

Hall of
Extraordinary



Exhibitors Upbeat at *Hong Kong Show*

Good sales cheered exhibitors at the recently concluded Hong Kong fair. Buyers from Brazil, Russia, India, China and South Africa were up 8% as compared to last year. Fine quality diamonds up to 3 carats, fancy cuts like rounds, cushions and marquise, and lightweight, mid-priced designer jewellery were the scene stealers. Some top manufacturers shared their views about the show with Shanoo Bijlani & Erum Ali Qureshi.





The Hong Kong International Jewellery Show brought psychological relief to the gem and jewellery industry. Dhaval Shah, chief executive officer of Aspire Design said, "The show had a stabilizing effect on the market, and this, in turn, bolstered the confidence of jewellers."

This summed up the sentiments of most of the exhibitors who participated in the 29th edition of the Hong Kong show held in February that witnessed a record-breaking number of 38,000 visitors at the fair – up by 3% over last year.

Around 3,100 exhibitors from 48 countries and regions participated in the exhibition that was held at the Hong Kong Convention and Exhibition Centre (HKCEC). The fair, organised by the Hong Kong Trade Development Council (HKTDC), welcomed exhibitors from Argentina, Denmark and Myanmar for the

first time, and featured more than a dozen product zones.

The show was segregated into various sections like the Hall of Fame that housed international brands, the Hall of Extraordinary that presented luxury jewellery, and the Hall of Nature that displayed loose diamonds and gemstones, while speciality interests were represented in the Antique & Vintage Jewellery Galleria, the Hall of Jade Jewellery, the Hall of Time, for watches and clocks, and the Exclusive Showroom, for fine jewellery and diamonds. Hong Kong-based exhibitors had their own spotlight in the World of Glamour section.

The show featured 17 country and regional pavilions, alongside trade organisation pavilions for the Antwerp World Diamond Centre, Israel Diamond Institute, Israel Export & International Cooperation Institute, International Colored Gemstone Association, Japan

Jewellery Association, Japan Pearl Exporters' Association and Platinum Guild International.

Successful run

Dimexon Group's Viral Mehta, general manager for sales, Asia Pacific region, elaborated: "This year, in particular, the show was much awaited and anticipated. The Hong Kong show is a significant event, indicating the shape of things to come for the year for this region. Customers have been eagerly awaiting this show to gauge market conditions to understand inventory levels, price discovery and overall market views. Considering these factors, the show was very positive and provided some valuable insights particularly about pricing. The customers left the show with greater confidence having taken decisions on purchases, which until now, had slowed considerably since October 2011 due to global instability and pricing issues."

Dimexon received queries from



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mainland China and South East Asian markets and visitors from India and the US for diamonds that ranged from .2 carat to 15 carats, in D to M colours, in the IF to PQ range, round and fancy shaped stones and high-end jewellery lines.

Hong-Kong based Aspire Design introduced two brands Mvee (couture line) and Vida (high-street fashion collection). David Shah informed that Mvee did well with their regular buyers from Asia, the Middle East and Russian markets. New enquiries were generated mainly from the Asian region. Mvee's big-ticket items between \$2,000 and \$5,000 were all the rage. "We officially launched the Vida collection at the Hong Kong Show, and received a number of enquiries and new customers from all over," Shah informed. "Jewellery priced between \$100 and \$400 from the Vida collection was sought after by most buyers, who preferred to be conservative on price for this high-street range."

The unsettled markets saw demand for commercial goods going up. Kobi Itzhaki of Dalumi Group noted that the show exceeded their expectations; mid-end products did really well with respect to low and high-end goods. "We did not sense a decline in the general number of buyers, however, most buyers were from Asia and only very few from Europe and the US. Before the show there was uncertainty as to where the market is heading. There wasn't a lot of buying and selling and we couldn't put our finger on the pulse of the

market. Following the show, the uncertainty faded and good results have led us to be more optimistic. We have realized that the slowdown in India was caused by fiscal problems rather than lack of demand. The Chinese New Year went well and Valentine sales brought a double-digit growth. It is very challenging to try and forecast the next show's outcome. I can say that the market is evolving and becoming more competitive. 'Those suppliers that will evolve with it and will satisfy clients' needs will outlast others.'

First-time Argentinian exhibitor Sandjewels succeeded in getting buyers for its black onyx jewellery. "We had business discussions with buyers from Brazil, Russia and Eastern Europe, and made ourselves better known to Asian buyers, so our show objectives have been met," informed the company's Richard Frounjan.

Another first-timer Jean Baptiste Senoble, a representative of Switzerland's Senoble & Bryl SA, said, "Our customers are high-end jewellers and collectors, mainly based in the United States and Europe, but we want to move into Asia, and this is why we were here. We are particularly keen to develop the Chinese market, but we have also touched base with buyers from Japan, Singapore and Taiwan."

Indians thrive

The Gem & Jewellery Export Promotion Council (GJEPC) presented 90 exhibitors, who were satisfied with the positive feedback at the show. Hong Kong is the third largest buyer of Indian gems and





jewellery with \$10,645.92 million worth of goods being exported from the country in 2011.

GJEPC chairman Rajiv Jain in his press statement said that the Hong Kong show was one of the finest shows in the industry that catered to the key markets of Asia. "China and India – the two eastern giants – are now a formidable force as developing economies and through this platform, the GJEPC looked at unfolding of the future and taking centre stage," he said.

High gold and diamond prices pushed buyers towards lightweight jewellery. Derewala's Tarun Kumawat from the international business development division said that the show was better than last year; visitor footfalls, too, were up by over 30% as compared to 2011. "Our silver jewellery and lightweight hollow chains sold well," Kumawat said. "We also got new customers from Europe, the US and Middle East. Gold prices have impacted sales, and buyers opt for lightweight, hollow or rolled gold to cut costs."

Clever and strategic thinking enhanced the performance of participants. To maintain price points, manufacturers came prepared with solutions to help buyers make decisions.

Harsh Adalja, assistant general manager – sales & marketing, Shrenuj & Co. Ltd, too, reported good sales at the show. "We received a positive response which makes us believe that the year 2012 should be a better year as compared to 2011." The company's "by appointment only" client

meetings grew by 40%, and it welcomed new clients from Saudi Arabia this year.

Shrenuj came to the show with a bouquet of products that included bridal and fashion jewellery; classic diamond pieces, silver and diamond collection and their private labels Embrace and CARO74. "Our princess-cut diamond collection Embrace performed stupendously well at the show and so did the silver & diamond collection, and bridal wear," informed Adalja. "However, no specific price points dictated the show. We had buyers picking products starting from \$75 to \$800. However, since gold prices have touched a new high in the last couple of months, we noticed that buyers favoured lightweight gold jewellery and were reluctant to shell out big bucks for items with high gold content."

"Overall, the show has set a good tone for the buying year ahead," Dinesh Lakhani director of Kiran Gems Pvt Ltd, noted in a press release. Kiran showcased goods worth \$35 million including certified diamonds of 1 carat and above, .30 carat to .99 carat and loose polished parcels in various sizes and clarities. "This year we observed that the show saw more footfalls from jewellery retailers and manufacturers and fewer numbers of middlemen and agents," said Lakhani. "This is a good sign for the show and exhibitors. Since business had been quiet for some time prior to the show due to the US holiday season and Chinese New Year, we were expecting a good buyer turnout. Demand for certified 1 carat up sizes in VS-SI triple excellent

goods categories was strong. There had been a good number of enquiries from China, which we will be able to serve from our office in Shanghai Diamond Exchange from this year onwards. There are huge opportunities for Kiran in China as it makes quality products in quantity and believes in customer-oriented services. There is a team already who has started working on this business geography."

Priyanshu Shah, director, Asian Star Jewels, stated that the Hong Kong show was very promising this year. "The holiday season was good for the trade, so most of the buyers were upbeat and exceedingly receptive to what was on offer. We had a full appointment book, and had meetings lined up with existing clients as well as new prospective clients from Russia, Eastern Europe and Brazil," he said. "We had 40% additional visitors this year."

Keeping in mind market economics and prevailing consumer preferences, Asian Star Jewels had developed three new lines for the show by experimenting with different settings and techniques to recreate the solitaire look. The basic style maintained for all collections was 'classic.' Shah said, "Our solitaire illusion collections were most popular, especially the '10 cents/1 carat illusion' range."

The popular price range for the jewellery was between \$150 and \$300, though the company had on offer goods with price points from \$100 to \$500. "Our buyers preferred lighter jewellery, which was precisely what we were displaying."



In terms of karats, preferences shifted between 9 karat, 10 karat, 14 karat and 18 karat depending on which country the buyer represented," Shah elaborated, adding, "Gold and diamond prices do not impact our sales, though they do dictate our product styling. The big flashy look favoured in many countries had to be maintained but at lower targeted price points. Experimenting with various settings helped us achieve this result, and at the same time control the gold and diamond content."

Shreyans Dholakia, partner, Shree Ramkrishna Export, stated that although visitor footfalls were less as compared to 2011, sales were not affected. "Rounds between .30 carat and .90 carat and solitaires between 1 and 10 carats in VS-SI qualities were in demand. We got buyers from Russia, the US, and Australia, but

local footfalls were less than usual probably because the buyers here would be targeting the June show to purchase goods."

The show was a middling fare for some like Mamraj Musaddilal Jewellers, Hyderabad. Its general manager Avinash Gupta revealed that visitor footfalls at the show dropped 30% over last year. The firm that specialises in Victorian jewellery in gold and silver set with diamonds ranging from \$400 to \$100,000, did not see much activity in terms of business. "The market situation was really bad prior to the show, and the European crisis, in particular, has had an adverse effect in the show's performance for us. The Tucson and JA New York shows that preceded the Hong Kong show were very disappointing. In comparison, the Hong Kong show was not so bad. Last year we had good business from buyers from South East Asia. This year even those buyers were missing. But we hope for the best in the future."

Anju Jain of Exquisite Color Kraft Pvt. Ltd said that the Hong Kong show has always yielded positive results for the firm. "Footfalls dropped by around 15% but that did not severely impact our sales. We had our regular orders, plus a few new clients from Africa. Our emphasis in this fair is on gemstones, and we showcased mainly high quality fancy stones and a small collection of fine 18 karat gold jewellery. We got good response for cut stones," remarked Jain. "Despite the hike in gold rates, there is still a demand for couture jewellery as that client segment is different. Our clientele

demands are for couture jewellery."

There was a sense of balance in terms of business activity on the show floor. Bhavesh Shah, sales executive, Venus Jewel, stated that sellers were not offering heavy discounts and nor were buyers splurging on the goods. "Visitor traffic was down by 20%, but we got buyers mainly from mainland China. Customers were spending more time in our booth for understanding our business model, website and our system (Preferred Diamond Selection – PDS, Look & Bid – L&B, Stock Search etc.) through which we sell our goods."

Venus showcased a range of inventory from round and fancy-shaped diamonds ranging from .50 to 15 carats in size, D to K colour and FL to I2 clarities. Fancy shapes were in demand, and with a consistent supply of goods in our inventory, we are able to fulfil the demand of orders from our registered as well as new clients."

In times, when consumers want to cut and scrimp on luxury purchases, the show stood its ground and didn't disappoint. Now that the exhibitors are cautiously buoyant, they all need to keep tabs on the markets they are catering to and work out their next steps accordingly. Dimexon's Mehta concluded: "With the uncertainty in the global economy, it's difficult to predict how the gem and jewellery industry will fare for the second half of this year. However, the first half of the year will be slow as compared to a stronger second half, subject to any major developments in the global economy." ■

