

Emeralds Ride A Demand Wave In India

The Indian consumer seems to have taken a shine to the emerald and the green stone is now the most sought-after in the domestic market, with large stones being the most preferred, report **Shanoo Bijlani** and **Regan Luis**.



Picchiotti

Demand for large emeralds is suddenly picking up in the Indian market and this was amply evident at both the India Diamond and Colourstone Show (IDCS) and the India International Jewellery Show (IJS) that took place in early August. Stones in sizes of two carats and above in every shape – pears, ‘emeralds’, cushions and octagons – are currently popular across the country.

Kamal Kothari, partner at Lotus Gem Impex, Jaipur, said there is very little demand for smaller emeralds. Dharmendra Tank, proprietor of Heeralal Chhaganlal Tank, Jaipur, pointed out however, that even though large sizes are in demand, domestic buyers remain price sensitive and are steering clear of top and medium quality emeralds. However, lower quality commercial stones seem to be doing very well. Emeralds priced between

Rs.5,000 and Rs.20,000 (\$102-\$410) and in sizes of 2 carats and upwards are the most popular, Tank says.

“Emeralds are back on top of the charts all over India. Fortunately, rough emeralds are now easily available so we can easily meet the growing demand,” Kothari said. Pawan Kumar Patni, proprietor of Jaipur-based Pihu Gems, a manufacturer of emeralds, rubies, sapphires and other gemstones, affirmed what both Kothari and Tank said, adding that the most popular emerald price points for his firm were between Rs.3,000 and Rs.50,000 (\$60-\$1,020) in sizes of 1 carat and above. He went on to say that until a few months ago, rough emeralds were not available easily, but the recent auction by Gemfields in London helped ease the situation.

British miner Gemfields held an auction of rough emeralds in London between July 20 and 24, with sales

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totalling \$5.9 million, representing an average price of \$4.37 per carat. The sale was attended by 30 companies from Germany, India, Israel and the US. The auction consisted of rough emeralds from the Kagame mine in Zambia, representing about 5 per cent of Gemfields' production by volume. The sale saw 1.36 million carats of emeralds offered in 27 separate lots.

Ian Harebottle, chief executive of Gemfields, commented: "Gemfields continues to concentrate on reducing unit production costs and improving efficiencies. Our key focus now is to mine efficiently and to sell our rough gemstones to selected customers on a regular and reliable basis. This will be supported by targeted marketing and promotional initiatives, so as to build a sustainable supply chain and an increase in the demand for emeralds. While the uncertainty in gemstone markets prevails, the successful delivery of our London auction and the positive

response we received from the various participants demonstrates that we certainly are 'in the game and on the playing field.'"

Adrian Banks, Gemfields' product director, said, "It was encouraging to see that the buyers were upbeat about the market and future sales and are ready to invest in new inventory." Anna Haber, Gemfields' director of global marketing added, "We are very excited about working together with our preferred partners to create a direct route to market for Gemfields emeralds. We aim to work together with them to form long-term relationships with jewellery manufacturing companies, jewellery brands, jewellery designers and retailers worldwide to further grow the category and create aspiration for Gemfields emeralds."

Some Indian exhibitors at the IIJS show told *Solitaire* that the London auction will help to meet the expected rise in demand during the festive season.

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Gemfields

“I feel that people are looking for new designs and more colour options in gemstone jewellery. We should have a good year ahead,” Tank said.

Jaipur Scenario

According to Tank, Gemfields accounts for about 20 per cent in value terms of all emerald rough that comes to Jaipur for cutting and polishing, while about 80 per cent comes from Zambia and Brazil, topped off by small quantities from the Sandawana mine in Zimbabwe as well as from Afghanistan, Pakistan and Columbia. “We don’t get much rough from Columbia as majority of it is cut and polished in the country itself. What comes here is low end or low quality rough,” Tank noted. There are differences in qualities of stones sourced from different mines and these reflect in the prices they command. According to Tank the Indian consumer perceives Columbian stones as being the best. “We need to educate the consumer that Zambian and Brazilian emeralds too are of fine quality.”

While happy about the lift in demand for emeralds, Tank expressed concern about the hydrothermal synthetic emeralds that are now in the market in large quantities and said that lack of disclosure about these stones

could undermine consumer confidence in emeralds in general.

Tank’s fears are well founded. An industry source requesting anonymity revealed, “At times, synthetic rough is found in emerald parcels that come straight from the mines. Fortunately, such malpractices are not very common, but they do occur once in a while. One has to be vigilant all the time.” The source further added that adding to problem were those who also were pushing stimulants like glass and even plastic. The source also felt that addressing these issues and maintaining consumer confidence was currently one of the highest priorities.

Tank is also a strong advocate for a generic promotional initiative for emeralds of the kind the diamond industry has. According to him, one of the main restraints for higher emerald prices is the lack of promotion and the consequent lack of an aspirational build-up with consumers. He would like to see the promotional efforts culminating in the emerald being seen as a storehouse of value and thus a good investment as well.

The fragmented nature of the emerald – and the coloured gemstone industry in general – is perhaps the industry’s greatest drawback today.

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