

THE TIMES OF INDIA

THE ECONOMIC TIMES

Business Standard

THEWEEK

BW BUSINESSWORLD

Recovery signs in China give hope to diamond industry

Yagnesh Bharat Mehta | Mar 20, 2025, 00:02 IST



Surat: The demand for diamonds in China has given hope for the gem and jewellery industry. The optimism is derived from the recovery signs as seen in two recently held exhibitions in Hong Kong.

Two major exhibitions significant for Chinese and neighbouring Asian markets, the Hong Kong International Diamond, Gem & Pearl Show and the Hong Kong International Jewellery Show, were held earlier this month.

Industry leaders hint at a gradual but promising resurgence, particularly in smaller-sized diamonds, while a full-scale recovery may take time. The stabilisation of rough and polished diamond prices and renewed interest from Chinese buyers provide hope for sustained growth.

Gem and Jewellery Export Promotion Council (GJEPC) officials say signs are positive. Ajesh Mehta, convener of Diamond Panel, GJEPC, said that these are the first positive signs seen in the last five years at the Hong Kong show. While Chinese demand has not returned to its historical highs, Mehta observed stabilisation in diamond prices and increasing movement in smaller stones.

"Confidence is slowly returning to the market, and notably, we're seeing some movement in smaller sizes, particularly diamonds below 10 points and in dossier sizes," he added.

This shift is largely driven by a change in consumer preferences in China, said Mehta. "The Chinese consumer has effectively pressed a

INTERVIEW

THE TIMES OF INDIA THE ECONOMIC TIMES

Business Standard THEWEEK BW BUSINESSWORLD

resetbutton," he said, explaining how retailers are now selling gold jewellery with smaller diamond accents rather than featuring diamonds as centrepieces.

Key industry players are also seeing positive traction from other regions like Southeast Asia, South America, and emerging markets such as Cambodia, Vietnam, Brazil, and Venezuela, where buyers are showing interest in larger stones. Though these smaller markets can't fully replace China's dominance, they're contributing to the demand.

GJEPC chairman Kirit Bhansali said, "The stabilisation of diamond prices and the revival of Chinese demand are positive indicators for the global diamond industry. With a strong manufacturing base and adaptability position, India will leverage this opportunity."

GJEPC vice-chairman Shaunak Parikh echoed these positive sentiments. "We are witnessing early but encouraging signs of recovery in Chinese diamond demand, particularly for smaller-sized diamonds. After a prolonged period of sluggishness, buyers are accepting current price levels in this segment, leading to steady sales," he noted.

He believes that China's recovery could reshape India's manufacturing sector, prompting a shift back towards natural diamonds and strengthening the industry's long-term outlook.

Devansh Shah, Partner, Venus Jewel, is optimistic about a potential recovery in Chinese diamond demand, especially given the increased foot traffic at the twin Hong Kong shows from various global markets.

"There were certainly positive enquiries, and we might be seeing the beginning of a recovery. More people were visiting us, including those from Europe, Australia, America, UAE, China and Far East region. Since the Chinese and other Far East customers have always been very quality-conscious, they prioritise quality over value," said Shah.