



MEDIA SERVICES PHOTOFILE (BEAUTY GEMS)

globally, fulfilling this promise has become challenging due to a 200 percent surge in costs in 2023 following the pandemic. Fluctuations in taxes, VAT, fuel prices and other operational expenses compound this challenge.

As a result, we struggle to consistently provide the highest quality gems to our customers as local cost factors directly impact product quality and competitiveness in the market.

Q: Which export categories are looking particularly promising this year?

A: Sri Lanka's tourism industry is experiencing growth, with tourists showing increasing interest in local products such as tea, spices and Sri Lankan sapphires. This presents a promising opportunity for the gems and jewellery sector to thrive – especially in the local market.

Tourists are now purchasing gems and jewellery alongside traditional souvenirs, signalling potential growth and development within the gem sector this year.

Q: How do you think global market dynamics have evolved when considering Sri Lanka's top export markets?

A: The global demand for Sri Lankan sapphires, which are prominently featured in trade shows, remains strong. However, government efforts to facilitate exports are insufficient.

Emerging markets like China and Oman, once crucial, have now shifted to the Middle East including Qatar, Dubai and Bahrain.

Unfortunately, our presence in the Middle East is limited, often restricted to labour roles.

Active government promotion of the gem segment could foster direct business connections with the local community, potentially bypassing unnecessary detours to America before reaching the Middle East. Supporting gem exporters could greatly aid in accessing new markets, meeting the substantial demand for Sri Lankan gems in regions like the Middle East.

Q: Is Sri Lanka's gem export strategy acceptable given the realities of international markets and related sensitivities?

A: Sri Lanka's gem strategy, rooted in tradition, has sustained its global position for centuries. However, its exports diverge from the international system, characterised by rigid processes and a less open economy. Despite challenges, Sri Lanka progresses annually through traditional methods.

Yet, adopting an international model – akin to leading regions like the US, Europe and China – could accelerate progress. With a well-defined plan, significant strides could be made within five years, enhancing growth and competitiveness in the global gem market.

Q: What measures have been taken by your organisation to ensure the seamless flow of exports to key customers?

A: We uphold a dependable supply chain, ensuring consistent fulfilment of orders and

official dispatch of goods to our customers. Our longstanding relationships with loyal customers, spanning generations, are built on trust in our ability to provide Sri Lankan sapphires at stable prices.

However, diminishing annual profit margins, attributed to high local costs, pose challenges. While we endeavour to maintain prices for regular customers, rising costs necessitate seeking new markets to mitigate these challenges.

Lower local costs would enable us to sustain our business solely with regular customers but accessing new markets is essential to our growth strategy given the current circumstances.

Q: How does your organisation invest in promotion?

A: Since COVID-19, social media platforms like TikTok and Instagram have surged in popularity, offering excellent promotional avenues. However, conducting online transactions remains challenging due to the absence of international payment gateways such as PayPal or Alipay, hindering efficiency.

To advance Sri Lanka's global competitiveness, the government must eliminate barriers and introduce modern payment systems. This step is crucial for facilitating smoother transactions and ensuring the growth of businesses.

Access to international payment gateways is essential to overcome payment processing challenges and reduce reliance on external entities for transaction processing.