A Study on Problems Faced by the Gems and Jewels Exporters with Special Reference to Coimbatore City

Ms. R. Mahadevi¹, Mr. A. Vijayakumar², Dr. M. Kanagarathinam³, Dr. M. Thillainayaki⁴

¹,²,⁴Assistant Professor; ³Head,
¹,²,³,⁴Department of Commerce, Department of Business Administration, Nehru Arts and Science College, Coimbatore, Tamil Nadu, India

ABSTRACT

The study mainly focus on the GEM traders export activities and the complications faced by them. It also to examine the mind of the respondents and their preferences on ornaments. It implies the perception of the buyer, how do they see the GEM traders. It compiles the different problems faced by the Gem trader, while they go for export to different countries. It helps to identify the consumers from different countries and their preferences.

KEYWORDS: Gems, jewellery, Exporters, Tariff, Government policies, trade

1. 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. The government has declared this sector as a thrust area for export. During the global economic meltdown has dealt out many initiatives for badly-affected sector. This focus on the various policies and measures that were taken by the government for the gem and jewellery sector.

Gems and Jewellery export promotion council (GJEPC): Established in 1966, the GJEPC is the apex body of the Indian gems and jewellery industry, and has around 6500 members across India. The primary goal of the council is to introduce the Indian gems and jewellery to international market and to promote their exports. The Council provide market information to its members regarding foreign trade inquiries, trade and tariff regulations, rates of import of gold were launched in various forms between 1947 and 1963, but the control regime finally took shape with the implementation of gold control act 1968. This act did not allow goldsmiths to receive more than 100 grams of standard gold for manufacturing jewellery. Future, a certified goldsmith was not allowed to process a stock of more than 300 grams of primary gold at any time. The quality of primary gold possessed by a licensed dealer was limited between 400 grams and 2 kg, depending on the number of artisans employed. There was legal ban gold transaction between dealers.

The government abolished the Gold Control Act when the balance of payment crisis occurred in 1990, after which the largest export houses could import gold freely. Exporters in the export processing zone were allowed to sell 10% of their products in the domestic market. In 1993, gold and diamond mining were opened up for the private investor were allowed to own half of the equity in mining ventures. In 1997, overseas bank and bullion suppliers were also allowed to import gold into India. These measures led to the entry of foreign players such as de beers, tiffany and Cartier into the Indian market.

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1.1. GEOGRAPHIC SPREAD OF GEMS AND JEWELLERY INDUSTRY
Jewellery making is spread throughout the country with every village having a family of goldsmiths. The diamond processing industry has spread 5 from the State of Gujarat, which accounts for almost 85 per cent of the diamonds processed in India, to other states. Surat, Bhavnagar and Ahmedabad are the diamond centres in Gujarat. Many diamond processing units have been set up in Mumbai in Maharashtra. There are also diamond processing units in Trichur in Kerala, Coimbatore in Tamil Nadu, Jaipur in Rajasthan and also in Goa. Mumbai continues to be the main trading centre for diamond exports. Almost 93 per cent of diamond exports are dispatched through Mumbai airport.

The jewellery crafting and designing is confined to only a few regions in the country and every region specializes in separate craftsmanship skills. The main clusters in Indian gems and jewellery industry are following.

1.2. STATEMENT OF THE PROBLEM
- Rising competition from other countries.
- They need to import more raw materials from other country.
- There is no proper fixed rate for the gold and jewels; each and every day there will be a change in price schedule.
- Manufacturers has to pay more duty for import of raw materials.

1.3. OBJECTIVE OF THE STUDY
The objective are
- To know the consequences gems and jewellery industry.
- To study about the competitive position of gems and industry export.
- To analysis the vital step for improving the gems and jewellery export.

1.4. 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.

1.4.1. TYPE OF RESEARCH
This is a descriptive research where survey method is adopted to collect primary data from the gems and jewellery exporters and manufacturers and the required secondary information for analyses.

1.4.2. SOURCE OF DATA
PRIMARY DATA
The primary data are those which are collected for the first time and thus happened to be original in character. Primary data will be collected through a questionnaire raised among the gems and jewellery traders and manufacturers in and around in Coimbatore.

SECONDARY DATA
Secondary data that is already available and published, it could be internal and external of data. The secondary data is being collected through text books, journals, library etc. The data so collected from both primary and secondary sources have been presented in this research report to the appropriate places.

1.4.3. DATA COLLECTION
The data was collected from the gems and jewellery exporters, who are exporting their products from to other countries. Most of the data was collected from the merchant exporters and manufacturer exporters.

sample size
Sample size of 70 respondents are only taken for collecting the data, what are the problem faced by the gems and jewellery exporters.

Sampling area
The data was collected only in and around Coimbatore city.

Sampling unit
GEMS AND JEWELLERY Traders and Manufacturers operating in Coimbatore, particular the owner, managers and other official persons.

1.5. LIMITATION OF THE STUDY
- The sample group was collected in and around Coimbatore city.
- The sample size for the survey has very low of 70 respondent.
- Beside the study has the limitation of time, place and resources.

1.6. TOOLS USED FOR THE STUDY
The collected data were classified, tabulated and analysed with some of the statistical tools listed below:
- Simple Percentage Analysis.

SIMPLE PERCENTAGE ANALYSIS
Simple percentage analysis is used in making comparison between two or more series of data. A percentage is used to determine relationship between the series. It is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data. Percentage Analysis is applied to create a contingency table from the frequency distribution and represent the collected data for better understanding.

Simple percentage = \( \frac{\text{No of respondents}}{\text{Total no of respondents}} \times 100 \)

<table>
<thead>
<tr>
<th>S.N</th>
<th>EXPERIENCE</th>
<th>NO. OF RESPONDENT</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0 TO 5</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>5 TO 10</td>
<td>35</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>10 TO 15</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>4</td>
<td>More than 15 years</td>
<td>6</td>
<td>50</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary data

INTERPRETATION
The above table shows the year of experience in the jewellery field, out of 100 percentage, 50 percentage of the respondent are more than 15 years experience.
26 percentage of the respondent are 10 to 15 year experience, 16 percentage of the respondent are 0 to 5 year experience, 8 percentage of the respondent are 5 to 10 years of experience in this field.

2. NATURE OF OWNERSHIP

Table Shows the nature of ownership

<table>
<thead>
<tr>
<th>S. NO</th>
<th>NATURE OF OWNERSHIP</th>
<th>NO. OF RESPONDENT</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Partnership</td>
<td>24</td>
<td>34</td>
</tr>
<tr>
<td>2</td>
<td>Private limited</td>
<td>46</td>
<td>66</td>
</tr>
<tr>
<td>3</td>
<td>others</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary data

INTERPRETATION
It clearly explain about the nature of ownership, 66 percentage runs the private limited and only 34 percentage run the partnership.

3. TYPE OF EXPORTER

Table shows the type of exporters

<table>
<thead>
<tr>
<th>S.NO</th>
<th>TYPE OF EXPORTER</th>
<th>NO. OF RESPONDENT</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Merchant exporter</td>
<td>24</td>
<td>66</td>
</tr>
<tr>
<td>2</td>
<td>Manufacturing exporter</td>
<td>46</td>
<td>34</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary data

INTERPRETATION
The above table clearly explains about the type of exporter, out of 100 percentage of respondent, 66 percentage of respondent are merchant exporter, and remaining 34 percentage of the respondent are manufacturing exporter.

4. CURRENCY FREQUENTLY USED

Table Shows the currency frequently used

<table>
<thead>
<tr>
<th>S. NO</th>
<th>CURRENCY FREQUENTLY USED</th>
<th>NO. OF RESPONDENT</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dollar</td>
<td>32</td>
<td>46</td>
</tr>
<tr>
<td>2</td>
<td>Euro</td>
<td>27</td>
<td>39</td>
</tr>
<tr>
<td>3</td>
<td>Yen</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>others</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary data

INTERPRETATION
The above table clearly shows the currency frequently used by the exporter, out of 100 percentage, 46 percentage of respondents are using dollar, 39 percentage of respondents are using euro currency, 8 percentage of the respondent are using other currencies for exchange and only 7 percentage of the respondent are using yen.

5. EXPORTING TO HOW MANY COUNTRIES

Table shows the exporting to how many countries

<table>
<thead>
<tr>
<th>S. NO</th>
<th>NO. OF COUNTRIES</th>
<th>NO. OF RESPONDENT</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>35</td>
<td>50</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>More than 4</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary data

INTERPRETATION
The above table clearly explain about the gems and jewellery exporting to many countries, out of 100 percentage, 50 percentage of the respondent are exporting to 2 countries, 21 percentage of the respondent are exporting to 1 countries, 16 percentage of the respondent are exporting to 3 countries, and only 13 percentage of the respondent are exporting more than 4 countries.

6. TYPES OF PRODUCTS DEALING

Table shows the products dealing

<table>
<thead>
<tr>
<th>S. NO</th>
<th>PRODUCTS</th>
<th>NO. OF RESPONDENT</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gold</td>
<td>27</td>
<td>39</td>
</tr>
<tr>
<td>2</td>
<td>Gems stones</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>3</td>
<td>Platinum or diamond</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td>4</td>
<td>Silver</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary data

INTERPRETATION
The above table clearly explain about the products that dealing for export gems and jewellery, out of 100 percentage, 39 percentage of the respondent are exporting gold, 28 percentage of the respondent are exporting platinum and diamond, 27 percentage of the respondent are exporting gms and stones and only less than 6 percentage of the respondent are exporting silver.

5. FINDINGS AND SUGGESTIONS

5.1. 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.

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 jewellery export promotion council and other financial institutions. Their major drawback is low productivity of gold ornaments and they cannot be 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 jewellery export business in India. Government and Gems and Jewellery Export in India.
References


