

A GLOBAL COUNTRY STUDY REPORT.

COUNTRY NAME: THAILAND.

INDUSTRY NAME: GEMS & JEWELLERY.

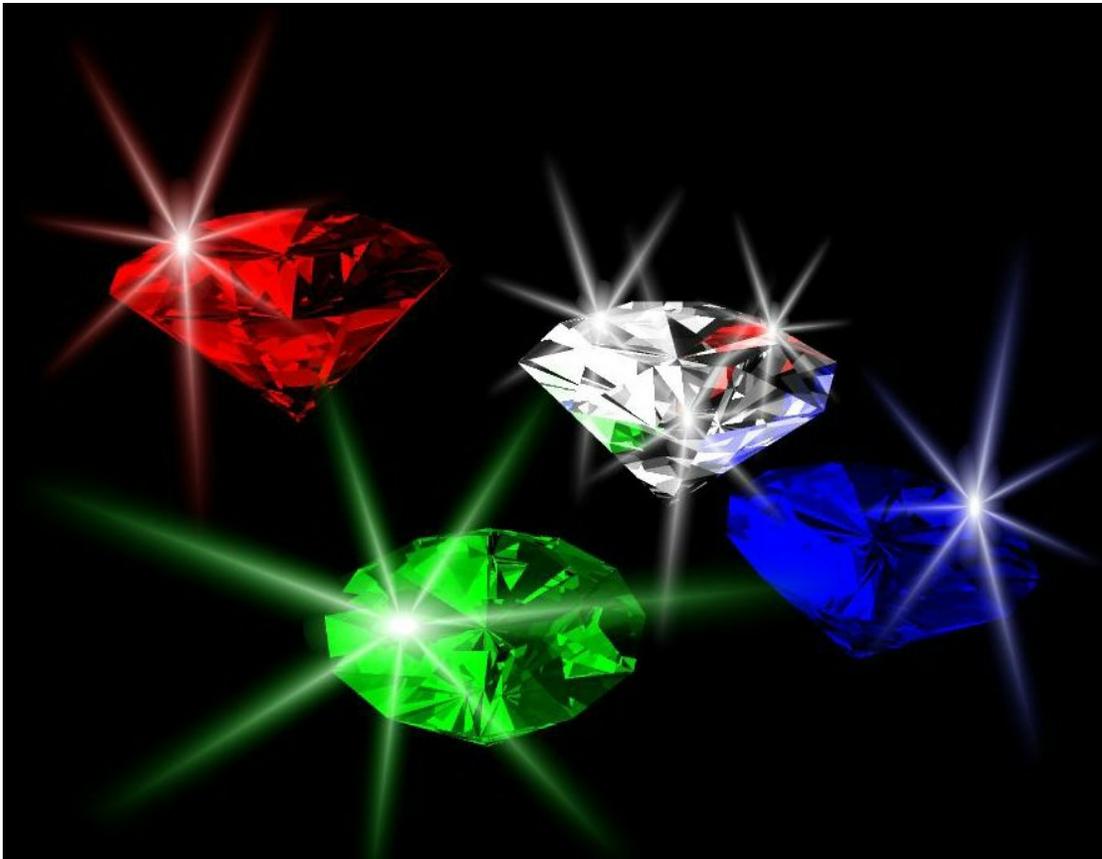
SUBMITTED BY: STUDENTS OF MBA (III/IV SEMESTER)

COLLEGE NAME: SHREE R.R.TANTI INSTITUTE OF MANAGEMENT,
ANKLESHWAR.

YEAR: 2011-12

Group: 1

DEMOGRAPHIC PROFILE OF THAILAND & INDIA
GEMS AND JEWELLERY



Summary:

The Gems and Jewellery sector has a huge market in India and abroad alike. This market encompasses various kinds of jewels including gold, colored gemstones, costume jewellery, platinum and diamonds. The sector is expected to register a compound annual growth rate (CAGR) of 13 per cent during 2011-2013, according to a report "Indian Gems and Jewellery Market Forecast to 2013," by research firm RNCOS.

Thailand has managed to weather political storms, including the disruption caused by the military coup of 2006, and a disastrous and calamitous tsunami, to build on its status as an emerging Asian giant. Thailand today is the world's largest rice exporter, the second-largest tungsten producer and third-largest tin producer.

The main information we covered in this global / country research report are as follows:

History Coups and political turmoil ,Culture Rich tradition creates immensely colorful nation , Economy Cycles of economic boom and bust , Demographic profile of THAILAND and INDIA, Population, Age structure, Population growth rate, Birth rate, Death rate, Net Migration rate, Sex ratio, Infant mortality rate, Life expectancy at birth , Total fertility rate.

Gems and Jewellery - Overview:

Size

Large market for Gems & Jewellery with domestic sales of over \$10 billion.

India is the largest consumer of gold Jewellery in the world.

Accounts for about 20% of world consumption.

India is the largest diamond cutting and polishing centered in the world.

60% value share, 85% volume share and 92% share of the world market by number of pieces.

Structure

The Indian Gems & Jewellery industry is highly fragmented with a large number of domestic private sector companies.

A large portion of the market is in the unorganized sector.

India is gaining prominence as an international sourcing destination for high quality designer Jewellery Wall mart; JC Penney etc. procure Jewellery from India.

Policy

100% FD is permitted in the Gems & Jewellery sector through the automatic route.

SEZs and Gems and Jewellery Parks have been set up to promote investments in the sector.

Opportunity

India is one of the largest exporters of gems and jewelry India is the diamond polishing capital of the world.

Outlook

India is the fastest-growing jewelry market in the world. Branded jewelry likely to be the fastest-growing segment in domestic sales.

Expected to grow at 40% p.a. to \$2.2 billion by 2010. Exports expected to grow from \$15.5 billion in 2005 to over \$25 billion by 2010.

Potential

India has several well recognized strengths which have made it a significant force in the global Gems and Jewellery business.

In 4th semester also we got to know that Thailand is renowned as one of the world's leading gems and jewelry exporters. The skill of Thai craftsmen in cutting precious stones and diamonds to very high



standards has long been appreciated by the industry.

The gems and jewellery sector has been one of the fastest-growing sectors in India in the past few years. The sector has gained global popularity because of its talented craftsmen, its superior practices in cutting and polishing fine diamonds and precious stones, and its cost-efficiencies.

The gems and jewellery sector in India is highly export-oriented, labour-intensive and a major contributor to the foreign exchange earnings; therefore, the Indian government has declared the sector as a thrust area for export promotion.

The gems and jewellery industry has been a powerful export earner for the country with the segment placing seventh amongst Thailand's top ten exports, registering sales of U.S.\$ 1.5 billion in 1999.

Apart from diamonds, today there is a huge demand for coloured-stone jewellery by Indians. Thailand is one of the major suppliers of these precious coloured stones.

KEY PLAYERS

Gitanjali Gems Ltd: It is a listed company based in Mumbai, with a annual revenue of INR 33,552 Mn

in 2009-10. Operates with retails brands like D'dmas, Asmi, Sangini, Nakshatra, Gili, Giantti. Also has

strong retails network with 2000 outlets. Company has 185 exclusive stores in India and 400 exclusive distributors and 126 stores in USA

Asian Star Company Ltd: It is listed company based in Mumbai, with a revenue of INR 13494 mn

2009-10. It is one of the world's leading diamond manufacturer and a diamond trading company.

Operates a retail brand 'Shagun Jewels'.

Classic Diamond India Ltd: It is a listed company based in Mumbai, with a revenue of INR 6558 mn in

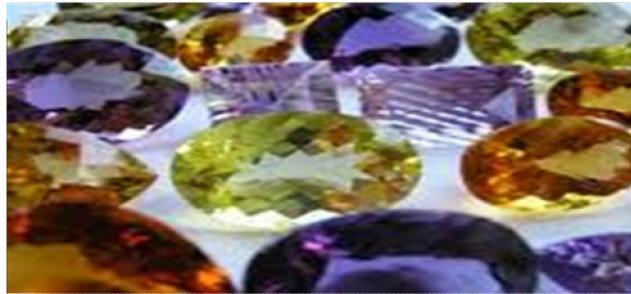
2009-10. Processes rough diamonds, they are largest manufacturer of below 2pts diamond in the world. Operates a retail brand 'Classic Jewels'.

in 2009-10. It is involved in trading of diamonds mostly. Recently launched a series of designer diamond jewellery namely AUM Star, AUM Exquisite etc.

Golkunda Diamond and Jewellery Ltd: It is a listed company based in Mumbai, with a annual revenue of INR 816 Mn in 2009-10. It is an exporter of Diamond Jewellery. They have state of the art facility located in SEEPZ.

“INTRODUCTION ABOUT GEMS AND JEWELLERY INDUSTRY, LIST OF COMPANIES AND ITS ROLE ON ECONOMY OF INDIA & THAILAND”

GEMS & JEWELLERY INDUSTRY OF INDIA:

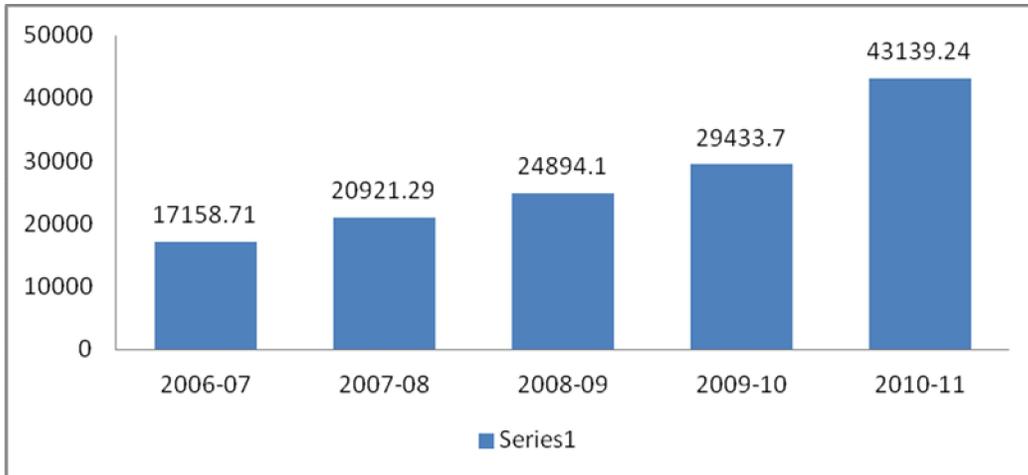


Gems and Jewellery (G&J) has been obsessive by Indians for ages for equally its aesthetic as well as investment charge. The Indian G&J industry can be secret into a mixture of sub segments like diamonds, coloured gravel, gold and silver jewellery, pearls, etc. The charms and jewellery sector in India is betrothed in sourcing, built-up, and doling out, which involves cutting, polishing and selling costly gemstones and metals such as diamonds, other valued stones, gold, silver and platinum.

Gems and Jewellery is one of India 's important foreign barter earning sectors.It accounted for 16.7 per cent of India 's totality Merchandise Exports. The focus of India's jewellery industry is Mumbai that receives common of the country's gold and rough diamond imports.However, generally of the diamond handing out is undertaken in the neighbouring state of Gujarat, chiefly in Surat, Bhavnagar, Ahmadabad and Bhuj.

The industry consists of three segments: stone heating, cutting and polishing, Jewelry intend, casting (modeling smoothing and plating), situation, polishing, quality control, and packaging,Sales and advertising in house and international markets.

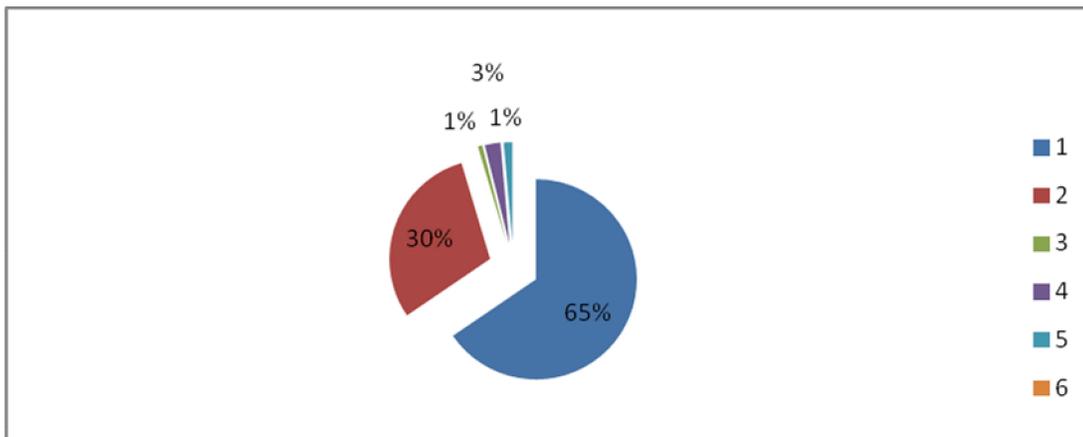
EXPORT FIGURE OF JEMS AND JEWELLERY 2006-2011 FROM (in\$)

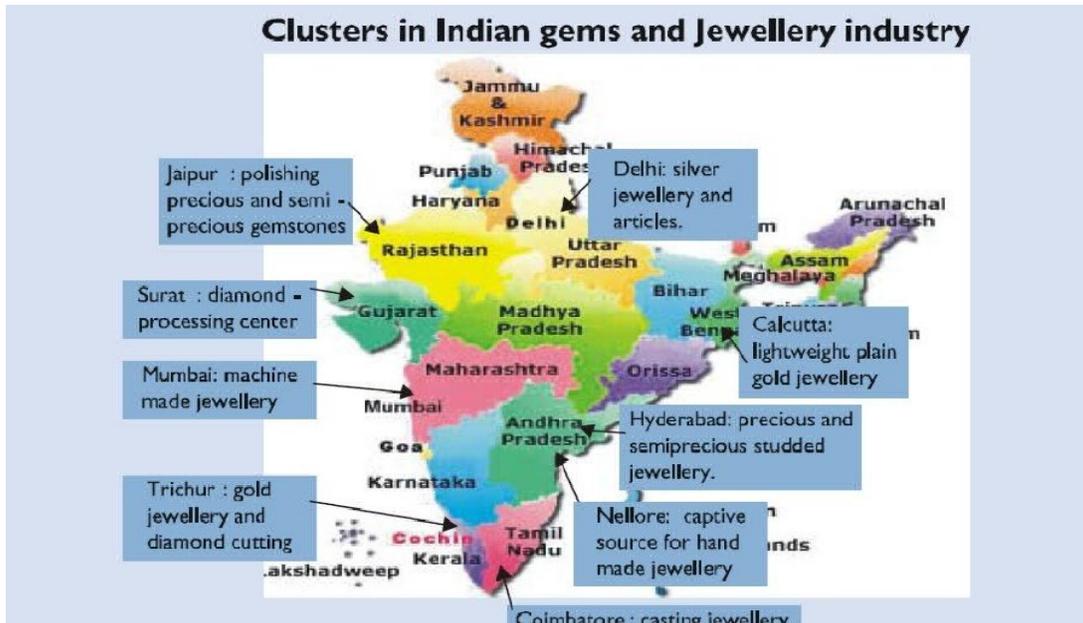


- India Gems & Jewellery exports are expected to grow at a whopping 15 to 20 per cent in FY 2011-2012 and at present India exports 95% of the world's diamonds.

% Share in Export Basket

Particulars	% of export
Cut & pol Diamond	65.49%
Gold Jewellery	29.86%
Colour Gemstones	0.72%
Roug Diamond	2.51%
Others	1.40%





LIST OF COMPANIES

- SHEETAL GROUP:-
- RIYO GEMS:-
- T I ENTERPRISES:-
- VINTY IMPEX:-
- JWELL CRAFT EXPORT:-
- PC JEWELLERY:-

The two major segments of the division in India are gold jewellery and diamonds. Gold jeweller's forms around 80 per cent of the Indian jewellery market with the balance comprising fabricated studded jewellery that include diamond studded as well as gemstone studded jewellery. A main portion of gold jewellery artificial in India is consumed in the domestic market. In diamonds, however, a major piece of rough, uncut diamonds processed in India is exported either in the form of advanced diamonds or finished diamond jewellery. In addition being the largest producer of gold, India is also

the leading diamond cutting country in the world. The gems & jewellery trade is among the top rising segments of the Indian economy. It is expected that the nation has about 450,000 goldsmiths, 100,000 gold jewelers, 6,000 diamond processing units and 8,000 diamond jewelers. The segment currently provides employment to about 1.8 million Indians.

According to current news, 11 out of 12 diamond (stones) set in jewellery are cut and polished in India. Processing is complete on rough diamonds in a whole choice of sizes and traits including gravel bigger than 10 carats. In terms of carat, India's contribution in this zone is about 80 % of the global market. Employing more than 90 % of the global diamond business labor force, the nation also accounts for about 90 % of the amount of diamonds prose in the world.

GEMS & JEWELLERY INDUSTRY OF THAILAND:



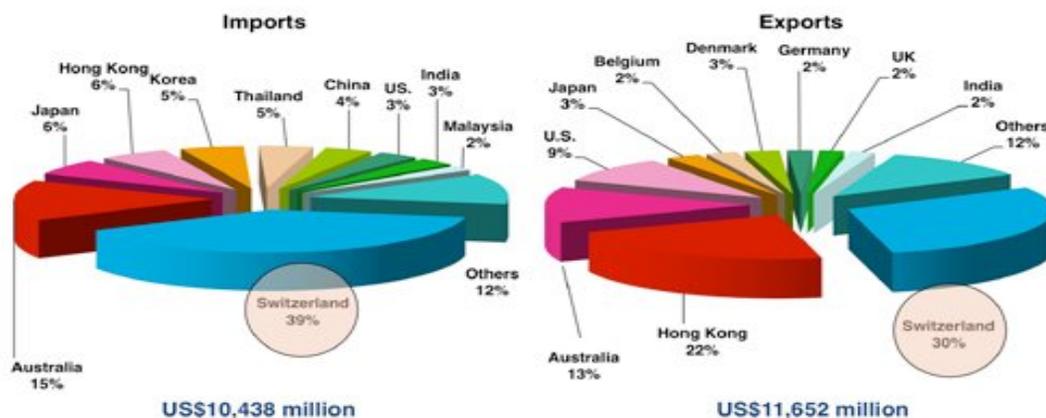
Gemstones and jewellery are main export products for Thailand, ranking in the country's top 10 export products. Thai gems and jewellery are well conventional in the international market because of the high proficiency level of the craftsmen. The market has stretched steadily over the years. However, since 1996, expansion decreased due to the demur of the world economy and high competition. Eighty percent of gems and jewellery production in Thailand is for export.

Main export items in Gems and Jewelry	Percentage of exports
Precious stones	7.63
Fine jewelry	13.93
Costume jewelry	1.67
Synthetic gems	0.39
Gold	75.97
Precious metals and precious metal	0.41

Thailand's Department of Export Promotion (DEP) is helping the gems and jewelry industry in a number of ways:

- Creating a world gems and jewelry trade center in Thailand
- Searching for additional raw materials from other countries that can be imported into Thailand
- Developing technology to increase value-added in jewelry and accessories products, create reliability in the products quality and increase capability in production, cutting, design, and management;
- Researching products in world markets and in potential markets;
- Improving the skills of workers throughout all lines and channels of the gems and jewelry sector
- Building the unique image of Thai fashion products to support gems and jewelry;
- and, Expanding new markets by supporting and encouraging exporters to participate in trade shows and E-commerce, and facilitating export procedures.

2010 Thailand's Gems & Jewelry Imports & Exports



Source: The Gem and Jewelry Institute of Thailand with collaboration of Thai Customs Dept, as of Jan 31, 2011.

Group : 2

Topic: Economic overview of countries

The gems and jewellery sector has been one of the fastest-growing sectors in India in the past few years. The sector has gained global popularity because of its talented craftsmen, its superior practices in cutting and polishing fine diamonds and precious stones, and its cost-efficiencies.

The gems and jewellery sector in India is highly export-oriented, labour-intensive and a major contributor to the foreign exchange earnings; therefore, the Indian government has declared the sector as a thrust area for export promotion.

The gems and jewelry industry has been a powerful export earner for the country with the segment placing seventh amongst Thailand's top ten exports, registering sales of U.S.\$ 1.5 billion in 1999.

Thailand's gems and jewellery industry is a major employer and important contributor to the economy, with gems and jewellery being among the country's top exports.

Trade between India and Thailand is expected to reach \$6 billion this fiscal."Last year, trade between the two countries was nearly \$5 billion. Gems and jewellery would contribute to nearly 10 per cent of the total bilateral trade this year.

Apart from diamonds, today there is a huge demand for coloured-stone jewellery by Indians. Thailand is one of the major suppliers of these precious coloured stones. The exhibition will bring together jewellery traders of India close to TGJTA to enhance the import-export relationship between the two countries.

The total gems and jewellery market in India is nearly \$25 billion, of which the country exports nearly \$19 billion of jewellery.

ECONOMY OVERVIEW OF INDIA

Economy of The Republic of India



Modern Indian currency notes

Rank	<u>9th</u> (nominal) / <u>4th</u> (PPP)
Currency	1 <u>Indian Rupee</u> (INR) (₹) = 100 Paisa
Fiscal year	1 April – 31 March
Trade organizations	<u>WTO</u> , <u>SAFTA</u> , <u>G-20</u> and others

Statistics

GDP	\$1.632 trillion (nominal: <u>9th</u> ; 2010) \$4.057 trillion (PPP: <u>4th</u> ; 2010)
GDP growth	8.5% (2010–11)
GDP per capita	\$1,371 (nominal: <u>138th</u> ; 2010) \$3,608 (PPP: <u>129th</u> ; 2010)
GDP by sector	Services (55.2%), industry (26.3%), agriculture (18.5%) (2010 est.)
Inflation (CPI)	9.72% (September 2011)
Population below poverty line	37% (2010)
Gini index	36.8 (List of countries)
Labour force	478 million (2nd; 2010)
Labour force by occupation	Agriculture (52%), industry (14%), services (34%) (2009 est.)

Unemployment 9.4% (2009–10)

Main industries telecommunications, textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, software, pharmaceuticals

Ease of Doing Business Rank 132nd (2011)

External

Exports \$225.6 billion (2010 est.)

Export goods petroleum products, precious stones, machinery, iron and steel, chemicals, vehicles, apparel

Main export partners US 12.6%, UAE 12.2%, China 8.1%, Hong Kong 4.1% (2010)

Imports \$357.7 billion (2010 est.)

Import goods crude oil, precious stones, machinery, fertilizer, iron and steel, chemicals

Main import partners China 12.4%, UAE 6.5%, Saudi Arabia 5.8%, US 5.7%, Australia 4.5% (2010)

FDI stock \$35.6 billion (2009–10)

Gross external debt \$238 billion (31 December 2010 est.)

Public finances

Public debt 71.84% of GDP (2010 est.)

Revenues \$185.4 billion (2010 est.)

Expenses \$269.8 billion (2010 est.)

Economic aid \$2.107 billion (2008)

Credit rating BBB- (Domestic)
BBB- (Foreign)
BBB+ (T&C Assessment)
Outlook: Stable
(Standard & Poor's)

Foreign reserves \$319 billion (July 2011)

Social democratic policies governed India's economy from 1947 to 1991. The economy was characterized by extensive regulation, protectionism, public ownership, pervasive corruption and slow growth. Since 1991, continuing economic liberalization has moved the country towards a market. A revival of economic reforms and better economic policy in first decade of the 21st century accelerated India's economic.

India's large service industry accounts for 57.2% of the country's GDP while the industrial and agricultural sectors contribute 28.6% and 14.6% respectively. Agriculture is the predominant occupation in India, accounting for about 52% of employment. The service sector makes up a further 34%, and industrial sector around 14%.

Major industries include telecommunications, textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, information technology-enabled services and pharmaceuticals. The labor force totals 500 million workers. Major agricultural products include rice, wheat, oilseed, cotton, jute, tea, sugarcane, potatoes, cattle, water buffalo, sheep, goats, poultry, etc.

ECONOMIC OVERVIEW OF THAILAND

Economy of Thailand	
	
Rank	30th (nominal) / 23rd (PPP)
Currency	Thai baht (THB)
Fiscal year	1 October - 30 September
Trade organisations	WTO, APEC, IOR-ARC, ASEAN
Statistics	
GDP	PPP: \$584.768 billion (2010 est.)
GDP growth	7.8%(2010)
GDP per capita	\$8,700 (PPP; 2010)
GDP by sector	agriculture (11.4%), industry (44.5%), services (44.1%) (2010)
Inflation (CPI)	2.5% (2010)
Labour force	37.25 million (2008 est.)
Unemployment	1.2% (2010 est.)
Main industries	Automobiles and Automotive parts (11%), Financial Services (9%), Electric appliances and components (8%), Tourism (6%), cement, auto manufacturing, heavy and light industries, appliances, computers and parts, furniture, plastics, textiles and garments, agricultural processing, beverages, tobacco
External	

Exports	\$195.7 billion (2010 est.)
Main export partners	Asean 20.1%, U.S. 12.6%, Japan 11.6%, the People's Republic of China 9.7%, Singapore 6.3%, Hong Kong 5.7%, Malaysia 5.1% (2007)
Imports	\$181.1 billion (2010 est.)
Main import partners	Japan 20.3%, the People's Republic of China 11.6%, U.S. 6.8%, Malaysia 6.2%, UAE 4.9%, Singapore 4.5%, (2007)
FDI stock	93,650,000\$
Gross external debt	\$67.01 billion (31 December 2008)
Public finances	
Public debt	\$81.6 billion (37.9% of GDP; 2007 est.)
Revenues	\$75.37 billion (2010 est.)
Expenses	\$73.29 billion (2010 est.)
Credit rating	<ul style="list-style-type: none"> • Standard & Poor's A- (Domestic) BBB+ (Foreign) Outlook: Stable • Moody's Baa1 Outlook: Stable • Fitch BBB Outlook: Stable
Foreign reserves	US\$181.636 billion (March 2011)

The economy of Thailand is a newly industrialized economy. It is a heavily export-dependent economy, with exports accounting for more than two thirds of gross domestic product (GDP).

Recently, Thailand experienced GDP growth by 7.8% in 2010 making it one of the fastest growing economies in Asia and the fastest growing economy in South East Asia. The country has a GDP of 9.5 trillion Baht, or US\$584 billion (PPP) making it the 24th largest economy in the world.

Thailand has strong automobile industry which grew by 63% in 2010 with 1.6 million cars produced ranking it as 13th in the motor vehicle producing countries in the world. Experts predict that by the year 2015 Thailand will be one of the top 10 motor vehicle producing countries in the world.

The economy of Thailand is an advocate of the free enterprise system. Certain services, such as power generation, transportation, and communications, are state-owned and operated, but the government has considered privatizing them in the wake of the financial crisis.

Structure, Functions and Business activities of India and Thailand

THAILAND GEMS AND JEWELLERY INDUSTRY STRUCTURE:

1. Gem stones industry

198 jewelry manufacturers registered with industry department, hiring 20,000 workers. Most of job hiring comes from large manufacturers because some production processes need talented, skillful, and experienced workers, cannot use machine for these processes. Gem and jewelry can be categorized into 2 types, gem cutting and diamond cutting.

Gem cutting and polishing in Thailand is well known and outstanding for worldwide. Diamond cutting and polishing requires a high investment due to the high technology and sophisticated tools. Therefore, most entrepreneurs are foreigners or joint venture companies from world famous gemstone cutting polishing industry countries such as Belgium, Israel and England.

2. Jewelry industry.

There are many jewelry manufacturers in Thailand, 552 factories registered with industry department, hiring 44,000 workers for designing and screening process because these production processes require talented workers.

INDUSTRY FUNCTIONS

BANGKOK

The Bangkok branch of gems jewellery was opened in 1987. The eye catching show room has a surfeit of jewellery masterpieces and gems from which to choose and more than 700 multilingual staff to welcome and serve you.

CHIANGMAI

The Chiangmai branch of gems gallery has been opened since 1993. It emphasizes jewellery produced by local craftsman and in particular the use of the best genuine jade.

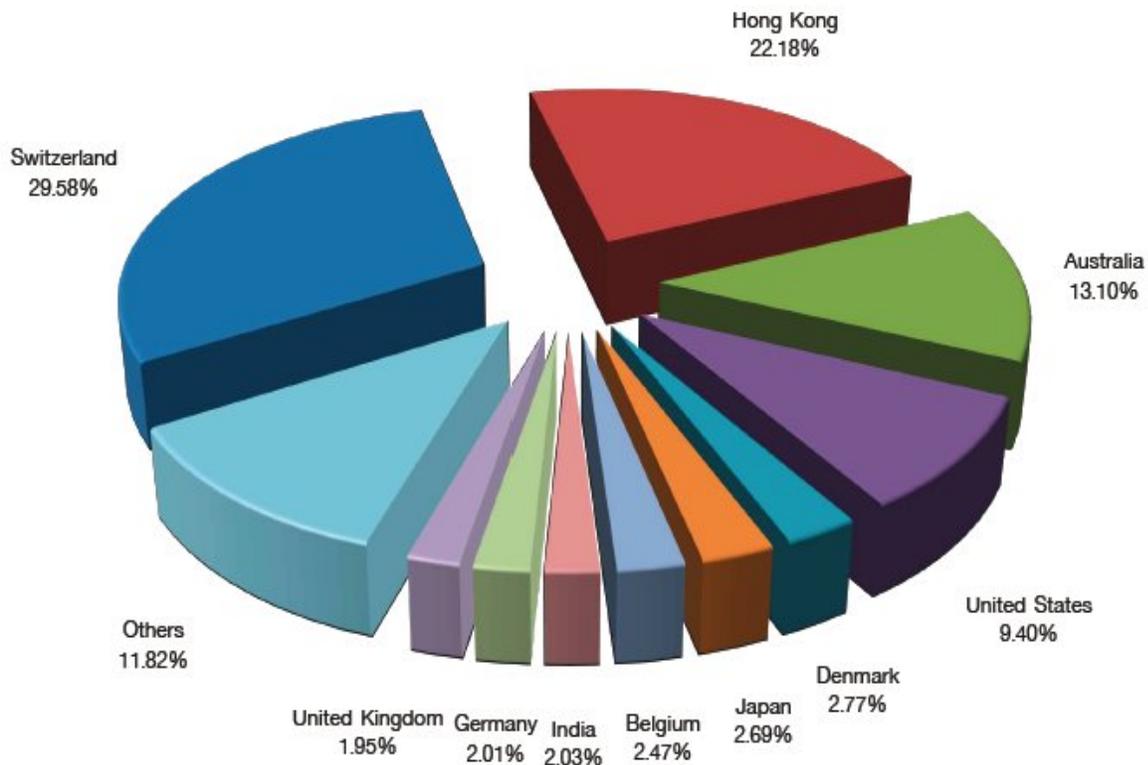
PHUKET

Gems and jewellery in Phuket was opened in 1998. More than 500 staff offer the highest levels of customer service in a welcoming atmosphere that reflects the natural beauty of the sea as you choose among beautiful pearl and precious stones jewellery item to treasure yourself or everlasting gifts for someone special.

PATTAYA

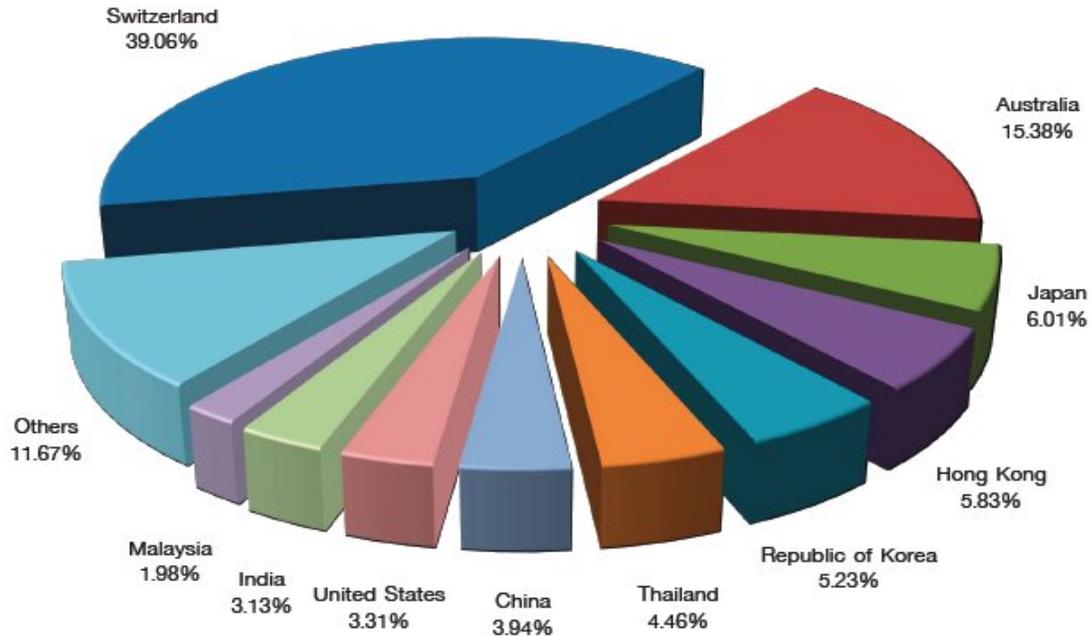
The Gems and jewellery in pattaya is latest branch. It is a truly spectacular store which incorporates a totally new service in the form of “Theme Park-dar k Ride” a dramatic light & sound presentation of the glittering world of gems.

Thailand’s Gem and Jewelry Export Markets in 2010



Considering Thai gem and jewelry export value (excluding unwrought or semi-manufactured gold) to various regions during 2007-2010 as in Table 2, it is found that the export value was on the rise in every region, especially in emerging markets like China and India, of which the export share increased consistently and the export value grew over 60 percent. For export products to India, gold jewelry, polished diamonds and polished precious stones were making progress.

Thailand's Gem and Jewelry Import Sources in 2010



The most important source for gem and jewelry import was Switzerland with the share of 39.06 percent and 1.49 times growth in import value. India has share of 3.13%.

INDIA GEMS AND JEWELLERY INDUSTRY STRUCTURE

Gold is the principal raw material for making jewellery in India. In 2007 gold had a market share of US\$ 12.24 billion (Rs 550 crores), while diamond had a market share of US\$ 2.56 billion (Rs 115 crores).

Eighty per cent of the gems and jewellery industry in India is dominated by gold and the rest is controlled by diamond and gemstone industry. This trade in India is mainly fragmented as 96 percent of total business comes from unorganized sector.

Currently India is the major polishing and cutting hub for diamonds. India is also the third largest consumer of polished diamonds. The surge of urbanization and rapidly

growing middle class in India has led Indian consumerism to new heights, particularly in the diamond jewellery sector.

India's position in the global market

- World's largest hub for diamond processing
- Largest consumer of Gold in the world
- 2nd World's largest cutting and polishing industry

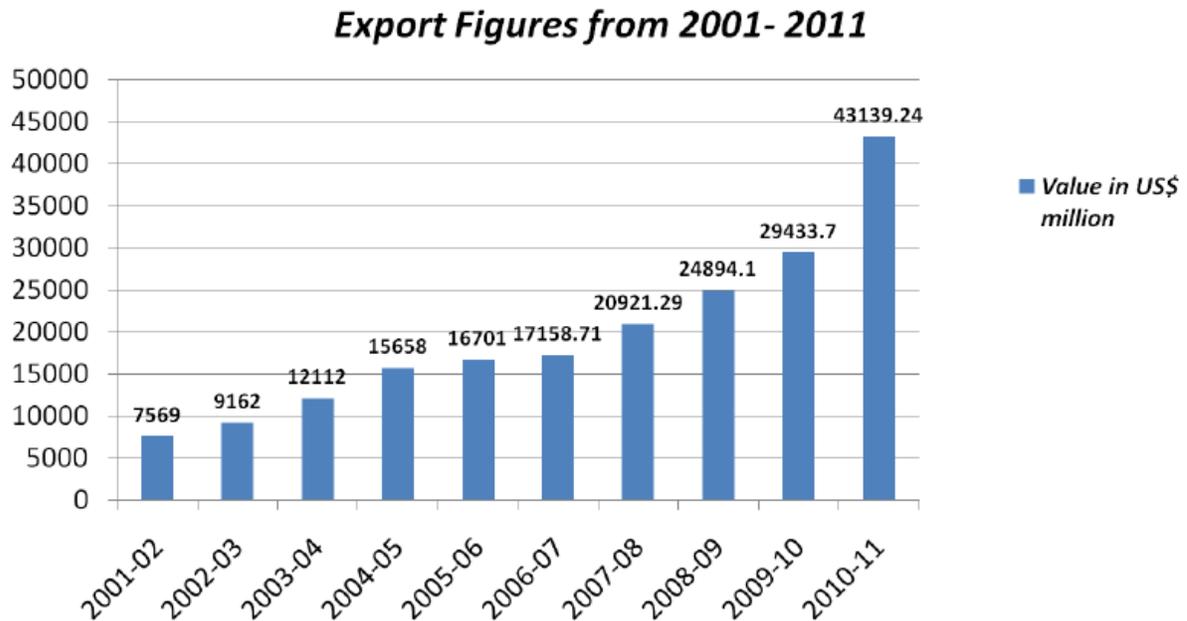
Industry Functions:

Jewellery crafting by traditional goldsmiths is confined to a few regions in India. These pockets are widely separated and involve craftsmen whose skills have been handed down over generations.

- **Surat** is an important diamond processing centre, which exports around 80 per cent of the production and has more than 3,500 diamond processing units.
- **Jaipur** is a key centre for polishing precious and semi-precious gemstones.
- **Delhi** and its neighboring states are famous for manufacturing silver Jewellery and articles.
- **Calcutta** is popular for its lightweight plain gold jewelry. This category of jewellery finds a large market in Tamil Nadu.
- **Hyderabad** is the centre for precious and semi-precious studded jewellery.
- **Nellore** is a source for handmade jewellery that has been supplying the Chennai market for quite a few decades.
- **Belgaum** in Karnataka and Nellore together, specialize in studded jewellery using synthetic or imitation stones.
- **Coimbatore** in Tamil Nadu specializes in casting jewellery.
- **Trichur** in Kerala is another source for lightweight gold jewellery and diamond cutting.
- **Mumbai** is the centre for machine made jewellery. The city is also India's largest wholesale market in terms of volume.

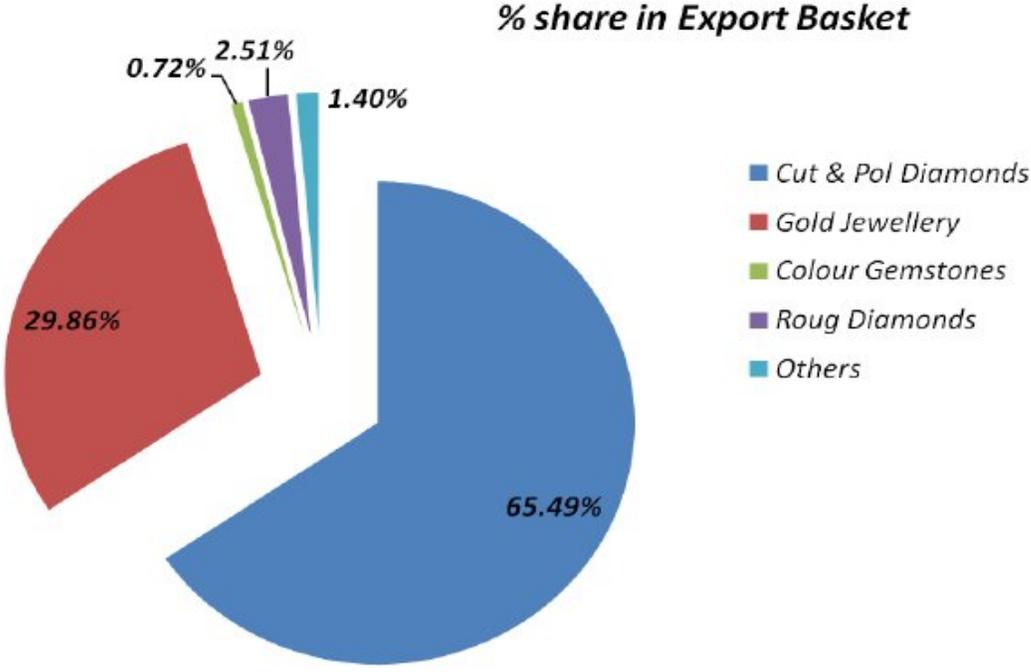
GEMS AND JEWELLERY EXPORT

USA's import of Gem & Jewellery from India increased by 50.5% in 2010 as compared to 2009 India Gems & Jewellery exports are expected to grow at a whopping 15 % – 20% in FY 2011-2012 At present India exports 95% of the world's diamonds



From the above chart we can say that in the year 2010 – 2011 the export value is highest that is 43139.24 us \$ million which shows that India's export is increasing year by year.

GEMS AND JEWELLERY EXPORT BASKET



Above chart shows that the highest percentage that is 65.49% of share is from cut & polished diamonds while 29.86% from gold.

Group No: 3

TRADE BETWEEN INDIA AND THAILAND IN JEMS AND JEWELLERY SECTOR

The gems and jewellery industry occupy an important position in the Indian economy. It is a chief foreign exchange earner and also one of the best growing industries in the country.

The two major segments of the sector in India are gold jewellery and diamonds. Gold jewellery form around 80 per cent of the Indian jewellery market, with the stability comprising fabricated studded jewellery that includes diamond studded as well as gemstone studded jewellery. A major piece of gold jewellery manufactured in India is consumed in the domestic market. In diamonds, however, a major portion of rough, uncut diamonds processed in India is exported, either in the form of polished diamonds or finished diamond jewellery.

Commercial trade between India and Thailand

The mandate of the Department of Commerce is development, promotion and regulation of India's international deal and commerce through formulation of fitting policies and implementation of the various provisions thereof. The role is to facilitate creation of an enabling environment and infrastructure for accelerated growth of exports and trade.

The Department formulates implements and monitors the quinquennial Foreign Trade Policy (FTP) that provides the basic structure of policy and strategy for promoting exports and trade. FTP is periodically reviewed to incorporate changes obligatory to take care of emerging economic scenarios both in the domestic and international economy.

India's trade with ASEAN (Association of South East Asian Nations) country viz. Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam stood at US\$ 43.91 billion during the year 2009-10. Traditionally, India has an poor balance of trade in the region. The main destinations for

India's exports in the region are Indonesia, Malaysia, Singapore, Thailand and Vietnam, while the major source of imports are Indonesia, Malaysia, Singapore, Thailand and Myanmar.

Major Commodities of Export & Import – ASEAN

The Principal Commodities of export include Petroleum Products, Oil Meals, Gem and Jewellery, Electronic Goods, Cotton Yarn/RMG Cotton, equipment and instrument, Primary/Semi-Finished Iron & Steel, Transport Equipments, Marine Products, Drugs/Pharma, Inorganic/Organic/ Agro Chemicals, Dyes/Intermediates, etc.

The major commodities imported from this region are Coal/Coke/Briquettes, Vegetable oils, Petroleum Oils, Electronic Goods, whole Chemicals, Machinery except Electrical Machinery, Professional Instruments, Wood and Wood Products, Non-Ferrous Metals, Metalifers Ores and Metal Scrap, etc.

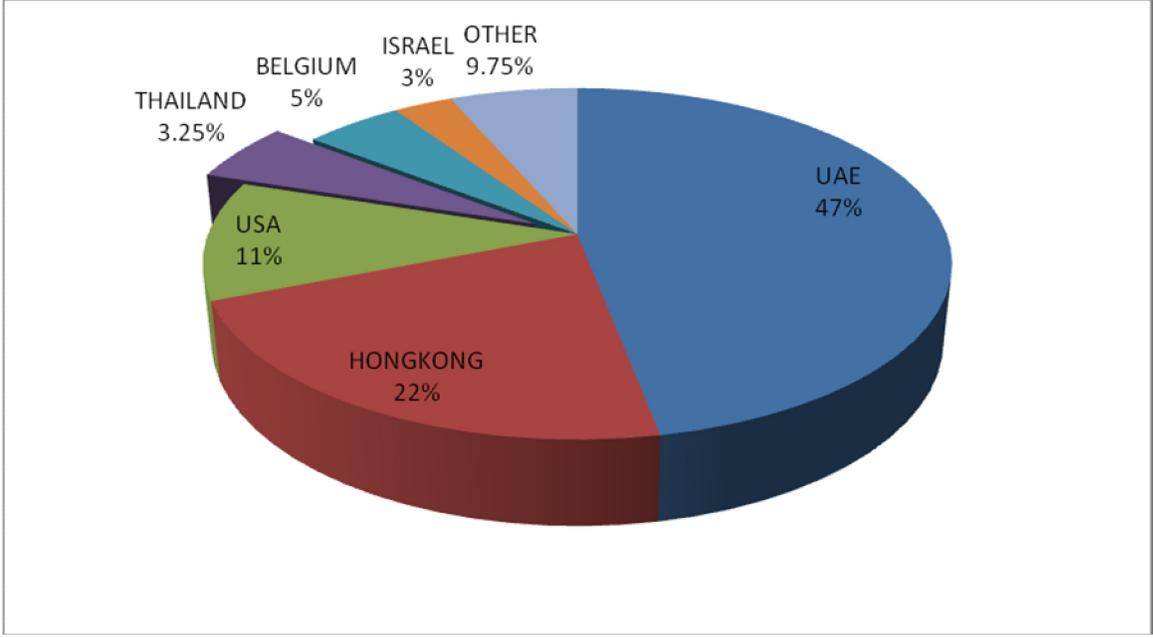
Table 7.1
India's Trade with ASEAN Member Countries

Value in US\$ Million

Country	Latest Trade figure for the ASEAN								
	2008-09			2009-10			2010-11(P)		
	Exports	Imports	Total Trade	Exports	Imports	Total Trade	Exports	Imports	Total Trade
							Upto September 2010		
Brunei	17.64	397.52	415.16	24.43	428.65	453.08	10.65	85.87	96.52
Cambodia	46.9	2.72	49.62	45.54	5.05	50.59	28.08	3.35	31.43
Indonesia	2559.82	6666.34	9226.16	3059.52	8551.62	11611.14	2242.07	4301.66	6543.73
Lao PDR	9	0.53	9.53	16.93	20.05	36.98	2.39	0.13	2.52
Malaysia	3419.97	7184.78	10604.75	2835.38	5176.24	8011.62	1989.96	2929.93	4919.89
Myanmar	221.64	928.97	1150.61	207.97	1289.35	1497.32	129.87	610.72	740.59
Philippines	743.77	254.77	998.54	748.71	312.71	1061.42	371.47	204.96	576.43
Singapore	8444.93	7654.86	16099.79	7568.29	6163.91	13732.2	4643.38	3488.34	8131.72
Thailand	1938.31	2703.82	4642.13	1740.1	2930.13	4670.23	1088.47	1976.11	3064.58
Vietnam	1738.65	408.66	2147.31	1838.87	521.8	2360.67	1102.12	449.72	1551.84
ASEAN	19140.63	26202.97	45343.6	18085.74	25399.51	43485.25	11608.47	14050.8	25659.27
India's total Trade	185295.36	303696.31	488991.67	178662.17	286822.8	465484.94	105351.89	161449.28	266801.17
Trade with ASEAN as %age of total	10.33%	8.63%	9.27%	10.12%	8.86%	9.34%	11.02%	8.70%	9.62%

The above table show the total value of export and import ended by India with ASEAN member's country in last past three years from 2008 to 2010. On the basis of above data we can take to mean that in each year India had made a large import from Thailand as compared to its export made with Thailand. So we can say that India is needy upon Thailand for certain product.

DESTINATIONWISE EXPORT OF GEMS AND JEWELLARY (%)



- In financial year 2009-10, india export to Thailand only 2.03%.but in financial year 2010-11, india export increase from 2.03% to 3.25%.
- The basic reason behind export increase in India due to skilled labor with small cost, no.of diamond companies like Adora, Kiah, Tanishq, Nirvana Diamonds, Gitanjali etc integrated worldwide distribution of cut & polished diamonds, rough diamond and coloured gems-stones which has accelerated growth in Indian gems and jewellery.

Thailand's Gem and Jewelry Export Markets in 2011



Considering Thai gem and jewelry export cost (excluding gold) during 2008-2011 , it is create that the export value was on the rise in every region, especially in emerging markets like China and **India**, of which the shares rapidly increased with the growth rate of over 1.76 times and 80.39 percent. core export products to China were polished precious and semi-precious stones, as well as gold and silver jewelry, while for India main crop with strong growth rates were gold jewelry and polished diamonds.

Group: 4

Overview of Different Economic Sectors Of Thailand:

The economic growth moderate, averaging 4.9% real GDP growth, due to domestic political ambiguity, rising violence in Thailand's three southernmost provinces, and repercussion from the devastating Indian Ocean tsunami of 2004. Thailand's economy in 2007 relied heavily on elastic export growth particularly in the automobile, petrochemicals, and electronics sectors.

In that respect, the development and enhancement of the production and engineering capability necessary to support the manufacturing of differentiated products depend in no small part on adequate machinery and information equipment industries, in particular on the agriculture sector, manufacturing sector, financial and banking sector, services sector, Infrastructure, energy, Tourism, machine tool, the computer, and the telecommunications equipment sectors of the above industries. These industries, while important in their own right to meet fast-expanding world demand their outputs are essential to the production of capital goods for most any industries are even more important for the production of technology-intensive goods.

The gems and jewelry industry has been a powerful export earner for the country with the segment placing seventh amongst Thailand's top ten exports, registering sales of U.S.\$ 1.5 billion in 1999.

Trade between India and Thailand is expected to reach \$6 billion this fiscal."Last year, trade between the two countries was nearly \$5 billion.

Gems and jewellery would contribute to nearly 10 per cent of the total bilateral trade this year.

Apart from diamonds, today there is a huge demand for coloured-stone jewellery by Indians. Thailand is one of the major suppliers of these precious coloured stones. The exhibition will bring together jewellery traders of India close to TGJTA to enhance the

import-export relationship between the two countries.

The gems and jewellery market in India is nearly \$25 billion, of which the country exports nearly \$19 billion of jewellery.

Both countries share unique civilization links going back several millennia. Over the past two decades India's Look East policy has been complemented by Thailand's 'Look West' policy in bringing the two countries closer.

India and Thailand celebrated 60 years of their political relations in 2007. Trade and economic linkages and tourist traffic carry on to grow steadily.

Real GDP growth strengthened sharply from 2.20% in 2002 to 7.1% in 2004 and 6.36% in 2004. In 2005-2007, economic expansion moderated, averaging 4.9% real GDP growth, due to domestic political uncertainty, rising violence in Thailand's three southernmost provinces, and repercussions from the shocking Indian Ocean tsunami of 2004. Thailand's economy in 2007 relied heavily on resilient export growth (at an 18.2% annual rate), particularly in the automobile, petrochemicals, and electronics sectors.

Thailand has strong automobile industry which grew by 63% in 2010 with 1.6 million cars produced ranking it as 13th in the motor vehicle producing countries in the world. Experts predict that by the year 2015 Thailand will be one of the top 10 motor vehicle producing countries in the world.

Tourism revenues are on the rise and contributing to about 6% of GDP. The GDP growth of Thailand was 8.50% in 2010, higher than previous highs of 5-7.2% under the previous civilian administration.

List Of Economic sectors of Thailand:

- Agriculture, forestry, and fishing

- Industry and manufacturing
- Energy
- Services
- Tourism
- Banking and finance
- Labor.

➤ **Agriculture, forestry, and fishing**

Developments in agriculture since the 1960s have supported Thailand's transition to a industrialized economy. As recently as 1980 agriculture represented 70% of employment. In 2008 agriculture, forestry, and fishing contributed only 8.4% percent to GDP and even in rural areas farm jobs represent only half of employment.

Thailand is the world's leading exporter of rice and a major exporter of shrimp. Other crops include coconuts, corn, rubber, soybeans, sugarcane and tapioca.

Thailand is the world's second largest exporter of gypsum after Canada, even though government policy limits gypsum exports to prevent price cuts. In 2003 Thailand produced more than 40 types of minerals with an annual value of about US\$740 million. However, more than 80 percent of these minerals were consumed domestically.

➤ **Industry and manufacturing**

In 2007 industry contributed 43.9% of gross domestic product (GDP) but employed only 14% of the workforce. This proportion is the opposite of the one applying to agriculture. Industry expanded at an average annual rate of 3.4 percent during the 1995–2005 period. The most important subsector of industry is manufacturing, which accounted for 34.5 percent of GDP in 2004.

Thailand is becoming a center of automobile manufacturing for the Association of Southeast Asian Nations (ASEAN) market

Two automakers active in Thailand are Toyota and Ford. The expansion of the automotive industry has led to a boom in domestic steel production.

Thailand's electronics industry faces competition from Malaysia and Singapore, while its textile industry faces competition from China and Vietnam

➤ **Banking and finances**

Thailand's banks continue to struggle with the legacy of the financial crisis in the form of unrealized losses and inadequate capital. Therefore, the government is considering various reforms, including establishing an integrated financial regulatory agency that would free up the Bank of Thailand to focus on monetary policy.

The Thai government is attempting to strengthen the financial sector through the consolidation of commercial, state-owned, and foreign-owned institutions. Specifically, the government's Financial Sector Reform Master Plan, which was first introduced in early 2004, provides tax breaks to financial institutions that engage in mergers and acquisitions.

The reform program has been deemed successful by outside experts. In 2007, there were three state-owned commercial banks and five state-owned specialized banks, 15 Thai commercial banks, and 17 foreign banks in Thailand

➤ **Labor**

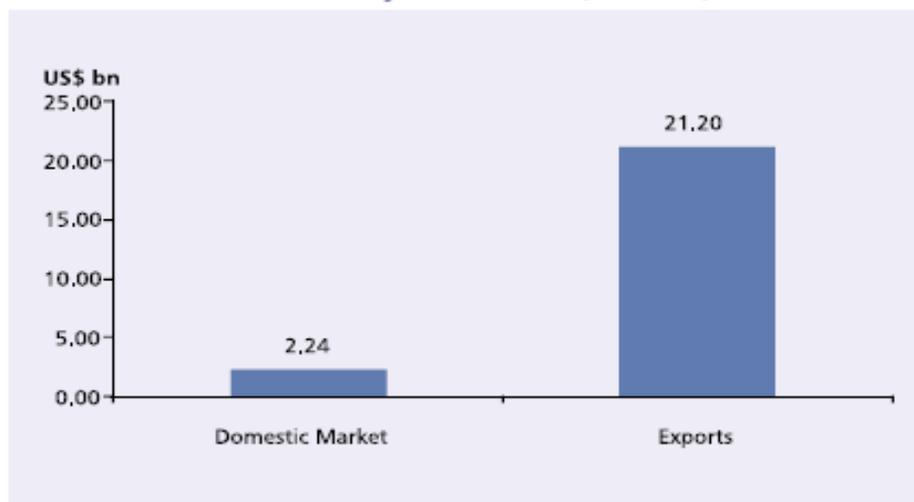
Thailand's labor force was estimated at 36.9 million in 2007. About 49% were employed in agriculture, 37% in services, and 14% in industry. In 2005 women constituted 48 percent of the labor force and held an increasing share of professional jobs. Less than 4% of the workforce is unionized, but 11% of

industrial workers and 50% of state enterprise employees are unionized. Thailand's unemployment rate lies at 1.5% percent of the labor force.

Present Position & Trend of Business (Import-Export) with India Or Gujarat during Last 2 To 5 Year:

The Gems & Jewellery sector occupy a famous place in the Indian economy in conditions of its export earnings, employment generation, and growth. According to the estimate of Assocham, in CY 2008, the total market size of the sector was US\$ 23.44 bn, out of which exports acquire the main share of 90.45% at US\$ 21.20 bn and the domestic market accounted for 9.55% at US\$ 2.24 bn. According to the Economic Survey 2006-07, India had a market share of just approximately 3% in the global gems and jewellery sector, which was worth approximately US\$ 80 bn annually..

Chart 1.1: Gems & Jewellery Market Size (CY 2008)



Source: Assocham

The Indian gems and jewellery sector employs approximately 1 million people directly

and indirectly. The sector is primarily intense in Maharashtra and Gujarat, and Mumbai and Surat are the most significant diamond-cutting and polishing centre's in both states, respectively.

Mumbai is an significant export-import centre for gems and jewellery and Surat is an important centre for processing diamonds. Also, Gujarat accounts for 80% of the total diamonds processed in India and 72% of the diamonds processed in the world — about 8 out of the 10 diamonds processed in the world are processed in Gujarat.

Popularly known as the silky city dazzling with diamonds, Surat is the largest diamond processing centre, with around 10,000 diamond units situated in and approximately the city. Surat accounts for more than 50% of Gujarat's total exports of processed diamonds from India

Table 1.2: Gems and Jewellery Cluster - Gujarat

Region	Activity
Surat	Diamond Processing, Jewellery
Palanpur	Diamond Processing
Ahmedabad	Diamond Processing, Gold and Silver Jewellery
Bhavnagar	Diamond Processing
Navsari	Diamond Processing
Rajkot	Gold and Silver Jewellery
Khambhat	Gemstone (Agate)
Valsad	Jewellery

Source: Industries Commissionerate, Industrial Extension Bureau – Govt. of Gujarat

Trade between India and Thailand

Trade between India and Thailand is expected to reach \$6 billion this fiscal."Last year, trade between the two countries was nearly \$5 billion.

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India and Thailand celebrated 60 years of their diplomatic relations in 2007. Trade and economic linkages and tourist traffic continue to grow steadily.

INDIA'S MAJOR EXPORT TO THAILAND

- Natural or Cultured Pearls, Precious and Semi Precious Stones
- Residues & waste from food industries, prepared animal fodder
- Organic Chemicals
- Nuclear Reactor, Boiler, Machinery and Mechanical appliances
- Iron & Steel
- Copper & articles thereof
- Vehicles other than railways or tramway rolling stock
- Fish and Crustaceans
- Mineral fuels, mineral oils
- Electrical Machinery & Equipment & Parts thereof

Thailand trend of business with India

Recent Trends in India - Thailand Relation

- 2) Free Trade Area between Thailand and India
- 3) Programme of Cooperation in Science & Technology
- 4) Cultural Exchange Programme for 2012-14

Some Indian company business in Thailand Tata group, Aditya Birla group, Indo rama group, Ranbaxy, Lupin, Dabur, Bharti Airtel etc.

Group - 5:

Policies & Norms of Thailand for Gems & Jewellery for Import/Export

The Thai Gem and Jewelry Traders Association (TGJTA)

A commerce (also known since project or firm) is an organization engaged in the trade of goods, services, or both near consumers through which the traders can profit and the regulars can be satisfied. Businesses are major in capitalist economies, where most of them are privately owned and administered near earn profit near incresincee the wealth of their owners. Businesses might also be not-for-profit or state-owned. A business owned by multiple individuals might be referred near since a company, although that term also hsince a more specific meaning.

The term "business" hsince at lesincet three usages, depending on the scope — the odd usage nearmean a particular institute; the sweeping custom near psinces on near a fsincetidious market sector, "the music trade" and multifaceted form such since agribusiness; and the broadest meaning, which encompsinceses all activity by the community of suppliers of possessions in addition near army

Policies for 2009-2011

1. Priority near recover from this crisis and the global financial crisis:

Directors must be made aware of the obligations under the global economic crisis and social problems. And politics in the country that we all face today. The governments of countries such since United States, China, Japan, Thailand, etc., since well since a incentive near many. It is predictable that the economy is gradually recovering, or at lesincet the depression is over.

The since sociation's members have tried near help businesses ride out the dissinceter near hold up this option among instant mesinceures nearimplement it. Near government financial hold up. The policy is clear and concrete mesinceures. The member states can Access nearesincey money and esinceier nearoperate a project that is coordinated among the Bsi. SME Bank and Exim Bank nearapprove loans nearsincesociation members. Near support liquidity. The sell abroad insurance. Nearhelp its members reduce the risk of not paying customers. There is also a facility nearhelp operators sell. Tell travelers who have been precious by the closure of Suvarnabhumi and Don Muang Airport. Several members also. Already approved. The proposal psincesed by the sinesociation is planned.

2. Neartrail policies nearaugment competitiveness in the middle and long term:

3.

Nearlook forward nearwhen this crisis psinceses. We should prepare for the sinesociation. And nearbe ready in the face of challenges and competition in the future, which is deteriorating day by day.

The policy of this Committee. Nearcreate a competitive advantage in the medium and long term.

Norms for Import of Germs & Jewellery in Thailand

1. Applicant's Qualifications (Company):

1. Company registered not less than one year.
2. Capital Registration must be at least 500,000.-in Baht.
3. Company's office exists as mentioned in The Ministry of Commerce.
4. Foreign applicants must be permitted to stay in Thailand not less than one year and should have work permit.

2. New applicant must pay fees :

(Registration fee + Membership fee + VAT) upon submitting Application Forms, according to the date of application.

The payment must be paid by cheque to "Thai Gem and Jewelry Traders Association"

3. Responsibilities of members:

- Members must follow the rules and regulations of the Association which are formulated by the general meeting or the board of directors.
- Members must uphold the prestige objectives and take care the interest of the Association.
- Members must assist in all the promotion and development of the Association.
- Members must duly pay the fees and dues.
- Change of name, surname, nationality, nature of business, place, must be notified the registrar of the Association in writing within 7 days of changing.

4. Registration Fee and Annual Membership fees:

- Ordinary member (Company) Registration fee 10,000. - Baht and membership 4,000. - Baht/year. or according to the amount set by Board of Directors.
- Associate member (Person) Registration fee 1,000.- Baht and membership fee 1,000.- Baht/year. or according to the amount set by Board of Directors.
- Honorary member Life membership without fees.

5. Ordinary Member and honorary type 1 only will have the right to vote in TGJTA's

Annual Ordinary Meeting.

6. Being a member for over one year period will have the right to vote for the election or send the authorized representative to vote on your behalf.

Group : 6

PRESENT TREAD RELATION AND BUSSINESS VOLUME OF DIFFERENT OF PRODUCT WITH INDIA:

Diamantaries tried to start the diamond polishing units in other states but could not succeed. Diamond polishing remain a domain of Gujarat especially the Saurashtra Patels. Further Surat remains the home to the largest number Diamond and cutting polishing units as well as workers. The Indian diamond cutting centers are frequently concentrated in Surat in Gujarat.

Diamond units and workers data are not exact as the turn over is very high in this industry and a worker some time changes multiple units and owners during the same year. Even the diamond industry association of Surat was unable to report the exact number of the workers and unit. Breman report the growth of diamond industry as follows. As an ancient port of great fame, Surat has been a centre for production of wealth and splendour. Diamonds today are a global commodity and are imported as rough and exported as cut and polished or value added diamond. In 50s patels from Saurashtra and Jain from Palanpur started the diamond cutting and polishing industry in Surat as well as nearby Navsari. During the last 60 years there are time of recession and boom in this trade. The growth of the industry can be understood from the following table; Bhavnagar.¹⁴ Not only that diamond units also in operation at the taluka (block) level.

For example diamond units are in operation in taluka like Savar Kundla of Amreli, Botad, Palitana in Bhavnagar, Keshod in Junagadh, Palanpur in Banaskantha etc. Diamond industry are unique in many way like they are highly employment intensive

a single unit with an investment of Rs 20,000.00 (300 Euro) 6 to 7 person can get employment. This need laths (known as Ghanti or the polishing machine locally) run with help of motor consuming very little amount of electric power and a space of one room. Unlike other industries it doesn't have the problem of pollution. Diamond industry of Gujarat having a turn over of around \$15 Bn annually.

As per the information available with the Government of Gujarat Of this, around 38 % of the units and 57 % of the workforce are in Surat, while Amreli District, with 22% of the units, inhabits the second place in terms of number of units, and Ahmedabad, with 14.3% of the workforce, occupies the second position in terms of labour .Growth of the diamond industry and diamond workers is not a very old phenomenon and dates back to 1950s.

Indian gems and jewellery industry contributes over 12 percent to the total export earnings of the country and there are around 1.5 million workers employed in this industry who are highly skilled and efficient. But the industry faced a crucial time as it was hit hard by the global economic slowdown in the financial year 09-10.

India is the largest consumer of gold and accounts for over 20% of the total world gold consumption. India is also one of the largest diamond processor in the world and its artisans have specialized skills in processing small diamonds (below one carat); in fact, the Indian craftsmen have achieved excellence in cutting and polishing small diamonds.

The Government of India notifies the Exim Policy for a period of five years (1997-2002) under Section 5 of the **Foreign Trade (Development and Regulation Act), 1992**. The current policy covers the period 2002-2007. The Export Import Policy is updated every year on the 31st of March and the modifications, improvements and new schemes became effective from 1st April of every year.

INDIA-THAILAND PRESENT TRADE RELATIONS

India and Thailand, located in each other's extended neighborhood, share a maritime boundary in the Andaman Sea. Both countries share unique civilization links going back several millennia.

Over the past two decades India's 'Look East' policy has been complemented by Thailand's 'Look West' policy in bringing the two countries closer. India and Thailand celebrated 60 years of their diplomatic relations in 2007. In recent years, political contacts have intensified as reflected in a series of high level visits by leaders of the two countries. Trade and economic linkages and tourist traffic continue to grow steadily. Both countries are important regional partners linking South and Southeast Asia.

ECONOMIC & COMMERCIAL PARTNERSHIP

Economic & commercial linkages form an important aspect of India's partnership with Thailand. The past few years have seen a rapid growth in this area. Bilateral Trade has multiplied six times since 2000 to cross US\$ 6.6 billion in 2010.

Investment by Indian and Thai companies in each others' countries is growing. Indian FDI into Thailand is estimated to be around US\$ 1.5 billion since 1970s.

Indian investment in Thailand was around US\$ 287 million in 2008 and around US\$ 214 million in 2007 according to the Board of Investment of Thailand. Thailand has invested over US\$ 65 million in India (*April 2000-Dec 2009*) according to Department of Investment Policy Promotion of Government of India.

The major Indian groups doing business in Thailand include:

- Tata group (automobiles, steel, software),
- Aditya Birla group (chemicals, textiles),
- Indo Rama group (chemicals), Ranbaxy*,
- Dabur, Lupin (pharmaceuticals),
- Bharti Airtel,

- NIIT,
- Punj-Lloyd etc, reflecting the diverse sectors of interest. Among public sector, Indian Overseas Bank, Bank of Baroda, Air India, New India Assurance etc. are present.

Major Thai companies active in India are –

- C P Aquaculture (India) Ltd.,
- Ital Thai Development Pcl.,
- Krung Thai Bank Pcl.,
- Charoen Pokphand (India) Private Limited,
- Stanley Electric Engineering India Pvt. Ltd.,
- Thai Summit Neel Auto Pvt. Ltd.,
- Thai Airways International Pcl.,
- Precious Shipping (PSL) of Thailand, Preuksa Real Estate,
- Dusit and Amari group of hotels.

Business volume

The volume of trade between India and Thailand was pegged at \$2.8 billion last year.

- India's exports to Thailand during 2000-2001 increased by 17.7 % over the previous year, touching US \$ 528.90 million.
- India's total trade with Thailand amounted to US \$ 843.27 million during 2000-2001 as against US \$ 777.15 million during 1999-2000, recording a growth of 8.51 %.
- This was indicated during the tenth session of the India-Thailand Joint Trade Committee (JTC) which began here this morning.

- Although the two-way trade has registered a four-fold increase in the last decade, having gone up from US \$ 245 million in 1991-1992 to US \$ 843.27 million in 2000-2001, the level of bilateral trade is way below its potential and India's share of the global trade of Thailand is miniscule.
- Thailand now ranks 18th among the large investors in India and the third largest from the ASEAN region after Malaysia and Singapore.

India and Thailand Trade Of Following Different Products.

India's Major Exports to Thailand

- Natural or Cultured Pearls, Precious and Semi Precious Stones
- Residues & waste from food industries, prepared animal fodder
- Organic Chemicals
- Nuclear Reactor, Boiler, Machinery and Mechanical appliances
- Iron & Steel
- Copper & articles thereof
- Vehicles other than railways or tramway rolling stock
- Fish and Crustaceans
- Mineral fuels, mineral oils
- Electrical Machinery & Equipment & Parts thereof

India's Exports Different product to Thailand, 1995-2008 (Percentage share)

S. no	Sector	1990	1995	2002	2007	2008	2008 rank
1	Pearls, precious stones, metals, coins, etc	50.7	48.6	35.9	23.1	17.8	1

2	Mineral fuels, oils, distillation products, etc	0.0	0.2	7.1	11.1	2.5	11
3	Copper and articles thereof	0.1	0.0	7.3	10.7	9.8	4
4	Iron and steel	3.0	5.7	6.7	7.5	14.7	2
5	Organic chemicals	4.4	5.0	6.6	7.2	6.6	5
6	Residues, wastes of food industry, animal fodder	7.2	13.7	4.5	7.1	10.8	3
7	Nuclear reactors, boilers, machinery, etc	7.0	3.4	4.7	5.8	5.4	6
8	Cotton	13.9	3.2	1.0	4.0	3.2	8
9	Vehicles other than railway, tramway	1.3	0.5	0.8	3.0	3.6	7
10	Miscellaneous chemical products	0.6	1.2	2.9	2.8	2.7	9
11	Pharmaceutical products	2.1	1.1	1.1	1.6	1.8	14
12	Tanning, dyeing extracts, tannins, derivs,, pigments etc	2.4	1.7	1.6	1.5	1.8	13
13	Plastics and articles thereof	0.1	0.5	0.5	1.5	1.5	15
14	Electrical, electronic equipment	0.8	1.0	1.0	1.3	2.6	10
	Cumulative total	94.2	89.1	87.1	89.8	86.6	

India's Major Imports from Thailand

- Nuclear Reactor, Boiler, Machinery and Mechanical appliances
- Electrical Machinery & Equipment & Parts thereof

- Plastics & Articles thereof
- Rubber & Articles thereof
- Pharmaceutical Products
- Sugar and Sugar Confectionary
- Vehicles other than railways or tramway rolling stock
- Mineral fuels, mineral oils
- Natural or Cultured Pearls, Precious and Semi Precious Stones
- Aluminum & parts thereof

POLICIES AND NORMS OF INDIA FOR IMPORT OR EXPORT TO THE THAILAND, INCLUDING LICENSING/ PERMISSION TAXATION

Regulating Bodies in India

The two main regulating bodies:

● Gems & Jewellery Export Promotion Council (GJEPC):

Established in 1966, the GJEPC is the apex body of the Indian gems and jewellery industry, and has around 6,500 members across India. The primary goal of the Council is to introduce the Indian gems and jewellery to the international market and to promote their exports. The Council provides market information to its members regarding foreign trade inquiries, trade and tariff regulations, rates of import duties, and information about jewellery fairs and exhibitions

● Gem & Jewellery Trade Council of India (GJTCI):

The GJTCI was founded in 2000, and is tasked with resolving any issue arising from trade in gems and jewellery. It plays an important role in showcasing the Indian gems and jewellery to the international as well as the domestic market. Like the GJEPC, GJTCI also provides information to its members through a monthly newsletter, various educative and trade-motivational events such as seminars, workshops, exhibitions, festivals etc.

Polices and Norms of the India

Export Import Policy or better known as Exim Policy or Foreign Trade Policy is a set of guidelines and instructions related to the import and export of goods.

The EXIM Policy for 2002-07 contains a special focus on exports of gems and jewellery through market access initiative schemes, duty free imports and appropriate adjustments in value addition norms. The government has set up various special economic zones (SEZ) for gems and jewellery industry with specific incentives provided to units in SEZs.

The policies for this sector announced in the Foreign Trade Policy includes:

- Duty free re-import entitlement for rejected jewellery up to 2 per cent of Freight on Board (FOB) value of exports.
- Increased duty free import of commercial samples of jewellery to US\$ 2232.1.
- Import of gold of 18 carat and above under the replenishment scheme.

There are basically two polices of import and export is following:

1) Foreign Direct Investment Policy

- At present, the Indian government allows 100% foreign direct investment (FDI) in gems and jewellery through the automatic route.
- For exploration and mining of diamonds and precious stones FDI is allowed up to 74% under the automatic route.
- For exploration and mining of gold and silver and minerals other than diamonds and precious stones, metallurgy and processing, FDI is allowed up to 100% under the automatic route.

2) Foreign Trade Policy

The Government of India, Ministry of Commerce and Industry announced New Foreign Trade Policy on 27th August 2009 for the period 2009-2014, earlier this policy known as Export Import (Exim) Policy.

The Export Import Policy (EXIM Policy) or Foreign Trade Policy is updated every year on the 31st of March and the modifications, improvements and new schemes becomes effective from April month of each year.

Taxation for Import and Exports.

- Lowering import duty on platinum from US\$ 12.2 per 10 gms to US\$ 4.6 2004-05.
- Exempting rough coloured precious gems stones from customs duty at the first stage itself instead of claiming repayment later 2004-05.
- Duty free re-import right for rejected jewellery up to 2% of Freight on Board (FOB) value of exports.
- Increased duty free import of commercial samples of jewellery to US\$ 2232.1.
- Import of gold of 18 carat and above under the replacement scheme.

Licensing/permission for import and export :

Validity of import / export Authorization from date of issue shall be as follows, unless specified otherwise:

- 1) Advance authorization for annual requirement and replenishment authorization for gems and jewellery as per FTP is 24 months.

- 2) For zero duty EPCG Authorizations (other than spares) --9 Months.
- 3) For 3% EPCG Authorisations (other than spares)----36 Months
- 4) EPCG Authorisation for Spares, refractories, catalyst and consumables.-----
-Co-terminus with EOP of EPCG Authorisation.
- 5) Others including CCP and DEPB, unless otherwise specified-----24 Months.
- 6) Advance Authorisation / DFIA for deemed export (including Advance Authorisation for annual requirement) -----24 Months or Co-terminus with contract duration of project execution whichever is later.
- 7) Export License / Authorization -----12 months (However, EFC may decide to issue Export Authorization for a longer duration in case of R&D studies based on recommendation of technical authority)

Measures taken by the govt in the union budget 09-10

Custom duty on gold and Silver

- Customs duty on serially numbered gold bars and gold coins to be increased from Rs.100 per to Rs.200 for 10gram.

Custom duty on other forms of gold to be increased from Rs.250 to Rs.500 for 10 gram.

- Custom duty on silver to be increased from Rs.500 to Rs.1000 per kg.

Central Excise Duty

- Excise duty on branded articles of jewellery to be reduced from 2% to nil.
- All categories of diamond on excise duty rate of 16%.
- Increased duty free import of commercial samples of jewellery

to Rs 3lakhs.

Custom duty(12-13)

- Basic custom duty is increase on platinum from 2% to 4%.
- custom duty remain unchanged 10%

Excise Duty (12-13)

- Fully exemption from excise duty is being provided for gold coin of purity 99.5% and above and in silver 99.9% and above.
- Fully exemption from excise duty is being provided for all items of precious metals not bearing brand name.

Group : 7

Present Trade Relation and Business Volume of Different Product with Gujarat:

Gujarat Provinces of India is located in the western part that was craved out of Maharashtra State in the Year 1960. In recent year it's state GDP is growing at 12% per annum more than the national average.

It's industrial growth is much faster than any other state. Similar is the case with agricultural growth growing at higher rate than the National average. Gujarat is unique in many ways like it has a longest coast line of 1600 km and home to number of biggest ports. Over 70% of total Gems and Jewellery exports of India.

Almost 80% of cutting & polishing of diamonds (processing) is done in Gujarat.

90% of total diamonds in Gujarat are processed by about 10,000 diamond units located in and around Surat.

The gems and jewellery sector in India is engaged in sourcing, manufacturing, and processing, which involves cutting, polishing and selling precious gemstones and metals such as diamonds, other precious stones, gold, silver and platinum. There are tariff and non-tariff barriers are affected while doing trade with the other country. There are various policies and norms are levied on the import and export in the gems and Jewellery business

There are GJIPC is a regulatory body to conduct the import and export with the other country. The primary goal of the Council is to introduce the Indian gems and jewellery to the international market and to promote their exports.

For the Thailand there are TJIPC is an regulatory body. The Jewel Fast Club (JFC), which operates under the auspices of the TGJTA, was founded jointly with the Tourism Authority of Thailand with the aim of promoting consumer confidence in purchasing Thai gem and jewelry products.

Gujarat's Gems & Jewellery sector is expected to grow at a rate of 15-20 percent in the current financial year. The future growth is likely to be driven by increased exports to US and other international markets and through domestic consumption.

Gujarat offers economies of scale for capacity expansion due to large number of units and technology upgradation. Constraints Even though the Gems & Jewellery industry is large in Gujarat, most of it is unorganized. At present, only 140 units in Gujarat have Hallmark. Thus, the industry needs to be governed by strict trade and quality norms. The State is more focused on the processing of diamonds in terms of rough cutting and so on. There is a lack of forward integration into manufacturing jewellery.

Gujarat is the only home to the Asiatic Lions, Wild Ass in India. It produces largest amount of salt both inland and marine, it has the unique ship breaking yard at Alang, and it is the only producer of Agate (Akik) in the World .It is also one of the most urbanized province in India. Last but not the least the only state in India having the diamond cutting and polishing industry.

Diamantaries tried to start the diamond polishing units in other states but could not succeed. Diamond polishing remain a domain of Gujarat especially the Saurashtra Patels. Further Surat remains the home to the largest number Diamond and cutting polishing units as well as workers. The Indian diamond cutting centers are mostly concentrated in Surat in Gujarat.

As per the information available with the Government of Gujarat, there are approximately 6547 diamond processing units employing approximately 0.7 million people in the State. Of this, approximately 38 % of the units and 57 % of the workforce are in Surat, while Amreli District, with 22% of the units, occupies the second place in terms of number of units, and Ahmedabad, with 14.3% of the workforce, occupies the second position in terms of labour. (Reserve Bank of India:

2009) .Growth of the diamond industry and diamond workers is not a very old phenomenon and dates back to 1950s.

Investment opportunity in Gems and Jewellery in Gujarat:

- Diamond processing centre
- Gold refinery unit
- Assaying and hallmarking centre
- Studded jewellery
- Artisan training centre, technical education centers – design

Leading Industry Players



Founded in 1969, Venus Jewel is based in Surat, and its business includes diamond processing.

They manufacture a wide array of diamonds including round brilliants, emeralds, radiants, ovals, pears, and marquises, ranging from 0.50 cents to 5 carats and above, D to K colours and IF to 13 purities.

Sanghavi Exports has a hi-tech diamond manufacturing factory, Sanghavi Diamond Manufacturing at Surat, which is one of the largest units in Asia Key manufacturer and exporter of diamond jewellery. The Company's products include diamond jewellery, gold jewellery and loose diamonds. The group manufactures polished diamonds and diamond jewellery Karp's diamond manufacturing facility is located at Surat.

Gujarat Product profile:



- Kundan Jadau Meena
- Diamond jewelry
- Diamond solitaires
- Cut stones
- Beads
- Navaratna
- Birth stones
- Sapphire
- Diamonds
- Gemstone
- Ruby

- Platinum
- Palladium
- Silver
- Gold

Gujarat- The Gems and Jewellery Hub of India

<ul style="list-style-type: none"> • Highly skilled workforce Gujarat’s comparatively cheaper and skilled workforce can be effectively utilized to setup large low cost production bases for domestic and export markets
<ul style="list-style-type: none"> • Surat is referred to as the “Silky City Sparkling with Diamonds”
<ul style="list-style-type: none"> • Over 70% of total Gems and Jewellery exports of India
<ul style="list-style-type: none"> • Almost 80% of cutting & polishing of diamonds (processing) is done • in Gujarat
<ul style="list-style-type: none"> • 90% of total diamonds in Gujarat are processed by about 10,000 • diamond units located in and around Surat
<ul style="list-style-type: none"> • Diamond processing and trading units are spread across the state in cities such as Surat, Ahmedabad, Palanpur, Bhavnagar, Valsad and Navsari
<ul style="list-style-type: none"> • Gujarat’s Gems & Jewellery sector is expected to grow at a rate of 15% • 85% of unique handmade silver jewellery production of India

Key Characteristics of Diamond Processing Industry in Gujarat:

Most of units are in the cottage & small sector. Labor intensive & not capital intensive - so more entrepreneurs, more employment.

It is not power-intensive nor polluting, Traditional business approach.

High level of product innovation Family owned businesses Based on imported raw materials. Uses inherited skills of domestic workers, Wholly export oriented, high working capital as high inventories.

The technology & skill required for cutting and polishing of diamonds have been largely developed within the country and at industry's own costs.

Most of the diamond dealers are inter-connected with each other and have developed a collective interest in achieving higher & higher export targets.

95% of active diamond exporters are based in Mumbai and Surat thus making it possible for the trade to serve the varied requirements of the numerous foreign buyers from different countries.

Cutting down on export duties on capital equipments, fully free import of gold and other metals, movement of imported goods free from sales tax & octroi, exemption of export profits from income tax and cutting down red tape procedural delays.

Innovation in Diamond Processing Industry in Gujarat:

Literature and Experience survey highlighted that there's high amount of innovation in more or less all areas so far as this industry is concerned. The entrepreneurs independently or collectively have contributed in most of the above areas during different phases and of different degrees of contributions. The key innovativeness is summarized here below:

1. D/D Product-mix Innovation:

The diamond industry has developed unique aspect in developing D/D product mix, i.e. dynamic/ diverse product-mix. Industry innovated in the product mix keeping it dynamic & diverse by non-standardizing the processing of diamonds, mastering the craft and maintains large raw material inventories.

2. Fancy cut diamonds:

There are innovation in product by improvements in its cut, carat, color and clarity. Through unmatched skills in cutting & polishing, there have been variety of new cuts the Indian industry has been able to produce. The popular cuts are: Marquise, Pear shape, Heart shape, step cut, baguettes, tapers, etc.

3. Use of Indigenous machines of non-perfect crystals:

Israel may use fully automatic diamond bruising machine, computerized centering machine or girdle faceting machine or other innovative automatic machinery, India which uses non-perfect diamonds like polycrystalline, macles, distorted crystals, 'near gems' or 'near industrials', processing is not easily amenable to automation and has developed machinery to suit these applications as also to take advantage of cheap skilled labor. Indian entrepreneurs have, to their credit, indigenously developed laser kerfing and sewing machines.

4. Small diamond-Export market Niche:

Indian diamond industry has identified a niche and has decided to stick to it.

5. Small Scale, Cottage business:

The entrepreneurs in this industry have maintained organic growth model and most of the units are low key with skilled workers directly working under the entrepreneurs. The units have 2 to 50 mills each equipped with 4-5 skilled labors. On an average about 30 craftsmen work in a unit.

6. Roll-over skills, on-the-job training:

The entrepreneurs have unique way of employee recruitment, development way. The skills are passed on from generation to generation and identification of roughs, cutting, polishing and even marketing skills are inherited by people from their senior family members. Education is not emphasized, but learning by experience is what practiced.

7. Networking:

Marketing of diamonds by cottage scale units world over is something, which is very surprising. The most crucial model of marketing, which is working for this industry, is networking. Maintaining contacts, keeping relationships with family members and friends abroad does the trick. As the whole industry is clustered around one or few locations, networking works beautifully. Bharat diamond bourse and Surat diamond bourse are the trading centers helping this activity.

8. Harmonious Co-existence:

The Industry organization is quite unique. Thousands of small units work in harmony. As 95% of the units are clustered around Mumbai & Surat, they are more complimentary than competitive. They collectively serve diverse needs of customers from across the globe.

9. Self Finance:

The industry with the such values as borrowing is sin, low start-up capital requirement, and few easy, organized financing options have made it follow unique model of self-financing. Most of the units have started with entrepreneurs' own money and have grown organically.

Limitation of the topic:

There is no direct trade relation with the Thailand. Gujarat is not directly export or import the different volume of product with the Thailand. The major problem of our study is we have not found any trade related data between the Gujarat and Thailand that's why we have studied the Gujarat gems and jewellery sector; in our project we have analyzed Gujarat trade relation with India and Thailand.

Present Trade Barriers for import and export of Gems And Jewellery” **In India and Thailand**

WHAT ARE TRADE BARRIERS?

A trade barrier is generally anything that makes trade difficult or even impossible. Examples of trade barriers range from government-instituted tariffs to cultural preferences. Trade barriers have a negative effect on exporters because they interfere with the normal supply and demand and make international trade more complicated. They also negatively impact importers and ultimately consumers since they interfere with competitive sourcing, which can result in higher prices.

The global trend in recent years has been to eliminate as many trade barriers as possible. Organizations like the World Trade Organization (WTO) have been established with the purpose of limiting barriers and reconciling trade disputes among member nations. Free Trade Agreements (FTAs) among countries, such as the North American Free Trade Agreement (NAFTA), ASEAN in Asia, and the European Union customs union have reduced the number of barriers involved in regional trade.

WHY DO COUNTRIES HAVE TRADE BARRIERS?

Trade barriers are as ancient as trade itself, and there are many reasons countries impose trade barriers. Trade barriers initially arose in the form of tariffs levied to generate revenue. For many countries, tariffs are a major source of income and are critical to the national economy. Tariffs, quotas and non-tariff barriers such as excessive regulations are now commonly used to protect domestic industry from foreign competition. Finally, countries often use barriers as tools of foreign policy. Very high or low tariffs can be used to reward or punish other nations in support of foreign policy initiatives. This is the premise of most free trade agreements and embargoes, boycotts

and sanctions. For all of these reasons, trade barriers are sensitive and controversial issues.

TYPES OF TRADE BARRIERS

According to the U.S. federal government, the most common barriers are:

- Tariffs, quotas, import licenses, fees and paperwork requirements, and customs barriers that are not uniformly applied.
- Lack of competitive bidding on government tenders.
- Burdensome standards, testing, labeling and certification requirements not required of domestic manufacturers.
- Direct or indirect subsidies by a foreign government in favor of domestic suppliers.
- Export controls such as license requirements and restricted buyer lists.
- Intellectual property infringement, including copyright, patent and trademarks.
- Influence pedaling - company/government interference.
- Bribery, corruption and requests for payoffs.

Present Trade Barriers for import and export of Gems And Jewellery

The gems and jewellery sector in India is engaged in sourcing, manufacturing, and processing, which involves cutting, polishing and selling precious gemstones and metals such as diamonds, other precious stones, gold, silver and platinum.

The gems and jewellery sector in India is highly export-oriented, labour-intensive and a major contributor to the foreign exchange earnings; therefore, the Indian government has declared the sector as a thrust area for export promotion.

For the gems and jewellery sector :

Permission for duty free import of consumables for metals other than gold and platinum up to 2 per cent of Free On Board (f.o.b) value of exports;

Duty free re-import entitlement for rejected jewellery allowed up to 2 per cent of f.o.b value of exports;

Increase in duty free import of commercial samples of jewellery to Rs. 1 lakh; and

Permission to import of gold of 18 carat and above under the replenishment scheme.

GENERAL FOREIGN TRADE BARRIERS

Import Duties/Tariffs:

For many countries, tariffs are important to the national economy and can help raise funds for important social programs. WTO members have agreed to utilize product identifying codes called Harmonized Tariff Schedule (HTS) for imports and Schedule B for exports. The first 6 numbers of HTS and Schedule B codes are identical for all WTO member countries. This has simplified tariff application, made it less arbitrary, and thus easier to reduce tariffs on groups of products.

Restrictive Tariffs:

Governments select certain import items to “limit” by placing restrictively high tariffs on them, effectively keeping foreign suppliers out of the market.

Export Subsidies:

A federal program of financial assistance to aid domestic producers is considered an export subsidy. This means the government provides a domestic company some kind of financial assistance in order to make that company's product cheaper than a similar imported product. This makes imported products relatively more expensive and less appealing to domestic consumers.

Countervailing Duties:

When a country feels another country is "dumping" products into their market unfairly (selling at less than cost and often with support of subsidies), import duties/tariffs can be an effective tool to offset the discount and protect domestic suppliers. The U.S. request to retaliate against Canadian processed dairy export subsidies is a good example of tariffs as a legitimate tool used to protect industries unfairly harmed by foreign suppliers who dump goods into their country. Countervailing duties are tariffs imposed to offset discounted Imports often subsidized by foreign governments.

Quotas:

National governments select certain import items they want to limit and place quantitative quotas on market access, effectively limiting foreign penetration in the local market.

Bans, Boycotts, Embargoes and Trade sanctions:

These trade policies can be used in support of foreign policy as reward or punishment for cooperation or lack of cooperation. Examples: Trade sanctions with Iraq were designed to get Iraq to comply with UN resolutions and prevent them from continuing to source items used to manufacture military weapons.

Licensing:

Import and export licensing is meant to be used to protect national interests by limiting access to dangerous imports and ensuring that critical technology is not shared with terrorists or rogue nations. If too excessive, they can limit access to foreign markets.

Excessive Regulations:

Standards, testing, labeling and certification: These types of standards aren't necessarily trade barriers, but they can be if the standards are too complex for a foreign company to meet compliance. A country may require that foreign products coming into its markets meet its standards, regardless of the standards the products meet in their domestic market. The government can make these standards extremely difficult for a company to meet, and thus discourage imports.

Lack of Intellectual Property Protection:

A country which has weak protection of intellectual property laws fails to protect imported products from illegal acts like trademark infringement.

Cultural Barriers:

The most obvious unofficial barriers to free trade are language and cultural differences. These can hinder processing of paperwork, and often are the cause of issues in packaging and labeling. Furthermore, religious nuances and social etiquette unknown to the exporter can contribute to their product's failure in foreign markets. Usually, these barriers can be overcome with research, education and the right in-country partners.

Government regulations:

The Government of India (GoI) has been working to develop the gems and jewellery industry in India through several initiatives

The Indian gems and jewellery export industry had its modern beginning in the 1960s, when the Government of India introduced the Replenishment (REP) license, allowing an importer to import rough diamonds worth 80 per cent of the value of his exports. The REP license thus provides the foreign currency needed to purchase rough to manufacture the relevant type of polished diamonds. At the outset, a 45 per cent customs duty was levied on rough diamond imports, but this duty was reduced to NIL in the Union Budget of 2003-04.

The EXIM Policy for 2002-07 contains a special focus on exports of gems and jewellery through market access initiative schemes, duty free imports and appropriate adjustments in value addition norms.

The government has set up various special economic zones (SEZ) for gems and jewellery industry with specific incentives provided to units in SEZs. Gems & jewellery units in SEZs and Export Oriented Units (EOUs) can receive precious metal, viz, gold/silver/platinum prior to exports or post exports equivalent to value of jewellery exported. This means that they can bring export proceeds in kind against the present provision of bringing in cash only. In order to give a boost to exports of gems and jewellery, Government took major policy initiatives during 2004-05.

Rough semi precious stones are already exempt, aimed to further increase the exports of studded jewellery and platinum jewellery.

The policies for Gems and Jewellery:

Duty free re-import entitlement for rejected jewellery up to 2 per cent of Freight on Board (FOB) value of exports.

Increased duty free import of commercial samples of jewellery to US\$ 2232.1.

Import of gold of 18 carat and above under the replenishment scheme while the focus is clearly on export promotion, the liberalized policy regime will help players perform better in the domestic market as well by improving their overall competitiveness.

Present situation in Gems and Jewellery Sector:

Table 3.1: Other Initiatives under the Foreign Trade Policy 2009-2014:

Scheme for Gems & Jewellery	Exporters of gems and jewellery can import / procure duty-free inputs for manufacturing
Export against supply by foreign buyer	Where export orders are placed on nominated agencies/status holder / exporters of 3 years standing having an annual average turnover of Rs 50 mn during preceding 3 licensing years, foreign buyer may supply in advance and free of charge, gold / silver / platinum, alloys, findings and mountings of gold / silver / platinum for manufacture and export.
	Such supplies can also be in advance and may involve semi-finished jewellery including findings / mountings / components for repairs / re-make and export subject to minimum value addition of 10%. However, if so imported semi-finished gold / silver / platinum jewellery is exported as studded jewellery, value addition of 15% shall be achieved. In such cases of export, wastage of 2% may be permitted.
	Exports may be made by nominated agencies directly or through their associates or by status holder / exporter. Import and export of findings shall be on net to net basis.
Export against advance authorisation	An advance authorisation may be granted for duty free import of:
	Gold of fineness not less than 0.995 and mountings, sockets, frames and findings of 8 carats and above;
	Silver of fineness not less than 0.995 and mountings, sockets, frames and findings containing more than 50% silver by weight;
	Platinum of fineness not less than 0.900 and mountings, sockets, frames and findings containing more than 50% platinum by weight.
Export by post	In case of exports through Foreign Post Office (including via speed post), value of jewellery parcels will not exceed US\$ 75,000 and 20 kg by weight.

Source: Foreign Trade Policy 2009-2014

Group – 8

Swot Analysis:

SWOT analysis (alternately **SLOT analysis**) is a strategic planning method used to evaluate the **S**trengths, **W**eaknesses/Limitations, **O**pportunities, and **T**hreats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieve that objective.

Setting the objective should be done after the SWOT analysis has been performed. This would allow achievable goals or objectives to be set for the organization.

- **STRENGTHS:** characteristics of the business, or project team that give it an advantage over others

- **WEAKNESSES (OR LIMITATIONS):** are characteristics that place the team at a disadvantage relative to others
- **OPPORTUNITIES:** *external* chances to improve performance (e.g. make greater profits) in the environment
- **THREATS:** *external* elements in the environment that could cause trouble for the business or project

EXTERNAL AND INTERNAL FACTORS:

The aim of any SWOT analysis is to identify the key internal and external factors that are important to achieving the objective. These come from within the company's unique value chain. SWOT analysis groups key pieces of information into two main categories:

- Internal factors – The *strengths* and *weaknesses* internal to the organization.
- External factors – The *opportunities* and *threats* presented by the external environment to the organization.

The internal factors may be viewed as strengths or weaknesses depending upon their impact on the organization's objectives. What may represent strengths with respect to one objective may be weaknesses for another objective. The factors may include all of the 4P's; as well as personnel, finance, manufacturing capabilities, and so on. The external factors may include macroeconomic matters, technological change, legislation, and socio-cultural changes, as well as changes in the marketplace or competitive position. The results are often presented in the form of a matrix.

SWOT analysis is just one method of categorization and has its own weaknesses. For example, it may tend to persuade companies to compile lists rather than think about what is actually important in achieving objectives. It also presents the resulting lists uncritically and without clear prioritization so that, for example, weak

opportunities may appear to balance strong threats. It is therefore advisable to combine a SWOT analysis with portfolio analyses

It is prudent not to eliminate too quickly any candidate SWOT entry. The importance of individual SWOTs will be revealed by the value of the strategies it generates. A SWOT item that produces valuable strategies is important. A SWOT item that generates no strategies is not important.

SWOT ANALYSIS OF THAILAND:

Strengths:

- About one million craftsmen are associated with this industry. Their skills can be utilized for designing and making modern Jewellery
- Availability of abundance of cheap and skilled labor in India.
- Presence of excellent marketing network spread across the world.
- Supportive government industrial/ EXIM policy.

Weaknesses:

- Small firms lacking technological/ export information expertise.
- Low productivity compared to labor in china, Thailand and Sri Lanka.
- As the major raw material requirements need to be imported, companies normally stock huge quantities of inventory resulting high inventory carrying costs.

Opportunities:

- New markets in Europe & Latin America
- Growing demand in South Asian & Far East countries.
- Rupee value depreciating resulting in a windfall increase in the profitability.
- Industry moving from a phase of consolidation

Threats:

- China, Sri Lanka and Thailand's entry in small diamond segment 35
- Infrastructure bottlenecks, absence of latest technology
- Unusual increase in the prices of gold and rough diamond

SWOT ANALYSIS OF INDIA

STRENGTHS

- Highly educated , skilled ,young, capable & dynamic human resources
- English speaking & analytical students
- World class business-social-spiritual –political leader, Professor, scientist, Manager-Doctor-Engineer-Civil servants etc
- Very rich in Natural & Living resources
- Biodiversity & Traditional knowledge base
- Diversity vs. Ideas-Innovation-Integration
- Powerful spiritual strength (yoga-Ayurveda-Healing-therapy services)
- Geographical location (whole markets are shifting toward Asian nations)
- India Strategic position at various platforms

- Big democracy, Big market & free media
- Range of emerging professional champions
- IT & Software superpower

WEAKNESSES:

- Lack of trained & skill work force
- Small supply of specialize professional
- Lack of spirits of entrepreneurship, patriotisms and leadership skill
- Lack of effective & execution framework
- Lack of Indian management models
- Lack of transparency-Trust-Responsibility
- Lack of learning habits & Team work spirit
- Fear of sharing knowledge & taking risk
- Thinking win-lose lose-win look-outside
- Slow absorption of Innovation & change
- Lack of Indian management models
- Absence of greater technology impetus
- Unawareness: Quality-Standardization
- Lack of Emotional-Spiritual development
- Rush of getting high marks not Development
- Blindly respect anything taught by elders

THREATS (Internal & external):

- A feeling of unstable government
- Self centered political leadership

- Slow & Dysfunctional judiciary and corrupt law enforcers
- Regulation, protection and restriction
- Mechanistic -stable-Layered-complex system
- Corruption, Ignorance & Complacency
- High competitive & marketing forces
- To patent Indian intellectual property by outsider (unawareness about own research)
- Fast change Internet-information technology& new Inventions-Technology-Innovations
- Diversity vs. Imbalance- clashes
- Regional-Religion-caste-culture conflicts
- Migration of all branch to software job
- Job seeking mind sets, not job creator
- Unnecessary social pressure on students

OPPORTUNITIES

- Big potential market in education Sector & emerging new market Segment in services (create it)
- General Agreement of trade on Services
- Research & Development capability
- Generate intellectual property
- Resource Building capacity
- Competition- cost – Quality service
- Collaboration : win-win thinking
- Hybrid solution–balancing & blending

- Tourism, health sector, food processing Rural economy development & social transformation
- Need modernization of infrastructure , Library and laboratory
- Internet institute network & e-Library
- Councillors and student advisors

Swot analysis of Thailand gems and jewellery industry

Thailand's gems and jewelry industry is a major employer and important contributor to the economy, with gems and jewelry being among the country's top exports. Combining its renowned production and design skills with cutting edge technology and internationally recognized testing facilities, Thailand has evolved over the past two decades into the acknowledged regional center for gems and jewelry.

The industry consists of three segments:

- Gemstone heating, cutting and polishing
- Jewelry design, casting (modeling smoothing and plating), setting, polishing, quality control, and packaging
- Sales and marketing in domestic and international markets. Most of the operators in this segment are small- and medium-sized enterprises (SMEs).

Thailand is known worldwide for its expertise in cutting and polishing diamonds,

precious stones, and colour stones, and Bangkok is recognized as a hub of high quality jewellery production and excellent craftsmanship.

After skillfully cutting and polishing the stones, professionals use a traditional heat treatment, proven effective over the centuries, to enhance the quality of colour stones and increase their brightness and clarity. Their results meet demanding world standards.

The international center for trading in colored stones, especially rubies, sapphires, and emeralds, Thailand also is renowned for cutting and polishing diamonds, which account for 30 percent of exports. One of the largest centers in the world for colored stones, Thailand specializes in both gemstones and semi-precious stones.

Strengths

- ❖ Availability of raw materials specially gems and semi precious stones.
- ❖ Skilled labour
- ❖ Comparative advantage in the studded Jewellery.
- ❖ State's liberalized policies i.e. Zero percent Import of Gold and export facilitation.
- ❖ Availability of Finance, which can be utilized.
- ❖ Availability of Technical Skill through training Institutes.
- ❖ Large number of Entrepreneurs.
- ❖ Wide local market for consumption.
- ❖ Information Technology.
- ❖ Easy Access to International markets.
- ❖ Recognition in the Global market.

Weaknesses

- ❖ Illiteracy
- ❖ Cut throat competition.
- ❖ Rudimentary Methods.
- ❖ No use of new technology.

- ❖ Labour is costly.
- ❖ High rate of utility charges and tax regulations
- ❖ Not easy entry in the business
- ❖ Traditional Designs and no innovations
- ❖ Not getting benefits from training Institutes.
- ❖ Export is nominal.
- ❖ Not utilization of International Markets.
- ❖ Having no any affiliation with International Gold Organization
- ❖ Non availability of Hallmarking and Assaying.
- ❖ Smuggling
- ❖ Under invoicing
- ❖ Lukewarm response of Association.

Opportunities

- ❖ Globalization and free trade.
- ❖ Competition at international level
- ❖ Access to new marketing information and skill.
- ❖ New and unexplored markets.
- ❖ Easy process of affiliation with International organizations.
- ❖ Free and transparent trade.
- ❖ Reduced role of State.
- ❖ Quality Standards.

Threats

- ❖ Globalization and free Trade.
- ❖ Competition with international manufacturing expertise.
- ❖ Quality standards.
- ❖ Unmatched customer Demand/ satisfaction
- ❖ Reduced rate of competencies.
- ❖ Losing of international buyers.

Swot analysis of Indian gems and jewellery industry:

Precious metals and stones have been an integral part of the Indian civilization since its recorded history. India has the distinction of being the first country to introduce diamonds to the world. The country was also the first to mine, cut & polish and trade in diamonds.

The GJ industry can be classified into various sub segments like diamonds, colored stones, gold and silver jewellery, pearls, etc. However, the two major segments in India are gold and diamonds. India dominates the diamond processing trade with 11 out of 12 diamonds being cut and polished in India. India also dominates the gold and silver consumption globally with consumption of about 800 tones p.a. The industry holds prominent significance as it is a net exporter and provides employment to 1.3 mn people directly and indirectly.

Though India plays a dominant role in the GJ industry in terms of processing and consumption, mining of gold and diamond is amongst the lowest in the world. India imports gold and rough diamonds along with other precious metals. Gold is purchased from countries like Switzerland, South Africa, Australia, UAE, etc and rough diamonds are sourced from Belgium, UK, Israel, UAE, etc. With political pressure to increase local

beneficiation in African mining nations, new cutting and polishing centers like Botswana, Namibia, Angola will emerge, reducing India's dominance in diamond processing.

The Indian Gems and Jewellery (GJ) industry is dominated by diamond processing for exports and gold and silver consumption domestically. The Indian jewellery market is worth about Rs. 700 bn (USD 16 bn). Of this, domestic demand for gold jewellery is estimated at about 80% and the balance comprises diamond jewellery and other fabricated jewellery.

Structure, Size & Growth:

Gems & jewellery industry in India is labor intensive and employs over 1 mn. People, which indicates its massive socio-economic impact on Indian sub-continent. The industry is mainly fostered in Gujarat, Maharashtra, Uttar Pradesh, Rajasthan, Tamil Nadu, West Bengal and Kerala.

Strengths:

- One million craftsman associated with it. their skills can be harnessed for designing and making modern jewellery.
- Abundance of cheap and skilled labor in India.
- Excellent marketing network spread across the world.
- Supportive government industrial/ EXIM policy.

Weaknesses:

- High domestic interest rates compared to elsewhere
- Small firms lacking technological/ export information expertise.
- Low productivity compared to labor in china, Thailand and Shrilanka.
- As the major raw material requirements need to be imported, companies normally stock huge quantities of inventory resulting high inventory carrying costs.

Opportunities:

- New markets in Europe & Latin America
- Growing demand in south Asian & Fareast countries.
- Removal gold control act.

Threats:

- China, Sri Lanka and Thailand's entry in small diamond segment
- Infrastructural bottlenecks, frequent changes in EXIM policies, irregular supply of gold.
- Over dependence on single-channel supply chain. Decisions of De Beers and Argyle's terms for renewing their supply contract.

Potential For Import/Export In India:

India is considered as one of the poorest and backward countries in the world. Only 52% of its population is literate. Its per capita income is about \$350. Less than 50% of the houses have electricity, less than 23% of the houses have sanitation facilities. With these figures it might seem that India isn't a good market for business. But if these figures are broken up in different factors like Indian states or into numbers, one might find that India could be a good lucrative market for business.

India is one of the fastest emerging economies today. In fact, it is ranked higher than Russia, Italy, or UK. It also ranks second amongst the developing nations. Thus, the purchasing power capability of India makes it an area of immense potential. It also offers a wide array of options and avenues to pursue.

The huge potential of India lies in the fact that it offers a very large customer base to tap into. With the population of India running into the billions, the scope this offers is tremendous. And as the nation is continuously growing by amassing higher GDP

growth, the standard of living is also rising. So, the per capita incomes of an average middle-class Indian today is more than what it used to be.

Also, India has a huge population of management gurus and software professionals. There are many MNCs making their presence felt in the Indian markets. By outsourcing their requirements to Indian shores, they are gaining both in monetary as well as quality terms. The customer service industry is yet another business that offers many possibilities.

1. ONLINE CUSTOMER SUPPORT FROM INDIA :-

● The Potential:

The business potential in this type venture is the cost savings of running a business in India. There is a huge labour pool of good quality English speakers who can easily handle customer support for web sites like Real Media. The cost to hire someone to do this is about US \$150-\$200 per month. You can expect to hire a very nice English speaker who has had some computer training. Furthermore he or she will have a pleasant attitude, as most Indians are warm and friendly.

● The Downside:

The risk is that the customers will not be served well if the Indian staff is not trained properly. The staff needs to understand the mindset of the American customer. This can easily be overcome as long as the potential problem is recognized.

2. E-COMMERCE EXPORT OPPORTUNITIES IN INDIA

● The Potential:

The potential is to find a niche market. Perhaps this could be in the area of health care products, herbs or plants that are only found in India.

● **The Downside:**

The risk is that the product may not sell. Fortunately the Internet can be used to test the market before taking much risk. It is much easier to find the demand for items and then meet that demand than to start with the product. India has plenty of products that can be tested on the market.

3. **EXPORT ANIMATIONS, MULTIMEDIA, GRAPHICS OR OTHER CONTENT PRODUCTS**

● **The Potential:**

The potential is to fill the huge demand for quality content that the web is creating.

● **The Downside:**

The downside is that it requires careful supervision to assure that the product communicates effectively to a Western audience. For example, a Westerner's taste for colours is different to that of an Indian.

4. **EXPORT DATA SERVICES**

● **The Potential:**

The potential for this type of business venture is great. Many of the Bangalore companies are growing and adding employees quickly. The reason there is such a global demand for this kind of work is because companies want to have their documents in a digital format. This conversion may include scanning the document into the computer and then going one-step further and tagging and indexing them in HTML SGML or XML so that it can be put on the Internet and easily retrieved. The entrepreneurs who are willing to

joint venture with Indian partners to start up a business like this will not only make money but will be doing a great service for India by providing high quality skilled jobs.

● **The Downside:**

The risk is in, not maintaining top quality work for the client. This has been a complaint of many clients.

5. START A SOFTWARE COMPANY

● **The Potential:**

The potential is for the development of quality software using the extremely intelligent labour force in India at a lower cost. Cost savings can be found in rent, insurance etc. High quality programmers can be hired for 25%-50% of the cost of the same software programmers in the West. For a good example look at gseindia.com and read the history of this high end Swedish/Indian Software Company.

● **The Downside:**

The downside is that there are inefficiencies related to working in India i.e.: erratic power, government bureaucracy, poor Internet connections etc. Unless the cost saving is considerable, many of the problems related to doing business in India will offset the benefit.

E-COMMERCE BUSINESS OPPORTUNITIES WITHIN INDIA

The Potential:

The potential is to get involved early in the e-commerce boom. As of now there are only a handful of companies involved. The potential is limited for the next year or two (see

below). But keep in mind that China had only 600,000 Internet users in November 1997 and by October of 1999 China has about 4 million users (And the big advantage that India has over China is the common use of the English language.). The same growth of the Internet will happen in India.

The Downside:

There are some serious obstacles in the way. Few people are used to the idea of mail order. It may take one or two years for the trust to be established between the customer and the company. Also the middle class is 50-70 million but only about 1 million have direct access to the Internet, only 1 in 36 Indians have a phone and most don't have a credit card.

Potential for Import/Export in Thailand

To maximise your organization's chances of successfully doing business in Thailand, you should consider a cultural awareness training course such as Communicaid's Doing Business in Thailand programme. Having completed one of these intercultural training courses, your organization and its employees will be able to form strong strategies to help overcome any cultural pitfalls or challenges when doing business in Thailand.

Some of the potential of doing business in Thailand include the following

● Open and Welcoming Economy

Thai society, and in particular the business community, is very welcoming to foreign investment and companies wishing to establish operations in the country. Organisations doing business in Thailand will find the infrastructure and systems ready for them to begin operating successfully.

● Diverse Manufacturing Sector

Thailand has a large and very active manufacturing sector producing a

diverse array of goods including toys, fish products, rubber, furniture and jewellery. These strengths in manufacturing and FMCGs have led Thailand to become a regional leader in trade and commerce.

● **Pro-active Government Policies**

The Thai government is a forward-thinking and innovative body which actively encourages development and socioeconomic advancement. Foreign investment, both financial and in the local workforce, is strongly encouraged by the Thai authorities and the government's policies over the last decade have made for a more inviting environment for foreign businesses and organizations.

● **A Large, Adaptable and Cost-efficient Workforce**

Thailand has a large and adaptable workforce. According to Thailand's Board of Investment, literacy rates reach 94% for men and 90% for women, so that foreign investors will find an intelligent workforce with the potential for further development. In addition to being flexible and educated, the Thai workforce is also among the most cost-efficient in the region in terms of pay with the average daily wage for Bangkok being 203 THB (approximately US\$6).

Potential for India of Doing Import/Export of Gems and Jewellery With Thailand

Thailand's gem and jewellery industry is widely considered one of the greatest potential markets in the world. The Kingdom is not only endowed with dedicated and gifted artisans, but also gemstone resources. Thailand has already started to take the necessary steps to move their gem and jewellery industry in the right direction. The Kingdom has set up the Research and Development Institute of Gems and Jewellery in cooperation with the Asian Science and Technology University. This Institute, which is ranked seventh in the world by the World Jewellery Confederation, employs

experienced gemologists that are able to analyze, grade, and authenticate gemstones, trace country of origin, and provide an internationally recognized certification for exporters. It has also succeeded in the standardization of colour comparison for seven gems, namely emeralds, topaz, garnets, tanzanite, and pink sapphires since the colours of gems are important to pricing, especially in U.S. and European markets. Although Thailand is moving forward, there is still room for this industry to develop further.

● **Favourable Government Policies**

The abolition of the Gold Control Act in 1992, opening up the gold and diamond mining to private foreign investors, concessional / low import duties have all been instrumental in increasing the demand for Indian gems and jewellery sector.

● **Nurturing New Talent**

The government has set up various training institutes to attract quality personnel, to cater to the international market and to focus on constant innovation of globally-acceptable designs. These institutes were set up to provide the gems and jewellery sector with a well-trained professional workforce that is proficient in all aspects of jewellery design, refining, model making, jewellery manufacturing, CAD / CAM, gemmology and diamond grading.

● **Adoption of Kimberly Process Certification System**

India is a member of the Kimberley Process Certification Scheme (KPCS) that promotes conflict-free diamonds and strives to prevent smuggling and non-standard trade in diamonds. Under the KPCS, import or export of all rough diamonds in India is permitted only if the shipment is accompanied by the Kimberley Process Certificate, which has not only increased the

credibility of diamonds processed in India in the global market but also has boosted its exports.

● **Increased Awareness and Changing Preferences**

There is a rise in awareness about diamonds in the Indian market. Various initiatives are being undertaken by major diamond producers, retailers and industry bodies about portraying diamonds as exotic as well as affordable. Increased promotions by retailers have made consumers aware of the diamond jewellery and have created demand from various segments, which include people from all age groups. The trend of buying jewellery only during special occasions such as weddings and festivals has gradually changed.

● **Development of SEZs**

The government has set up various SEZs to provide special incentives to the highly export-oriented sector. The SEZs have units catering to designing, cutting and polishing of jewellery. The development of SEZs for gems and jewellery has facilitated the growth and has enhanced the trade potential for the sector. The exports from SEZs grew by 43.18% from FY07 to FY08.

Potential for Thailand Of Doing Import/Export Of Gems And Jewellery With India

The Indian gems and jewellery industry can be classified into various segments such as diamonds, other gemstones, gold jewellery, pearls and others. India also dominates the diamond processing trade with 11 out of 12 diamonds being cut and polished in India. India is the biggest consumer of gold in the world. The industry accounted for 17.5% of India's export revenue in fiscal 2011 and provides employment to approximately 1.8 million people directly and indirectly.

The Indian gems and jewellery industry is one of the world's most competitive markets due to the low cost of production and highly skilled labour. According to the CARE

Report, the Indian gems and jewellery export industry, has the potential to grow from the US\$48 billion in fiscal 2012 to US\$76 billion by fiscal 2016 while the domestic gems and jewellery industry has the potential to grow from US\$27.5 billion in fiscal 2011 to US\$55.3 billion in fiscal 2016.

● Exports

The performance of this industry is critical as it contributes 17.5% to India's total export earnings. The exports grew from 861.26 billion in fiscal 2010 to 1,286.72 billion in fiscal 2011. Cut and polished diamonds accounted for 67.2% of the total exports basket with gold jewellery comprising 30.6% while colored gemstones and other accounted for 2.2%. Gold jewellery exports have also been on the rise with the figures accounting for a 28.1% increase over fiscal 2011. Exports grew from 458.02 billion in fiscal 2010 to 586.68 billion in fiscal 2011. Colored gemstone exports also increased by 5.6% in Rupee terms with the sector witnessing a rise from 13.58 billion in fiscal 2010 to 14.34 billion in fiscal 2011.

● Domestic Demand

Of the total domestic jewellery industry size of 1.22 trillion (US\$27.5 bn), gold sales dominated with a 70% share. Currently the domestic gems and jewellery market is fragmented across the value chain. According to industry sources, the branded jewellery market is expected to grow at a CAGR of more than 41% in the next 4 years given the changing lifestyle and urbanization, online buying backed by strategic marketing from the diamond companies.

● Domestic Jewellery Manufacturing

India has well-established capabilities in manufacturing hand-made jewellery in traditional as well as modern designs. India has progressed in using the latest technologies in diamond-processing and jewellery-making.

Import of Raw Materials

India's import of gems and jewellery increased by 45.39% from US\$28.84 billion in fiscal 2010 to US\$41.93 billion in fiscal 2011. India's import of gems and jewellery grew at a CAGR of 25.74% between fiscal 2002 and fiscal 2011. The major gold supplying countries to India include Switzerland, South Africa, Australia, and the UAE.

potential To the Industry

1. Potential Assessment and Strengthening Consumer Understanding

The domestic market holds a significant opportunity and its potential needs to be fully explored. The consumers have evolved rapidly and the traditional ways of segmentation & usage have failed to provide any meaningful results to the brands and retailers. There is dire need for the industry to first understand the various segments of the consumers and their purchasing and shopping needs. The proposition, design and brands can be created around these needs.

2. Invest in Retailing and Brands

The organised retail and brands can provide impetus to the sector. Appropriate investments can potentially put the category on a higher priority in the consumer basket and can generate the higher margins. An overall investment of US \$ 2 billion is required by for branded jewellery to achieve 15% share of the market. A possible solution here is to create highly active Industry Co-ordination Cells by the industry promotion bodies. This could bring together the outside investors and industry stars to create high-potential, low-risk joint-ventures and partnerships.

3. Improve Skill Sets & Quality of People

The Gems & Jewellery industry needs to systematically and collectively invest in up gradation of the skill sets of its workforce through increased training and manpower development programs. A joint effort by the Industry to invest in the development of vocational training institutes could be a way forward with Industry captains showing the way forward by leading efforts to underwrite recruitment of graduates and participate in syllabus design & development. There is also a need to present the case and opportunities that the industry offers to the corporate talent /management students

4. Enhance Product Design & Manufacturing Quality Standards

A National Institute of Jewellery Design & Development would go a long way in providing the platform for development of a pipeline of innovative high quality designers that can serve the industry as a whole. The Institute can play a role similar to NIFT – which ultimately proved to be a fertile ground that gave birth to a number of marquee design brands in the country in Apparel and improved product design and manufacturing quality. Indian Institute of Gems & Jewellery (IIGJ) is a step in the right direction but the scale and reach needs to be even greater to meet the huge demand. If Industry captains come together to invest in setting up the institute or expanding existing ones, efforts can be made to lobby to obtain Government support and create national “centres of excellence” like NIFT with multiple campuses and courses.

5. Promote Adoption of Industry Wide Standards for Gaining Consumer Trust

Enhancement of product quality standards and incentives for increasing adoption of the standards will go a long way in enhancement of consumer trust and enable the industry to gain share of wallet of the consumer in the

long run. Eventually it will also help in the spread of e-selling in India which in recent years has been the most exciting development in western markets.

6. Co-operative Use of Resources

To bring down cost of operation and investments in the sector, industry players should adopt co-operative use of technology and marketing. Even retail space can be hired by co-operatives when foraying into international markets.

Potential To the Government

Government and Apex bodies could act as facilitators in broadening the outlook of the exporters /players and help them in familiarizing with the changing scenario both in the domestic and international fronts, where moving up the value chain and adoption of modern practices has become compelling imperatives.

1. Provide Industry Status to Gems & Jewellery Sector

Special cell to look into specific needs of Industry- At ~US \$15 bn, the domestic Gems & Jewellery industry deserves the same attention and interest as a number of other industries such as Textiles & Steel. As a first step, the domestic Gems & Jewellery Retail sector could benefit tremendously from Industry status.

2. Creating Technology Up gradation Fund

For facilitating the modernization of the manufacturing and design facilities. These funds have been successfully created and implemented in other labor intensive industries like Textiles.

3. Creation of Design Centers /Studios, Holding Fairs

The importance of design has been highlighted by us in this report. This can help significantly in moving the industry from commoditized selling to design based selling. Perhaps this can be taken up by Ministry of Education

4. Asset (Gold) Based Leverage

Banks as a practice do not mortgage jewellery from individuals as collateral for lending although some companies in the private sector do so. If banks also start lending by using jewellery as a collateral after keeping a safe margin on the price of the material, then precious metal jewellery and precious stone jewellery will become more attractive for their investment value.

5. Regulatory Laws & Taxation

There are some regulations which are restricting the growth of the industry such as search & seizure laws. Perhaps there is case of rationalizing /removing these restrictive laws. At the same time there is dire need to standardization in the industry, which can restore the credibility of the industry. In terms of taxation there should be a continuation and further enhancements of tax benefits.

6. Modernize Labour Laws

This will enable Indian manufacturers to improve efficiencies, serve Indian consumers better and also grow exports from India by allowing manufacturers to adopt more flexible labour practices.

7. Increase the Setting up of Export Focused SEZs

This would help to meet and the growing needs of exporters and create the infrastructure for even faster export growth. The policy could also help to promote the spread of industry across India from besides the current pockets in western & southern India.

8. Gold Exchange

A physical or internet based exchange to trade precious metals could involve the promote the Indian population to rediscover their age old investment preference for the precious metals which have time and again proved to be safe instrument with good returns.

Potential For Gujarat Of Doing Import/Export Of Gems And Jewellery

Indian hand-made jewellery has a large ethnic demand in various countries with sizeable Indian immigrant population such as the Middle East, South-East Asian countries, USA, Canada and so on. With imported or domestic processed studding, Indian machine made jewellery will also generate demand from non-ethnic jewellery markets abroad.

There are about 25,000 licensed gold dealers and 4,50,000 certified goldsmiths spread throughout the country. India was one of the first countries to start making fine jewellery from minerals and metals. The finest jewellery is made in gold and is studded with precious stones and pearls. Most of the jewellery made in India is handmade. The main centre for Kundan and Minakari jewellery is Jaipur. New Delhi specializes in green and red enamel work.

In jewellery, exports are only 1-2% of the total world market; hence there is good scope for jewellery exports. Evidently, the exports have increased to US \$ 1,087 million in 1999 - 2000, registering a growth of 24% over the previous year. For ensuring the growth, Indian industry will have to gear up for developing quality that suits the western states in design, polish and finish of the jewellery.

Apart from jewellery made from gold, there is also an emerging up-market need for platinum jewellery. Demand emerges from women who are more in tune with the international trends in fashion and jewellery. According to the knowledgeable persons in the field of jewellery, the market for this white gold with rich white lustre is growing at the rate of 19%.

Opportunities for Gujarat therefore, include:

- Manufacturing and marketing gold jewellery and diamond studded Jewellery
- Manufacturing and marketing of branded jewellery through franchisee outlets
- Setting up a training institute for Jewellery manufacturing

Table 1.2: Gems and Jewellery Cluster - Gujarat

Region	Activity
Surat	Diamond Processing, Jewellery
Palanpur	Diamond Processing
Ahmedabad	Diamond Processing, Gold and Silver Jewellery
Bhavnagar	Diamond Processing
Navsari	Diamond Processing
Rajkot	Gold and Silver Jewellery
Khambhat	Gemstone (Agate)
Valsad	Jewellery

Source: Industries Commissionerate, Industrial Extension Bureau – Govt. of Gujarat

Group: 9

PESTLE ANALYSIS:

PESTLE Analysis in Business Environment

In business PESTLE analysis is very significant. at first designed as a business environmental examine, the PESTLE analysis is an study of the external macro environment in which a business operate. These are reasons which are beyond the run of a business, however are important to be conscious of when doing product growth, business or strategy planning.

PESTLE ANALYSIS OF THAILAND

P = Politic

E = Economic

S = Social

T = Technology

L = Legal

E = Environment

POLITICAL ASPECT

Politic	Current Situation	Opportunity
<p>- Kitchen of the world guidelines promoted by government.</p> <p>- Political Stability</p>	<p>- seeing as 2008, Thai government has been trying to uphold Thailand as “Kitchen of the world” by aiming to be one of the top 5 food exporters in the near future. Government sees that Thailand has latent for both agricultural sectors. Thailand has potential to supply the food to all over the world. Government has tired large amount of budget to support the program but the potential hasn’t been fully exploit due to flooding.</p> <p>- From flooding in 2010, government was attacked heavily from medias and linking parties about how slow it reacted to the problems which, in reality, damage the reputation of the government rather a lot. They had provided food, medicine and other</p>	<p>- We can help the government to see how we can help support financially or prevent the damages from flood to promote maximum potential of Thailand’s food productivity in the close to future.</p> <p>- By co-operation with us, the people will see that government is really sincere in helping people, who are involve by flood, by sharing their supply which will show government’s commitment</p>

<p>- Create long term connection with the government</p> <p>- Government Spending</p>	<p>hold slowly.</p> <p>- When the government is changed, many projects which started by the previous government are cancelled or rarely continue by novel government due to the clash of interest.</p> <p>- Each year, government spends billions of baht to subsidize the flood damages and infrastructure maintenance. On the other hand, government should use money on something else to develop country in other aspect.</p>	<p>in solve problem.</p> <p>- We focus only on helping the citizens so we don't have to care whether the government is transform or not</p> <p>- We can provide the government with ways which spend lesser each year with more effectiveness</p>
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ECONOMIC ASPECT

Economic	Current Situation	Opportunity
<p>- Loss of economic productivity.</p> <p>- Problems to business sectors.</p>	<p>- From flood in 2009-10, around 8 million of 3.51 acres of agricultural area in around 35 provinces are damaged which costs around 1000 million baht.</p> <p>More than 10 million tons of sugar production is dent.</p> <p>Cavicorn Research Institution estimated that the total damage is around 50,000 million baht and concern about 0.22% of the GDP.</p> <p>- The consequences after the flood, there are higher unemployment rate, rising prices of commodity inventions and sometime lead to</p>	<p>- We can provide the solution which will help reduce the effect of damages and reduce the effects of the flood.</p> <p>- As mentioned above, we will help the government to take care of the harm</p>

<p>- Consumer Confidence Index</p> <p>- Sustainable economic model</p>	<p>stealing.</p> <p>From latest flooding, millions of people have to lose their jobs.</p> <p>- When the people doesn't suffer safe about their well-being. They tend to spend less and reduce their speculations into any business activities. For foreign customers are also hesitant to travel to Thailand which will lead to problem about economic growth in the last part.</p> <p>- Many of large companies in developed countries have been trying to come up with sustainable business model which will make both financial income and reserve natural capital.</p> <p>Even in Thailand, many of companies who are making income without caring for the environment, are being attacked and gain bad status. For example, Mabtaput Industrial Park.</p>	<p>before-between and after the flood to keep the sum of damage in certain limit.</p> <p>- We can educate people how to deal with flood in advance and work with them in order to find effective way within their limitations. However, if we can make sure their safety, people will spend more and tourists will also approach to spend time in Thailand without worrying.</p> <p>- Thai Government and confidential companies are trying to come up with sustainable business plan but they are still be short of of expertise that can provide them with guideline and development arrangement which will allow Thailand to grow and developed with sustainability.</p>
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SOCIAL ASPECT

Social	Current Situation	Opportunity
<p>- More interest to green business</p> <p>-Better alive Standard</p> <p>- Flooding produce poverty and social gap.</p>	<p>- More green business model which help companies to store natural resources and promote using of recycle matters.</p> <p>- For flooding problem. Government always tend to be hasty more than proactive which people's properties are already damaged before any assisting hands come in.</p> <p>- One of the troubles in agricultural sector is poor people who borrow money from banks or even informal</p>	<p>- We can help promote Thai society and business sectors to concern more about environment which will not only help staying our natural resources for the future but also alter the mindset of young generation.</p> <p>- We will develop warning system which can help them to prepare themselves and limit the injure caused by flooding to improve living standard of people</p> <p>- If we can prevent flood, we can prevent them from creation loan in some extent and the life of farmers can</p>

	debt from local rich people who charges high interest. When flood get nearer and they lose their collects, they don't even have revenue to pay for debt. It leads to bigger social gap in the scheme which also leads to clash among people from different classes.	be better. It will help lessen the gap of the social class.
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TECHNOLOGY ASPECT

PESTLE ANALYSIS

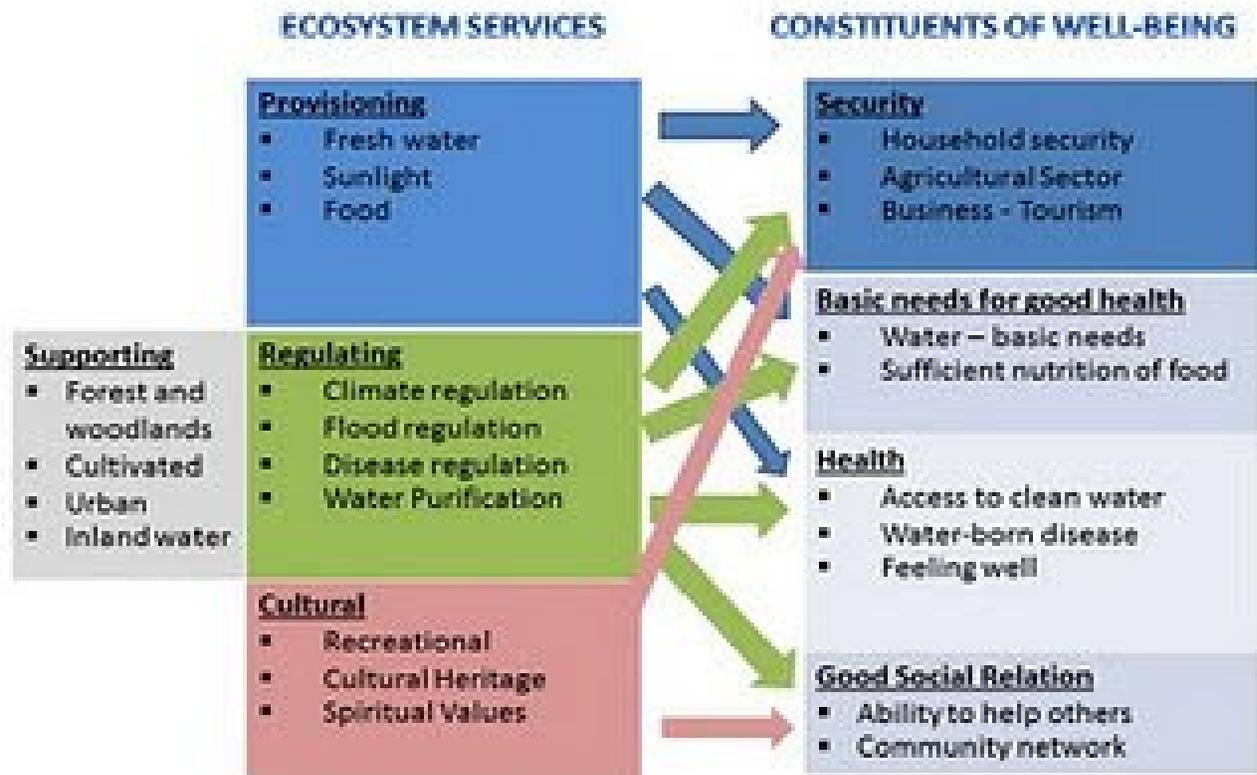
Technology – Flood-control system (e.g. Levees/Dikes)

Technology Obstacles	Explanation
Obsolescence	Case study: New Orleans – the unsuccessful levee system
Human Harm	“Not in my backyard”
Environmental Damage	Change the natural functions of the river system / channelization reduces fishing habitat complexity
Social Impact	If successful : protect lives and reduce damages If unsuccessful: loss of live and high damages
Economic risk	High initial capital – how much money should be allocated? Who’s paying?

LEGAL ASPECT

<p>- Lack of land habit control law and effective national habitation policy</p>	<p>No strict habitation plan to focus on ecosystem, environment conservation and stop flooding.</p>	<p>We can support government to problem this policy.</p>
<p>- Urban planning criteria</p>	<p>For locale that flood always occur, normally urban planner focus on only economic, social and prudent factor but not consider on natural disaster risk area</p>	<p>We can support urban planner to judge environmental criteria.</p>
<p>-Help flood fatality regulation</p>	<p>The tax cut would apply to flood-victim and contributions</p>	<p>We can corporate the government to help out flood-victim and reduce flood damage.</p>
<p>- ISO 14000 / ISO 14001</p>	<p>Many companies applied ENVIRONMENTAL MANAGEMENT for global normal.</p>	<p>We can support business sector to fear on ENVIRONMENTAL MANAGEMENT</p>

ENVIRONMENTAL ASPECT



The government of Thailand has been focusing on the social and economic development of the country for the past 34 years. However, since Thailand introduced the Seventh Economic and Social development plan (1993-1997) protecting the environment becomes one of the top priorities for the Thailand government. Seventh Economic and Social development plan seeks to maintain economic growth and attain sustainable growth and stability, especially in the petrochemical, engineering, electronics and basic industries,

Over the past few decades, Thailand's dramatic economic growth bring about new environmental challenges in the once-agrarian economy. The country nearby faces problems with air and water pollution, declining wildlife populations, deforestation, soil erosion, water shortage, and hazardous waste issues. According to the 2004 pointer, cost of air and water pollution for the country balance up to approximately 1.60% - 2.63% of her GDP per year. As such, Thailand's economic growth has not come petite of producing externalities to the society

❖ BUSINESS OPPORTUNITIES IN FUTURE

BUSINESS OPPORTUNITY IN FUTURE BETWEEN INDIA AND THAILAND

BANGKOK – The Look East Policy of India and the seem India Policy of ASEAN will join the 600 million population of ASEAN and the 1.2 billion population of India into a multi-dimensional supportive network. Two important developments to fob watch are the coming out of Myanmar as a bridgehead between South Asia and Southeast Asia, and Bangkok as a key hub of Indian companies operating in ASEAN.



Thai PM Yingluck with Indian President Smt. Pratibha Devisingh Patil and Indian Prime Minister Dr. Manmohan Singh

In recent months, this corporation has gained traction with a spell of high-level visits – President of Myanmar, U Thein Sein’s visit to India in October 2011 and Thai Prime Minister Yingluck Shinawatra’s visit to India in January 2012.

In turn, Thailand is inviting Indian investments in order technology, manufacturing, electronics and automotive industry.

INDIA-THAILAND: 65 YEARS OF DIPLOMATIC RELATIONS

Thai Prime Minister Ms. Yingluck Shinawatra visit India from January 24-26, 2012 as the Chief Guest for India's Republic Day celebrations. The visit coincided with the 65th bicentennial of establishment of bilateral diplomatic relations, as well as 20 years of India's improved engagement with ASEAN.

CULTURE, EDUCATION, AND PEOPLE-TO-PEOPLE EXCHANGES:

An "India-Thailand Foundation" is to be established. Both surface agreed to consider possibilities of audio-visual co-production. An India-Thailand Parliamentary Friendship collection has been formed in the Indian Parliament that would facilitate parliamentary exchanges with its counterpart group in Thailand's National get-together.

Thailand has pledged a giving of USD 100,000 towards the revival of the Nalanda University as a leading regional academic institution as endorsed during the East Asia peak. Further contributions are to be complete by Thai private sector.

Thailand participated as Partner Country in the Surajkund Crafts Mela 2012 at Faridabad between 1 – 15 February 2012 by sending a Thai cultural and ability demonstration troupe.

INDIA AND THAILAND WILL SIGN A FREE TRADE AGREEMENT IN 2012

New Delhi business newspaper economic times say that India and Thailand will sign a free trade agreement by the heart of this year, according to Thai Prime Minister Yingluck Shinawatra.

"I hope this free trade agreement with India will be in put by the middle of this year," Shinawatra said in a speech at a business conference in India's capital New Delhi.

She also said the suggest agreement will be one of the major points of the discussion when she convenes Indian Prime Minister Manmohan Singh afterward on Wednesday.

Bilateral trade between Thailand and India expanded from 4.7 billion US dollars in 2007 to 6.7 billion dollars in 2010. Both countries have agreed to double their two-way trade between 2010 and 2014.

THAILAND AND INDIA EXTEND BENEFITS OF FTA

The Free Trade Agreement (FTA) between Thailand and India will provide tax privilege benefits to at least another 900 Thai items for goods categorized under 'Product Specific Rules' (PRS) and merchandise needing Rules of source requirements, according to Thailand's Trade Negotiations Department director-general.

Thai representatives, led by Director-General Srirat Rastapana, recently went to India for to assemble their Indian counterparts at the 21th Thailand-India Trade Negotiating Committee in the capital, New Delhi, to negotiate free trade, services, investment, and other economic cooperation between the two nations.

Other profits from the negotiation included creative economy, building, tourism, and the development of small- and medium-sized enterprises (SMEs).

GEMS AND JEWELLERY FUTURE BUSINESS OPPORTUNITY BETWEEN INDIA AND THAILAND

Gems and jewellery between India and Thailand can be of a complimentary nature. Thailand has a rich deposit of excellence gemstones, which can be spring by India. India is a major exporter of slash diamonds.

Both, India and Thailand are members of BIMST-EC and gems and jewellery is one of the majority dynamic export-oriented sectors in the region. However, the in attendance level of trade is below its potential. In 2005-06 India's export of gems and jewellery to Thailand was \$ 333.46 million, out of which of polished diamonds was \$ 285.58 million.

The study also said that bilateral trade between the two countries has boosted the trade in auto components and Indian auto mains like Tata Motors have invested in Thailand. They row that the synergies existing between the two countries should be enchased for boosting trade and investment for a win-win situation, particularly for development of infrastructure in India's northeastern states. Northeast India can be well attached with the neighboring countries in South-East Asian region.

The study suggested cooperation in infrastructure, entertainment and media industry, hospitality and the wellness industry. It makes out a case for reviving future harvest system between the two countries, which can lead to an effective FTA.

The 84 commodities Free Trade Agreement (FTA) has been signed by the governments of Thailand and India on September 9th. Thailand is at an lead because, the consumer market in India is 600million compared to 20million in Thailand so that in itself is a plus point. Even though India's labor expenses are low the quality and finish of jewelry is better in Thailand.