the fluorescence is hardly noticeable and has minimal impact on the stone's brilliance. Blue fluorescence gives lower-color stones a whiter, brighter face-up appearance. Yellow or white fluorescence is problematic and may require an additional 5% to 10% discount. Generally, the higher the quality and price per carat, the more fluorescence lowers value.

In the table below, we present our estimation of the price gap between nonfluorescent polished round diamonds, and polished round diamonds that show varying degrees of fluorescence. The percentages represent the average price difference for each of the size, color and clarity categories indicated. ■

APPROXIMATE % CHANGES FROM NONFLUORESCENT						
As of January 1, 2021						
			FAINT	MEDIUM	STRONG	
0.30 - 0.49 CT.	D-F	IF-VVS2	-9%	-14%	-18%	
		VSI-VS2	-6%	-9%	-12%	
		SII-SI2	-4%	-6%	-8%	
	G-H	IF-VVS2	-7%	-10%	-13%	
		VSI-VS2	-5%	-8%	-10%	
		SII-SI2	-3%	-5%	-7%	
	I-K	IF-VVS2	-4%	-5%	-6%	
		VSI-VS2	-3%	-4%	-5%	
		SII-SI2	-2%	-3%	-4%	
	0.50 - 0.99 CT.	D-F	IF-VVS2	-12%	-18%	-22%
			VSI-VS2	-9%	-13%	-17%
			SII-SI2	-6%	-8%	-11%
G-H		IF-VVS2	-9%	-12%	-14%	
		VSI-VS2	-7%	-10%	-12%	
		SII-SI2	-4%	-6%	-9%	
I-K		IF-VVS2	-5%	-7%	-9%	
		VSI-VS2	-4%	-6%	-8%	
		SII-SI2	-3%	-5%	-7%	
1.00 - 2.99 CT.		D-F	IF-VVS2	-15%	-21%	-25%
			VSI-VS2	-12%	-17%	-22%
			SII-SI2	-8%	-13%	-16%
	G-H	IF-VVS2	-11%	-14%	-17%	
		VSI-VS2	-9%	-12%	-15%	
		SII-SI2	-5%	-8%	-11%	
	I-K	IF-VVS2	-6%	-9%	-12%	
		VSI-VS2	-5%	-8%	-11%	
		SII-SI2	-4%	-7%	-10%	

THE RAPAPORT PRICE LIST IS ALSO AVAILABLE ONLINE. YOU CAN SUBSCRIBE AT [DIAMONDS.NET/SUBSCRIBE](https://www.diamonds.net/subscribe) OR CONTACT US AT SERVICE@DIAMONDS.NET

RAPAPORT. **DIAMOND** **AUCTIONS**

OCTOBER 4-11 – SINGLE STONE, ISRAEL

OCTOBER 12-14 – MELEE, NEW YORK

OCTOBER 20 – NOVEMBER 1 – SINGLE STONE, NEW YORK & ISRAEL

NOVEMBER 17-29 – SINGLE STONE, NEW YORK & ISRAEL

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MINERS STILL REPORTING SHORTAGES

Polished prices have been mixed, while retailers predict robust holiday results. By Joshua Freedman

The diamond market showed mixed signals in August. While consumer demand remained strong, some major trading centers saw reduced activity during the summer vacation. In addition, polished inventories began to rise, raising questions about the longevity of the industry's recent recovery.

The sector was focused on the upcoming JCK Las Vegas show, which was scheduled to take place from August 27 to 30. However, traders expected the loose-diamond section to be quieter than usual, as many overseas dealers were unable to travel. The Belgian diamond industry chose not to host a pavilion at the show, citing the uncertainty, while India's section was due to house local representatives only.

While the desire to return to trade shows is high, the industry has learned to cope without them in the past year and a half.

Meanwhile, global shipments have rebounded from their 2020 slumps, often exceeding pre-pandemic levels. India's polished exports soared 146% year on year to \$2.26 billion in July, the highest for any month since February 2019.

Polished prices were varied, with larger sizes performing better than smaller goods. The RapNet Diamond Index (RAPI™) for 1-carat diamonds grew 0.2% between August 1 and 19, a gentler rise than in previous months, while RAPI for 3-carat stones climbed 0.6%. However, the 0.30-carat index fell 0.6%, and prices

in the 0.50-carat category slipped 0.3%. It's unclear exactly why the market has become segmented. For the categories that have fallen, a possible influence may have been the gradual growth in stockpiles within the midstream. The number of diamonds on RapNet — across all categories — jumped 20% between July 1 and August 19, reaching just under 1.6 million stones.

ROUGH STRENGTH CONTINUES

Rough prices remained robust because there were still shortages. The large miners have had limited production and depleted much of their inventories during the buoyant first quarter, making it difficult to meet the continued strong demand.

However, prices at the dealer level, which had been sky-high, dropped by around 3% to 5% between late July and mid-August, according to estimates by Alrosa. The miner believes the decline was due to a release of goods by Gokhran, Russia's state gem depository, which sold \$139.2 million in rough — 70% of it to Alrosa — at an auction on July 23.

“On the secondary markets, there is a speculative situation [regarding] prices, because some of the players are ready to pay any price for goods, taking into account the reduced allocation of rough goods directly from miners,” Alrosa deputy CEO Evgeny Agureev told *Rapaport Magazine*. “From this point of view, I think the Gokhran auction [that] happened in July was really at the right time to bring more goods to the industry and also to [demonstrate] that it's not necessary to pay these speculative prices for goods.”

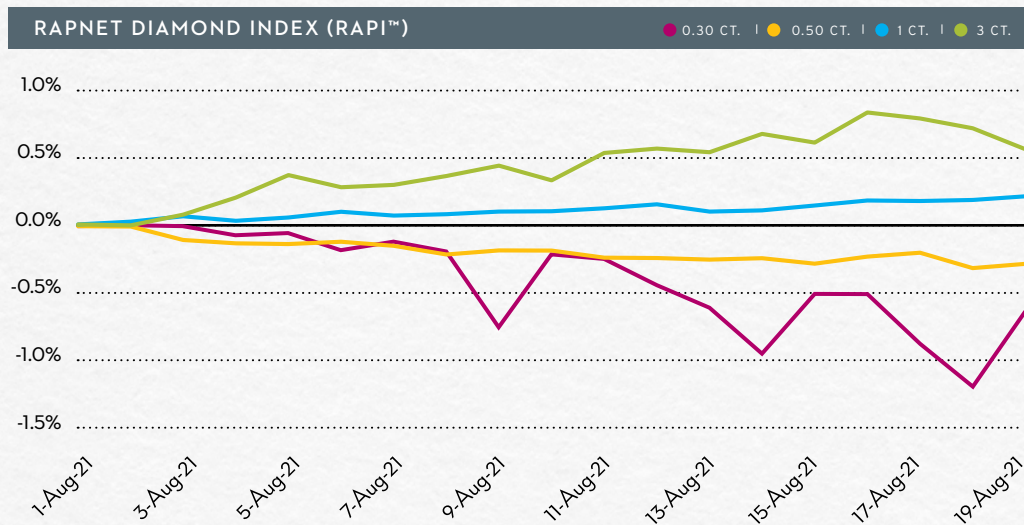
Those elevated rough prices had weighed on manufacturing profits. Cutting firms in Surat raised polished production ahead of the holiday season, but were still operating at around 80% of capacity.

“The strong recovery in consumer demand is expected to continue as the global economy recovers from the impact of Covid-19,” De Beers said July 29 in its half-year report. “In addition, midstream capacity is expected to increase during the

second half of the year, subject to the Covid-19 situation in India.”

From the JCK fair onward, the industry will be fixated on the important US festive period. Retail sales have been strong all year, as consumers have had limited opportunities to engage in travel and other experiences. With society and the economy gradually returning to normal, the coming months present opportunities for retailers.

“We expect that it's going to be a very strong holiday season,” said Jeff Gennette, chairman and CEO of Macy's, in an August 19 call with investors. Customers, he noted, were “coming back together maybe for the first time in a couple of years.” ■



The RapNet Diamond Index (RAPI™) is the average asking price in hundred \$/ct. of the 10% best-priced diamonds, for each of the top 25 quality round diamonds (D-H, IF-VS2, GIA-graded, RapSpec-A3 and better) offered for sale on RapNet®.



HOLIDAY CONFIDENCE HIGH FOR DIAMONDS

Dealers welcome fall after a stellar summer, with plenty of positivity in the run-up to the festive season. By Joyce Kauf

The traditionally slow summer felt like a distant memory this year. Instead, summer 2021 will be remembered for a sales surge in the wake of the pandemic.

NEW YORK: RESUMING CLIENT VISITS

“After six months of almost no sales, September 2020 was one of the best we ever had,” said Aron Suna, president of New York jewelry manufacturer Suna Bros. Since September, his sales have been “very, very strong.”

Suna, who manufactures exceptional-quality fine jewelry that can run into the six figures wholesale, cited the challenge of finding fine gemstones. In 2020, his company bought almost no inventory, but took the time to mount some of the stones that had “accumulated” over the years. “We’ve had the luxury of living off our extensive loose inventory,” he said.

However, Suna’s biggest challenge is finding high-end jewelers and setters. Given that all the manufacturing is done on the premises, a shortage of qualified talent impacts the firm’s ability to produce stock items.

Having always participated in the Couture and Centurion shows, Suna Bros decided in January to opt out of the major fairs this year. The company owners and sales staff resumed traveling to stores about three months ago, making sure to observe all health protocols. This strategy has worked to Suna Bros’s advantage. “Orders are bigger when we go to the store. The owner and the buyer will look at the line to determine what to bring in, but often the sales staff is present, and they look at pieces with a specific client in mind,” Suna explained.

He is “very, very optimistic” that sales will remain strong through the holiday season.

ATLANTA: LAB-GROWN DEMAND

“Our business has absolutely picked up,” declared Ronit Pinsky, a jewelry designer at Crown Diamond in Atlanta, Georgia. Pinsky was comparing this year’s sales to a “very challenging” 2020 in which the family-owned wholesaler’s business hit one of its lowest points since the company opened in 1986.

She linked the uptick to vaccine distribution, which enabled stores to reopen. The wholesaler has not experienced any inventory shortages, given its

close ties to a manufacturer in Israel, she reported. While Crown is seeing significant demand for mined diamonds, lab-grown has taken on an important role in driving the company’s sales.

“The demand for lab-grown is tremendous. I think it has helped the independent jewelers and some chains to get back on their feet after the pandemic — as well as our company,” Pinsky said. The price of lab-grown is attractive to the budget-conscious customer, she explained, because it offers a better value and “amazing color and clarity.”

Rounds, ovals and cushions are Crown’s top-sellers, and celebrity influencers can play a role in creating a “desirable design.” Since an engagement ring with a hidden halo appeared in an episode of *The Bachelorette*, Pinsky has had some requests for that style, in which the halo is under the crown instead of around the center stone.

Pinsky voiced some concern about the health and economic impact of the Delta variant. “Across the board, no business will survive a second shutdown,” she stated. However, encouraged by current sales, she is positive that the 2021 holiday season will be better and more prosperous than last year’s.

SEATTLE: SERVING MOM-AND-POPS

“Sales have been picking up consistently,” said David Stone, president of wholesaler Pacific Gem in Seattle, Washington. His clients are mostly mom-and-pop jewelers in smaller towns across the US northwest.

More goods are being sent on memo, as his customers are not buying for inventory, Stone explained. In fact, he said, some are trying to reduce their inventory, but they often “get stuck” without the right stone and have to call him to source it.

Stone said he was buying “very selectively” for “anything 5 to 6 grainers and above.” While he has seen a “run on radiants,” he noted that ovals were “cooling off a little.” He has not experienced inventory issues, a fact he attributes to his 30-year relationships with suppliers that “take good care of us.”

“Technology has made the world and the diamond industry very small. I can talk to a dealer in India and get delivery within four or five days,” he said. He also cited Segoma Imaging — the company behind e-commerce firm R2Net’s diamond display technology — as making it easier to examine goods virtually before buying them.

While his customers have not yet ordered for Christmas, Stone is being proactive about placing point-of-sale units with a dozen diamond earrings and offering negotiable terms for these popular gift items.

Even with Covid-19, he had a “surprisingly barnstorming good” holiday period last year. He is optimistic yet “unsure” about this year’s holiday sales. Like his clients, he hopes the market “holds strong.” ■



CAUTIOUS OPTIMISM AS CONSUMERS FAVOR JEWELRY

Store owners fear further Covid-19 challenges, but surging sales signal a promising fourth quarter. By Lara Ewen

This summer's sales were hotter than they've been in years, retailers reported. Traditionally, jewelry store owners have bemoaned the seasonal slumps of July and August, but this year, despite the pandemic — or possibly because of it — customers continued to shop and spend. Still, as fall loomed, jewelers were uncertain about almost everything, including the potential impact of Covid-19 variants on in-person interactions, and what that might mean for holiday shopping plans.

A REASON TO BE HAPPY

Business was up for many stores in the first half of 2021.

"We're doing really well," said Catherine Angiel, whose eponymous boutique is in New York. "We're working less and making more money. We're doing better than we've done in decades." She used some pandemic downtime to push more digital interaction with her customers, and it paid off. "We sent out e-blasts, and we got website sales, and we did virtual appointments. And I'm so grateful. I have 30 years of clients, and birthdays and anniversaries are coming up, and people wanted to feel happy about something. And jewelry is happy."

Joseph R. Villarreal, president of WhiteFire Diamonds and Fine Jewelry in Austin, Texas, expressed optimism about sales in the upcoming months, but also caution due to the Covid-19 spikes that the Texas Department of State Health Services has reported.

"Thus far, I do not see any hint of a slowdown," he said. "However, now that the Covid-19 variants are on the surge, sales may be affected."

Villarreal was hopeful that his busy summer would translate into a profitable fourth quarter. "Summer sales have been above expectations. Our hope is to do at holidays at least what we did last year."

Store owners attributed their sales numbers in part to well-heeled customers who were unable to splurge in more experiential ways.

"I don't think the jewelry industry realized that our number-one competing industry is travel," said

Steve Samaras, president and owner of Zachary's Jewelers in Annapolis, Maryland. "I hope we will have learned from last year. If this Covid-19 thing starts to blossom again, and the infection rate increases, people will be more concerned about travel and look for alternative ways to celebrate, and that will have a positive effect on us. I hate to think that, but I'm preparing for a very good holiday. Year to date, I don't even want to tell you where we are, but it's scary good."

CHANGES TO INVENTORY

The combination of pandemic uncertainty and an increased client desire for custom work meant most stores were keeping their stock lean.

"Plans are to stock up on our own custom items," said Villarreal. "However, we'll keep inventory at a minimum." He added that his customers were moving away from mined diamonds. "New clients are lab-diamond-buying clients. And they're not all young buyers. They're a mix of 60% younger and 40% older."

Classic styles and bigger pieces were also doing well. "Traditional items are very popular," said Samaras, adding that fancy shapes such as ovals, hearts and marquise seemed to be trending, too. "Studs, hoops, tennis bracelets. And everything is bigger, as far as engagement rings are concerned. If I had to guess, it's the emotional aspect of what we sell. Our client base is upper middle-class, and they've been less affected by this, and they haven't spent money elsewhere, so when they buy from us, it's big. We sold a \$60,000 tennis bracelet yesterday. And the younger clients we're seeing are buying bigger. But watches are very slow."

SCALING BACK FOR DECEMBER

Rather than pushing hard for the holidays this year, Angiel is pulling back. "Instead of being open seven days, I'm open five, and I'm only open until 4:30 p.m.," she explained. "And I'm not adding inventory for the holidays. I'll make something specific, but I've been doing this for too long. There are peaks and valleys, and I'm personally being cautious. I'm also not planning on having any holiday events in the store because of the Delta variant."

Customers have been understanding and enthusiastic, she added. "Consumer confidence is up, and they're being extraordinarily supportive of small business. If you want something super special, you can't get it at a big-box website. Anyway, we're not a Christmas store. My summer is bigger than December, and Valentine's Day isn't nearly what it used to be. But now, with Covid-19, people are saying they want to treat themselves, because you never know." ■

BY THE NUMBERS

- Swiss watch exports for June exceeded pre-pandemic levels. Global shipments rose 13% to \$2.14 billion compared with the same month of 2019; year on year, exports jumped 71%.

- Some 143 US jewelry businesses shut their doors in the second quarter of 2021, 53 more than in the same period last year.

- July jewelry sales in the US grew 83% year on year. Jewelry spending also rose 54% over 2019.

- Underlying earnings at De Beers reached \$267 million for the six months that ended June 30, compared with a loss of \$214 million a year earlier.

Sources: Federation of the Swiss Watch Industry, Jewelers Board of Trade (JBT), Mastercard SpendingPulse, De Beers/Anglo American

Josephs Jewelers in West Des Moines, Iowa; bench jeweler at work. Opposite: The Joseph family (from left to right): Deb, Jake, Toby and Trisha.



GOLD STANDARD

Josephs Jewelers in Iowa celebrates its 150th anniversary by bringing its family legacy into the future.

BY JOYCE KAUF



Styles may change, but Josephs Jewelers in Iowa proves that some traditions stand the test of time. As the retailer celebrates the 150th anniversary of its founding this year, its customer-service philosophy is as relevant today as it was then.

“We pride ourselves on the old-school approach,” says Jake Joseph, the company’s president. “The bottom line has always been to find out what customers want when they walk in the door, and then take care of them. As long as you listen and always focus on the customer, you’ll be successful.”

Joseph is the fifth generation to work in the store, which has locations in Des Moines and West Des Moines. He admits that it wasn’t always his plan to join the family business. But after a stint working in customer service while in college, he found that he enjoyed the “breadth of challenges” it presented. He switched his

major from computer programming to accounting in order to get a strong understanding of the business’s financial aspects.

STAYING CURRENT

A pocket watch fob that company founder Solomon Joseph made in 1871, on display at the West Des Moines store, is one reminder of the family history. But the iconic gold box that Jake Joseph’s father, Toby, introduced is very much a part of their brand. Topping the box is a hand-tied gold bow, and the ribbon is still produced on a machine that dates back to the 1940s, the younger Joseph notes.

While mindful of the company’s legacy, he recognizes the need to embrace the digital world. He points to social media — Facebook and Instagram — as “new avenues” to get the jeweler’s name and product out to people, and works to ensure

that its website ranks high in Google searches. However, traditional media, including television and radio, are still part of the advertising mix — and word-of-mouth remains the brand's "strongest vehicle," he says.

Joseph has incorporated technology to make it easier to access information. The company digitized its sales records so staff could quickly identify customers' earlier purchases for reference in guiding them through new ones.

The jeweler is also documenting procedures on "how we do things and what our expectations are to ensure that we can continue the legacy of what we call 'Josephs' Way,'" says the president.

Non-branded jewelry items continue to be the key to the company's success. Bridal drives its business, followed by diamond fashion jewelry and then watches. Colored gemstones have "taken on a stronger life of late," according to Joseph, who attributes the trend to the store's "laser-focused" selling strategies. The more easily recognizable gems — sapphires, rubies and emeralds — are more popular than "cool, rare and collectible" stones such as tsavorite, he relates.

While both branches attract similar demographics, the suburban West Des Moines location produces a higher volume than the downtown Des Moines store — especially now, given the shift from office to remote work.

SUCCESSION PLANNING

Joseph acknowledges that family businesses have responsibilities to future generations — both their own and their customers'. To that end, Josephs is in the process of taking a look at its internal operations. "Our primary focus is to identify what it is that makes us successful and how we can improve. We are examining our digital selling to determine how we can make it more relevant to our customers and propel our business even more," says the president. Furthermore, he points out, technology is becoming a "bigger factor on the customer-experience side," especially looking ahead to how consumers will shop in the future.

On the business-owner side, he recommends that family-run companies establish transition plans. "You can't pull everything out of the business and hand it over to the next generation. We have consciously worked succession planning into our model



"We pride ourselves on the old-school approach. The bottom line has always been to find out what customers want when they walk in the door, and then take care of them"

to facilitate the transition from generation to generation. It is imperative to know the value of your company and make sure you build it to the point that you can comfortably get what you want out of it without wrecking the business. We have been very successful in leaving the business better for the next generation than it was for the previous one."

A CELEBRATION OF HISTORY

Admitting that he may sound like a "geek," Joseph enjoys connecting the dots in diamonds' mine-to-market stories. It begins with a diamond discovery in a remote area of the world, leading to a gemstone trade that enables people to earn a livelihood. The journey continues with the cutting and setting of the stone, which then makes its way to a store display and finally ends up adorning someone's finger or neck.

"So much of that is a mystery to clients and customers. But it gives you a new appreciation for the industry," he says, emphasizing the importance of responsible sourcing and protecting people and the environment.

Joseph is looking forward to the company's big anniversary party in November. As part of the celebration, the jeweler will be giving out bottles of locally made bourbon from custom-distilled mash. An artisanal vodka, also custom-made for the occasion, will have gold flecks to symbolize the heritage of the gold box. Right now, Joseph is testing the formulas to ensure he gets it right for his customers — just as Josephs Jewelers has been doing for 150 years. josephsjewelers.com ■

CaratLane campaign.



AVENUES OF GROWTH

Omni-channel jewelry giant CaratLane has thrived throughout the Covid-19 lockdowns thanks to its innovative digital programs.

BY RICHA GOYAL SIKRI

Alongside festivals and cuisine, jewelry is an essential thread in the cultural fabric of India. Since antiquity, jewels have been used as offerings in religious ceremonies and acquired for their intrinsic value, forming an important asset class in a family's wealth portfolio. But buying jewelry is not just about the transaction. The pleasure that comes from visiting a store, viewing options across price points and categories, and trying on the pieces is an essential part of the satisfaction one gets from a purchase.

As lockdowns brought down the shutters at stores across India, CaratLane — the country's largest internet-first, direct-to-consumer jeweler — began rolling up its sleeves to prepare for the growth it saw on the horizon.

"Covid-19 has been an adrenaline shot for all direct-to-consumer companies, and the single most significant event in the life of digital businesses, which have benefitted the most," says CaratLane founder and CEO Mithun Sacheti.

"Demand for diamond jewelry had been stagnant in India for a while (with gold jewelry on a high). During the pandemic, things changed. Suddenly, we saw a resurgence in diamond jewelry sales. The time people have spent with their families has been disproportionate compared to any other year. We believe this drove people to celebrate more moments."

Furthermore, he continues, "savings have grown. One of jewelry's chief competitors is travel. Our lowest periods pre-Covid-19 have coincided with the second half of December and May, the peak summer holiday season. Jewelers have sold more solitaires in India during the pandemic than in previous years."

Since its founding in 2008, CaratLane has established itself as a dominant player in the fine-jewelry segment. Jewelry

purchases in India have always been related to weddings and special occasions. CaratLane changed that by offering women well-designed, fine-quality, wearable gold jewelry at accessible price points. It also offers multiple ways to shop: Customers can browse and buy online, opt for the Try-at-Home service (selecting a maximum of four pieces), or visit one of the brand's 122 stores across 45 cities.

The tools for the job

When the pandemic struck, the CaratLane team tapped into one of the most valuable tools in its arsenal: OneView, a proprietary software the company conceived five years ago to help its employees understand customer behavior.

"The emotional experience of buying jewelry rests with the consumer," explains Sacheti. "A small jeweler who specializes in highly personalized interactions with his limited customer base

knows this well. [Customer relationship management (CRM) systems] are effective in scaling and organizing lead-related information, but rarely equip users with the knowledge of how to personalize interactions with customers. OneView was built with a grand vision in mind, and that vision comprised marrying the two parts to form a CRM that digitizes and journals the entire journey of a consumer."

Still, the team realized that OneView alone would not be enough to meet the challenges of Covid-19. In combination with the software, they began using pin

code marketing, which targets specific residential areas by their postal codes. When lockdowns started, says Sacheti, online browsing jumped from approximately four hours a day to six hours. As weeks of confinement rolled into months, OneView insights showed that demand was percolating. The team estimated that the first cities to close would end up opening ahead of others, so two weeks before a district or city emerged from lockdown, CaratLane increased its pin code-based activities there on multiple digital channels to get more local residents browsing its website.

As an omni-channel business with combined sales and marketing teams, the company was able to turn the data ►

"THE TIME PEOPLE HAVE
SPENT WITH THEIR FAMILIES
HAS BEEN DISPROPORTIONATE
COMPARED TO ANY OTHER
YEAR. WE BELIEVE THIS
DROVE PEOPLE TO CELEBRATE
MORE MOMENTS"



it was receiving from OneView directly into action, and to adjust its efforts with relative ease as the pandemic situation developed. But online marketing wasn't just about staying visible; engagement was vital as well. The company identified individuals who showed interest, and re-engaged them with campaigns.

CaratLane also started a program called CLive, which lets clients pre-book appointments to visit stores virtually. Through it, they can engage with a salesperson and ask to see various jewels, as if they were there in person.

The company's results reflect the success of these programs: CaratLane has enjoyed a whopping 50% post-pandemic growth rate — among the highest globally.

"Since inception, our core marketing strategy has been built on our two-pronged approach: create fine jewelry, and use technology to remove friction and barriers," says Sacheti. "Effective technology is like magic; it should be invisible."

The company didn't stop at creating its own digital solutions, either, he continues. "We conducted a workshop to teach other jewelers in the industry how they could create and manage a virtual store program."

The human factor

Of course, it wasn't all smooth sailing. The most formidable challenge the company faced related to its people.

"If you [were to] ask me, in the past five years, when did I lose sleep? It was during the pandemic, when our team members were falling sick and one of them sadly succumbed to Covid-19," Sacheti shares. "When lockdowns started, many left the big



Clockwise from top left: Models wearing CaratLane jewelry; Daddy's Princess kids' pendant in 18-karat gold; CaratLane founder and CEO Mithun Sacheti; Adeal Butterfly hoop earrings in 18-karat gold with diamonds.



“EFFECTIVE TECHNOLOGY IS LIKE MAGIC; IT SHOULD BE INVISIBLE”



growth. Other changes included more purchases by men, an increase in the popularity of earrings at the expense of bangles, and a disproportionate rise in gifting.

Eye on America

Planning for the coming 12 months, CaratLane has its sights set on the US market. The company has started shipping internationally and is exploring ways to capture a large slice of the American pie.

The US “has always been a market leader” when it comes to customer service and using technology to remove barriers, Sacheti observes. “But the US has had business come much easier to them. People trust the infrastructure. If you order something online, you know FedEx will deliver it the next day. In India, logistics can be unreliable. From the start, we have been using technology to solve problems, which change daily, and one thing the US could learn from us is our hustle, a big part of building a business in India. In India, we are creating the market; in the US, we will take part in a market that’s established.”

Another segment the company is monitoring is synthetic diamonds, “which we noticed are doing well in the US,” he comments. That said, CaratLane doesn’t have plans to introduce synthetics in India. “Indians are too emotionally attached to natural diamonds. We are perpetually looking for buyback value when purchasing jewelry. With the price of synthetic diamonds dropping 30% year on year, it’s wait and watch for us in India.”

Among its other projects, CaratLane has introduced a jewelry rental business called AuDorn, which lets users borrow branded jewelry — such as the iconic Tiffany T bracelet — for as little as INR 500 (\$6.70) per day.

India’s precious-stone and jewelry market is set to reach \$100 billion by 2025, according to estimates from the Ministry of Commerce and Industry. As a top player in the country’s fine-jewelry sector and one of the largest in the world, CaratLane is one to watch as it rides the jewelry wave both at home and abroad. caratlane.com ■



cities and went back to their hometowns and fell sick. We could not reach them.”

With schools closed in India since the start of the pandemic, there has been additional pressure on working women. Many women in India live in large, multi-generational families. On the plus side, this provides them with vital support in child rearing and management of domestic affairs, enabling them to enter the professional arena.

“When our female employees came to work, they had a physical space they called their own,” says the CaratLane CEO. “Now at home, many didn’t even have that, and it was confusing for their children and elderly members of the household who were all at home and expected their attention. Some thrived in that environment, and others struggled.”

As to how the pandemic affected buying behavior, CaratLane has noted a few shifts. With metropolitan cities under lockdown for long periods, tier-two and tier-three towns drove incremental

ELEGANCE IN BLOOM

Rose-cut diamonds are in demand for their timeless, subtle beauty.

BY RACHAEL TAYLOR

In Cartier's latest high-jewelry collection, *Sixième Sens par Cartier*, you will find a secret rose-cut diamond. In addition to the cluster of rose-cut trillions lighting up its Phaon cocktail ring, there is one more hidden beneath its 8.20-carat central ruby.

The architects of this ring will tell you that this is not a frivolous display of *haute-joaillerie* excess, but rather a clever gemological trick. The positioning of the rose-cut diamond improves the lighting beneath the ruby, thus enhancing its color.

Understated beauty is a concept that has threaded through the history of this cut; from delivering masculine shimmer for maharajas, to playfully throwing shards of color across the faces of candlelit Victorian women.

Today, its soft power is still in vogue with a contemporary crowd. Designer Ellis Mhairi Cameron, who works with brown and orange rose-cut diamonds, has been inundated with orders for both male and female styles.

"With rose cuts, they can go for bigger stones, without the design being as flashy as a brilliant cut," she says.

Omi Privé has similarly responded to "an uptick in desire" driven by demand for vintage styles. However, the brand argues that rose-cut diamonds are not only capable of understated shine — they also have a larger surface area, which adds depth and extreme sparkle. ■





1 ELLIS MHAIRI CAMERON

Drop earrings in 14-karat gold with mixed-cut diamonds, including rose cuts.
ellismhaircameron.com

2 ARMAN SARKISYAN

Diamond bracelet in 18-karat gold and oxidized silver.
armansarkisyan.com

3 VAN CLEEF & ARPELS

Vintage Ballerina brooch in 18-karat gold, diamond, ruby and emerald, circa 1943.
vancleefarpels.com

4 MICHELLE FANTACI

Key charm in 14-karat yellow gold and enamel with rose-cut diamonds.
michellefantaci.com

5 CARTIER

Phaan ring in 18-karat gold with diamonds and rubies.
cartier.com

6 OMI PRIVÉ

Ring with an oval, 3.05-carat, pink sapphire in 18-karat yellow gold, accented by round rose-cut diamonds and round diamonds.
omiprive.com

7 STEPHEN SILVER

Hoop earring (only one shown from pair) in 18-karat gold and diamonds.
shsilver.com



IMAGE SHUTTERSTOCK



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BY RAPAPORT



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Fred's legacy

A new exhibition chronicles the legendary maison's history, from its Parisian beginnings to its Kathmandu connections.

BY SONIA ESTHER SOLTANI

Paris, 1936. A newcomer on the jewelry scene, the 28-year-old Fred Samuel, established his boutique on the chic Rue Royale and started handing out engraved business cards introducing himself as the “modern jeweler-designer.” This was “quite visionary” of him, notes his granddaughter Valérie Samuel, vice president and artistic director of Fred.

Today, it's the modernity and timelessness of Fred's designs that Samuel has made her mission to publicize to a wider audience. Having worked with both her grandfather and father, she left the family business when it joined the LVMH group in 1995, and returned in 2017. She's the brains behind Fred's first-ever retrospective, which will take place in the French capital in 2022 to celebrate the maison's 85th anniversary.

The exhibition will offer an unprecedented opportunity to discover the colorful personality and career of Fred Samuel, born in 1908 in Argentina to French Alsatian parents. The charming, lively and well-liked jeweler made his name handling some extraordinary gems. One of them was the Blue Moon, a 275-carat Ceylon sapphire set in the middle of a diamond tiara, which Fred sold in 1980. He also established a close relationship with the Nepalese royal family, for whom he created superbly intricate and transformable jewels. Keen-eyed jewelry lovers and movie-goers might have spotted a Fred necklace on Julia Roberts's character in *Pretty Woman*, and the brand has been associated with stars such as Catherine Deneuve and Jerry Hall.

Establishing archives

Valérie Samuel's return to Fred four years ago was the impetus for a much-needed effort to safeguard the house's legacy. “At the time, there was not really any archives or heritage department,” she recalls. “It was very important for me to try to get all our archives back in order to tell the story of who Fred is, who Fred Samuel was.” She regretted that the best-selling Force ▶



Valérie Samuel, Fred's vice president and artistic director.



Clockwise from top left: Force 10 bracelet in 18-karat yellow gold and stainless steel; Rue de La Paix boutique; Fred Samuel in Nice, France; Pretty Woman Audacious necklace in 18-karat white gold with 13.92 carats of rubellites and 20.02 carats of diamonds.



10 bracelet — which launched in 1966 and features a buckle and sailing cable inspired by her grandfather’s love of maritime sports — had overshadowed his other achievements.

The serendipitous discovery of hundreds of boxes in a warehouse has enabled her and her team to put together a large-scale digital archive, compiling motifs, gems, and correspondence with clients. Letters exchanged between Fred Samuel and the Kathmandu royals from 1950 to 1995 are a touching testimony of the deep connection that bound three generations of crowned heads and three generations of jewelers, notes the artistic director.

Not only does the archive reveal the true narrative of the storied Fred maison, it’s also a powerful source of inspiration for the contemporary team to “really set the design language of the brand,” she says. Her playful, elegant creations range from the transformable Pretty Woman high-jewelry series to a men’s collection that launches next month and pays tribute to Force 10. They all showcase the same *joie de vivre* her grandfather displayed during his lifetime.

fred.com ■

FRED SEEKS FRED



Maison FRED is seeking pieces of its high jewellery for a book project and exhibition retracing the history of the Maison since its founding in 1936.

Please feel free to send any relevant details by email to the following address:

heritage@fred.fr

All details will remain strictly confidential and anonymous.

International allure

Meet three designers who are redefining Indian jewelry flavors to appeal to American tastes.

BY PREETA AGARWAL



MILAN CHOKSHI
CEO, MOKSH

Sitting on the cusp of a traditional and modern India, fine-jewelry brand Moksh is an amalgamation of all things Indian. Its people, processes, inspirations and products all bring forth a distinct Indian flavor, yet fit beautifully in the global arena.

Emboldened by a family legacy of over 50 years in the gem and jewelry business, Milan Chokshi founded Moksh in 2004. It was born out of Chokshi's intense admiration for art and architecture, and over the years, it has become synonymous with stylish designs and peerless craftsmanship. The brand is renowned especially for using keshi pearls in its jewelry.

It has only been three years since Chokshi began selling to an American clientele. Today, the brand has two distinct jewelry streams that reflect the different markets. Its fine-jewelry collections — such as Taantvi, Empress and Nuur — are more complex, detailed and embellished, targeting the Indophile and the Indian diaspora. The second range includes its Bombay, Ladakh, Paro and Jodhpur collections, which are cleaner interpretations of the same design language and target a more global customer, particularly an American one.

The two categories use similar raw materials, but the former's embellished bangles and large

necklaces become delicate bracelets and dainty, layered pendants in the latter. These toned-down designs fall within a fast-moving price range of under \$10,000, and though they may be lighter, they have charmed hearts globally while maintaining Moksh's signature aesthetic.

The brand — which does all its gemstone and diamond sourcing, jewelry design, and manufacturing in India — has found admirers from South America all the way to Russia. In the US, luxury brand development agency The EAB Project currently represents Moksh.

“We are largely leveraging [the agency's] relationships with clients, who we meet and interact with at the Couture show in Las Vegas,” says Chokshi. “We are also using digital and social media to amplify our presence in the US.”

mokshjewellery.com ►



Jodhpur hoop earrings with round diamonds, Japanese keshi pearls and pink sapphires.
Opposite: Model wearing Moksh jewelry.





NIRAJ MENDA
CREATIVE DIRECTOR,
STUDIO RÊVES

Billing itself as “the manufacturers’ manufacturer,” Studio Rêves creates breathtaking, durable, comfortable diamond- and gem-studded jewelry

in gold and platinum. Technology is this brand’s best friend, and the trio of brothers behind it — Anuj, Niraj and Dheeraj Menda — are always on the lookout for new manufacturing techniques to incorporate into their setup.

“We keep our state-of-the-art manufacturing facility up to date with the world’s best machinery, materials and processes for all types of machine- and man-made jewelry, allowing us to stock cutting-edge designs,” says Niraj. He recently unveiled a new range of products in titanium, making the brand one of the few manufacturers in India to work with the metal.

At Studio Rêves, the siblings weave dreams with precious materials, evolving the classics without disturbing their soul. They offer the same products in all countries, without adjusting the designs to fit each target market. “Any timeless design with precious metal and stones is our product range. There are no boundaries for beautiful creations.



“Celebrating connections is the essence of our latest offerings”

We have realized that practicality wins in every product, along with price categories.”

Familial ties with sightholder Lakhi Group — the Lakhi brothers who own it are the Mendas’ maternal uncles — make it easy for the brand to source diamonds for its jewelry. As for gemstones,

the company makes sure to buy only the best from carefully vetted, socially conscious manufacturers and dealers.

To strengthen its presence in the US, Studio Rêves exhibits at exclusive shows such as Couture in Las Vegas and regularly sells its goods on online platforms like RapNet and Istdibs. It is the agile flexibility of the necklaces, the graceful fall of the chandelier earrings, and the oomph of the cocktail rings, along with the impeccable attention to detail, that is driving its popularity in the US.

As a team that focuses on innovation, the Menda brothers believe that “togetherness has been a keen trend all over the world, and celebrating connections is the essence of our latest offerings.” studioreves.com

From top: Bracelet in 18-karat gold with 22.25 carats of pink sapphires, 13.66 carats of diamonds, and 2.08 carats of tsavorite; hoop earrings in 18-karat gold with 11.03 carats of uneven rose-cut, pear and oval diamonds.





VISHAL KOTHARI
FOUNDER AND CREATIVE
DIRECTOR, VAK FINE JEWELS

A strong sculptural aesthetic and a contemporary edge characterize the creations of VAK, a daring brand with

unexpected compositions that provide an understated wearability and femininity. Visually striking, its jewels reinterpret motifs from nature and architecture, be it the lotus flower, climbing vines, or the intricacy of Mughal designs.

“I wanted to be sculptor or a couturier or a musician,” says founder Vishal Kothari. “My expression as a jewelry creator today is an amalgam of this. I have a strong artisanal bent and find art everywhere. I like to think I am a creator. To be able to create is very humbling.”

The VAK product range is diverse, eclectic and available across most global markets. The collections — with names like Summer Blooms, A Lotus Pond, The Arch of Heaven, and Architectural Splendor — are not country-specific in their styles, but do give a nod to history and design periods.

Portrait-cut diamonds are a personal favorite of Kothari’s. “With their roots in ancient Indian gem history, they were among the earliest cut diamonds. Like slivers of magic, these shards of diamonds are an exercise in pure precision and flirt with elegance and romance.”

The brand creates 120 one-of-a-kind works per year for its high-jewelry collection. Each is a seamless canvas of floating gemstones, skillfully set in minimal metal to emphasize their natural beauty and boldness. A technical innovator with a mastery of metallurgy and artisanal craftsmanship, Kothari creates new possibilities in his work with portrait-cut diamonds and colored gemstones.

“[Portrait-cut] diamonds are an exercise in pure precision and flirt with elegance and romance”



Tulip Garden earrings with
Zambian emeralds and rose-
and brilliant-cut diamonds;
Arch of Heaven ring with
portrait-cut diamonds,
brilliant-cut diamonds
and Zambian emeralds.



For him, the US is an important market with a consistently growing client base. Known among a niche US clientele for years, VAK has progressed organically to become part of auctions at Sotheby’s and Phillips. This year, the brand formally began selling at select galleries, and most recently started offering its products via online luxury retailer Moda Operandi. VAK’s retail presence through these channels and several pop-ups has helped fuel the buzz.

“The American market is very mature when it comes to jewelry, and very sophisticated. To see my pieces being appreciated is very gratifying,” says Kothari.

[instagram.com/vakjewels](https://www.instagram.com/vakjewels) ■

MAGICAL METAMORPHOSIS

A new book focuses on jewelry designer Wallace Chan's signature butterfly creations.

BY PHYLLIS SCHILLER



Wallace Chan; *Winged Beauty*.
Opposite, from top: Fluttery -
Roses and Rue brooch, 2012;
Forever Dancing - Break of Dawn
brooch, 2019; The Waves brooch,
2017; Forever Dancing - Bright
Star brooch, 2013.

Born in 1956 in Fuzhou, China, jewelry artist Wallace Chan is as well-known for his sculptural creations as for the tools and techniques he has developed to achieve his vision. Demonstrating both achievements, his signature bejeweled butterflies are the subject of a new book, *Winged Beauty: The Butterfly Jewellery Art of Wallace Chan*. In it, five jewelry experts discuss his technical advances as well as the artistry of these jeweled fantasies and Chan's creative process. Illuminating the tome are color photos that bring the beauty of his pieces to life.

Humble beginnings

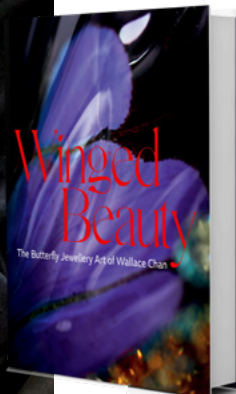
The book starts off with journalist and author Melanie Grant interviewing the Hong Kong-based Chan about his life and work philosophy. Chan recounts growing up in extreme poverty, working alongside his parents and siblings from the age of five. He quickly learned that the more he got done, the more money his family would make, and the more food there would be on the table. It was a lesson that served him well. "I am always working on something. I do not stop," he tells Grant, who is luxury editor of *The Economist's* sister publication *1843* magazine.

He began his creative journey as a gemstone carver in 1973 at the age of 16. However, he soon began his own research and has been creating and innovating for nearly 50 years. He became a monk for six months in the early 2000s, an experience he refers to as a "turning point." Afterward, he says, he returned to his work with "a new level of respect for the materials...to me, within each stone resided a soul. My role was now to address their needs."

Each of his pieces "has to be one of a kind," Chan relates in the book, "but once I have mastered the idea, I want to move on.

Seeking new challenge is the challenge. I love challenging myself."

In another chapter of the book, jewelry historian Vanessa Cron, who specializes in provenance research and the history of jewelry design, connects the symbolism of butterflies to a fascination with nature. The change from "earthbound" caterpillar to the "blaze of spinning color and lightness" that is a butterfly lends the creature "an aura of mystery and magic," Cron writes. Chan's butterflies provide an entry to a fairy world, she says, evocative



of dreams and childhood memories expressed in a “precious palette” of gemstones.

Spreading his wings

The gems that highlight Chan’s butterflies run a glorious gamut from diamonds, rubies and emeralds to amethyst, citrine, topaz, tsavorite garnet and others. To showcase them to maximum advantage, he utilizes techniques that have evolved over time.

In her discussion of Chan’s creative spirit, Juliet Weir-de La Rochefoucauld — author of several books on jewelry and a fellow of the Gemmological Association of Great Britain — highlights the many technical firsts Chan pioneered. “He learnt through his own observations, experimentation and perseverance,” she writes.

The impressive list begins in 1987, after two years of research, with the Wallace cut, an illusionary three-dimensional gemstone-carving technique. He achieved his mastery of employing titanium in jewelry — taking advantage of its lightness and colors — in 2007 after eight years of experimentation. In 2002, he patented a luminosity-enhancing jadeite technology. And then there are his gemstone-setting techniques, including a “gemstone-setting-gemstone” method and a mortise-and-tenon technique inspired by furniture. In 2018, he perfected his Wallace Chan porcelain after seven years of development, creating a material five times stronger than steel. The next year, his A New Generation gemstone ring in Wallace



“HIS WORK TRANSCENDS
BOTH EASTERN AND
WESTERN TRADITIONS
AND HISTORIES,
BELONGING TO NEITHER
WHILE SHATTERING
PERCEPTIONS OF BOTH”

Chan porcelain became the first piece by a contemporary Chinese artist to be included in the British Museum’s collection.

Chan’s jewelry is notable for its “connections to the past,” according to Emily Stoehrer, the Rita J. Kaplan and Susan B. Kaplan curator of jewelry at the Museum of Fine Arts,

Boston. “Interested in innovations in design, technique and material science, Chan looks at historical specimens with an eye toward placing the work within the zeitgeist it was created in,” she writes. She compares his process to that of 19th-century jewelers who drew on the natural world in their designs. She traces the butterfly as a source of inspiration back to ancient Egypt and to the “butterfly lovers” of Chinese literature who “live forever in the form of butterflies,” as well as to the fashion-forward designs of Elsa Schiaparelli. The “poetic way Chan interprets butterflies has much in common with the jewelers of the turn of the 20th century’s Art Nouveau movement” and the “dream worlds” of surrealism’s Salvador Dali, she says.

Finally, journalist and author Ming Liu — who writes about jewelry, watches and luxury — points to Chan’s dialogue with the past and future. She cites not only his own comments about his accomplishments, but the high regard his work has garnered among collectors and curators worldwide. As she writes, “his work transcends both Eastern and Western traditions and histories, belonging to neither while shattering perceptions of both.”

Winged Beauty: The Butterfly Jewellery Art of Wallace Chan will be published by ACC Art Books on September 29. ■



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TREASURES OF THE MAHARAJAS

Dealer Ariel Saidian reflects on the appeal of antique Indian jewels.

BY PHYLLIS SCHILLER

Have you seen an uptick recently in demand for antique Indian jewelry?

The Maharajas and Mughal Magnificence auction, held at Christie's in 2019, was a landmark event in the jewelry world. There is almost never a sale with so many antique Indian jewels and objects available to the public. In the same way the sale of Elizabeth Taylor's jewelry [in 2011] saw the market for vintage Bulgari jewelry explode and the Duchess of Windsor sale [at Sotheby's in 1987] brought an awareness to the market of Belperron and Boivin, this sale ignited both interest from private collectors wishing to sell items, and demand from customers to buy. A few weeks ago, we sold a very impressive *sarpech*, a turban ornament, similar to what was sold in that sale.

What styles of antique/vintage Indian jewelry are popular?

The most desired Indian jewels for us are the ones that influenced the top jewelry maisons, such as Van Cleef & Arpels, Cartier and David Webb. These include animal (or *makara*) bangles, tutti frutti, and strong color combinations. We tell our clients these timeless designs are like the storyboards for a movie, and the modern interpretations are as if they are the fulfilled vision with CGI. There will always be the charm of the original creative design.

There are certain questions we always get asked: Is there mina (enamel) work on the reverse? Is it period? Are the polki-cut stones diamonds? Collectors tend to focus on jewelry from the Mughal (India) or Qajar (Iran) periods. Nothing else comes close.

Are your clients looking for jewelry to wear or to upcycle? Women buy the jewelry to wear, just like they would a nice piece of Tiffany. The animal bangles



WHO IS

ARIEL SAIDIAN?

Ariel Saidian and his brother Daniel run Joseph Saidian and Sons from their gallery in New York. The four-generation family business, which started circa 1850, is internationally renowned as a source for legendary estate jewelry and *objets d'art*, serving connoisseurs as well as museums from around the world.
saidiansons.com

always sell best — tigers, elephants and parrots. But what's changed in the market is that men are buying this jewelry as well. They appreciate and love the art form that has been traditionally reserved for women, buying a gem-set sword handle to decorate a wall, or a gold box as an ornament for a coffee table.

What do you look for in the pieces you stock?

First and most importantly, we determine if the item is actually old/antique. Indian jewelry doesn't have hallmarks, but with a trained eye and experience, it's not so hard to tell the difference. The back is as beautiful as the front, and there are unmistakable colors of Indian enamelwork — a mixture of white and red, and some green and blue accents. If you put a newer piece alongside one that's 150 years old, you see the difference in the enamelwork, the stones are cut a little differently, and often you can see the wear. And there's an old-world charm to an older jewel in your hand.

How difficult is it to obtain older examples in today's market?

It is extremely difficult, as these things are not commonly available in the market. There are plenty of amazing jewels coming out of India today. But a magnificent old Mughal jewel is almost impossible to find. We have amassed quite a collection of jewels over the past four generations, some of which aren't for sale [and are] in our private collection. So it is quite a treat for a collector who visits us in person to have so many beautiful options. ■

A pair of Indian tiger-head bangles in gold with enamel and gems, late 19th century, from the collection of the nizam of Hyderabad.



INDIA ON THE MEND

The country's gem dealers and manufacturers have faced major logistical challenges since the pandemic, but they're finally regaining some optimism.

BY RICHA GOYAL SIKRI

Mohit Pungalia breathed a sigh of relief as he returned to Hong Kong in September 2020. He had a laundry list of tasks to complete. Since the pandemic, he'd been stuck in Jaipur, India, where his brother manages their emerald and colored-gem business. Through their sales office in Hong Kong, they service jewelry manufacturers and retailers in China, Hong Kong and the region. Pungalia had a few hundred thousand dollars worth of outstanding payments to collect and pending sales orders to fulfill. With mining operations closed globally, he didn't know how he would replenish his stock, but that was a problem for the future.

Pungalia's experience typifies the Indian gemstone industry's dilemma during the pandemic. By September 2020, China was driving the colored-stone market recovery as the US and Europe struggled to reopen. Emeralds were hot, especially top-grade cabochon and sugarloaf shapes, but supply was running low.

MAKING OF A HUB

Jaipur developed into the global hub of emerald manufacturing during the early 1970s, when Indian gem merchant SS Gupta took over the Gravelotte emerald mine in South Africa. The Zambian government then invited him to establish a joint venture. Today, that venture is the Gemfields-operated Kagem mine, the world's largest emerald deposit.

Gupta needed a low-cost cutting center to process vast quantities of commercial-

quality emeralds from his mine. Supply from Gravelotte and Kagem, combined with lower labor costs and generations of cutting and marketing experience, resulted in Jaipur becoming one of the world's premier gem-processing hubs, with Zambian emeralds as its lifeline.

Before Covid-19, manufacturers and dealers would travel from India to locations such as Brazil, Madagascar, Zambia, Thailand and Tanzania to select and ship rough gems to their processing operations. The pandemic brought that to a halt. From April to September 2020, lockdowns and border closures caused a 54% decline in imports to India, and a 64% drop in exports of cut and polished goods. By September, the trade was looking to China for demand and to Africa for supply.

GREEN LIGHT

Emeralds represent 60% of India's gemstone-processing segment, and of these, 80% to 90% are Zambian. The first large-scale players to open the rough-supply tap were the privately held Grizzly mine and the publicly listed Gemfields,

"WE ARE EXPERIENCING HUGE DEMAND FROM CHINA AND THE US FOR JEWELRY. OUR FACTORY IS FULLY BOOKED"

with their auctions in October and November 2020 respectively. The last quarter of 2020 and the first of 2021 saw a resurgence in demand for emeralds and other gemstones as markets picked up in India, the US and Europe through the holiday and wedding seasons.

In February this year, Grizzly hosted an emerald auction in Dubai, where the company reportedly generated \$17 million to \$23 million worth of revenue. This was followed by Dubai-based emerald viewings and auctions by Fura from Colombia and the Belmont mine in Brazil. Gemfields opted to take its goods on the road, with viewings in Tel Aviv, Dubai and Jaipur, and bidding via its new online auction platform in April. Some 59 companies placed bids at the auction, generating total revenues of \$31.4 million, with a record-breaking average value of \$115.59 per carat.

But what about the rest? Some dealers took the medical risk, traveling internationally to source rough goods. Others relied on local sources. Rough-gem dealer Rajat Singh of Madagascar Trading Company says material that would typically take him months to sell in Jaipur was being picked up by manufacturers in days. But like others, he continues to struggle with higher logistics costs, which are eating into his profits.

"Goods I was able to import into Jaipur for \$800 are now costing me \$1,600. The shrinkage of international air connectivity is driving the price up," Singh says.

For exporters dealing in high-value stones, the cost of shipping from India to Europe has also increased by 30% to 50%. Despite digitization, most buyers want to examine top-grade gemstones before buying, which used to happen at trade exhibitions. It's also the industry norm for international buyers to expect goods on consignment. Now, if manufacturers' gemstones are rejected, the burden of multiple shipments at higher rates, plus stretched liquidity due to lower demand, can erode their wafer-thin margins.

BROKEN SUPPLY CHAIN

From April to June this year, polished-diamond exports from India grew 20% compared with the same period in 2019. However, colored-gemstone exports

declined by 29%. Unlike the diamond sector, where 80% of supply is via licensed mining companies and only 20% is from informal suppliers such as artisanal or illegal mines, the colored-gem market has it the other way around.

Since the pandemic has broken the artisanal supply chain, the impact has been significant. As per the industry, small-scale lapidaries employing three to six people have seen an 80% reduction in their work. Medium-level players with 10 to 15 cutters are operating at 30% to 50% of their capacity, and there has been a 20% to 50% reduction in the number of gem dealers in the market. Some have left due to lack of work; others have found more lucrative opportunities elsewhere.

“Dealing in gemstones comes with a lot of uncertainty,” says Abhishek Agarwal, proprietor of Tourmaline Delight. “We have to sometimes ship gems valued at around \$50, \$100, \$200, and/or smaller quantities. Shipping them through a proper channel where we get shipping bills and documentation... is impossible. Clearing charges for goods under \$500 are high. If we use general post, we don’t get any bill of entry, and [shipping companies like] FedEx, DHL and UPS are too expensive.”

When he recently used FedEx to import some stones, he recalls, “the assessable value was \$150. I gave all the required documents.... FedEx still charged \$139 as duty, saying it’s imported in a personal capacity, plus other charges. I couldn’t send the shipment back because the sender would incur the \$139 duty and shipping charges. With such expenses, it’s looking tough to cope with the current competitive landscape.”

CORRECTIVE MEASURES

Looking ahead, Arun Dhadda — managing director of jewelry manufacturer Gem Plaza — is cautiously optimistic. “We are experiencing huge demand from China



Producing beadwork at Munnu Gem Palace in Jaipur; skilled artisan working in an institutional establishment in the Sitapura industrial area.



and the US for jewelry. Our factory is fully booked. We source our gems locally from manufacturers and merchants in Jaipur, and acquiring rough gems of consistent quality at competitive prices has been challenging. Gem manufacturers are forming bidding consortiums at auctions to mitigate their risk. Increased collaboration is good for the overall health of the industry. On the plus side, we see a shift in jewelry manufacturing contracts from China to India. 2021 is looking positive.”

To bridge the supply gap, the Gem & Jewellery Export Promotion Council (GJEPC) has been working on

constructing a special notified zone in Jaipur where miners can bring their rough stones for viewings. Goods brought in would have to be reexported to the source nation pending the conclusion of sales. The council is hoping to have that active by the first quarter of 2022.

Although this will help keep the manufacturing wheels turning with a regular supply of emeralds, rubies and other precious stones from organized players, it still poses a challenge for miners who lack the financial resources to bring their goods to Jaipur and keep up with the administrative work. With gems like rose quartz, amethyst, aquamarine and tourmaline, the cost of shipping back and forth may be more than the price of the material.

India’s gem and jewelry exports for April through June came to \$9.18 billion, versus \$8.92 billion for the same period of 2019, according to the GJEPC. The main drivers were polished diamonds, studded gold and silver jewelry. It remains to be seen whether India’s gem trade will rally by 2022. For now, the outlook is cautious, yet hopeful. ■

COVETED CORUNDUM

With sources ranging from Kashmir to Montana and with colors spanning the rainbow spectrum, sapphires are among the most sought-after stones on the market.

BY DIANA JARRETT

The world's love affair with sapphire stretches back through history. The precious blue gem enjoyed high status in ancient Greece and Rome, and primeval royalty believed it safeguarded owners from envy and harm. Poets have rhapsodized over it: "A purer sapphire melts into the sea," wrote Alfred Lord Tennyson in the 19th century. And the allure has never waned.

Of course, when professionals say "sapphire," they mean the blue variety, but "fancy sapphire" comprises a dizzying rainbow of other tints.

WHERE TO FIND THEM

Fortunately for collectors, there are sapphire deposits on many continents. If you were to dot a global map with each

place the corundum variety appears, you'd find dots almost everywhere, including the United States.

Legendary cornflower-hued Kashmir sapphires set an almost unattainable standard for this gem. Their velvety quality derives from minute inclusions that pepper the crystals like dust in a shaft of sunlight, diffracting and reflecting light. This softens the entire effect of the stone, imparting a distinctive "sleepy" glow.

The relatively brief period of Kashmir sapphire's harvest occurred in the late 19th century; since that short run, production has been sporadic, keeping Kashmir sapphire a prize to covet.

Kashmiris may occasionally bring out old-stock crystals previously secreted by their elders, says gemologist Eddie Cleveland of Bangkok, Thailand, who is an expert in this sapphire variety. A local tribesman once showed Cleveland some long-forgotten specimens buried inside the walls of his house, which he'd only discovered when breaking through to enlarge the dwelling. "Another friend recently found Kashmir crystals in the Chenab riverbed, downstream from the original mine site," Cleveland relates. That's a rare occurrence, but stones can

Pendant with a trillion-cut, 2.95-carat, teal El Dorado Bar sapphire cut by lapidary artist Robin Callahan. Opposite, from top: The Himalayas, which produced the fabled Kashmir sapphires; local tribesmen rest from mining with Eddie Cleveland (top right) along the slopes of the Himalayas.



pop up in summer when the glaciers have melted further up the Himalayas.

In modern times, sapphires have been sourced in Myanmar (Burma) and Sri Lanka. Australia also produces commercial quantities of the material, as do Thailand, Cambodia and Madagascar.

More recently, Montana sapphires — in fancy-color, bi-color and parti-color varieties — are gaining traction with US consumers who favor home-grown goods and unusual hues.

“Montana sapphire has been steadily gaining in popularity,” says gemstone cutter John Dyer. “While some jewelers are prejudiced against it [because] many don’t have quite as vivid a color as a Sri Lankan sapphire, the end consumer often isn’t looking for or expecting the kind of ‘candy’ colors that jewelers have been taught is the color to buy.”

One jeweler who works regularly with Montana sapphire is Robin Callahan, a designer and lapidary artist in Bainbridge Island, Washington. “We do mine runs in Montana, so I always have hundreds to choose from at any given time,” she says. “My clients love that they are mined and cut in the US. I’ll source sapphires from other locations, but most customers are thrilled that I do the mine runs, sort through the gravel, and then send them to my favorite gem cutters. I will even cut some as well.”

Her clients also appreciate that Montana stones “may produce color shifts under different lighting. ‘Dreamy’ is often used to describe their hues. And teal is a much-requested color.”

While a stone’s source may be central for certain collectors, that’s not always the case. “The average customer doesn’t know much [about sapphires’ origins], so I educate them,” says Callahan.

TAKING THE HEAT

Rough corundum isn’t always pretty, and it’s common to remedy its unattractive characteristics through heat treatment. Sapphire has been heat-treated for millennia to create desirable blues, dissolve needle-like rutile inclusions, remove color zoning and improve clarity.

Originally, the gems were packed into ground-stone pastes or clay, then



deposited into a fire where blowpipes or a bellows would raise the temperature by increasing the oxygen flow. While these temperatures never reached the heat level that modern equipment can create, they did produce more salient stones. In the last few decades, sapphires have been subjected to temperatures as high as 1,700 degrees Celsius. At these levels, fine rutile needles and silk inclusions dissolve, and there is a clear improvement in color and clarity. This treatment also turns colorless sapphires into lively blue ones, while lower temperatures can lighten darker stones. In addition, heating to between 1,200 and 1,600 degrees Celsius can improve on or create asterism — the light pattern that characterizes a star sapphire — though such stones are less popular today.

Most commercial-grade sapphires these days have been thermally enhanced, so dealers make the declaration “Assume heat” whenever they don’t know for sure. Stones may go through heating more than once before reaching the desired colors.

To a lab professional, there are various indicators of heat treatment. Under a microscope, dendritic (tree branch-like) inclusions may be one sign of a sapphire’s thermal enhancement. Other signs might include cloudy particles, fingerprint-like fluid inclusions, or a more even color throughout the crystal (reduced color zoning). All of this means it’s a big deal when sapphires are verified as “no heat.”

While many consumers aren’t savvy about sapphire treatment, information is slowly reaching the public. Callahan recognizes that shift among her clients now, noting that “a growing number do know about gemstone treatments and ask if they are heated.”

Heat treatment is permanent in sapphire, but other processes may not be. Beryllium diffusion came on the scene a few decades back, usually as a last-ditch effort for poor-quality stones that failed to improve under heat. And fracture filling can enhance appearances, though it is rare in sapphires now and isn’t a long-term fix.

Disclosure is key, of course, given that sapphires with such treatments have generally sold at lower price points. When these methods first appeared in the late 1990s, the treated stones often went undisclosed on the market. At the time, it was difficult to identify fracture filling or beryllium diffusion, but today, testing procedures can detect them. ▶

“I THINK WE WILL SEE PRICE INCREASES [FOR THIS GEM] AT ALL LEVELS. DEMAND IS HIGH, AND SUPPLY HASN'T INCREASED TO MATCH IT”

“Asian labs [see] beryllium (Be) in a very small percentage of heated stones, so [it's] not common to the extent that it was 10 years ago,” explains Cleveland.

For Montana sapphires, with their already exotic color palette, heating may not always be warranted. “I've only heated a few,” says Callahan. “Most are glorious as is.”

THE COSTS OF QUALITY

Dyer sees top-quality sapphire becoming harder to acquire as global economies rebound and with China positioned as a powerful consumer-driven market that's scooping up quality goods.

“Often, the rough at its source is very expensive, making it hard to purchase at a good enough price to resell into the US wholesale market,” he says. “This is still possible, but we find that purchasing must be done with extra care. In the medium to long term, should market conditions hold or improve, I think we will see price increases at all levels. Demand is high, and supply hasn't increased to match it.”

Gemstone faceter Roger Dery, founder of Roger Dery Gem Design, gathers

stones directly from the source. “We are always excited about new finds. However, with Covid-19 reducing the number of miners and mining operations, there is less exploration taking place. So on the ground in these mining regions, we are not seeing much in new supplies.”

For him, quantity never outranks the importance of buying quality. “In our experience in colored gems, sapphire leads the way in interest, excitement and total dollars. We've just returned from Sri Lanka [in mid-July]. We found prices up noticeably from our previous visit the year before.”

Still, Dery insists “they're a good investment. Quality sapphires will sell. But the retailer needs to have them readily available to move them.”

When it comes to US-produced goods, buyers can still grab a good thing at attractive prices. In addition to traditional blues, Montana sapphires come in grey, green, blue-green, yellow, yellow-green, and orange, says Dyer, as well as bi-color and parti-color patterns.

“They appeal to many clients today and are still relatively affordable when compared to sapphire from overseas

sources, even when comparing a gem of a similar color,” he says.

Dyer admits that he finds their relatively low prices puzzling. “You would expect a US origin to command more of a premium in the market than it does so far. I believe they are still a very good value.”

As for Kashmir sapphires, their rarity means the few that make it to sale are thrilling for connoisseurs. The Sotheby's Geneva Magnificent Jewels and Noble Jewels auction in May, for instance, included a stunning two-stone sapphire brooch with diamonds. The 1930s estate piece, which belonged to Maureen Constance Guinness, marchioness of Dufferin and Ava, boasted a presale estimate of CHF 1.9 million to CHF 2.8 million (\$2.1 million to \$3.1 million).

When the hammer came down on the winning bid, the jewel brought in CHF 3.5 million, or \$3.8 million. The heroes of this ribbon-shaped brooch were the two Kashmir sapphires: an oval stone of 55.19 carats and a cushion-cut stone weighing 25.97 carats. Kashmir specimens over 30 carats are exceedingly rare, so these extraordinary unheated sapphires were the spectacle of a lifetime for those fortunate enough to catch a glimpse prior to the sale.

“Due to the cost of rough, one of the biggest challenges is creating a beautiful sapphire gem without losing too much weight,” explains Dyer. “Choosing to cut a pear shape, an oval or a round can make quite a difference in its finished weight. The same can be said about making the right choice of where to place the table facet relative to the original rough.”

Finding good prices plus quality is an ongoing quest. But so is ethical sourcing. Dery says trimming his cache of working suppliers has allowed him to dive deeper into ensuring greater transparency in his individual supply chain. “This creates a deeper level of accountability with our suppliers,” he asserts. “We are looking five to 10 years out as to what we want the relationships and the buying scenarios to be, giving greater scrutiny in each region when we can.”

As long as sapphires maintain their luster in the eyes of collectors, there will be a call for quality specimens, irrespective of escalating prices. ■

Chow Tai Fook ring with a 1.07-carat sapphire mined in Tunduru, Tanzania, and cut by John Dyer.





ROYAL BLUE

From Queen Victoria and Princess Diana to the stars of the silver screen, a new book delves into sapphire stories past and present.

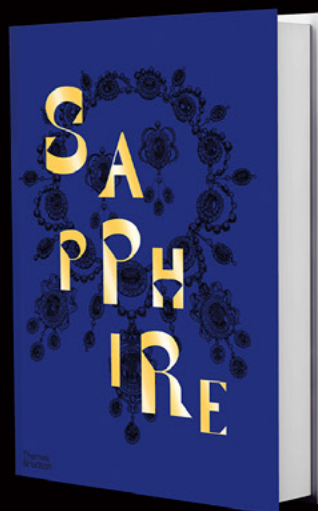
BY PHYLLIS SCHILLER

A member of the corundum gemological family, sapphire is second only to diamond in its hardness, which makes it possible to carve into cameos and intaglios. Its crystals are often larger than those of a ruby or emerald, meaning the stone can be cut into large shapes for impressive jewels. And it naturally occurs in a range of colors, from deepest blue, green and grey to yellow, orange, pink and purple, notes gemologist and fine-jewelry specialist Joanna Hardy in her new book, *Sapphire: A Celebration of Colour*.

Having tackled emerald and ruby in previous books, Hardy completes her trilogy of the “big three” gemstones with this informative tome. She spent 10 years traveling the globe while writing the trio of books, most recently visiting sapphire deposits in Madagascar — the biggest producer of sapphires since they were discovered there in 1998, she notes.

Since antiquity, she writes, “sapphires have been discovered in Sri Lanka (Ceylon), Myanmar (Burma), Cambodia, Thailand, Vietnam, Ethiopia and France,” with later discoveries during the 20th century in Kashmir, Australia, and ▶

A transformable headband/*collier de chien* with seven oval cabochon Ceylon sapphires, by maker Michel Ballada for Chaumet, c. 1921.





“ASSOCIATIONS WITH
THE SEA, THE ENDLESS
HORIZON AND THE SKY
HAVE LINKED THIS STONE
TO THE HEAVENS AND TO
DIVINE POWER”

Montana in the US. She begins her book by talking about the traders along the famed Silk Road and maritime Silk Route, and ends by discussing mining in Australia's outback, Myanmar, Kashmir, Madagascar, Montana, Scotland and Sri Lanka. The color photos that accompany her narrative offer readers an armchair tour of jewels from some of the greatest museums and collections worldwide.

MATRIMONY AND DEVOTION

Many have attributed healing, restorative and protective powers to sapphires. The gemstone's most common color, blue, has a lot to do with it, the book points out. Associations with the sea, the endless horizon and the sky have linked it to the heavens and to divine power, as is evident from sapphire's use in religious objects, crowns, and ceremonial jewels.

In the language of gemstones, sapphires stand for constancy, explains Hardy. Britain's Prince Albert designed and commissioned sapphire jewelry for Queen Victoria, including a brooch he gave her before their wedding.

As a symbol of royal love and "devotion in matrimony," the book states, sapphire has featured in many royal bridal jewels. In Britain, the list is long, beginning in 1923 with the sapphire and diamond ring Elizabeth Bowes-Lyon — later Queen Elizabeth, the queen mother — received on her wedding from future King George VI. In 1947, the king gave his daughter, then Princess Elizabeth, a sapphire and diamond necklace and earrings, made circa 1850, for her wedding. In 1963, a matching new sapphire and diamond tiara and bracelet joined those pieces.

Perhaps the most famous British-royal engagement ring in recent years is the sapphire and diamond cluster ring that Prince Charles gave to then-Lady Diana Spencer in 1981. The ring passed down to her son, Prince William, who gave it in 2010 to his bride-to-be, Catherine Middleton. In 2018, Jack Brooksbank proposed to Princess Eugenie with a padparadscha sapphire ring.

Hollywood stars of the 1930s — America's answer to royalty — also chose sapphires for their wedding jewelry. Fittingly, the stone of choice tended to be the star sapphire. Jewelers such as

Paul Flato, Raymond C. Yard, Trabert & Hoeffler-Mauboussin, Oscar Heyman & Brothers, and Fulco di Verdura created pieces for these silver-screen brides, who wore their gems long after their marriages fizzled. Among them was Carole Lombard, who received a large star sapphire engagement ring from fellow actor William Powell. Actress Jean Harlow also received a sapphire ring from Powell after his divorce from Lombard. Actress Mary Pickford's ring from Douglas Fairbanks, Sr., featured the 181.82-carat, violet-blue Star of Bombay star sapphire, which was actually from Sri Lanka. The marriage didn't last, but Hardy relates that Pickford held onto the ring, bequeathing it on her death to the Smithsonian Institution in Washington, DC.

DESIGNER TIMELINE

The book explores sapphire-adorned jewelry from some of the most famous luxury houses, including Chaumet's tiaras; Cartier's tutti frutti jewels, such as the show-stopping Collier Hindou it made

for heiress Daisy Fellowes; a mystery-set sapphire and diamond bracelet by Van Cleef & Arpels; and the Montana sapphires in Tiffany & Co's creations.

Hardy also talks about the influence of three women on French maisons. Jeanne Boivin continued her husband René's business after his death in 1917, hiring Suzanne Belperron, writes Hardy. Jeanne Toussaint was artistic director at Cartier Paris in 1933 and continued to oversee fine-jewelry production for the next four decades. And Renée Puissant, who became artistic director of Van Cleef & Arpels in 1926, worked with designer René Sim Lacaze to build the firm's design legacy.

Legendary jewelry collectors wearing their sapphire treasures in the book include Elizabeth Taylor, Marjorie Merriweather Post and Duchess of Windsor Wallis Simpson. A look at designers creating 21st-century sapphire jewels rounds out the tome.

Sapphire: A Celebration of Colour by Joanna Hardy will be published by Thames & Hudson in October. ■



A bib necklace with cabochon sapphires and brilliant-cut diamonds by Suzanne Belperron, made by Groëné et Darde for Herz-Belperron, 1940s. Opposite: Two views of Bina Goenka's Ikebana cuff, depicting a blossoming branch that twists around the wrist, with colored diamonds, pearls, conch pearls, emeralds, and 22.16 carats of variously colored sapphires, 2020.

THE RAPAPORT DIRECTORY

DIAMONDS

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TRADE ORGANIZATIONS, PUBLICATIONS & SHOWS

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THE ART OF JEWELLERY

The Art of Jewellery is India's No. 1 business magazine on the jewelry trade and industry. It is a one-stop source for cutting-edge information.

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CALENDAR

VOL. 44 NO. 9 SEPTEMBER 2021

SEPTEMBER

- 3-6** **Bijorhca**
Paris, France
whosnext.com
- 4-6** **Midora Leipzig**
Leipzig, Germany
midora.de
- 5-8** **Jewellery & Watch Birmingham**
Birmingham, UK
jewelleryandwatchbirmingham.com
- 10-14** **Vicenzaoro & T.Gold**
Vicenza, Italy
vicenzaoro.com
- 10-14** **Palakiss Summer**
Vicenza, Italy
palakiss.com
- 12-13** **Select Jewelry Show**
Dallas, TX
selectjewelryshow.com
- 12-14** **AGS Conclave**
Dallas, TX
americangemsociety.org
- 15-19** **IIJS Premiere**
Bengaluru, India
gjepec.org
- 16-19** **Madridjoya**
Madrid, Spain
ifema.es
- 17-20** **Jewellery & Gem World Hong Kong**
Hong Kong
exhibitions.jewellerynet.com
- 18-21** **AGTA GemFair**
Denver, CO
agta.org
- 25-26** **Ace It Mid-Year Virtual Conference**
najaappraisers.com

OCTOBER

- 2-4** **Delhi Jewellery & Gem Fair**
New Delhi, India
delhi.jewelleryfair.in
- 3-4** **Select Jewelry Show**
Mohegan Sun, CT
selectjewelryshow.com
- 7-10** **Istanbul Jewelry Show**
Istanbul, Turkey
istanbuljewelryshow.com
- 7-10** **Singapore International Jewelry Expo**
Singapore, sije.com.sg
- 8-11** **Jewelers International Showcase (JIS)**
Miami Beach, FL, jisshow.com
- 11-13** **International Gem & Jewellery Show (IGJS)**
Dubai, UAE, intl.gjepec.org/dubai
- 16-18** **JIS Delivery**
San Diego, CA, jisshow.com
- 18-19** **IWJG Show**
Las Vegas, NV, iwjg.com
- 18-20** **Hyderabad Jewellery Pearl & Gem Fair**
Hyderabad, India, hyderabad.jewelleryfair.in
- 19-24** **AEON Watches & Fine Jewelry**
Munich, Germany, aeon-show.com
- 22-24** **Gemworld Munich**
Munich, Germany, gemworldmunich.com
- 22-25** **New York City Jewelry & Watch Show**
New York, NY, nycjaws.com
- 23-24** **Atlanta Jewelry Show**
Atlanta, GA, atlantajewelryshow.com
- 24-26** **JA New York**
New York, NY, ja-newyork.com
- 26-30** **Jewelry & Watch Show**
Abu Dhabi, UAE, jws.ae
- 27-29** **International Jewellery Tokyo Autumn**
Yokohama, Japan, ijt-aki.jp
- 27-31** **Junwex Moscow**
Moscow, Russia, junwex-msk.ru



A 48.80-carat opal brooch from Paul Fisher Inc. at the New York City Jewelry & Watch Show.

NOVEMBER

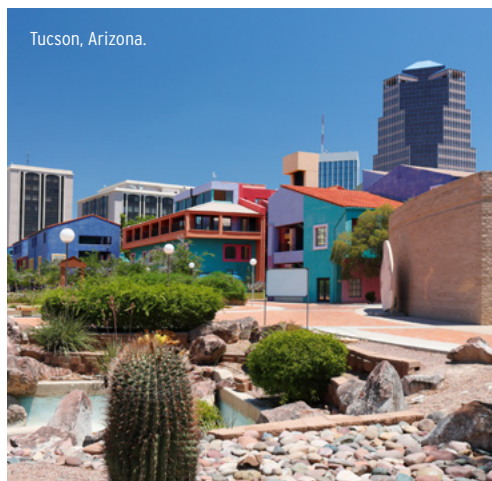
- 2-6 Jewellery Salon**
Riyadh, Saudi Arabia
jewellerysalon.com
- 4-7 GemGenève**
Geneva, Switzerland
gemgeneve.com
- 5-7 Palakiss Fall**
Vicenza, Italy, palakiss.com
- 7-8 Select Jewelry Show**
Washington, DC
selectjewelryshow.com
- 11-14 Jeweller Expo Ukraine**
Kiev, Ukraine, jewellerexpo.kiev.ua
- 16-19 Jewellery & Gem World Special Edition**
Hong Kong
exhibitions.jewellerynet.com
- 16-20 Jewellery Arabia**
Sanabis, Bahrain
jewelleryarabia.com
- 25-28 HKJMA International Jewelry Show**
Hong Kong
jewelryshows.org
- 26-27 Jubinale Christmas**
Krakow, Poland
jubinale.com

DECEMBER

24-27 Jaipur Jewellery Show, Jaipur, India, jaipurjewelleryshow.org

JANUARY 2022

- 12-15 International Jewellery Tokyo**
Tokyo, Japan
ijt.jp
- 20-23 The Original Miami Beach Antique Show**
Miami Beach, FL
originalmiamibeachantiqueshow.com
- 21-24 Bijorhca**
Paris, France
whosnext.com
- 29-31 RJO Buying Show**
Birmingham, AL
rjomembers.com
- 29-FEB 2 The Centurion Jewelry Show**
Phoenix, AZ
centurionjewelry.com
- 30-31 57th Ace It Winter Conference**
Tucson, AZ
najaappraisers.com
- 30-31 Select Jewelry Show**
Tucson, AZ
selectjewelryshow.com



Tucson, Arizona.

FEBRUARY 2022

- 1-6 AGTA GemFair**
Tucson, AZ, agta.org
- 2-6 Junwex St. Petersburg**
St. Petersburg, Russia
junwex-spb.ru
- 7-10 Mining Indaba**
Cape Town, South Africa
miningindaba.com
- 11-14 Inhorgenta**
Munich, Germany, inhorgenta.com
- 17-22 The Palm Beach Show**
Palm Beach, FL
palmbeachshow.com
- 25-28 Athens International Jewellery Show**
Athens, Greece
hellenic-jewellery.helexpo.gr

MARCH 2022

- 1-5 Hong Kong International Diamond, Gem & Pearl Show**
Hong Kong, event.hktdc.com
- 3-7 Hong Kong International Jewellery Show**
Hong Kong, event.hktdc.com
- 12-15 Independent Jewelers Conference**
San Antonio, TX, ijo.com
- 23-26 Amberif**
Gdansk, Poland, amberif.amberexpo.pl
- 24-27 Istanbul Jewelry Show**
Istanbul, Turkey, istanbuljewelryshow.com
- 30-APR 5 Watches and Wonders**
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TRIVIA TREASURES

How much do you know about the Indian gem and jewelry industry? Test yourself and find out.

BY LEAH MEIROVICH



Priyanka Chopra and Nick Jonas at their wedding reception in Mumbai, December 2018.

1. Which Indian designer created Priyanka Chopra's traditional Mughal-style jewelry for her wedding reception in Mumbai?

- A. Sabyasachi.
- B. Farah Khan Ali.
- C. Poonam Soni.
- D. Asha Kamal Modi.

2. What signature Cartier style derived from a technique that the Indian Mughals developed?

- A. Panthère.
- B. Love.
- C. Tutti frutti.
- D. Juste un Clou.

3. The nawab of Arcot, a regional ruler of India, gave the pear-shaped, 17.21-carat Arcot II diamond as a gift to which monarch?

- A. Marie Antoinette, queen consort of France.
- B. Queen Charlotte of Great Britain.
- C. Empress Catherine I of Russia.
- D. Elisabeth Farnese, queen consort of Spain.

4. Which famous diamond did not come from the Golconda mine?

- A. The 108.93-carat Koh-i-Noor in the UK.
- B. The 45.52-carat Hope Diamond in the US.
- C. The 530.20-carat Star of Africa in the UK.
- D. The 41-carat Dresden Green in Germany.

5. Jaipur is known as the "gem capital of the world." What's the reason for that title?

- A. It has a large number of wealthy citizens who parade around in priceless gems.
- B. Large deposits of emeralds, amethysts and rubies were found there.
- C. Its buildings are architecturally designed to look like gemstones.
- D. Hundreds of years ago, an Indian prince gave incentives to jewelers and gem-cutters to move there.

6. Where was Mumbai's diamond market located before the Bharat Diamond Bourse was built?

- A. The Opera House.
- B. The Symphony House.
- C. The Orchestra House.
- D. The Harmony House.

7. On what part of a woman's body is a traditional *maangtika* worn?

- A. The head.
- B. The neck.
- C. The ankle.
- D. The stomach.

8. Which mining giant pulled out of developing India's Bunder diamond mine due to a series of environmental issues that stalled the project?

- A. De Beers.
- B. Rio Tinto.
- C. Alrosa.
- D. BHP.

9. What is the name of the 787-carat diamond that's considered the largest rough ever found in India?

- A. The Maharaja.
- B. The Simhah.
- C. The Shaktimaan.
- D. The Great Mogul.

10. What traditional type of Indian jewelry features uncut diamonds?

- A. Lac.
- B. Polki.
- C. Kundan.
- D. Meenakari.



The Arcot II diamond sold at Christie's in June 2019.

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