

Edit note

Not to fly high!?

By considering global transformation of diamond industry, Mr. Dilip Mehta one of the wise man of our industry, said, not to fly high in his presentation at the Mines to Market first.

Today, the FM released the union budget by considering several factors effected upon him. Well, like us he also considered global slowdown & earlier Mr. Prime Minister had been said in media that, our growth rate could be down than the previous in 2008-09 FY! Now, the concern point is to say that, the growth rate will be lower or we want to push down our growth pace in the context of US recession & tumbling dollar & several causes to say the coming FY to be a global slowdown!

What the exact message that is carried on in the budget? Is there any other hidden 1, 2, 3 and that to be protected else economy by pushing our home growth rate pace & GDP?!!

Because, global economists & analysts say, India & China will not be trapped in the net of global slowdown! Both could keep up their growth story without getting affected! Equally it is said for Gem-n-Jewellery India, but the budget I think it is not considering the GJ growth story!

	April-Oct 2007 (Rs in Crores)	April-Oct 2006 (Rs in Crores)	% Growth/ Decline
Total exports of gem & jewellery items	48833.38	3525.12	2.20%
International trading (Export of imported Cut & polished diamonds)	11040.24	5375.74	105.37%
Export of goods manufactured in India	22311.13	23420.30	-4.74%

Source: GJEPC

The budget could have improve the industry?

Always I consider as a 'Brand Ambassador' of the GJ Industry India Mr. Sanjay Kothari, Chairman-GJEPC expressed disappointment! Industry's feeling for the budget that is more could have been done because, by considering several global factors the industry expected more in the budget to stay fittest in the global transformation of

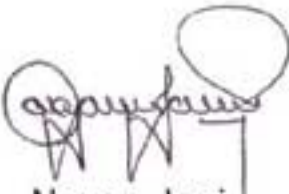


diamond industry that to achieve 'strategic position' on the global & domestic market in the era of hyper competition!

The industry expected zero duty for, C&P coloured gemstones, rough CZ, rough coral, pre forms of precious & semi-precious stones, Rhodium primarily. All these are raw materials indeed for the industry! Apart from these, precious metal scrap & machinery were expected to be considered!

And the FM delivered his para 188 in LS, "...I propose to exempt from duty rough CZ and to reduce the duty on polished CZ from 10 to 5 percent. Similarly, the duty on rough coral will be reduced from 10 to 5 percent." Revenue implication of C/P coloured gemstones could be of

Rs.5.94cr and plain gold jewellery below than 18ct could be of Rs 10cr for the FM because that was expected to be announced 5 percent than the present 10%. Is that means the FM has no allowance of about Rs16cr or... to look at else direction!


Nayan Jani