

A STUDY ON PROBLEMS FACED BY GEMS AND JEWELS EXPORTERS

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ABSTRACT

Gems and jewellery are part of many cultures and customs around the world. Gems and jewellery have been important part for both aesthetic as well as investment purposes. Gems and jewellery industry gradually become important for the Indian economy due to its contribution in India's total exports. This sector accounts about 14.98% of the country's total merchandise exports estimated at US\$ 262290.13 million in 20 In last four years export of gems and jewellery decreased by 12% and exports got affected by the rising cost of raw materials, depressed demand and slowdown of markets. There are many problems faced by the exporters of gems and jewellery industry. This paper discuss the status of the exports of Indian gems and jewellery industry. Also, an attempt is made to identify the problems faced by the exporters, by reviewing various literatures and highlighted some suggestions to overcoming these hurdles.

Key Words: Export, Exporters, Gems, Import, Jewellery, Problems

I.INTRODUCTION:

Gems and jewellery are part of many cultures and customs around the world. Gems and jewellery have been important part for both aesthetic as well as investment purposes. Gems and jewellery industry has gradually become important for the Indian economy due to its contribution in India's total exports. This sector accounts about 14.98% of the country's total

merchandise exports estimated at US\$ 262290.13 million in 2015-16. In last four years export of gems and jewellery decreased by 12% and exports got affected by the rising cost of raw materials, depressed demand and slowdown of markets. There are many problems faced by the exporters of gems and jewellery industry. Due to its importance in India's foreign trade, the government has taken many initiatives to boost the sector .

II.OBJECTIVES OF STUDY:

- To know the role of GJEPC.
- To know the consequences gems and jewellery industry.
- To know the services that provided by the GJEPC.
- To study about the competitive position of gems and industry export.
- To analysis the vital step for improving the gems and jewellery export.

III.RESEARCH METHODOLOGY:

The study is basically an analytical study based on the primary research, this kind of research has the primary objective of development of insight into the problem. The research methodology for the study has been adopted to reflect these realities and help reach the logical in an objective manner. In order to conduct this study, questionnaire has been used for collecting the data.

IV.LIMITATIONS OF THE STUDY:

- The sample group was collected in and around Coimbatore city.

- The sample size for the survey has very low of 70 respondents.
- Beside the study has the limitation of time, place and resources.

V.REVIEW OF LITERATURE:

Purani, Keyoor(2000)¹ developed Gujarat model of entrepreneurial innovation on the basis of innovative behaviour at the grass root level. He told in his study that Indian gems and jewellery industry is country's second highest foreign exchange earner after textiles. He presented the SWOT analysis of the industry. Purani observed that diamond has lion's share in Indian gems and jewellery exports. He stated that India is considered to be one of the world's largest centers for cut and polished diamonds.

Satya, Sundaram(2001)² analyzed the vast export potential of Indian gems and jewellery industry. He stated that in the exports of gems and jewellery products India has made credit-worthy progress over the years if we go by the volume of foreign exchange earned every year. However, India need to upgrade the quality of jewellery in keeping with the requirements of the European countries. In his study, Sunderam stated that exporters of Indian gems and jewellery products have started participating in the international fairs from where they now get the requisite feedback

**VI. ANALYSIS AND INTERPRETATION:
TABLE SHOWING THE RELATIONSHIP BETWEEN THE EXPERIENCE AND THE NUMBER OF COUNTRIES EXPORTED BY THE EXPORTERS.**

H₀ : There is no significant difference between the types of concern and types of package.

H₁ : There is a significant difference between the types of concern and types of package.

EXPERIENCE /NO OF COUNTRIES EXPORT	1	2	3	More than 4	TOTAL
0-5 years	2	6	2	1	11
5-10 years	8	17	5	5	35
10-15 years	4	9	3	2	18
More than 15 years	1	3	1	1	6
TOTAL	15	35	11	9	70

CALCULATED VALUE	DF	LEVEL OF SIGNIFICANCE	TV	SIGNIFICANT/ NOT SIGNIFICANT	NULL HYPOTHESIS
1.43	3	0.05	7.815	Not significant	Accepted

INTERPRETATION

The calculated value is 17.9 at 5 % of significance with the table value of 16.919. The table value is lesser than the calculated value. Therefore, null hypothesis (H₀) is rejected.

TABLE SHOWING THE RELATIONSHIP BETWEEN THE EXPERIENCE AND THE NUMBER OF COUNTRIES EXPORTED BY THE EXPORTERS.

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TYPE OF EXPORTER / TYPE OF PAYMENT	LETTER OF CREDIT	CASH ON ACCEPTANCE	CASH ON PAYMENT	ADVANCE PAYMENT	TOTAL
Merchant exporter	11.83	2.83	2.83	0.51	18.00
Manufacturing exporter	34.17	8.17	8.17	1.49	52.00
TOTAL	46.00	11.00	11.00	2.00	70

CALCULATED VALUE	DF	LEVEL OF SIGNIFICANCE	TV	SIGNIFICANT/ NOT SIGNIFICANT	NULL HYPOTHESIS
17.9	9	0.05	16.919	significant	rejected

INTERPRETATION

The calculated value is 1.43 at 5percentage level of significant with the tablevalue of 7.815. The table value is greater than the calculated value. Therefore, null hypothesis(H₀) is accepted.

VII.FINDINGS:

- Majority of the respondents are from more than 50 years of experience in their company with 50%.
- It is clear that majority with 66% of the respondents are running private limited.
- It is clear that majority with 66% of the respondents are merchant exporter.
- The study reveals that 46% of the respondents are frequently used dollar for exporting of gems and gold.
- 50% of the respondents are exporting the gems and jewelry
- The study reveals that 39% of the respondents are told that the exporters are mostly prefer to export gold items.
- Majority of the respondents are following letter of credit payment method 64%.
- Most of the respondents(58%) are using the air ways for exporting the products.

VIII.SUGGESTIONS:

- Most of the respondents are using letter of credit method for payment method, so they should follow other methods for payment like advance payment, cash on delivery and cash on acceptance.
- Respondents are suggested to maximize the utilization of national carries for both sea and air transport.

- Majority of the respondents are told are getting sufficient raw materials for manufacturing gold ornament, so the government should take the proper steps to solve such problem.
- Increase in import duty for gold,exporters are expecting to reduce import duties for gold.

IX.CONCLUSION:

From the above study, I conclude that majority of the respondents are facing many problems with day to day activities and also they are satisfied with the business performance. These types of issues rise because of inflation in the price level and insufficient of raw material and less support from the government,gems and jewelry export promotion council and other financial institutions. Their major drawback is low productivityof gold ornaments and they cannot able to face heavy competition in the domestic and in international market. Most of the exporters are expecting there will be some changes to boost up the gems and jewelry export business in India. Government and Gems and Jewelry Export in India .

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