



WORLD GOLD COUNCIL



**FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND INDUSTRIES (FICCI)
&
WORLD GOLD COUNCIL (WGC)
JEWELLERY DELEGATION TO TURKEY**

26TH TO 31ST MARCH 2008

Introduction

Federation of Indian Chambers of Commerce & Industry (FICCI) & World Gold Council (WGC) mounted a high-level business delegation from the Gems and Jewellery sector to Turkey from 26th of March to 31st March 2008 coinciding with the prestigious Istanbul Jewellery Show. The visit of the delegation was supported by Ministry of Commerce and Industry, Government of India.

Turkish Association of Jewellers (TAJ), World Gold Council, Turkey and The Union of Chambers and Commodity Exchanges of Turkey (UCCET) (TOBB) FICCI's counterpart in Turkey in coordination with Indian Embassy worked out the programme of the delegation. Broadly it covered B2B meetings, visits to various Turkish Jewellery manufacturing units and to the Istanbul Jewellery Show.

We had an overwhelming response from the industry for the delegation, the total number of delegates exceeded way beyond expectations. The delegation included 43 members that included prominent & large retailers, branded players, wholesalers and manufacturers from all across India (List Attached) and people from all verticals of the Indian jewellery industry. (Gold, Diamonds, Silver and Gemstones)

Mr. Mehul Choksi, Chairman of FICCI's Gem and Jewellery Committee and Chairman and Managing Director, Gitanjali group India's largest integrated Jewellery Company led this delegation. FICCI's Secretariat was represented by Dr Vaijayanti Pandit, Director, FICCI-WRC and Ankesh Jain, Research Associate while Keyur Shah, Associate Director represented WGC India.

Why Turkey?

Indian trade saw merit in being introduced to their counterparts in Turkey which is the second largest exporter of gold jewellery in the world. Also Turkey has in recent times has emerged as a hub for jewellery manufacturing and is a huge gold jewellery exporter, mainly because of their acquisition of world-class manufacturing skills and quick turn around timelines.

In the past 10 years, Turkish gold jewellery producers have had important success and Turkey has become the second biggest exporter of the world after Italy, fifth largest importer and the third biggest producer after Italy and India. Presently, 40,000 companies, offering services from production to sales, operate in Turkish jewellery sector. More than 50 of these companies employ between 200 to 1500 qualified employees and are taking giant steps towards branding. The jewellery industry here employs approximately 250,000 people.

Turkey exports gold jewelry to 136 countries. The reasons for the export success of the Turkish gold jewelry industry are its original heritage, unlimited range of models, flexible production approach, unequalled quality, competitive prices and ability to deliver in the shortest possible time.

With its unique heritage of jewellery making and with the highest technology usage and flexible production, the industry creates an immense variety of products with excellent finishing. Adding shortest delivery time and competitive prices to the long list of qualifications.

Objectives

General

- Bilateral trade promotion and economic co-operation
- To Promote Indian Exports/ Imports with Turkey
- To explore and initiate business opportunities
- To provide a gateway for future partnerships.
- To encourage technology transfer

Specific

- To initiate efforts for tariff reduction on both sides.
- To start joint retailing and marketing initiatives.
- To invite Turkish counterparts from the jewellery industry to visit India and explore business opportunities.
- To capitalize on joint synergies for a greater share in the global market.

Istanbul Jewellery Show



Considered amongst **top 5 jewellery trade event worldwide**, **Istanbul Jewellery Show** serves its participants through the state-of-the art exhibition and marketing services to promote their products and services to their target audience. As many as 900 booths were showcased from more than 45 countries

For 5 days, gold jewellery, diamond jewellery, all kinds of precious and semi-precious stones & pearls, silver jewellery and households, mountings, watches & clocks, machinery, tools & equipments, display units, security devices and software's were displayed just for industry professionals

- Istanbul Jewellery Show is perfectly scheduled for buyers who are sourcing new products, new collections, creative designs for the fast moving jewellery fashion & fashion industry.
- It is the ideal platform to launch latest designs to more than 30.000 local and international buyers.
- Istanbul Jewellery Show provides the best opportunities to build business and sales contacts with Turkey, European Union, Middle East, North Africa, Russia & CIS, Eastern European, the Balkans and Mediterranean markets.
- Istanbul Jewellery Show, which presents the product range of Turkish jewellery industry is able to respond to all kinds of demand with its quality and diversity,
- Istanbul Jewellery Show where participants and visitors can observe new trends and developments in the sector has a big importance for Turkey which aims to be one of the biggest jewellery manufacturers of the world.
- Istanbul Jewellery Show is officially supported by TAJ - Turkish Association of Jewellers
- Istanbul Jewellery Show is the ideal place to source products on every category of price and quality, from price point merchandise to high-end design jewellery.
- Istanbul Jewellery Show is putting more emphasis on the design work, bringing jewellery designers from all around the world, building and promoting worldwide awareness of fine design jewellery.

Summary of Business Meetings

Day 1 26th March

- The day started with an orientation meeting between the Indian Consul General Mr. Praveen Verma and Mr. Mehul Choksi, Dr Vaijayanti Pandit, and Keyur Shah at 12:30 pm as the Indian Consulate in Istanbul
- We met the Turkish Government's Investment Body, Istanbul Mineral and Metal Exporter's Association (IMMIB) at 2 pm. They made an official presentation about Turkey, Turkish Jewellery Industry and the investment opportunities in their jewellery sector.
- Our Chairman Mr. Mehul Choksi also made a presentation about **Overview of and jewellery industry**



Keyur Shah, Mehul Choksi, Nuray Er & Dr Vaijayanti Pandit

Indian Economy & Indian gems

- At 4 pm the delegation went to see the Gold Smiths city. It is the largest integrated manufacturing, wholesaling, retailing complex for jewellery in the turkey. After a presentation by them, they took us to 3 workshops to see how gold jewellery manufacturing units were set up in this facility.



Workers at one of the workshops at the Gold Smiths city

- At 8 pm we went to attend a formal dinner hosted by The Union of Chambers and Commodity Exchanges of Turkey (UCCET) (TOBB) which is affiliated to their Ministry of Foreign trade. This was an exclusive dinner hosted at the Ritz Carlton Hotel for the Indian delegation.

Day 2 27th March



Wax trees at the Atasay Factory

- At 8 am we visited the Atasay factory which is one of the biggest jewellery companies in Turkey
- At 11 am we went to the Istanbul Jewellery Fair and were there till evening

- At 12.30 pm the Indian Consul General came to the Fair to meet our delegation. Dr. Pandit and Keyur then took him around to give him an overview of the industry vis-à-vis the Indian industry.
- At 7 pm, Mr. Mehul Choksi hosted a cruise dinner for all the delegates.



Indian delegates with Mr. Praveen Verma, Consul general of India, Istanbul, Turkey at the Fair

Day 3 28th March

- The day started with a visit to the Arpas Factory which is another huge manufacturer of gold jewellery.
- At 11 pm we all reached the Fair. It was a day of business with most guys doing transactions with their Turkish counterparts.



Dr.Vaijayanti Pandit (FICCI) with Tolga AKCAN from Turkish Association of jewellers & Keyur Shah (WGC).



Mr.Vasant Birawat,(Chain-N-Chains),Mr. Manish Jain (Rajmal Lakhichand Jewellers)& Mr. Mr. K. Srinivasan (Emerald Jewel Industry India Pvt Ltd) At the Dinner hosted by TAJ

- At 7 pm we were invited for the TAJ dinner and fashion show organized by the Turkish Association of Jewellers at the exhibition venue. It was a grand affair with sit down 5 course dinner for 1300 guests.

Day 4 29th March

- The final leg of this trip was visit to Antalya, on the Southern coast of Turkey.
- Turkish government is promoting Antalya as a jewellery tourist destination just like Jaipur in India.
- We took the morning 10 am flight and reached Antalya at 12 noon
- Antalya is a beautiful combination of sun, sand and mountains
- Since there was no fixed agenda for the delegation in Antalya every one was left free to explore the city in their own way.
- In the evening, most of the delegation went for a nice Turkish sit-down dinner

Day 5 30th March

- We visited the gold Street/market. There were huge road with major Turkish companies having their individual mall like retail outlets and workshops on either sides of the road. All the workshops had glass wall such as everyone could see the workmen at their craft.
- We stopped by the Argos showroom. A lady manager gave us a tour of the workshop and then took us to their retail area. The store was huge - probably 20 thousand sq ft. The costing of the merchandise was a bit on the higher side as it is at major tourist spots.
- We then took the afternoon flight back to Istanbul and the delegation headed back to India.

Findings

In regards to gold jewellery sector, the Turkish companies mainly manufacture and sell 14K and 18K jewellery. There is no distinct design differentiation. Most of the jewellery displayed at the Istanbul Fair was Italian looking as Italian jewellery is their competition. There were many 22K players catering to the Middle Eastern markets but their products were largely sourced via India or Dubai. The following trends were witnessed during the show:

- Extensive Display of Light Weight Jewellery
- Extensive use of enamel
- Good use of CZ (Cubic Zircon)
- Gold plated silver jewellery.
- One booth was showcasing 14K gold jewellery with a 22K/ 24K plating



(probably to address the high price/ volatility scenario)

- A few booths displayed very high end mosaic work... more like designer pieces
- A considerable number of Indian Exhibitors and visitors looking for newer market to procure inventory as well as sell finished goods.

Conclusion

- The Delegation was more of an exploratory trip as the Turkish market was new for most of the delegates.
- The overall mood of the delegation was upbeat after returning from Turkey
- Many of them placed orders for their retail business while some of them had only come to review their manufacturing expertise
- The delegates bonded very well with each other; most of them had heard about each other but never had a chance to meet up in the past and were thankful to FICCI- WGC for having arranged for this delegation
- All in all it was a great experience. The delegates felt that FICCI & WGC added value to their experience in Turkey. All the hard work and research yielded positive results.
