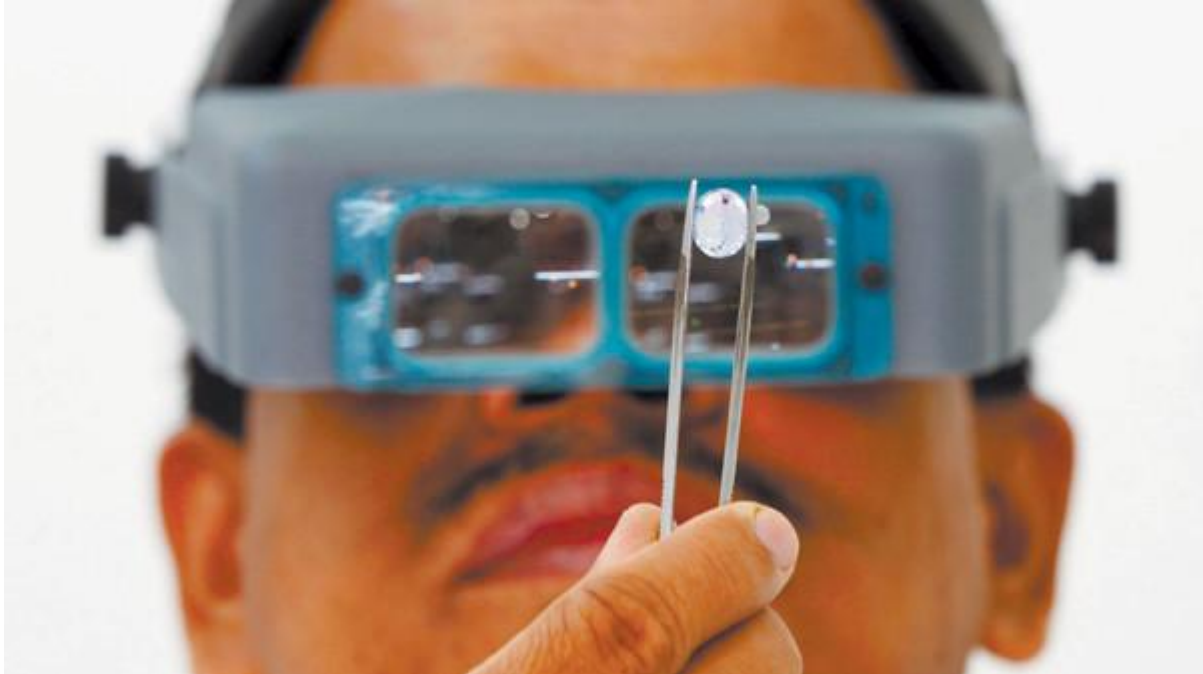


November 8, 2013

Sri Lanka plans expansion for gem industry

By Claire Adler



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Rare quality: a gem dealer in Colombo examines a Sri Lankan sapphire

The [Sri Lankan](#) government has ambitious plans for the growth of its jewellery industry. The country's export development board is determined to increase revenue from natural gemstones.

Thanks to the opening up of the industry following the end of the country's civil war in 2009, revenue from Sri Lankan jewellery and gems is predicted to rise to \$1bn by 2016. The industry employs 600,000 people, including miners, cutters, polishers, craftspeople, designers, dealers, manufacturers, salespeople and marketeers.

Sapphires account for 85 per cent of Sri Lanka's gem exports. Last year, the country exported more than 330,000 carats of blue sapphires to the value of \$53.2m. Thailand was the main importer, buying 23 per cent, while the US bought 21 per cent, according to Janaka Ratnayake, chairman of the export development board.

Rizvan Sahabdeen, managing director of Sifani, a Sri Lankan jeweller, says: "The end of civil war gave a boost to our business and the economy in general. From schools reopening to the growth of the middle classes and an influx of tourism, the jewellery and gem industry is now ready to start a new chapter."

Sri Lankan stones are revered for their brilliance. "Sapphires from Sri Lanka – sometimes called Ceylon sapphires – are particularly special. I call it lightning blue," says Jody Wainwright, head gemologist at Boodles.

“We now have one of the finest we have ever had in our Harrods boutique – a 19-carat emerald cut. The blue of this stone is electric.”

Last year, 18 varieties of sapphires were exported, with blue sapphires being the top colour, representing 60 per cent of gem exports. Among other popular Sri Lankan gemstones are orange-pink padparadscha sapphires.

Local jewellers are acutely aware of their country’s potential. Sifani owns more than 24 boutiques across Sri Lanka, the Maldives and the Seychelles.

“Ninety per cent of Sri Lanka’s land is thought to be potential gem-bearing,” says Mr Sahabdeen. “There are more than 70 varieties of precious and semi-precious stones here and Sri Lanka is already one of the most important gem-bearing countries worldwide.”

But Stephen Webster, a jeweller, says a long-term commitment to invest in the industry is needed.

“Sri Lankan provenance can add clout to a sapphire, as the best [stones] come from there,” he says. “Eight or nine years ago I worked with the Sri Lankan government to promote their gemstone exports. I designed a jewellery collection, which they marketed.

“These kind of projects are about keeping the momentum up and investing in long-term marketing – something governments don’t always find easy.”

However, plans are in place. Recent government schemes to boost growth include providing Sri Lankan craftspeople and manufacturers with upgraded manufacturing tools and equipment.

A new showroom and shop has been opened in the capital, Colombo, to market the work of small and medium-sized manufacturers, which has also been exhibited at global trade fairs.

On top of this, the government has removed levies for importing and exporting Sri Lankan gems and jewellery.

Georges Karam, co-founder of jewellers Nourbel & Le Cavelier, says: “Until a few years ago, Sri Lanka’s gemstones were at risk of being used by insurgents or rebels as a means of payment.”

He adds: “Sri Lankan stone suppliers can now more easily provide an ethical guarantee and make international buyers more comfortable with the origin of their beautiful, rare gems.”