



FICCI LADIES ORGANISATION

SURVEY ON

GEMS & JEWELLERY (G& J) SECTOR INCLUDING FASHION JEWELLERY
CHALLENGES/ISSUES/CONCERNS FOR WOMEN ENTREPRENEURS

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BACKGROUND:

Gems and jewellery sector is an integral part of the nation's economy with its huge potential. A report released by the Gem & Jewellery Export Promotion Council and KPMG states that the global Jewellery industry has the potential to grow to USD 280 billion by 2015.

In India, the gems and jewellery industry has been growing at a good pace and it accounted for 14% of India's total merchandise exports in 2011-2012. India is also world's largest diamond processing (cutting and polishing) country with an 80 per cent share in world market. The most significant aspect contributing towards the growth of this sector is India's favorable trade policies.

The purchasing power and disposable incomes of the Indian consumer have considerably increased and it has created a niche for leading branded jewellery in the last decade, resulting in phenomenal growth in this sector.

This industry was a primarily male dominated one but the scene has considerably changed in the proverbial 21st century times. This change is synonymous with the shifting role of women in the society and economy around the globe. Though it has not been a very easy journey for women to enter the threshold of a man's arena, they are successfully combating long-standing prejudices and are working their way to the top of companies or starting their own businesses in increasing numbers. The more overwhelming fact is that a lot of middle and lower middle class women are entering the industry and breaking the boundaries.

OBJECTIVE:

The objective of this survey is to encapsulate the challenges/ issues/concerns for women entrepreneurs while doing business in the Gems & Jewellery Sector. Besides big players, the gems and jewellery sector in India consists of a large number of small and medium enterprises (SMEs). This survey primarily intends to understand the constraints faced by these enterprises specially focusing on women entrepreneurs in this sector across the country, in terms of operations or government rules affecting the industry. A questionnaire was formulated soliciting inputs regarding various operational limitations and relevant regulations in the country, which affects them directly or indirectly while in business.

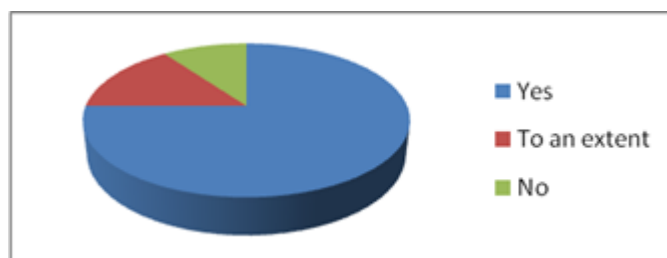
PROFILE:

Women entrepreneurs from small and medium entrepreneurs were focused while doing this survey. The products in the sector can be categorised as gemstones, jewellery and pearls, which can be further segmented into diamonds, coloured stones (precious, semi-precious and synthetic), studded jewellery, costume jewellery, gold and silver. The major factor taken into consideration while seeking information was the inclusion of all these products.

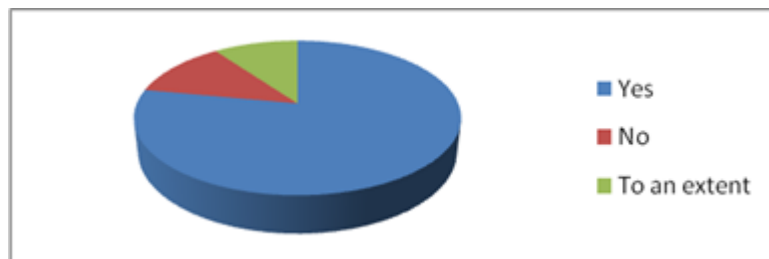
The 40 odd respondents included women entrepreneurs across the country who are in the business for over 10 years as well as those who have recently entered into the industry.

FINDINGS:

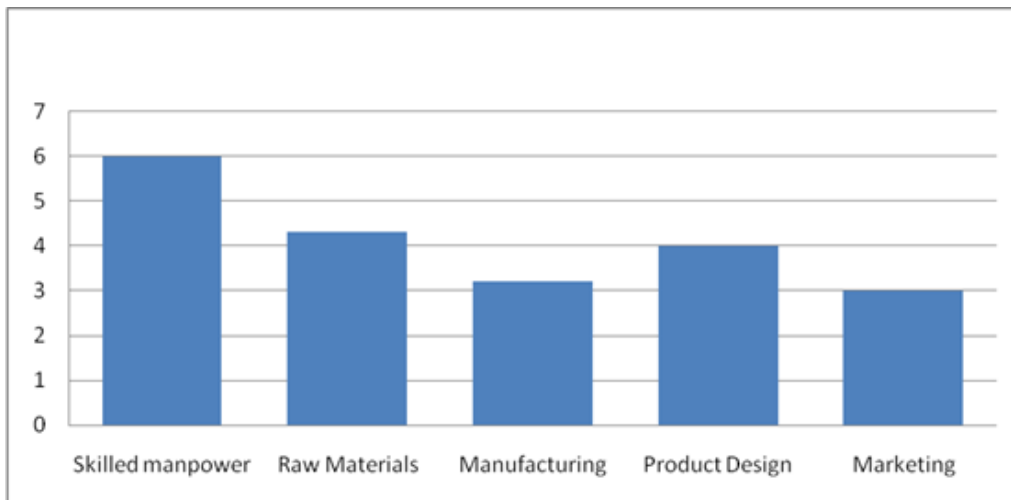
- ✚ The gems and jewellery industry is primarily an unorganized sector but recent times have witnessed several organized players entering the scene. **The rising spending capability on Indian consumer has made this sector a lucrative business opportunity for the women entrepreneurs.** Majority of women entrepreneurs consider this industry as a very profitable sector and are doing considerably thriving business.



- ✚ **There is a growing need to modernize the sector in tune with International standards.** It is the most essential factor in competing with global market and most respondents feels that it is the clarion call of the times. Innovation is the buzz word and Indian jewellery manufacturers have to modernize their designs according to the consumer needs. Traditional designs have their own market share in certain regions such as the South East Asian market but to meet global standards, it is essential that European and American markets are also understood and the Indian industry adapt itself in order to capture larger markets.

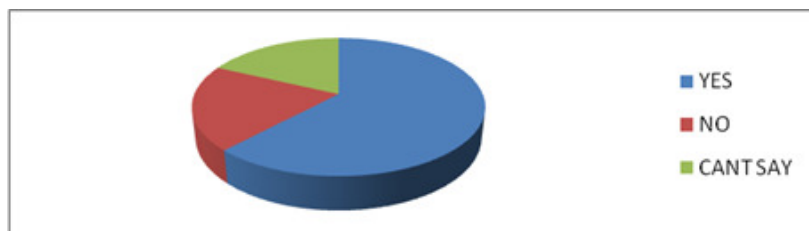


- ✚ **The Indian Gems & Jewellery industry is largely an organized and fragmented sector. It is plagued by several bottlenecks, specially for women entrepreneurs.** They have to face several operational hindrances from procurement of raw materials to skilled manpower, from manufacturing to marketing and retailing. Most respondents from the small and medium enterprises are of the opinion that it is difficult for them to obtain quality products such as gemstones in the markets specially in Delhi. They also feel that the basic problem in the industry is the traditional mindset of people involved. The industry is not interested in paying good wages and nor is it open to train their existing manpower as they feel threatened by them .They also fear poaching and sharing of their internal practices. Respondents also face various constraints in manufacturing, marketing and retailing of their products.

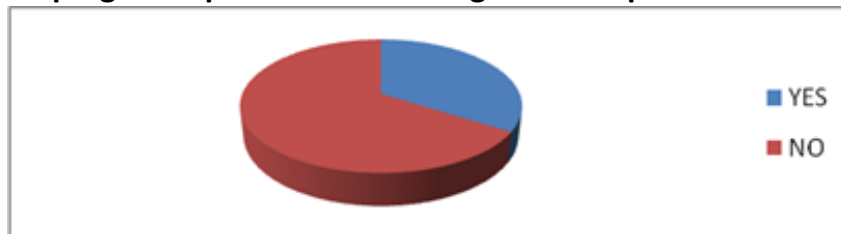


Skilled Manpower	Raw Material	Manufacturing	Product designs	Marketing
<ul style="list-style-type: none"> •Availability •Quality •Training 	<ul style="list-style-type: none"> •Procurement •Prise rise 	<ul style="list-style-type: none"> •Machinary breakdown •Electricity 	<ul style="list-style-type: none"> •Skilled Manpower •Innovation 	<ul style="list-style-type: none"> •Pricing •Right channels

✚ **This sector is well supported by the banking sector but the respondents feel that financing options are not adequate in India.** They feel that financial institutions are skeptical in funding women run ventures and this is specially true for small and medium enterprises. Financing is very weak, banks are very cautious, and do not extend credit against goods and receivables as they are looking for collateral.



- Looking at the growing prospects and emerging opportunities, the government has introduced several schemes to promote this sector and encourage entrepreneurship in gems & jewellery. Foreign Trade Policy 2009-14 has identified the gems and jewellery sector as a thrust area with prospects for export expansion and employment generation. The gems and jewellery sector is a major foreign exchange earner. Due to its importance in India's foreign trade, the government has taken many initiatives to boost the sector. The government, for instance, has declared this sector as a thrust area for exports. **But the respondents are of the opinion that the existing schemes are not enough and more needs to be done in terms for pragmatic policies to sustain global competition.**



RECOMMENDATIONS:

The Government should formulate policies to encourage gems & jewellery as a career opportunity and give boost to training opportunity so that skilled manpower is easily available in India. The respondents also suggested that skill enhancement centers should be setup with an aim to develop skills amongst the crafts persons.

The state governments should follow the model followed by Gujarat government to promote this sector. Gujarat boasts of good infrastructure, a well-developed market and a good business environment and this is the reason why it is the leading state in India in gems and jewellery sector, as it contributes to about 72% of the total exports of India.

It is also recommended that the government introduces specific measures for women entrepreneurs to encourage them so that the growing potential of this sector is tapped. Branded jewellery does have a bright scope in Indian market, specially diamond studded gold jewellery. This category should be focused upon and policies to promote branded jewellery should be further encouraged.

It should also be taken into consideration that women entrepreneurs from across the country should be provided with a platform to develop linkages with national and international markets, develop partnerships with value chain operators and network with persons in related industries.