

Diamond Bourse: Case Study of Bharat Diamond Bourse & Dubai Diamond Exchange

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Abstract— The Diamond industry is a sparkly old-fashioned and glamorous industry. It is spread over worldwide. The industry employs millions of people globally. The raw material (rough diamond) is mined from different countries like Africa, Russia, Australia and Canada. India is world's largest center for cutting and polishing of diamond and highest foreign exchange earner for country. Industry faces various problems such as transaction, import and export of Diamond. This research paper includes what is Diamond Bourse and case study of Bharat Diamond Bourse & Dubai Diamond Exchange.

Index Terms—Diamond Bourse, Bharat Diamond Bourse, Dubai Diamond Exchange

I. INTRODUCTION

Surat is Gujarat's second largest city after the Ahmedabad and eighth largest city in India. Surat city is main center of economic activity in the south Gujarat. Gujarat account 80% of diamond processed in India of this 90% of the total diamond in Gujarat are cut and polished by about 25,000 units located in and around Surat. Major diamond units are located in Varachha and Katargam. Due to large population of low cost and hardworking work force, Surat has rapidly turned into one of the biggest diamond cutting and polishing hub in whole world. The city is famous for diamond and textile industries and it is known as "Diamond City". The diamond industry is employment generating industry and that contributed growth in the trade of diamond jewellery. 8 out of 10 diamonds cut and polished in the world hail from India and 70% of all these diamonds are from Surat diamond manufactures. Diamond transaction is carried out through special mechanism. The transportation of both rough and polished diamond packets is largely done through angadias. Angadias are people. Who have specialized in carrying diamonds safely within the industry. Trading is carried out through thousands of broker on open streets in market which is called "Heera bazaars". Diamond industry is totally dependence on import of rough diamond. The rough diamond is not mined in India; it's mined from different countries like Africa, Russia, Australia and Canada. Industry imports the rough diamonds and exports cut & polished diamonds, during import and export process industry faces many problems.

Facts

- 42% of world's total rough diamond cutting and polishing
- 70% of the nation's total rough diamond cutting and polishing
- 65% of the nation's total diamonds exports

(Source: Surat City Development Plan (CDP) (Revised) 2008 – 2013)

This research paper highlights what is diamond bourse and related case study

Objective

To identify the problems that effect exporting of diamonds from Surat.

India has only one diamond trading hub (Diamond Bourse) which is situated in Mumbai. Cut and polished diamonds of whole country exported from Mumbai but 70% of the nation's total rough diamonds cutting and polishing in Surat but diamond trader of Surat have to go to Mumbai for selling of those diamonds. The convey of diamonds is very unsafe for the people. Diamond Bourse (Bharat Diamond Bourse in Mumbai) is fully equipped with modern and international infrastructure. There are hundreds of such traders in Mumbai and Surat who are office less or who are in search of cheaper offices because infrastructure cost is very high in Mumbai as compare to the Surat and middle class diamond traders can't afford that cost as well as transportation cost.

II. What is Diamond Bourse?

"A market organized for the purpose of buying and selling securities, commodities, option and other investment. A Bourse is more commonly known as a stock exchange. The word Bourse is based on the house, where merchants would gather and trade with one another"

Or

"A body that unites Diamond exchanges less than one roof."

There are total 30 Bourses existing in the world as per WFDB and their headquarter situated in Antwerp, Belgium. The Bourse provide services like bank, restaurant, clearing agent, custom, trading half, trading floor, diamond companies, cabins for trading

center safe deposit boxes, storage room, land scape garden and other services. The following is the list of 30 Bourses existing in world.

- Antwerpsche Diamantkring CVBA (Belgium)
- Bangkok Diamonds and Precious Stones Exchange (Thailand)
- Beurs voor Diamanhandel CVBA (Belgium)
- Bharat Diamond Bourse (India)
- Borsa Diamanti D'Italia (Italy)
- Borsa Istanbul (Turkey)
- Diamant- und Edelsteinbörse E.V. (Germany)
- Diamant- Club Wien (Austria)
- Diamant club van Antwerp CV
- BA (Belgium)
- Diamond Bourse of Canada
- Diamond Bourse of Southeast United States, Inc.
- Diamond Chamber of Russia
- Diamond Club West Coast, Inc. (United States)
- Diamond Dealers Club (United States)
- Diamond Dealers Club of Australia
- Diamond Dealers Club of South Africa
- Diamond Exchange of Singapore
- Dubai Diamond Exchange
- Hong Kong Diamond Bourse Ltd. (People's Republic of China)
- Korea Diamond Bourse
- Moscow Diamond Bourse (Russian Federation)
- Panama Diamond Exchange
- Shanghai Diamond Exchange (People's Republic of China)
- The Israel Diamond Exchange Ltd.
- The Israel Precious Stones and Diamonds Exchange Ltd.
- The London Diamond Bourse (United Kingdom)
- The New Israel Club for Commerce in Diamonds Ltd.
- Tokyo Diamond Exchange Inc. (Japan)
- Vereniging Beurs voor den Diamanhandel (Netherlands)
- Vrige Diamanhandel NV (Belgium)

III. CASE STUDY OF BHARAT DIAMOND BOURSE (INDIA)

Bharat Diamond Bourse is world's largest Diamond Bourse located in G block of BKC (Bandra Kurla complex) between Mumbai suburbs of Bandra and Kurla. It spread over 20 acres. Planning was done in cluster and there are 8 towers (A-J) having 9 floors. It has Asia's largest basement area of 1million sq.ft offices located only from the first floor (600 sq. ft. each) onwards where the services occupy the ground floor. The total window area is 3, 00,000 sq.ft. with special windows having no reflective glass. Other infrastructure includes a 10 lakh sq. ft. basement area with a car park for roughly 1800 cars and air conditioning plant with the capacity of 9000 tones. The Bourse has an automatic sewage treatment plant and rain water harvesting unit. It is expected to have inflow of more than 20,000 – 30,000 people daily. The complex provide services like bank, restaurant, dining place, clearing agent, custom, trading halls, Diamond companies, cabins for trading center safe deposit boxes, storage room, conventional centers, libraries, information resource center, post offices, conference halls, shops, boutique, collection center, museums, exhibition gallery, terrace helipad, Land scape garden and other services. There are total 2500 no's of Diamond Offices, 24,500 no's of Safe deposit boxes, 3 no's of Storage Room and 8, 50,000 no's of Diamond Employee working in Bharat Diamond Bourse.

Table 1 Area of BDB services

| Services | Area in sq.ft | Services | Area in sq.ft |
|----------------|---------------|-------------------|---------------|
| Banks | 79,416 | Clearing Agents | 6750 |
| Restaurants | 31,303 | Trading Half | 6480 |
| Other services | 73,094 | Trading floor | 6200 |
| Custom | 15,059 | Land scape garden | 5, 60,000 |



Figure 1 Location map of Bharat Diamond Bourse

IV. DUBAI DIAMOND EXCHANGE

Dubai Multi Commodity Center (DMCC) was established in 2002 by government of Dubai and it was provide physical, market and financial infrastructure and this is only center in the world to unite the gold, precious metals, diamonds, coloured stones, energy and other commodities businesses and it support services such as finance, logistic and insurance. It is located in heart of new Dubai which is 45 min away from Abu Dhabi- Dubai's logistic corridor and on the main arterial sheikh zayed road, which serviced by two metro station such as Dubai international airport and new maktoum international airport reached within 30min. It is spread over 1, 90,000 sq. m. The bourse is developed in JLT (Jumeriah lake tower) free zone. It is largest free zone development in Dubai and area covered by JLT is 200 hectare mixed use free zone compromise both free hold and leasing option. The development is done in to clusters and each clusters comprising three tower blocks around four lakes which are filled with sea water pumped from gulf. There are total 79 towers in JLT. In 2013, 65 towers were fully operation. Free zone included roads, pathways, walkways, open areas, lakes, gardens, parking garage structure, all associated area and other services.

Almas tower was headquarter of DMCC free zone. It is the tallest commercial tower in Middle East with 63 floors and focal point for 79 tower development on sheikh zayed road. The diamond bourse, Dubai diamond exchange (DDE) was housed in almas tower. Providing small, medium and large market participant tower divided in to single tenant floor (accommodating larger size office) and multi-tenant (accommodating 8-9 average size office) floor and the tower is also divided in to four zones – low rise, medium rise, high rise and tower summit. In that tower there were four main commodity groups such as gold, diamonds, pearls and tea. DMCC Business Park comprises 1, 07,000 sq. m for commercial and retail space. Tower providing training facilities leading by education institutions including Gemological institute of America (GIA) and it equipped with 22 passenger lifts, loading & unloading area will also be serviced with a separate lift to all area.

V. CONCLUSION

If international diamond trading hub should be created in Surat, due to that

- Manufacturing and trading of diamond facility will be built in parallel.
- Export of diamonds direct from the Surat.
- Surat traders to get riddance of to go to Mumbai.
- More employment opportunities will be generated.
- Real estate growth will be increased.
- City will created new image at global level.
- Economy of state will be increased.

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