GJC CONNECT

NEWSLETTER

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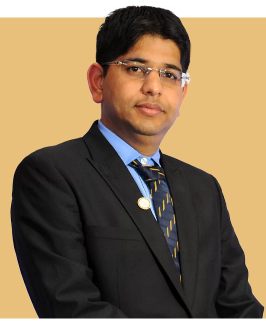
"India needs a robust gold policy which will rationalise gold import duty to curb gold smuggling."



"If Customs Duty is reduced to 4 per cent, the business will go up by 10 per cent."

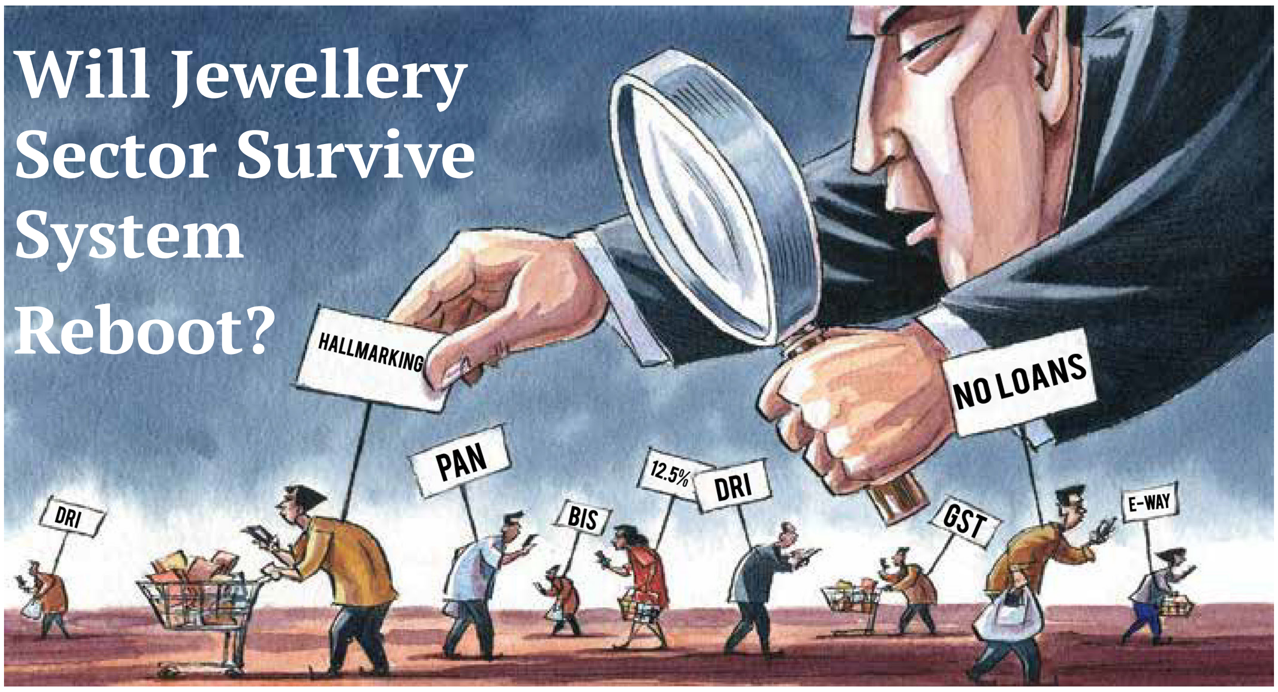
Saiyam Mehra,
GJC Chairman

Reviving MSME

The Road to $ 5 Trillion Economy

By
Titto Eapen

Will Jewellery Sector Survive System Reboot?



The MSME sector comprises nearly 63 million enterprises, contributing 30 per cent to India's GDP, 45 per cent to manufacturing and 40 per cent to exports. According to government data, it employs over 113 million people. The sector has put up with several shocks in recent times.

Demonetisation came first, followed by NCLT and GST implementation, which took time to settle down, followed by the downturn in the economy, Covid-19 and most recently, geo-political tensions such as the Russia-Ukraine war. As a result, 10,655 micro, small and medium enterprises (MSMEs) shut down in 2022-23, the highest in the last four years.

"The sector faced challenges related to financial liquidity, debt repayments, meeting fixed expenses like wages and salaries, statutory dues, etc. In addition, raw material prices also went up manifold, which led to an increase in the cost of production, thereby impacting cash flows," reckons Mohit Jain, Chair, MSME Committee, PHD Chamber of Commerce and Industry (PHDCCI). According to former Chief Statistician of India, Pronab Sen, the condition of the MSME sector, which accounts for 30 percent of the economy and perhaps 40 percent of employment, is the most worrying and critical problem that must be tackled. Moreover, a lot depends on whether new MSMEs are created to replace the approximately 20 percent that died and disappeared during and after the pandemic.

The diamond hub in Surat is also facing its worst unemployment crisis since 2008. Over the past two years, the industry has seen more than 125,000 people being laid off. In addition, the labour-intensive diamond polishing sector is losing sheen owing to multiple factors, including geo-political factors., liquidity crisis at home and issues related to the Import Duty and GST.

Since December 2018, almost 3 lakh people, mostly workers engaged in cutting and polishing rough diamonds, have lost their jobs, making it the worst crisis since the global slowdown in 2008.

The same goes for gems and jewellery, which is essentially an MSME sector employing over 10 million people. However, today the legacy and the artistic brilliance of the 5,000-year-old Indian Gem and Jewellery industry are fading into oblivion. The symptoms of an existential crisis are everywhere in evidence today. The economic slowdown and the demand slump are squeezing jewellery sales. Gold prices are rising, diamond export is falling, while layoffs and shutdowns are commonplace. Policy dichotomy in the name of reform and inspector raj in the name of compliance is routine.

> *We expected a reduction in the customs duty of gold. Unfortunately, that did not happen. Instead of reducing duty on gold, the FM chose to hike the duty of Silver.*
>
> **MP Ahammed, Chairman, Malabar Group**

Banks are turning their backs, and working capital is waning while expansion is abysmal. Recurrent raids, arbitrary seizures and unreasonable penalties have become the new rule of the business. At the same time, new policies and regulations are being formulated through speculative development, shaped by decisions made in boardrooms half a world away. As a result, small jewellers and artisans are struggling for a livelihood.

The high import duty on gold has not only dented gold jewellery sales, but also jeopardised the livelihood of the artisans. The artisans, who are in the business of Kundan, Meena and gold jewellery in Jaipur, wanted the government to take certain policy measures to help improve the situation and claimed that if the situation in the jewellery sector continued like this, several people in the industry might have to opt out of the business.

According to Saiyam Mehra, Chairman, GJC, the sentiments are low as gold prices increased in India not only because of the international factor but also domestic factors like high Import Duty and GST. Today, people are not coming to buy gold jewellery because they know India is the costliest in the world. Therefore, we were expecting that the government would cut down the import duty to 6 per cent in the Budget.

The government cannot continue to neglect the capital-labour-intensive industry with punitive policies. The high import duty structures are detrimental to the industry and catastrophic for the government with increasing smuggling. Apart from the policies, the industry needs a lot more transformation in terms of transparency and accountability, as well as in improving the working conditions and standard of life of artisans.

The industry should strive to uplift the standard of artisans by bringing proper professional guidelines, a working environment and timely wage increases. The other big challenge before the industry is to get the millennials into the jewellery sector collectively.

It is time for the industry to bring synergies where organisations like GJC, GJEPC, World Gold Council, GIA, Forever Mark, and Platinum Guild collectively come together to curate joint promotional activities to build confidence amongst the millennials for jewellery. Today, the industry has no choice but to mutually promote gold, diamond, and platinum massively through innovative promotional campaigns.

> *"The reduction in custom duty on gold from 12.5 per cent to 10 per cent is a step in the right direction, the hike in the Agriculture Infrastructure and Development Cess has brought the overall duty to 15 per cent, same as before."*
>
> **Somasundaram PR**
> **World Gold Council**
> **Regional CEO, India**

Chairman's Desk

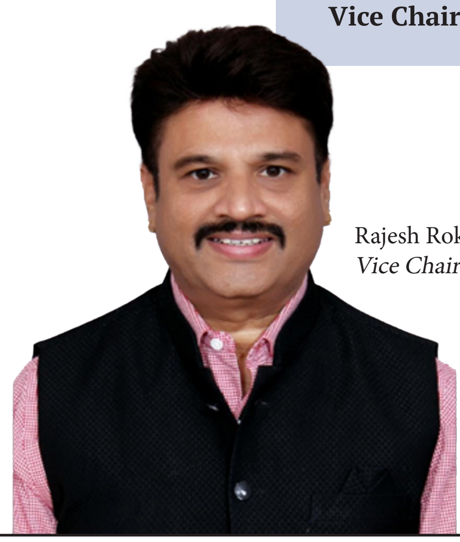
Saiyam Mehra,
GJC Chairman

The All India Gems & Jewellery Domestic Council (GJC) has completed 17 years of its journey as a guardian and custodian of the Gems and Jewellery industry. We have been at the forefront for these 17 years to address many issues. Today, I can proudly say that GJC has solved most of the industry's obstacles through constructive dialogues with the government. On the organisational front, GJC has worked in tandem with the industry and tried to reach out to the smallest of the small jewellers in the remotest villages.

Today GJC is functioning as a bridge between the government and the industry. We have made several representations to various ministries of the government in the recent past and found amicable solutions on matters like GST, hallmarking, PMLA and many more. Our core philosophy of promoting, protecting and progressing has helped the industry become more compliant and transparent and play a significant role in the nation's development.

Also, keeping the omission and marginalisation of medium and small manufacturers in the existing trade fairs, the GJC has come up with its state-of-the-art exhibition in the form of the India Gem and Jewellery Show (GJS). The show's next edition is expected to host around 400 exhibitors and approximately 15,000 buyers from across the country.

Vice Chairman



Rajesh Rokde
Vice Chairman - GJC

We at GJC are fighting a multifaceted battle to nudge issues like credit inflow, demand slump, rising gold prices, and high Customs Duty. We have taken a holistic view of these issues and have already conveyed our suggestions to the government. We are forming an action committee to deliberate with the Finance Ministry to resolve the credit issues with bankers and also to find an amicable way to curtail the heavy import duty structure on gold. Recently, we took a delegation to the Consumer Affairs Ministry and GST Commissioner to address the perceptible challenges in the current ecosystem.

We are also in dialogue with stakeholders, like the World Gold Council, Forevermark, GIA, and Platinum Guild, to collectively start campaigns targeting millennials and increasing jewellery sales. We are also planning to relive our much-heralded Lucky Lakshmi Project in the line of Dubai Shopping Festival to boost sales during the festival. We also want to bring the entire jewellery community as an organised sector. We will be foraying into small cities and rural belts with our educational Labham Programme.

Editor

Suyash Sanjay Agrawal
Director - GJC and
Editor GJC Connect

The domestic gems & jewellery business was around INR 4 lakh crore in 2020, employing around 60 million people directly and indirectly. It contributes around 7 per cent to the national GDP. However, despite having such prominence in the economic growth and employment generation, we are one of the most marginalised sectors. To bring more voices to the sector, we have developed a unique platform to make your voice heard across the length and breadth. The GJC Newspaper will be one of its kind in India, offering information and insights to stakeholders in seven different languages.

The stakeholders will get fortnightly updates & information at their fingertips at zero cost. At the same time, a digital-friendly approach will provide critical insights and outlook with expert content to get in tune with the volatile market condition. The most vital aspect of this newspaper is providing an all-inclusive marketing platform to the entire value chain at a revolutionary price point without any discrimination based on size or region. The smallest of the small can participate in this newspaper to reach out to over four lakh jewellers on a fortnightly basis. GJC CONNECT will offer a unique experience to even a jeweller based in the remotest part of India as he can take part with the bare minimum access to the Internet & Smartphone.

Co-Editor

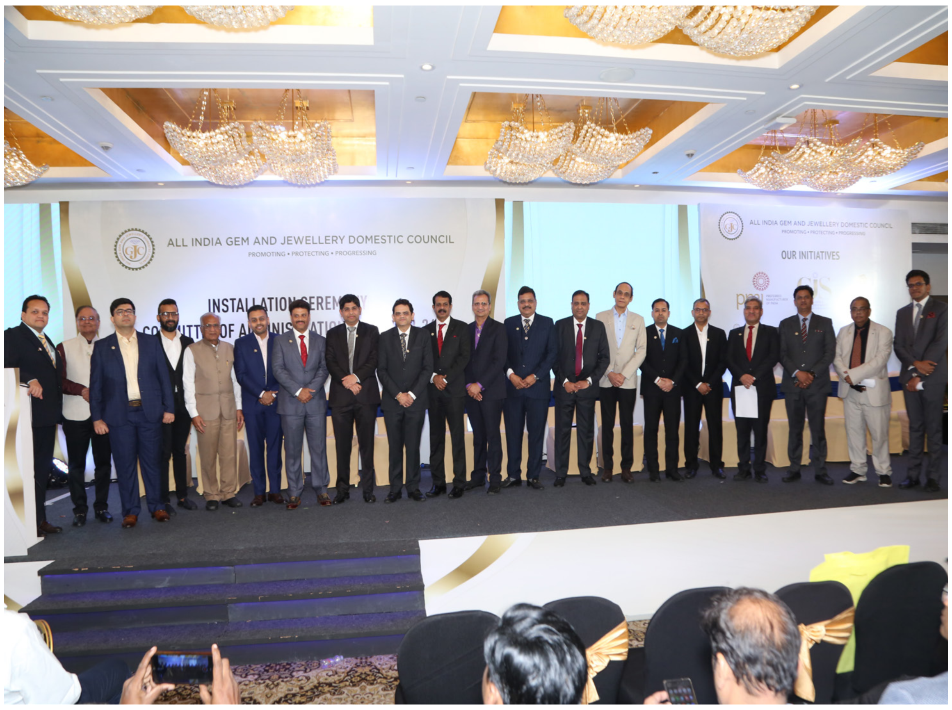
Nilesh Shobhawat
Director - GJC and
Co-Editor GJC Connect

The current realities have challenged the longstanding assumptions that certain services in our society and our economy were provided in person and required co-location. However, the pandemic and lockdown restrictions and protocols have radically challenged those assumptions. They have brought unprecedented changes in the behaviour and habits of people in terms of media and information consumption. People consume more online content while cooking, exercising or working from home during these unusual times.

As millions get used to the adjusted lockdown life, our digital lives may never be the same again. So many things have changed from video conferences and online education to streaming online webinars — and some of these habits are likely to stick.

During the pandemic, various small and medium players have been struggling to find a way to connect with their audience and are losing their brand presence. In these contexts, GJC Connect newspaper in seven different languages will help the entire stakeholder stay upbeat with the latest information and offer more incredible marketing opportunities for stakeholders with enhanced creative tools and more targeted reach-out within the budget of companies and brands.

Change Of Guard: Saiyam Mehra Led COA To Steer GJC



The All India Gem & Jewellery Domestic Council (GJC) has elected Saiyam Mehra as Chairman and Rajesh Rokde as Vice Chairman for two years. The other newly elected board directors, known as the Committee of Administration (COA) of GJC are Amit Soni, Suyash Agarwal, Dr Ravi Kapoor, Ashok Kumar Jain, and Sahil Mehra. While Vardhaman Ashish Kothari and Ketan Chokshi have been appointed as co-opted members.

Saiyam Mehra, Owner of Unique Chains, has been closely associated with GJC since its inception. Over the years, he has successfully conceptualised and executed innovative programmes for the benefit of the industry. He was instrumental in addressing many burning issues like excise, GST, custom duty, PMLA, etc.

Saiyam Mehra stated, "I am grateful to the Board, and it is an honour to accept the responsibility of steering the National Domestic Council. We shall work closely with the government and take up various industry issues. In sync with the government's policies, my first effort will be to transform and energise jewellers across India to bring more synergies within the indigenous industry.

"We shall strive to unite the entire industry and achieve GJC's goal of One Industry, One Voice. GJC will strive to inspire many more jewellers and their association to get more organised to project a unified approach to policy

changes. We also want to tackle contentious issues, such as the Banking sector's

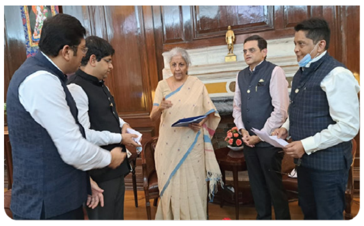
hesitancy to provide loans to the G&J sector."

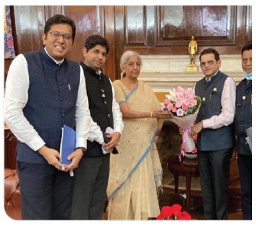
Rajesh Rokde, Rokde Jewellers, is known for his vision to create benchmarks in gold, silver and fashion jewellery that reflects excellence in design and artistry. On his election, the Board complimented his commitment towards innovations and visualising future trends all these years and expressed confidence that he will continue to work for the benefit of the industry.

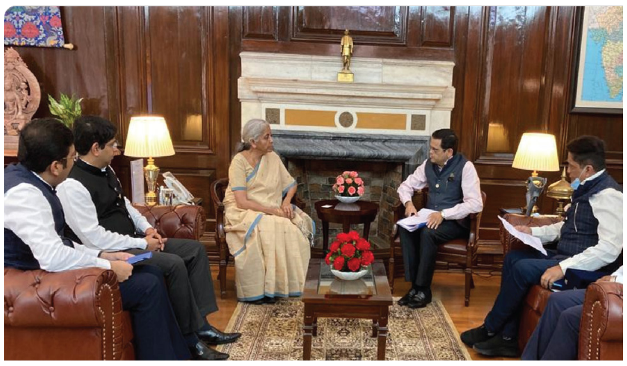
"It is my proud privilege to work for the growth of this pivotal trade organisation and contribute my vision for the development of its member jewellers across the region. There is a need for the industry to become more organised and compliant. GJC will continue to create better and newer platforms for the industry," said Rokde.

An e-Voting election process conducted the entire election under the supervision of an authorised independent person (Returning Officer), and the digital agency created the voting platform, both appointed by GJC.

GJC Delegation Reviews Current Challenges With FM







The GJC delegation led by Chairman Ashish Pethe, Vice Chairman Saiyam Mehra, ex-Chairman Nitin Khandelwal and Tax Consultant CA Bhavin Mehta met with Union Minister of Finance Nirmala Sitharaman. The GJC deliberation requested the government to announce several measures to make buying gold and jewellery more customer-friendly. The critical measures sought include allowing jewellery purchases through equated monthly instalments, just like one can buy consumer durables, reducing credit card commissions on transactions and making the government's gold monetisation scheme more attractive.

Over the past few years, the gems and jewellery industry has gone through various speed bumps. Import duty on gold was raised to 10 per cent in 2013, as the then UPA government looked to reign in the current account deficit and a depreciating rupee. In addition, a PAN card was made mandatory for gold and jewellery purchases over Rs 2 lakh. Demonetisation in 2016 also hurt sales as cash transactions came down.

Notably, the Council wants the gold monetisation scheme (GMS), introduced by the government in 2015, to be more attractive, which will also help the country reduce gold imports, and in turn, help contain the current account deficit. Therefore, GJC has suggestions to make the gold monetary scheme more compelling and benefit the government and citizens.

Such moves would unlock household gold reserves of up to 24,000 tonnes, much higher than India's annual gold requirement of 650-700 tonnes. According to the GJC, a loan taken for purchasing jewellery is treated as a personal loan, where the interest rates tend to be high. The industry body instead wants the EMI facility to be made available to purchase jewellery, although restrictions could continue for bullion and coin purchases.

Furthermore, given the increase in gold and jewellery prices over the years, the GJC has also recommended raising the limit required to furnish PAN cards for jewellery purchases to Rs 5 lakh from the current Rs 2 lakh.

GJC Reiterates Jewellery Industry Woes To FM

GJC Chairman Saiyam Mehra and Vice Chairman Rajesh Rokde participated in the post-Budget interaction with Union Finance Minister Nirmala Sitharaman in Mumbai.

The Chairman thanked the FM for such an excellent, inclusive, and growth-oriented budget. He also thanked her for a lot of work done for artisans and said that the Budget also focused on skill development.

GJC also raised the critical concerns given below:

Reduction of Custom Duty: The Ministry has asked for a detailed representation from GJC on this concern.

Issue of GST on job work: The revenue Secretary orally assured 5 per cent duty on job work on one-to-one interaction. They will share the official clarification soon.

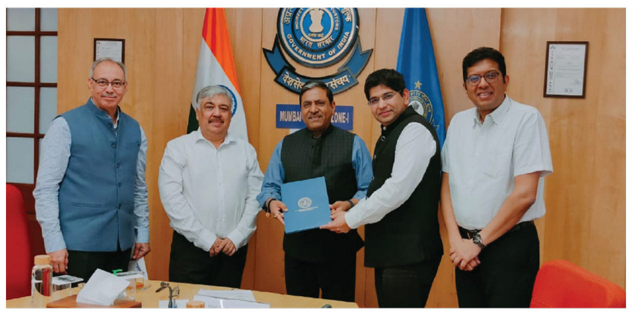
Gold Monetisation Scheme: The Ministry suggested they will look into it.NRIs should avail of GST refund, to which the Ministry assured that they would look into the issue and provide a solution soon.

EMI on Jewellery: Apart from the above points, GJC Chairman also apprised the FM of EMI on jewellery reduction in credit card commission levied by banks.

GJC New Leadership Set To Streamline GST & Custom Duty

Saiyam Mehra, Chairman, Rajesh Rokde, Vice Chairman and Bhavin Mehta met Sanjay Mangal, Commissioner-GST Policy Wing-II, the Central Board of Indirect Taxes & Customs (CBIC) to take up the issue of GST applicability on job work-related services and its implications on wholesalers.

The Chairman also submitted a representation to Pramod Kumar Agrawal, Chief Commissioner of Customs, on the issues faced by the Gems & Jewellery industry, particularly the 15 per cent Customs Duty on gold & silver. GJC is confident that its continuous interaction with the government and concerned departments will bear fruitful results for the industry.



"If Customs Duty is reduced to 4 per cent, the business will go up by 10 per cent."

Saiyam Mehra,
GJC Chairman

"There are many significant challenges before the gems and jewellery sector. We at GJC will take these issues one by one in the coming months and have already started communicating our vision to the government. We also have formed a force to address these issues," remarks Saiyam Mehra, Chairman, GJC, in an exclusive interaction with Titto Eapen

The industry is grappling with many critical issues, and you assumed the charge as Chairman at a crucial time. What are the issues you are going to take up?

The top priority is to pull out the industry from the banking crisis. The industry is on the brink due to the banking sector because, on the one hand, banks are not supporting us with new credits; on the other, they are withdrawing from the existing exposure. As a result, the jewellers have no choice but to reduce their stocks to repay loans. Adding fuel to this plight is customers' sentiments on gold which are very weak because of the high gold prices. So, in a nutshell, the industry is going through a terrible phase. I have taken over as Chairman of GJC at this critical juncture. My main priority would be to sit with the Finance Ministry and discuss how to bring funds into the industry.

Do you plan to enter into a direct dialogue with the banking sector?

Yes! We plan to deliberate with the top brass of the leading banks and the RBI. We will meet them and the Indian Banks Association and chalk out a way to get out of the crisis-like situation. I want to reiterate that Nirav Modi was among the lakhs of jewellers who were enjoying the credit facility from bankers. Just because one Nirav Modi defaulted and absconded, you can't punish the entire sector and compel them to shut down.

What are the other plans on your card?

The next thing on the card is to deliberate with the government to permit consumers to buy gold on EMI. This was allowed three to four years back, but later the government withdrew the plan due to the current account deficit issue. Now that issue has been contained, and there is a need to discuss this with the government and make it easy for consumers to start buying gold on EMI, which will bring in 5-6 per cent more business to the industry.

The other issue I want to address is the Pan card limit, where consumers cannot buy jewellery beyond Rs 2 lakh without the Pan card. Here the government has to understand that many of the people who come to purchase jewellery are from the agricultural sector, and they may not have sufficient income proof as their income comes from a non-taxable source. As a result, it becomes challenging for jewellers to get the Pan details of agriculturists and farmers as many of them may not have a Pan card as they don't require it.

The other issue associated with the Pan card limit is when people come to exchange their old stocks. In this case, we have to understand that an average middle-class family in India possesses at least 100 to 300 grams of gold that may have come from their ancestors. Today, the cost of 100-15**0 grams of gold is around** INR 4-5 lakh, and in many cases, people don't have Pan cards to exchange their old gold, and as a result, the gold is not coming into the economic cycle.

What is the Pan limit you are seeking from the government?

We seek that the Pan card limit should be raised from the current INR 2 lakh to 5 lakhs. The government must understand that the unorganised sectors are slowly moving into the organised sector. Still, if the Pan card limit continues as a significant obstacle, I suspect that the already existing organised sector may return to the unorganised sector. There is a big challenge before us, and we at GJC are taking these issues one by one in the coming months and have already started communicating our vision to the government. We also have formed a task force to address these issues.

High Customs Duty is another big challenge the industry is facing. How would GJC address the issue?

In the past four years, we have made innumerable representations to the government, but nothing has happened. We have recommended that the government bring down the Customs Duty from 10 per cent to 4 per cent since the CAD issue is now much under control. As an industry observer, if the government brings down the Customs Duty to 4 per cent, then not only will the business go up by 10 per cent, but also gold smuggling will become less lucrative for criminals. However, the current government is very hostile to gold.

What is your overall outlook for the next five years?

I am very optimistic about the growth of the industry because, in the next 7 to 8 years, the Indian economy is only going to grow in double digits. Moreover, people's living standards will improve, and disposable income will be better, providing more extensive opportunities for our sector. So this is the right time for us as an industry to come together and build confidence amongst the millennials that jewellery is not only a fashion statement but also an investment. If we don't do it now, we will be on the losing side in the near future.

How will GJC provide a holistic solution to the millennial challenge?

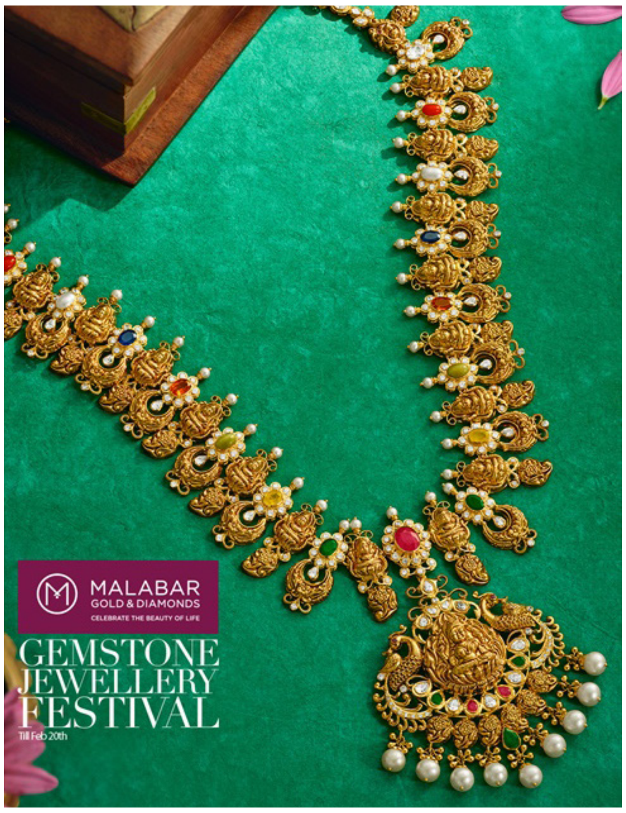
GJC, as a trade council and custodian of the industry, will be doing many outreach and promotional programmes to attract millennials into the jewellery sector. We will engage with them through print media and television and tap the social media platforms to build their trust in the jewellery sector. Besides, we will help designers and artisans to create designs for millennials. As an industry, we must offer a good ecosystem for millennials to get them involved. At the same time, we will encourage manufacturers to come up with innovative designs.

MMTC-PAMP launches digital silver

MMTC-PAMP announced the launch of digital silver. The product will be made accessible to customers, similar to digital gold. Customers can purchase 999.9-plus purest silver on the company's website and its partners, such as Paytm. Physical silver equivalent to the amount purchased digitally will be stored in a certified bank-grade vault, audited by a third-party trustee every day.

"The trusteeship has to ensure that the amount of digital gold or silver accrued within a day from a net sales point of view is added back to the bucket by key partners," said Amul Saha, Chief Digital Officer, MMTC-PAMP India. The users cannot visit the storage facility to check their silver holdings. "It's not allowed for security reasons. But users can check holdings online and redeem in real time," added Saha.

Malabar Gold and Diamonds launches Gemstone Jewellery Festival



Malabar Gold and Diamonds, one of the country's largest gold and diamond retail chains, has launched the Gemstone Jewellery Festival to showcase its exclusive range of pure gold jewellery studded with precious gemstones and uncut diamonds. Stores across Karnataka will showcase the collection till February 20, offering customers an opportunity to explore the wide range of gemstone designs specially curated for the show.

"We are delighted to launch the Gemstone Jewellery Festival and introduce our innovative designs studded with natural and certified gemstones. As a result, jewellery buyers can enjoy our products with the assurance of the highest quality, purity, fair prices and buyback guarantee," said MP Ahammed, Chairman of Malabar Group.

Precious gemstone studded jewellery is increasingly popular in India as well as abroad. Among the jewels exhibited at the festival, jewellery studded with rubies, sapphires and emeralds are among the most coveted because of their colour and regal appeal and also valued for their cultural and spiritual significance.

Malabar Gold and Diamonds offers transparency to customers by providing natural gemstones with quality certification. The brand has also emerged as a market leader because of its transparent pricing, fair prices and buyback guarantee for every purchase, which is not widely offered in this jewellery category.

Karnataka govt urged to set up Jewellery Park in Bengaluru

The Karnataka Jewellers` Association is urging the state government to set up the Jewellery Park announced by Chief Minister Basavaraj Bommai last year. According to the Association President Prashant Mehta, the proposal has been at a standstill as the government has been unable to identify land for the project.

As per reports, the Association met Karnataka Industries Minister Murugesh Nirani regarding the issue. However, acquiring land in Bengaluru has turned out to be a challenge. The Association had sought space near the Bengaluru airport. "We had also written to several deputy commissioners in neighbouring districts. However, there has been no response until now," said Mehta.

Meanwhile, the minister proposed to set up the park on a 100-acre space in Kalaburagi, where customers can purchase gold under one roof. "With Kalaburagi having an airport and adequate infrastructure for the park, it will add impetus to the industry," said Nirani. The jewellery industry is open to the idea of setting up the park in Kalaburagi as long as there is a primary park in Bengaluru.

The Association president pointed out that small clusters of manufacturers work from dingy spaces in the Nagarthpet area. They will get better working conditions if the government grants land for the park in Bengaluru. Bengaluru was the hub of gold jewellery manufacturing in South India. Bengaluru airport also sees the highest quantum of gold import. Such a park will give impetus to the industry," adding that similar parks are functional in West Bengal and Maharashtra.

Impact of budget will be negligible on Jewellery Sector: Suvankar Sen

The MD & CEO of Senco Gold & Diamonds, Suvankar Sen has expressed that the impact of budget 2023 will be negligible on those who are making gold jewellery in India itself.

"As custom duties on bars of gold and platinum were increased earlier this fiscal, there will be no new impact of budget on price of gold bars," he said.

According to him, import of dore are a smaller percentage of total gold imports so only dore duty got increased by 2.5% , that may impact on business of local refineries. Tax on jewellery import has been increased which will again have no impact on our business as Senco Gold and Diamonds and most of the jewelery industry members doesn't import gold jewellery. We buy gold bars from banks and all our jewellery are made in India.

Import duty on silver bars, dore has been increased by 2.5 % which may have some negligible impact on silver utensils and jewellery industry.

SUVANKAR SEN, MD & CEO of Senco Gold & Diamonds

Kalyan Jewellers net profit rises 10% YoY to Rs 148 cr

Kalyan Jewellers reported a 10.34 percent year-on-year (YoY) increase in its consolidated profit after tax to Rs 148.43 crore for the quarter that ended December 31, 2022. The company reported a net profit of Rs 134.52 crore in the same quarter of the previous fiscal year. Kalyan Jewellers clocked a 13 percent increase in consolidated revenue at Rs 3,884 crore during the October-December 2022 period, which stood at Rs 3,435 crore in the year-ago period. Its Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) were recorded at Rs 327 crore compared to Rs 299 crore in the same quarter of the previous year.

"We are seeing robust momentum in revenue and footfalls across all markets, largely driven by the ongoing wedding season demand despite a continued spike in the gold price. In addition, during the recently concluded quarter, we announced our plans to open 52 showrooms during the calendar year 2023. As part of this strategy, we have invested a significant amount of time and effort over the last three-four months in building our internal resources," said Ramesh Kalyanaraman, Executive Director of Kalyan Jewellers India.

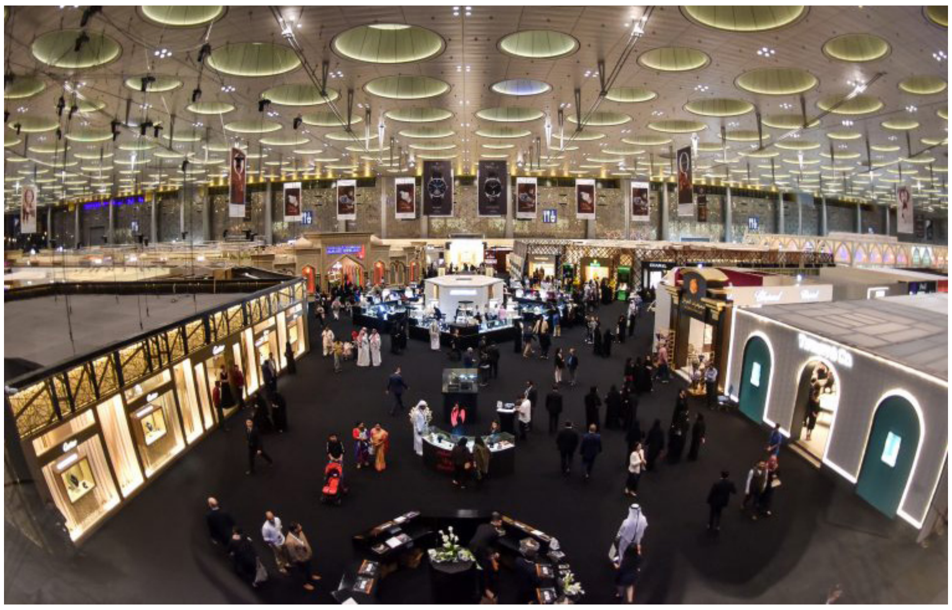
The India operations recorded EBITDA of Rs 276 crore for the quarter, compared to Rs 253 crore in the same quarter of the previous year. Meanwhile, the standalone PAT (India) for the quarter was Rs 133 crore compared to a PAT of Rs 118 crore in the corresponding quarter of the previous financial year.

The e-commerce division, Candere, recorded a revenue of Rs 44 crore for the quarter against Rs 47 crore in the corresponding quarter of the previous year. However, the quarter recorded a loss of Rs 1.7 crores against a profit of Rs 26 lakh for the corresponding quarter of the previous year.

In the Middle East, total revenue from operations during Q3FY23 was at Rs 641 crore against Rs 515 crore in Q3 of the previous year, up by 24 percent.

The Middle East region contributed approximately 16.5 percent to the overall consolidated revenue of the company. The Middle East operations recorded EBITDA of Rs 52 crore for the quarter compared to Rs 46 crore in the same quarter of the previous year. PAT for the quarter was at Rs 17 crore compared to a PAT of Rs 16 crore in the corresponding quarter of the previous year.

Qatar Airways to sponsor Doha Jewellery and Watches Exhibition 2023



Qatar Airways has announced it will sponsor the 2023 edition of the Doha Jewellery and Watches Exhibition (DJWE), one of the longest-running and most anticipated events in Qatar's annual social calendar. The unique business-to-consumer event held annually in the Gulf region is expected to attract more than 30,000 visitors to Qatar from around the world.

DJWE this year will run for six days, starting February 20-25, at the Doha Exhibition and Convention Centre in Qatar, where visitors will marvel at the exquisite craftsmanship of over 500 globally admired jewellery and watch brands. While speaking at a press meet to announce this year's DJWE, Qatar Airways Group Chief Executive, Akbar Al Baker said, "Doha Jewellery and Watches Exhibition is just the beginning of a fabulous February with a unique calendar of events.

"The 19th edition of the DJWE is one of the longest-running and most anticipated events in Qatar's annual national events programme. Our aim is getting February off to a flying start announcing sponsorship deals designed to build on the FIFA World Cup Qatar 2022 legacy along with special holiday packages designed to promote destination Doha and celebrate Doha-based events," he added.

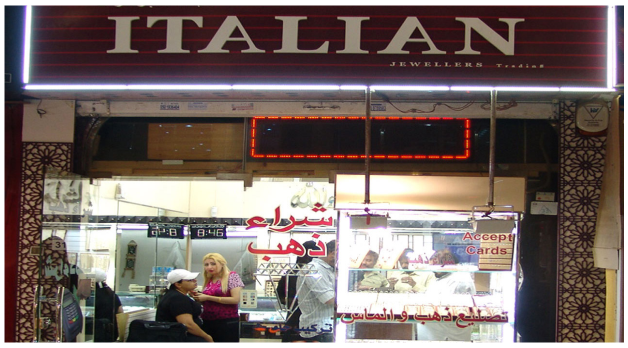
By providing all of its customers with exclusive promotional packages during the month of February, the airline demonstrated its support for the cause. If Doha is the end destination, travellers who book any package through Qatar Airways will receive $100 off all flight + hotel packages per person per booking and 10 per cent off the overall package.

Export of Italian jewellery to UAE up by 21% in 2022

Italy, with almost 1 billion euros worth of jewellery exported to the UAE in 2022, is the third global supplier of precious items. The demand for Italian jewellery from UAE customers keeps growing. The country now ranks as the third global supplier to the UAE (after India and Turkey) with 11 per cent of the market share.

Lorenzo Fanara, Ambassador of Italy to the UAE, said, "Made in Italy is synonymous with quality, reliability, beauty, and elegance." The production of gold and silver jewellery is one of the main niches in the Italian economy. It's also one of its most export-oriented sectors: as much as 85 per cent of the turnover comes from foreign markets.

This value has certainly been recognised in the UAE, which made Italy the country's third-largest global supplier with 11 per cent of the market share. In a country where the demand for luxury goods is constantly growing, the Jewellery Gem & Technology Dubai is a perfect opportunity to strengthen the already strong trade bond in the sector.



Which country spends the most on luxury goods?

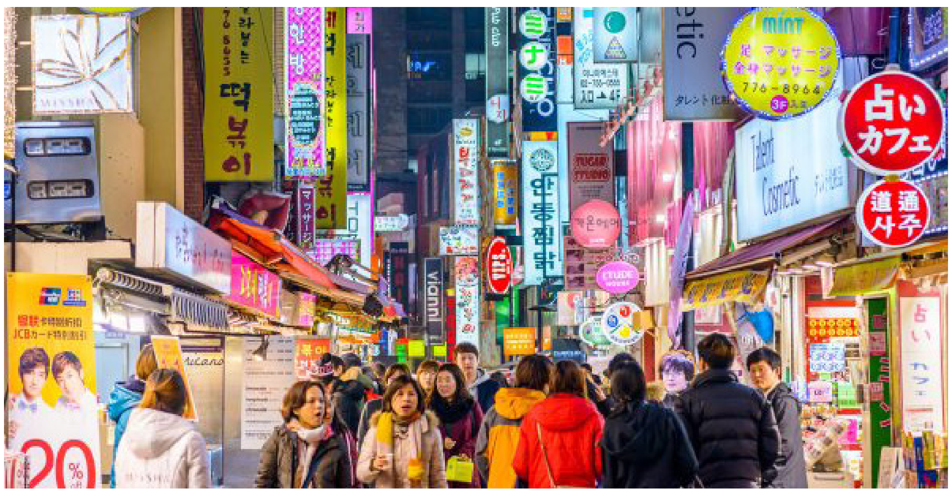
Luxury goods, from Chanel bags to Rolex watches, have long been popular with consumers worldwide, and this trend shows no sign of slowing down. Many countries have seen an increase in spending on luxury items, but one country now stands out as the world's biggest spender on luxury goods per capita is South Korea.

According to analysts from Morgan Stanley, South Korea's spending on luxury goods saw a 24 per cent increase in 2022 to €15.4 billion or about €300 per capita. That's far more than the €46 and €234 per capita spent by Chinese and American nationals.

This sustaining demand for luxury goods can be attributed to several factors, including increased purchasing power and a desire to display social status. As in other societies, in Korean society, it is socially more acceptable to display wealth. According to a survey by McKinsey, only 22 per cent of Koreans surveyed reckon that flaunting luxury goods is in bad taste, while 45 per cent of Japanese and 38 per cent of Chinese respondents consented.

The South Korean luxury market has been expanding steadily in recent years, and the Covid-19 pandemic has accelerated this growth. In addition, with many consumers opting to shop online, luxury brands have seen a significant increase in e-commerce sales.

The luxury craze in South Korea is more than beneficial for brands. Moncler, for example, reported that its revenue in South Korea more than doubled in the second quarter of 2022 compared to 2020. Similarly, the Richemont Group, which owns Cartier and Van Cleef & Arpels, has seen a significant increase in sales in the Southeast Asian country. In addition to the growing luxury market in South Korea, luxury brands are tapping into the country's massive entertainment industry to boost their sales.



China's luxury market dwindles for the first time in five years

China's personal luxury market, after a five-year exponential growth streak, contracted 10 per cent year-on-year in 2022, according to the Bain China Luxury Report 2023. However, despite challenges, says the report, China is still a "behemoth for luxury growth" compared to other emerging markets and expects "positive conditions" to return before the end of the first quarter of 2023.

The slowdown was caused mainly by Covid-19-related issues, including lockdowns across major cities, which led to footfall declining by 30 to 35 per cent. In addition, a decline in consumer confidence due to the real estate market slowdown and an overall negative economic outlook across the country has weakened consumption power. The higher rates of people without paid jobs and less disposable income can also be attributed to the same.

In 2022, categories with more substantial online penetration fared better and were less impacted by the lockdowns. For example, luxury beauty, which has 50 per cent online penetration, only contracted 6 per cent. In comparison, segments with 10 to 15 per cent online penetration were more exposed: the watch market sales fell 20 to 25 per cent; fashion and lifestyle declined 15 to 20 per cent; and jewellery and leather goods dropped 10 to 15 per cent.

"While most brands saw declines in 2022, a few stayed flat or grew despite challenging conditions. Three factors contributed to their success — first, bigger brands outperformed smaller players on average. Second, brands with iconic portfolios did better than those with trendy or seasonal merchandise. Finally, brands with a higher concentration of Very Important Clients (VICs) fared better," said Bruno Lannes, Shanghai-based senior partner at Bain & Company.

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