Glittering Trade

Indians have mastered the art of diamond-cutting and processing, and thousands of craftsmen in places like Mumbai, Surat and Ahmedabad are wowing lovers of precious stones the world over with their exquisite work, writes **Rajiv Pai**

WITH exports of $17.1 billion in 2006-07, India's gem and jewellery industry has been second only to textiles in earning foreign exchange for the country.

According to the Gem and Jewellery Export Promotion Council (GJEPC), the Mumbai-based apex body of the trade, exports of diamond merchandise alone touched $9.77 billion last year.

Cutting and polishing – essentially value addition – of diamonds and precious stones have been an enduring trade in India, which incidentally, also happens to be the first country to have introduced diamonds to the world. From the 9th to the mid-18th centuries, Indian mines yielded vast volumes of this precious stone that made their way to some of the most fashionable markets of the West and adorned royals the world over.

While the mines are now depleted and defunct, GJEPC chairman Sanjay Kothari points out that nine of every 10 diamonds sold worldwide are processed in India. His confidence in the country emerging as an international trading centre for rough and polished diamonds is borne out by some impressive statistics.

India has captured a staggering 80 per cent of the global diamond market in terms of caratage, and 90 per cent in terms of pieces exported. In value, the global market share of diamonds manufactured in India is 55 per cent.

"One needs only to visit the southern Gujarat city of Surat, which has been India's diamond-processing hub from as early as the 17th century, to realise the phenomenal strides the industry has made over the years," remarks Tehmasp Printer, managing director of the fast growing India branch of the Antwerp-based diamond certification authority of the International Gemological Institute (IGI). "As one from the trade who has closely seen all the world's important diamond centres like Belgium, Israel, South Africa and China, I have found Indian craftsmanship, creativity and expertise to be without parallel."

According to Printer, no country can match India in the cutting of gemstones and crafting of fine jewellery.

The industry's significance is underscored by the fact that over a million people are engaged in it. Of these, some 270,000 workers are employed in 3,500 polishing units in Surat, with a further 92,000 in 1,315 units in Bhavnagar, 71,000 in 1,015 units in Ahmedabad, and 42,500 in 805 units in Mumbai, these cities together being the world's premier diamond processing centres. India's workforce accounts for 80 per cent of those engaged globally in this trade.

These workers have toiled long and hard to earn their country considerable goodwill in both the domestic and international markets. Their skills have brought India's diamond manufacture to this level from modest beginnings when exports had been a mere $13 million in 1966-67. And being quick innovative learners, they have produced low cost jewellery that is sold at a premium abroad, while keeping

pace with the exacting requirements of their discerning clientele.

In all probability, however, the state-of-art machines they work on – especially for high end processing – are imported. Jatin R. Mehta, chairman and managing director of Mumbai-based Su-raj Diamonds and Jewellery Ltd, one of the largest players in the field, deems technology upgradation vital for enabling the polishing of top end diamonds if India is serious about enhancing value addition and market realisations.

Kothari maintains that Indian diamond manufacturing factories can boast the latest in machinery and technology, ranging over laser and computerised diamond yield planning machines and semi-automatic wheels. "India is now able to provide the world with diamonds of every shape and size," he claims.

Antiquated cottage-industry outlets in Surat and Mumbai have metamorphosed into sophisticated enterprises requiring just half the number of workers to produce an equivalent number of diamonds of a few years ago.

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Printer adds that even as a trained gemologist, he finds it difficult to distinguish a diamond processed in India from that processed in any of the industrialised centres of the world. "Indeed, the quality of Indian diamonds today is supreme," he asserts. "Hats off to the country's diamantaires for converting their factories into genuine state-of-the-art facilities by acquiring the best machinery available at present."

India has 3,800 diamond exporters and their trade's characteristic uncertainty and minimal lead time often drives them to taking calculated risks or deters them from committing themselves.

Surat's diversified Sahajanand Group of companies, that operates in the three business areas of engineering and laser technology, medical technology and biotechnology, is one of the foremost players in catering to the diamond industry with laser technology based


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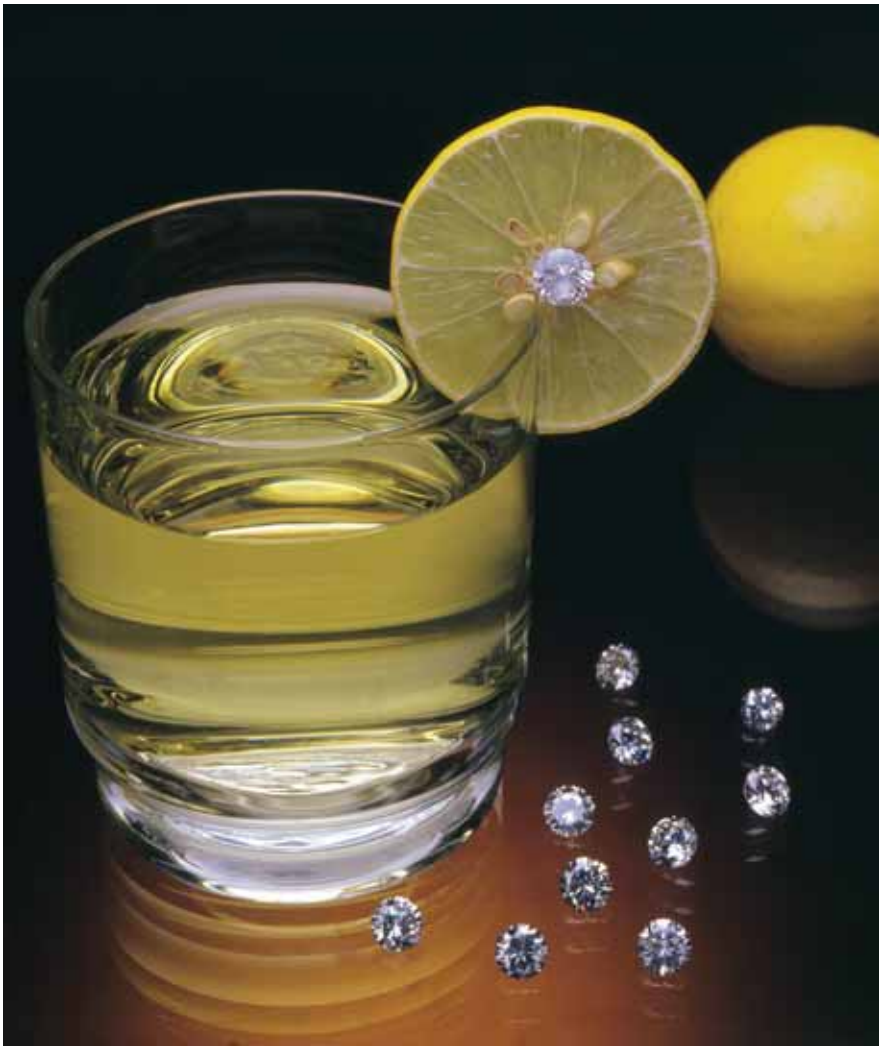
solutions. Founded by Dhirajlal Kotadia in 1993, Sahajanand pioneered automated capital equipment for the country's diamond sector.

Sahajanand director Dhirubhai Vasoya points out that "one pitfall is the general notion that imported equipment is superior; even though our machines are at par with any that are imported and considerably cheaper, customers expect us to be very competitive in comparison to foreign suppliers."

The company has manufacturing units at the Special Economic Zone at Sachin, near Surat, and a marketing office in Mumbai. Its systems have been exported to Dubai, Singapore, South Africa, Thailand, Hong Kong and China

Sahajanand also manufactures Magnus Pro, a high end diamond planner system that can also view and measure inclusions in the rough diamond. Magnus is a software-based system that aids diamond manufacturers to ensure maximum yields from their roughs, with minimum wastage. Its laser technology enables three dimensional as also cross-sectional views of the roughs to be processed and facilitates computerised planning of designs that are most appropriate for the pieces. The laser beam can also mark out the diamond for subsequent processes like laser sawing and laser bruting.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For Israeli company Sarin, which has a wholly owned subsidiary in India called Sarin Technologies India Pvt Ltd, its domestic sales have contributed to almost 70 per cent of its overall revenues during the second quarter of 2007.

David Block, Sarin India's chief executive, says his company has developed a rough planning machine named DiaExpert Nano for cutters of small diamonds. "Stones are laser marked according to the set standards by Sarin's advanced software for computerised mapping and planning of rough diamonds," he explains. "This helps avoid differences during the planning and diamond production process stages."

Recently Sarin India welcomed Dharmanandan Diamonds as the third member of its 'Sarin Century Club', after the Mumbai-based company purchased over 100 rough planning machines from Sarin. The other two members of the club also come from India, Hari Krishna Exports and Shree Ramkrishna Exports, both of whom crossed the 100-machine mark in 2007.

There are myriad domestic and foreign players jostling for space in this glittering industry. And it is they who are the heartbeat of this vital component of the Indian economy.