

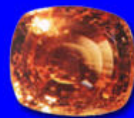
Ceylon Sapphire The Way Forward

EXPORT GROWTH STRATEGY FOR GEM & JEWELLERY

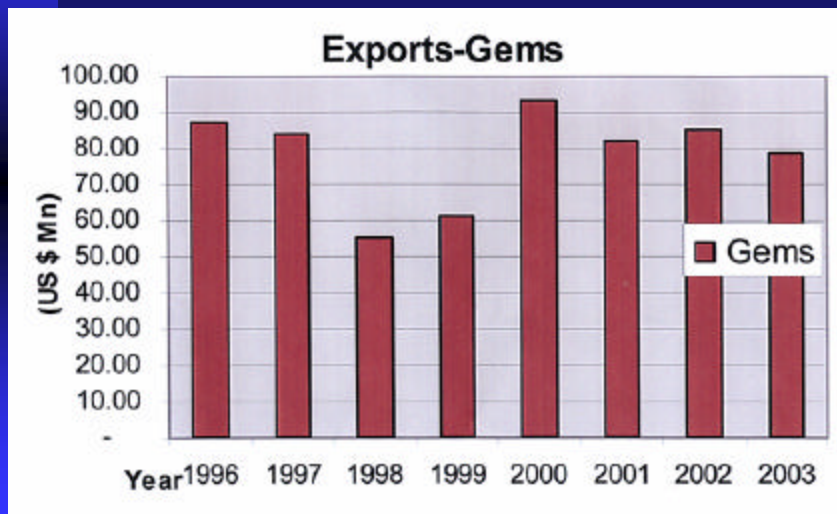
Presented By
Sri Lanka Export Development Board



SUPPLY CHAIN



Export of Gems – 1996 to 2003

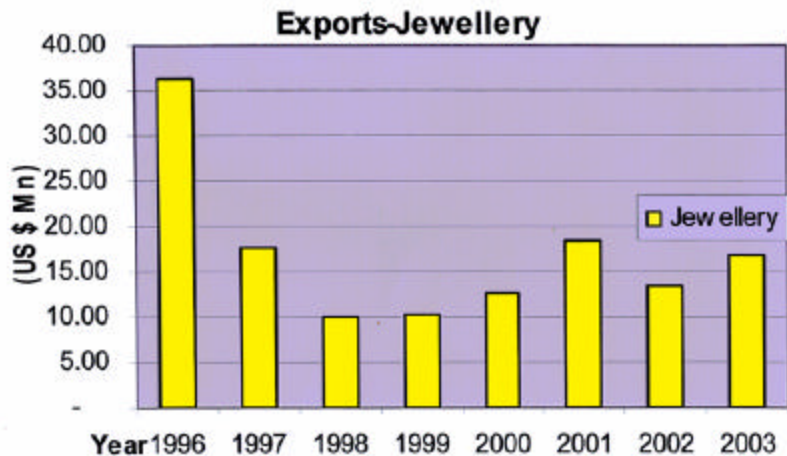


Reasons For Poor Performance

GEMS

- Under utilization of gem bearing land
- Export of rough geudas
- Insufficient Finance to hold stocks
- Informal sector

Export of Jewellery – 1996 to 2003

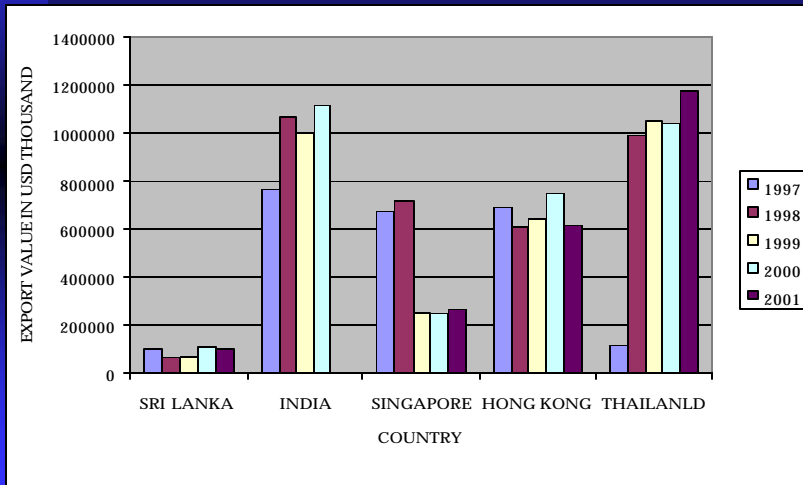


Reasons For Poor Performance

JEWELLRY

- Non availability of cut & polished gemstones in sufficient quantities.
- Insufficient finance to hold stocks
- Lack of modern skills in jewellery manufacture
- Innovative design

How Does Sri Lanka Compare?



Can we do it?

- **Ceylon Sapphire is internationally recognized as a premium product**
- **Dealers & Manufacturers in developed countries are exploiting this image while Sri Lanka has not**
- **The trade must be united and spearhead the development plan with the government as a partner**

The Way Forward

Objectives

- Develop the image of Sri Lanka as the foremost trading and production hub for Sapphires
- Differentiate the industry in Sri Lanka
- Ensure maximum value addition to local raw materials



The Strategy

- Develop Sri Lanka as an international hub for sapphire trading, cutting, jewellery manufacture and all other value added services

Developing the Sapphire Hub

Strategic Investments are critical for success

- Developing the raw material base
- International Quality Certification
- World Class Training
- Support Services
- Specialized Financing.



Developing the Raw Material Base

Geuda Heat Treatment.

- 14 Million carats of rough geuda exported per year.
- Estimated loss of foreign exchange approx. Rs.6.0 bn. per year.

Environmental friendly Semi Mechanized Mining in identified areas.

- Lands mined by traditional methods
- Low Lying Areas
- Land demarcated for irrigation projects

Developing the Raw Material Base



- Encourage mining in plantation lands
- Gem Deposit Survey carried out by EDB.
- In-depth Study Needed

Developing the Raw Material Base

National Gem Deposits Survey needs join efforts by

- Geological Surveys Mines Bureau
- National Gem & Jewellery Authority
- Gem & Jewellery Research & Training Institute
- University of Moratuwa

International Quality Certification

Gem Testing Laboratory

- Internationally Renowned Gemologist to Head Laboratory
- Accredited with an internationally recognized Gem Testing Laboratory.

Assaying and Hall marking

- Present Assay office to be accredited with an international Accreditation Agency



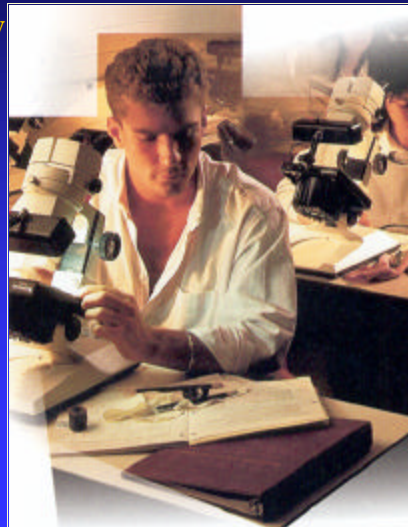
World Class Training Institute

Advanced Training – Gem & Jewellery Institute (GJI)

- Affiliation with an internationally recognized University.
- Proposal with (ERD) & (EC) for funding – estimated Cost.

Basic Training Co-ordinated by

- Gem & Jewellery Research & Training Institute
- National Youth Service Council.



SUPPORT SERVICES

- Trade Facilitation
- Refining
- Packaging



Specialized Financing

- Geuda Heat-Treaters
- Lapidarists
- Jewellery Manufacturers
- Domestic Banks to be extended technical expertise.



Potential

Foreign Exchange Earnings

- Total Gem & Jewellery exports - Rs. 9.6 Billion in 2003.
- If Sri Lanka Could heat treat and process 14 Million Carats of rough geudas exported annually, Sri Lanka could generate an additional Rs.6.0 Billion or 62.5% more revenue.
- If Sri Lanka exports 25% of our gems as finished jewellery, Sri Lanka could generate 50% more revenue.
- If Sri Lanka exports 75% of our gems in finished jewellery, Sri Lanka could generate 150% more revenue

Ceylon Sapphire
The Way Forward

Thank
You