



Clockwise from top left: State Property founders Lin Ruiyin and Afzal Imram; Vihari Poddar; Shanya Amarasuriya; Caratell Intertwined Love jadeite and diamond bangle. Opposite: Members of the newly formed Diamond Exchange of Singapore (DES) in 1986.



The affluent Asian country has been a thriving jewelry market for overseas clients. After months of lockdown, its turn toward local buyers and e-commerce has helped it weather the crisis, but concerns remain.

BY RICHA GOYAL SIKRI

# WHAT'S IN STORE FOR SINGAPORE



Among the Asian markets for diamonds, gemstones and jewelry, the island nation of Singapore has usually remained in the shadow of the more dominant Hong Kong, India and China. By mid-2020, however, global news media started showcasing Singapore as an example to follow in successfully controlling the Covid-19 virus and reopening its economy.

Considered the Monaco of the East, Singapore has played a notable role in the diamond and jewelry sector's history. In the early '90s, the US was the primary source for certified diamonds. The ease of doing business in Singapore — along with pragmatic tax laws, security, good infrastructure, and transparency — made it the perfect hub for US jewelers and merchants to cater to the royal families of Brunei and Malaysia, affluent Indonesian industrialists, and a fast-growing class of high-net-worth individuals across Asia.

"Between 1991 and 2003, there was good two-way movement of diamonds between the US and Singapore, especially since [the Gemological Institute of America (GIA)] was in New York," recalls veteran diamond dealer Suresh Hathiramani of Facets Singapore. At that time, "80% of rough diamonds were sold via the Diamond Trading Company (DTC) of De Beers, and about 10 DTC sightholders were in New York. Sometimes my US partners, facilitating certification of my stock, would land up buying a certain portion of my certified goods."

Once India started processing certified diamonds in the early 2000s and the GIA opened an office there, things changed. Unable to compete with India's lower costs, diamond players in New York turned from manufacturing to trading, and to serving primarily their US customers. Meanwhile, the Hong Kong jewelry show emerged as an essential destination. In the years that followed, Indian diamond manufacturers made

great strides in improving their work quality and opened offices in Hong Kong. The pull toward Asia had begun.

## PULLING THROUGH THE PANDEMIC

In general, industry sources estimate that more than 75% of Singapore's loose-diamond customers are overseas visitors from neighboring countries. For jewelry, that figure is an estimated 60% to 70%. With that in mind, how has Singapore evolved and performed in the face of the global pandemic this past year?

"From February till [the end of] June, there were practically zero sales, no movement of goods," says Reuben Khafi, president of the Diamond Exchange of Singapore (DES) and AMTC Diamonds. "From July onward, as Singapore emerged from the circuit-breaker [the country's term for a lockdown], residents started socializing. There was a sense of euphoria [and] freedom, and luxury fairs was at the forefront — whether high-end

watches, cars, diamonds [or] jewelry. We particularly noticed an [increase] in requests for diamond engagement rings. We believe months of separation during the circuit-breaker motivated couples to move forward with their lives on a positive note."

Singapore's two-pronged approach to the virus — strict controls to curb its spread, and job support schemes for citizens and permanent residents — helped keep business wheels turning.

Although contributions from international visitors were missing, the affluent Singapore-based frequent fliers were also grounded. Singapore residents typically take two vacations every year, in addition to multiple mini-breaks. With border restrictions in place, those travel budgets were diverted to jewelry in many cases.

"My business [before the pandemic] was mainly via international trunk shows, fairs, visiting overseas clients, export- ▶

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Clockwise from top left: State Property Dekker signet ring in emerald, diamond and enamel; Ninja Crane earrings by An Order of Bling with pink and white diamonds; Vihari ring with a Burmese pigeon-blood ruby and diamonds. Opposite: State Property Battuta necklace with emerald and black onyx.



## “WE OPERATE LIKE A FIRST WORLD NATION, WITH STRINGENT ANTI-MONEY LAUNDERING REGULATIONS, TOP-NOTCH INFRASTRUCTURE, AND AN ENVIRONMENT THAT ENCOURAGES TRANSPARENCY AND TRACEABILITY”

oriented,” relates vintage and high-jewelry specialist Brenda Kang of retailer Revival Jewels. “The last show I attended was Tefaf in March before returning to Singapore. I feel the circuit-breaker reminded people of the importance of appreciating their loved ones, especially mothers doing double duty during lockdown. Large travel budgets were used on luxury purchases, staycations and dining out, helping lift spirits after a dreary, stressful few months. Being a niche jeweler specializing in unique and collectible pieces, our biggest asset in 2020 was our strong social media presence, our website and our location in Singapore.”



Word-of-mouth references from existing customers brought in new clients from their social circles as well, she adds.

### QUALITY PURCHASES

From discussions with key jewelry players, a few takeaways emerge. While the number of transactions may have dropped, the quality has improved. Clients have upgraded their budgets to make more meaningful purchases, especially in the last quarter of 2020. Jewelers who invested time and resources in building a foundation of Singapore-based clients, educating customers, establishing a quality digital footprint, and clearly communicating their value proposition emerged as winners.

This was true for Vihari Poddar of Vihari Jewels, a purveyor of colored diamonds and top-grade rubies, emeralds and sapphires. “We have jewelry manufacturing workshops in Hong Kong and Italy. In both locations, unfortunately, we had to let go of personnel to survive,” she says. “During 2020, we [noticed] a shift in buying preferences. One group of clients stayed within the \$10,000 to \$12,000 range, while others were only interested in top-grade goods starting from \$120,000-plus. There was very little middle ground. Untreated pigeon-blood rubies, pink Argyle diamonds, and Colombian emeralds were the main attractions. Our clients were looking for goods difficult to replace. Cognizant of limited supply, we maintained our pricing and upped our

[Instagram] game, which helped improve brand visibility. Since our travel costs and spending were drastically cut, 2020 was a good year from a profitability standpoint.”

Some jewelers, like BP de Silva, introduced a “virtual concierge” in addition to their social media, spending many hours interacting online with their overseas and local clients. They further adapted by allowing artisans to shift their workbenches to their homes.

“Our customers are self-purchasing, career-oriented women such as bankers and lawyers,” notes BP de Silva creative director Shanya Amarasuriya. “It was difficult for them to be home for months, maintaining a work-life balance. Jewelry is a powerful tool for self-expression, and we found after the circuit-breaker that many clients desired understated, fine, wearable, bespoke pieces.”

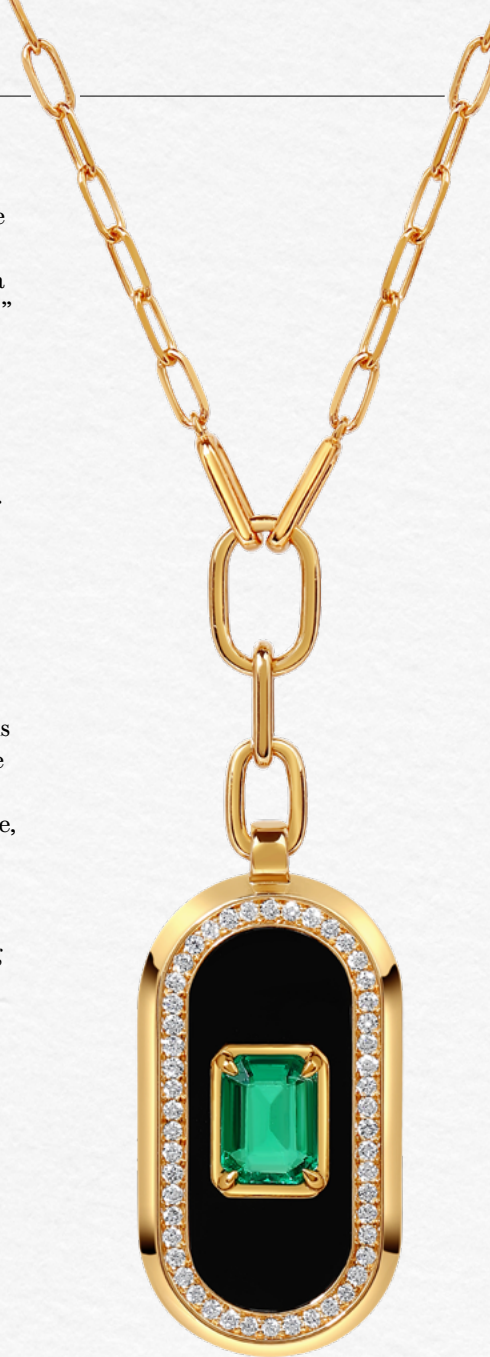
### AMERICAN INFLUENCE

Today, 95% of rough-diamond processing occurs in India. How has that impacted diamond and jewelry trading between the US and Singapore?

“The US influence is still quite strong here,” says Hathiramani. “Singapore-based jewelry consumers take their cues from designs and trends in the US. We operate like a First World nation, with stringent anti-money laundering regulations, top-notch infrastructure, and an environment that encourages transparency and traceability. This has resulted in Singaporean businesses garnering a fantastic reputation, attracting discerning clientele looking for trustworthy and responsible purchases.”

Being a multicultural, multilingual society with a rich history as a trading hub, Singapore offers designers an environment where they can amalgamate influences from the West and the East for an aesthetic that transcends borders.

“Besides Singapore, the US is our main market,” says Afzal Imram, cofounder of jewelry brand State Property Fine Jewellery. “When lockdown started here, US retail was still open. We continued our manufacturing in Singapore and were able to maintain supply to our US retailers. When the US slowed down, Singapore had opened up. Our investment in an international network [and] a strong



digital presence significantly helped. Before Covid-19, only 5% of our sales were online. In 2020, that figure jumped to 30%, [half of which came from Singapore, and the other half from] the US. With offline, we focused more on smaller fine-jewelry boutiques in states like Florida and Texas instead of the larger cities.”

### STONES THAT SELL

In the last quarter of 2020, most fine- and high-jewelry businesses reported significant sales — in some instances, greater than in the same period of 2019.

Among the factors responsible for this upturn were “revenge spending” — treating oneself to make up for being confined at home so long — extra funds

from travel budgets and financial-market gains, a desire to connect to the past via vintage jewels, and most importantly, love and human connections. Spending for the Chinese New Year, which fell on February 12, also contributed to the recovery.

As for what consumers have been buying, Facets Singapore reports that clients seeking natural diamonds have focused more on size and color than clarity. For BP de Silva, natural teal sapphires and Paraiba tourmalines have been popular choices. The jeweler also reports a preference for fancy diamond shapes and a shift away from traditional round solitaires. At AMTC Diamonds, the financial markets’ volatility has driven customers to request D-flawless, type IIa natural diamonds and significant stones. Luxury jewelry brand Caratell Singapore has seen a pull toward untreated gems, with cornflower-blue sapphires emerging as a favorite. State Property, meanwhile, cites emeralds as the number-one choice.

### SUSTAINING RECOVERY

With vaccinations underway, jewelers are cautiously optimistic about the future, but the industry’s performance in 2021 depends on a few moving parts.

“To maintain stability and consumer confidence in the diamond jewelry sector, supply has to be carefully balanced with demand,” says Hathiramani. “Profitability will lead to innovation, more resources for digital marketing, and modernization of sales practices. Consumer confidence in diamonds is intricately linked with our industry’s self-confidence. [The generic-marketing] work of the Natural Diamond Council (NDC) has also helped a great deal, but we are not yet out of the woods.”

Sustaining the recovery will be vital for 2021. By mid-year, the frequent-flying Singapore residents will be vaccinated. As the big spenders leave for long-awaited holidays overseas, how will local jewelry purchases fare?

“Businesses reliant on international customers have been severely impacted,” says Khafi. “We hope and pray that within the next few months, a majority of the population gets vaccinated [so] Singapore can relax its border restrictions responsibly, allowing us to gradually return to where we were.” ■