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Rajesh Shah: We Estimate A Steady Yearly Growth & Promising Future



Polished diamonds. Image courtesy: Venus Jewel

Rajesh Shah, Partner, Venus Jewel, talks to Solitaire International about his company's performance and the future of polished diamonds on the global stage.

Since 1969, Venus Jewel, has been renowned for being ethical, transparent, and committed to excellence. A global supplier of large size, natural and premium quality rounds and fancy-shaped diamonds, from 0.50 to 25.00 carats in size, D-L colors and FL-I1 clarities, Venus Jewel is the first Indian manufacturer to become a certified member of the Responsible Jewellery Council (RJC) and the first company in the world to hold RJC certification for its Provenance claim of the diamond origin. Venus is a signtholder of De Beers, Alrosa, Rio Tinto and official suppliers of Forevermark, CanadaMark, and Mine of Origin (MOO) branded diamonds.

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Rajesh Shah, Partner, Venus Jewel.

What is your assessment of the current state of the Indian polished diamond market?

With retail stores yet to open up and function fully and the lack of large-scale fancy weddings, it has affected demand for 1-carat rounds and fancies in India. At the same time, demand for larger sizes in lower colours saw an increase in demand.

How are the strong international retail jewellery sales translating to the wholesale polished market? What are the main factors driving this momentum?

Restrictions on overseas travel and lower spending on hospitality have shifted the spending trend towards diamond jewellery. Also, the buoyant jewellery retail sales in the US and China are some of the major factors driving this momentum, thereby leading to increased demand for polished diamonds. At the wholesaler level, there is an inventory replenishment delay due to rising polished prices.

INTERVIEW

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How do your production levels vary by category (e.g. certified goods versus 20 pointers+ versus stars & full cuts below 18 pointers)? And which are the categories seeing the heaviest demand?

Venus Jewel deals in certified large size diamonds ranging from 0.50 carats to +25 carats. Our major production starts from 1 carat and currently the demand is steady for almost all sizes. However, the 2-carat to 4-carat category is witnessing maximum demand.

Internationally, the highest demand is for our fancy shapes between VS2 and SI, above 1 carat.



20% of the factory's power requirement is fulfilled by the solar panels installed at Venus Jewel.

Are you concerned about rough supply and rising prices at the moment?

Strong and rising demand for natural diamonds along with rarity and limited supply of the rough will build a healthy market in the long term. Both the rough and polished prices will be stable and rise gradually in the future.

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What impact did the second Covid wave have on polished output? What is the difference from pre-Covid peak capacity levels?

The second Covid wave didn't impact the industry as much as the first lockdown had. This was mainly due to the favourable Government regulations towards incentivising the export segment. We were allowed to work at limited strength. The polished output of natural diamonds in the industry is still approximately 30% lower than pre-Covid levels.

Is the bottleneck situation at the GIA affecting orders?

Delay in certification at various labs is causing delay in order fulfilment despite demand being buoyant.

Where is the strongest polished diamond demand coming from? Can you estimate your company's growth in polished exports for the full year 2021? Anything else you may wish to add.

The peak in demand for the industry is from USA. If rough supply is at the correct price, then capacity can be increased and exports can rise. We estimate a steady yearly growth and promising future.