

BDB Members Give In-principle Approval For LGD Trading

The Bharat Diamond Bourse (BDB) members during the Annual General Meeting held yesterday, have in principle approved the trading of lab-grown diamonds (LGDs) within the BDB. However, members cannot start trading in LGDs just yet. The BDB Managing Committee will now draw up a set of guidelines to be followed by members who wish to trade in LGDs.

Mehul Shah, Vice President, BDB, says, “The BDB members will have to adhere to a set of guidelines formed by the bourse’s management before they are allowed to trade in synthetic diamonds. The intention is to keep the two pipelines -- natural and lab-grown -- separate. The managing committee of BDB will now frame rules and guidelines on the same and decide the date from when members can start to deal in synthetics.”

Some of the norms which may be enforced are:

- A separate application/registration will have to be made by members desirous of trading in synthetics
- Companies dealing in both products shall ensure that the two separate entities are formed
- Identify and demarcate an office premises that they shall utilise solely for the purpose of trade in synthetic / LGDs
- Ensure that there is a clear, distinct and robust segregation process and technique implemented in their office premises
- Implementation of a separate and distinct stock/inventory management system

Colin Shah, Chairman, GJEPC, comments, “The decision to allow LGD trading within BDB will ensure the long-term sustainability of the Indian diamond manufacturing industry. The industry has always believed in being inclusive and there is a place for every product to exist as long as the disclosures are made. I see no reason why natural diamonds and lab-grown diamonds cannot co-exist as both products are important for keeping the home fires burning.”

Vipul Shah, Vice Chairman, GJEPC, notes, “As GJEPC, we were always supportive of the lab-grown business as long as the disclosures and ethics were maintained. When we started five years back, the lab-grown segment was less than 1% compared to our total production in terms of value and currently, it is almost 5%, registering a sharp growth. It has been accepted by US retailers as such and it is finding its own niche and market as long as it is sold as LGD in an ethical way.”

“During the pandemic, LGD cutting and polishing has been a blessing in disguise as well; LGDs were a substitute for natural diamonds, especially when the industry had voluntarily banned rough imports of natural diamonds. This segment really helped to maintain the livelihood of the workforce. Even the mining companies have accepted LGDs - De Beers has its Lightbox brand. Manufacturers are bound to switch to a product like LGDs as they can earn a profit, especially when they don’t see the bottom line in natural diamonds. Overall, LGDs and natural diamonds are complementing each other,” adds **Vipul Shah.**

Sanjay Shah, Convener, Diamond Panel, GJEPC, states, “Through the combined efforts of all the major bodies in India and across the globe, we are currently in a scenario where there is more awareness, and acceptability of LGDs as an alternative product. There is easy access to detection technology and at affordable rates. There are standardised certification services being offered by major laboratories globally. LGDs are now coming into their own and have established a clearly segregated pipeline in the diamond industry.”

About The Gem and Jewellery Export Promotion Council (GJEPC)

The Gem & Jewellery Export Promotion Council (GJEPC), set up by the Ministry of Commerce, Government of India (GoI) in 1966, is one of several Export Promotion Councils (EPCs) launched by the Indian Government, to boost the country’s export thrust, when India’s post-Independence economy began making forays in the international markets. Since 1998, the GJEPC has been granted autonomous status. The GJEPC is the apex body of gems & jewellery industry and today represents 7000 exporters in the sector. With headquarters in Mumbai, GJEPC has Regional Offices in New Delhi, Kolkata, Chennai, Surat and Jaipur, all of which are major centres for the industry. It thus has a wide reach and is able to have a closer interaction with members to serve them in a direct and more meaningful manner. Over the past decades, GJEPC has emerged as one of the most active EPCs, and has continuously strived to both

expand its reach and depth in its promotional activities as well as widen and increase services to its members.