

D I M E X O N .  
FUTURE PERFECT

# Emerging Asia

The Diamond Bridge of the 21<sup>st</sup> century

Presentation at Africa Summit,

Almas Towers, Dubai

13<sup>th</sup> April 2011

by Rajiv P. Mehta



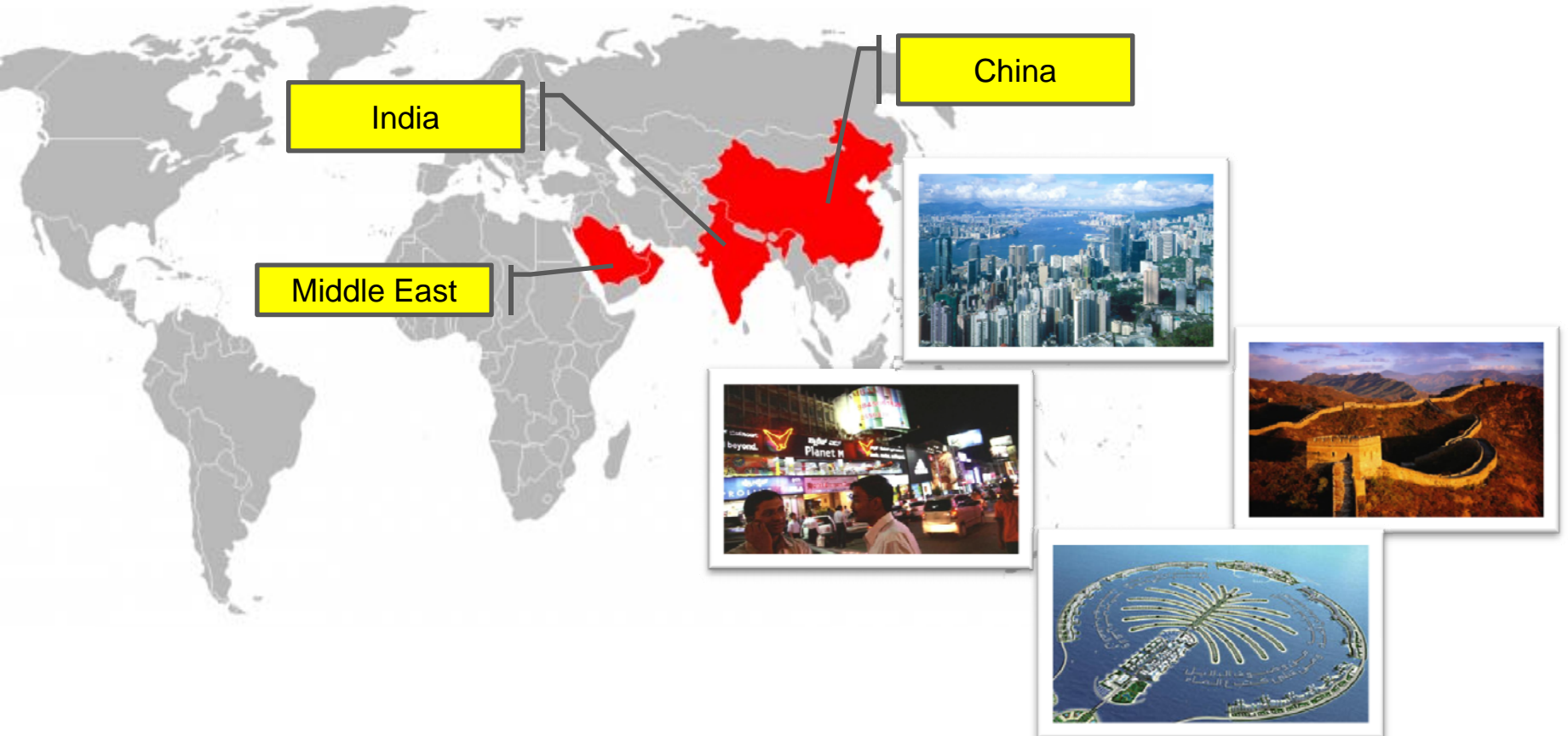
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Lets start with the future of  
consumer markets...



# Emerging Asian markets are diverse...

***Historically one of the largest consumers of jewellery... Middle East, India and China...***



...yet have a lot in common

**Rising Expenditure**



**Large Population**



**Booming**



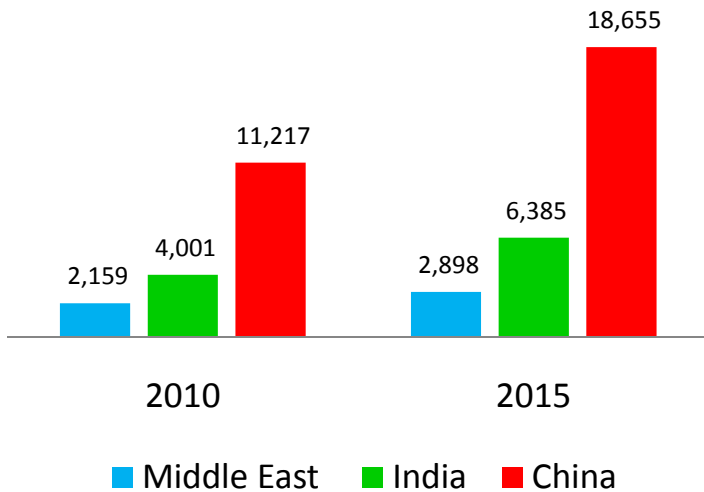
**Multi cultural**



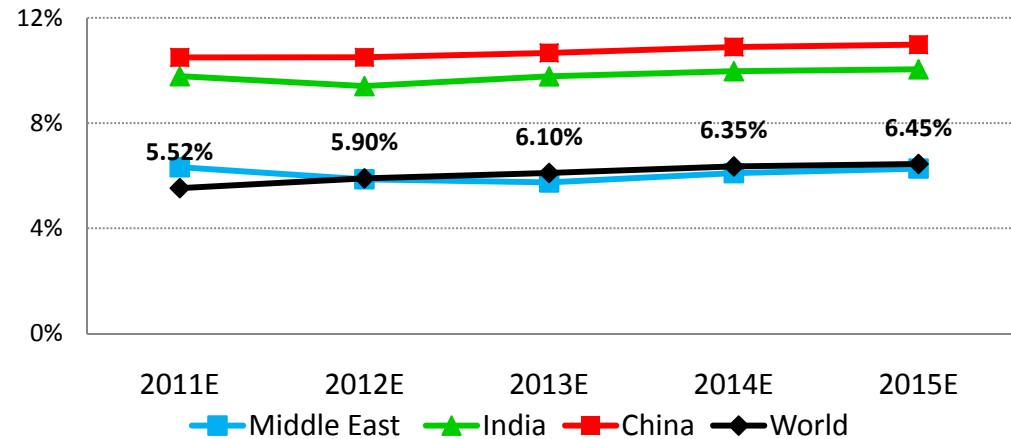
**Dynamic workforce**

# Strong GDP growth leads global recovery...

GDP (US\$ billions)



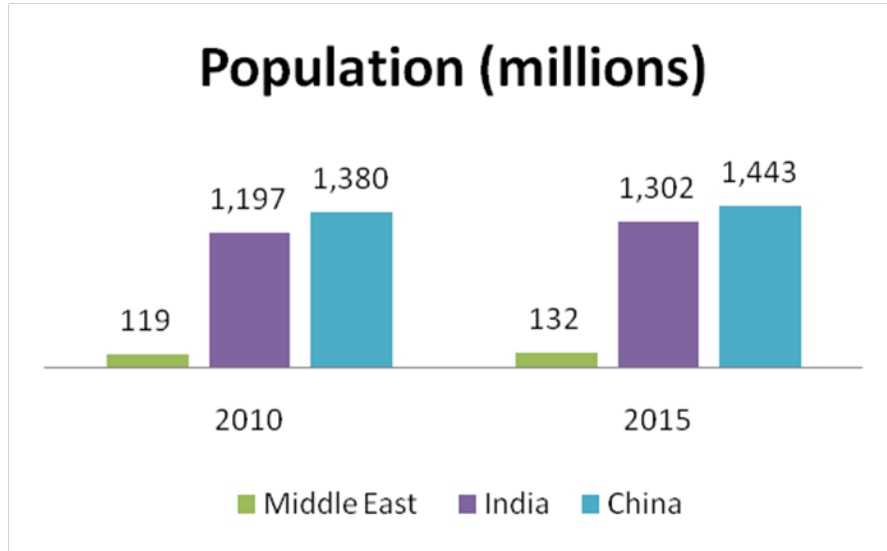
GDP growth



Source: International Monetary fund, estimates 2010

**China, India and Middle East performing above world average of GDP growth**

# ...complimented by favorable population



*“Rapidly expanding young population of the Middle East has great potential to support further economic growth”*  
- Economist Intelligent Unit Ltd, 2009



"Developing Asia's rapidly expanding middle class is likely to assume the traditional role of the US and Europe as primary global consumers and help rebalance the global economy," ADB annual statistical report.

Source: Asian Development Bank report, 2009, Economist Intelligent Unit 2009, United nations statistics 2010

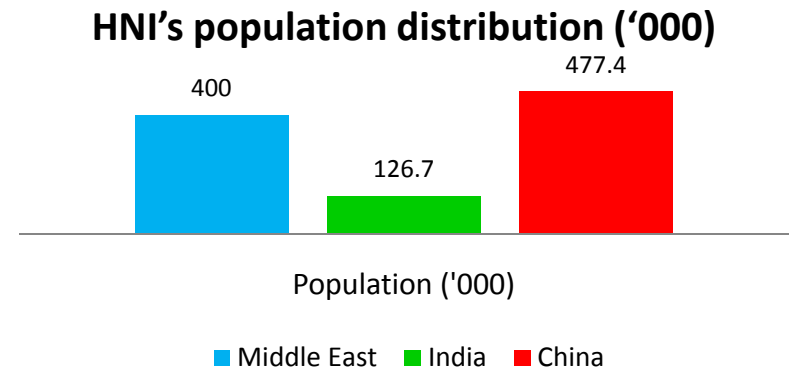
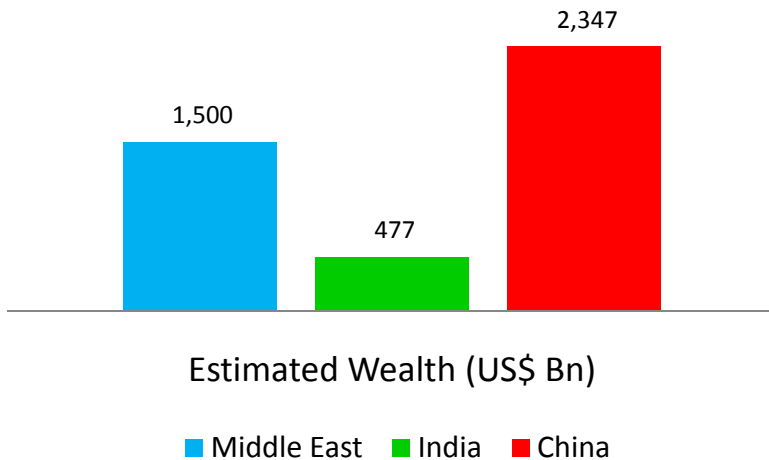
***Working women, youthful population and a rising middle class sums up Middle East, China and India***

# ...along with the rise of the wealthy consumers

Wealth of Asia-Pacific HNWI's (\$9.7 trillion) surpassed that of Europe's HNWI's (\$9.5 trillion) in 2009.



## Powerhouses of HNWI Growth



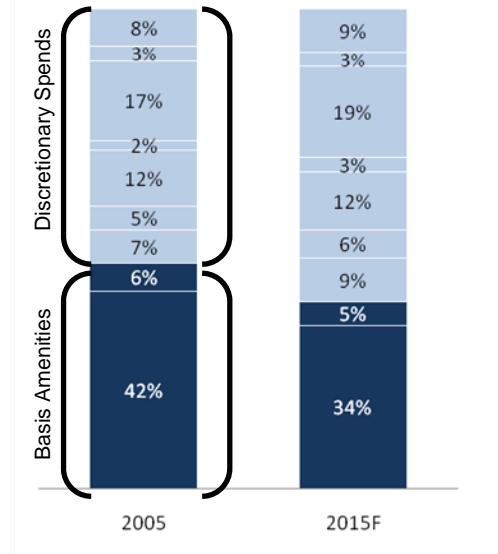
Source: World Wealth Report, Merrill Lynch Wealth Management, 2010

**“India, China to treble HNI population by 2018” - Merrill Lynch report**

# ...results in a whole new market for consumer goods



## India's share of wallet is shifting from basic amenities to discretionary items

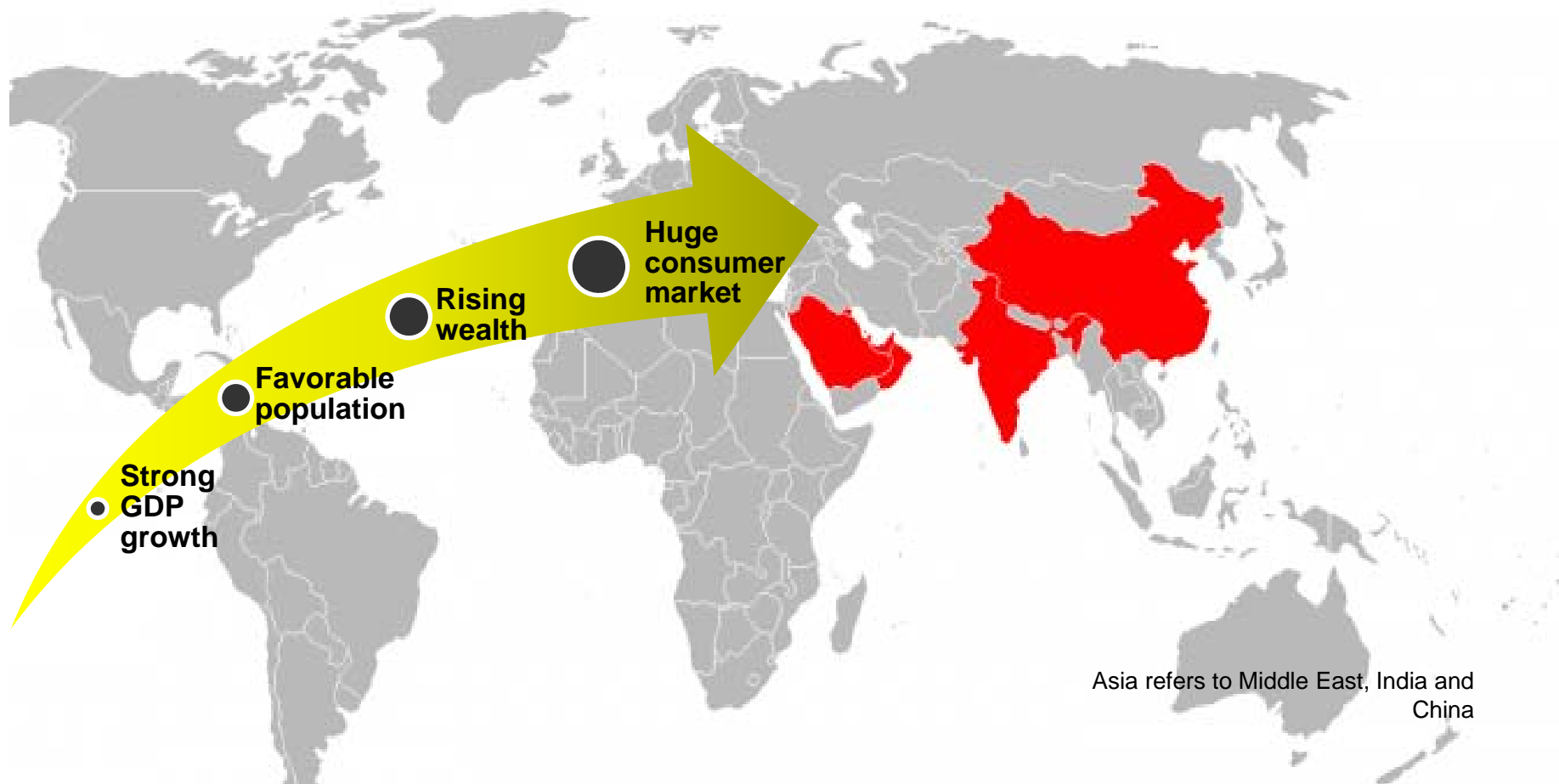


*“Asian consumers are likely to spend \$32 trillion by 2030, accounting for 43 per cent of global total consumption” Asian Development Bank, 2010*

Source: KPMG Analysis, 2005, McKinsey & Deutsche study, 2010, Asian Development Bank report on Asian consumer market, 2010

***Middle East, India and China transcend into a world of consumerism***

# In short, the future of consumer markets lies in Asia!



***Strong GDP growth backed up by favorable population and rising disposable income***

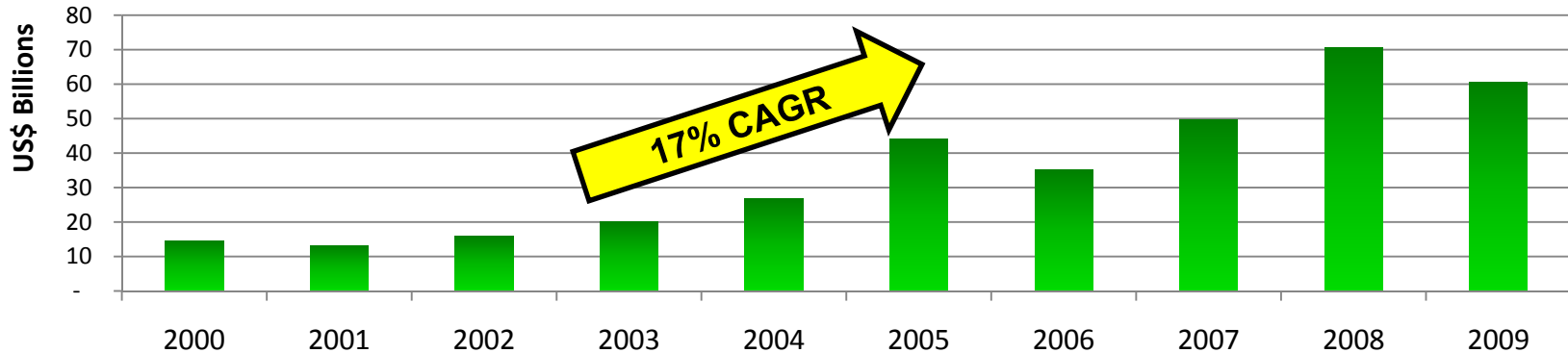
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# Moving on, to understand the Diamond opportunity



# Growing consumption over the last decade...

*Emerging Markets (India, China & Middle East) PWP consumption*



Source: UN Commtrade statistics, 2010

Country	PWP growth (%)
China	53
India	48
Middle East	34

*“India has been the fastest growing diamond market for the last 10 years, faster than China. It is currently among the top five diamond markets in the world in terms of consumption.*

*It should be in the top three in another five years”*

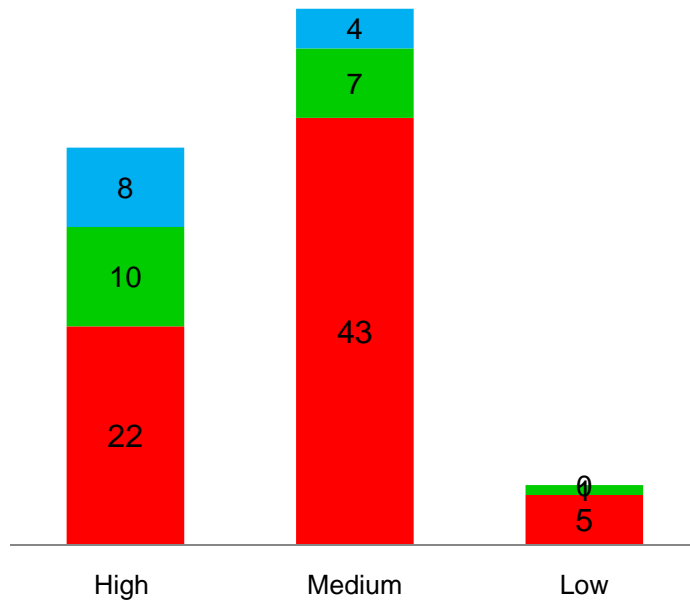
**- Stephen Lussier, CEO of Forevermark**

***China, India and Middle East lead the growth of diamond consumption***

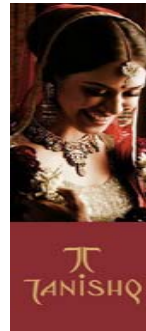
# India: A booming Diamond Jewellery market

## India: Polished Diamond Profile

■ 0.07-0.17 ■ 0.18-0.99 ■ 1.00+



Source: Dimexon analytics 2010

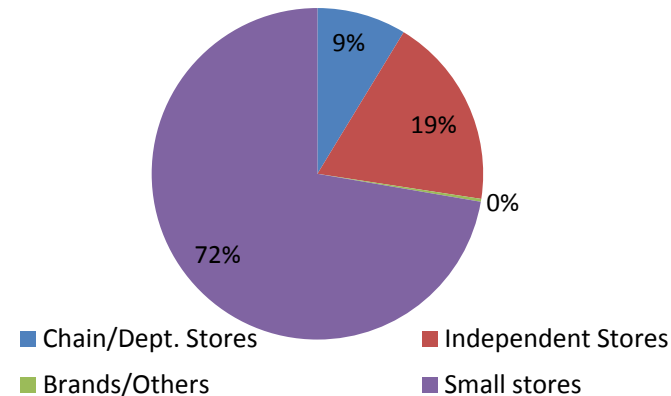


**D'damas**  
Celebrate Always



**tbz**  
The original since 1864

## Retail Trade

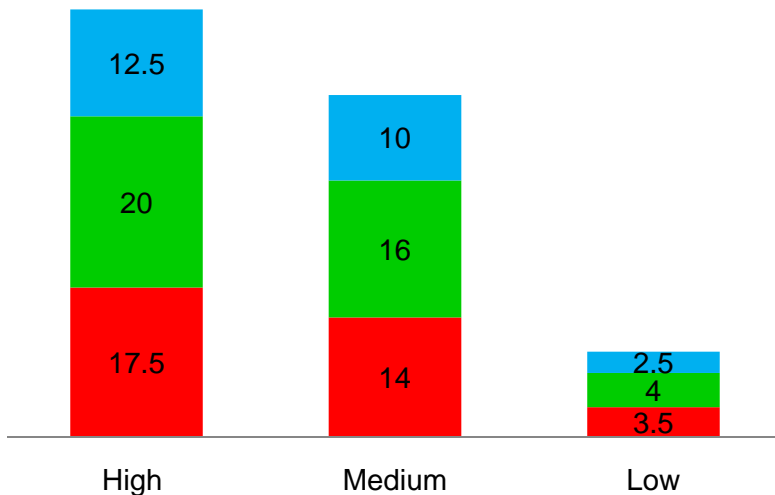


Source: DTC commissioned research, 2007

# China: Embracing Diamond Jewellery

## China: Polished Diamond Profile

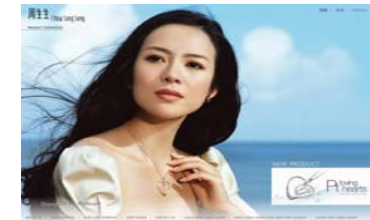
■ 0.07-0.17 ■ 0.18-0.99 ■ 1.00+



Source: Dimexon analytics 2010

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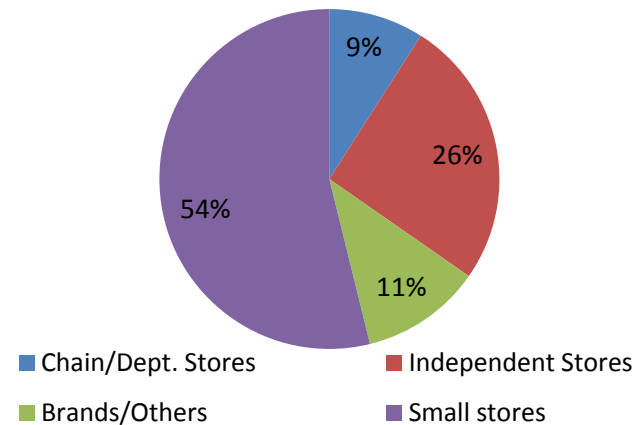
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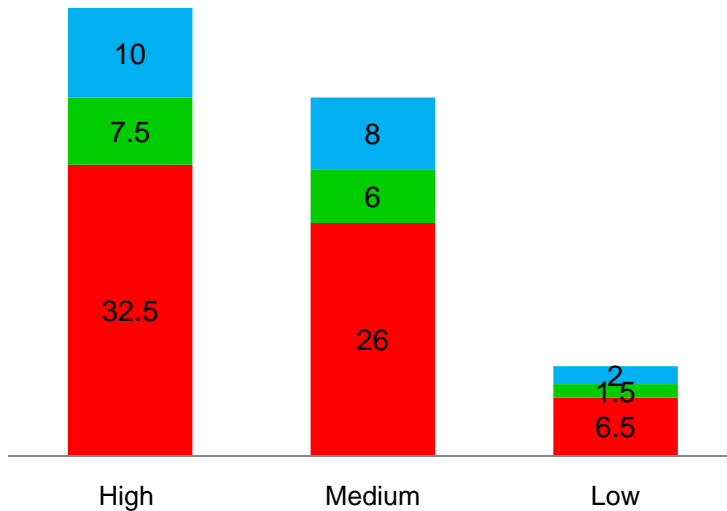
## Retail Trade



# Middle East: Growing diamond consumption

## ME: Polished Diamond Profile

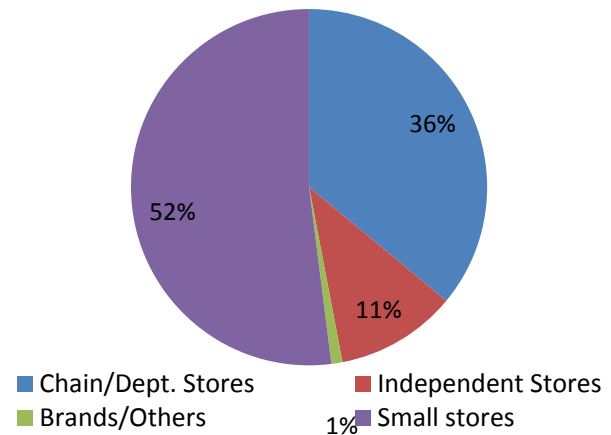
0.07-0.17   0.18-0.99   1.00+



Source: Dimexon analytics 2010

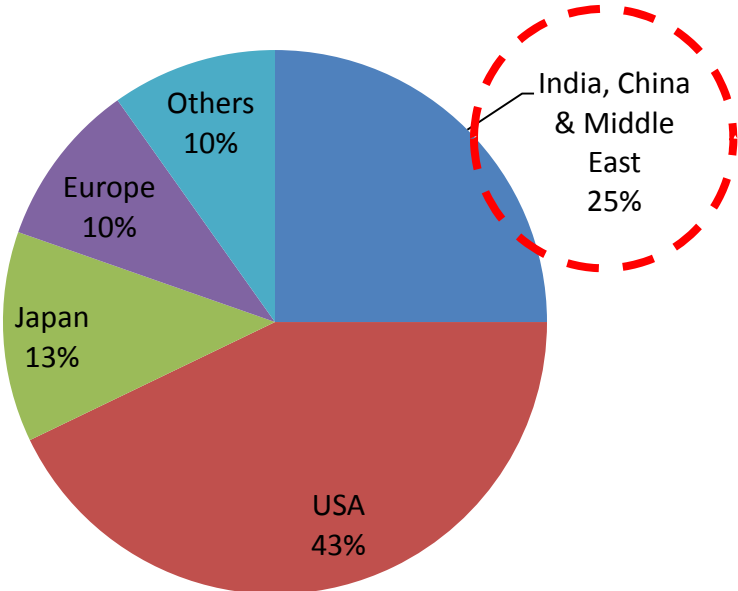


## Retail Trade

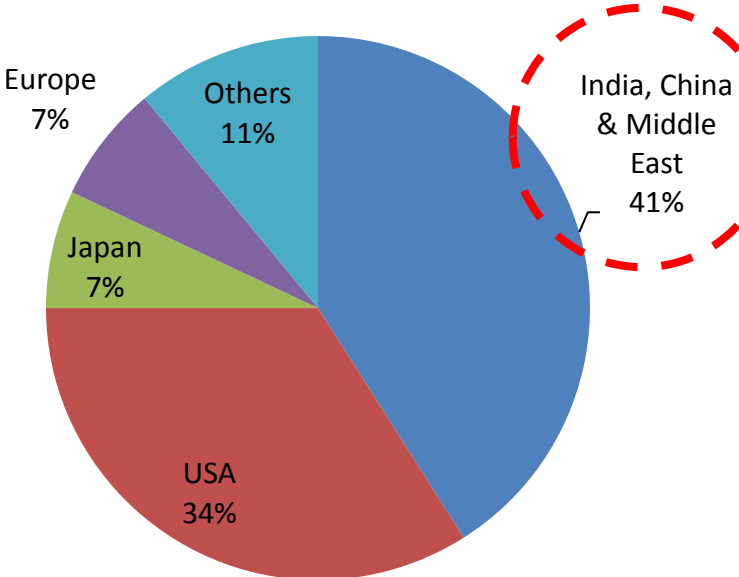


# Ultimately, emerging Asia outperforming developed markets...

### Jewellery consumption 2010 E



### Jewellery consumption 2015 F



Source: DeBeers, 2007 and Dimexon analysis, 2011

**China, India and Middle East would cover 41% (USD 31bn) of Jewellery market by 2015**

# ...and Dimexon is well positioned in these markets

## **Dimexon India**

- Large manufacturing infrastructure in southern India
- Employing over 4000 skilled people
- Implemented cutting edge manufacturing technology
- Sales offices across Mumbai, New Delhi, Kolkatta, Surat and Coimbatore (covering all Indian zones)
- Strong market penetration, supplier to largest retailers in India

## **Dimexon China**

- Market entry in 2005, the fastest growing market for Dimexon
- State-of-the-art Jewellery manufacturing unit employing 500 people in Qingdao
- Trusted supplier partnerships with top five retailers
- Sales offices in Shenzhen, Shanghai and Qingdao

## **Dimexon Dubai**

- Established since 1999
- Important diamond and jewellery supplier to top 10 retailers in Middle East
- Strong distribution network supported by 35 people
- Largest rough sourcing subsidiary of Dimexon Group



Dimexon Diamonds Unit



Dimexon Jewellery Unit



Dimexon Dubai offices in Almas

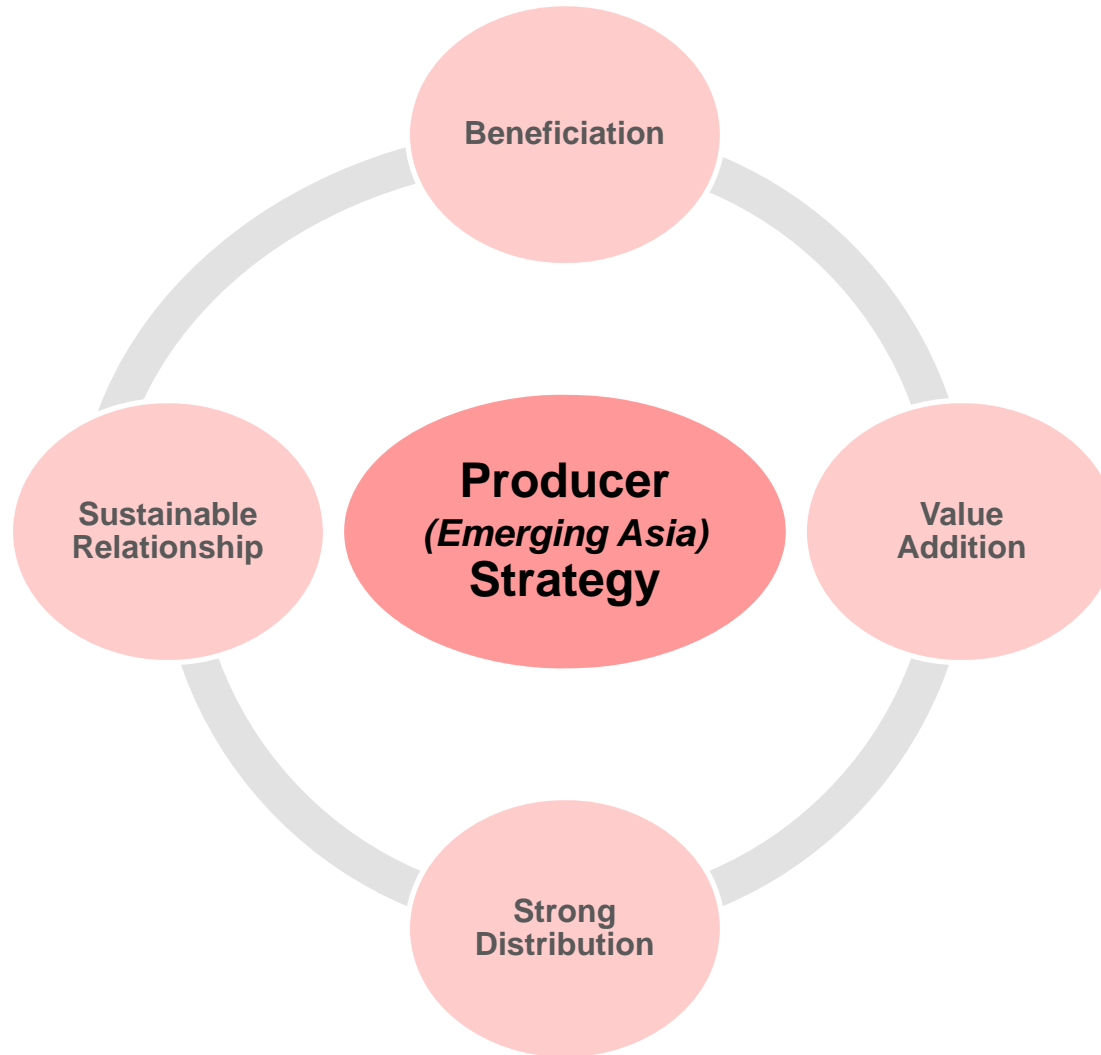
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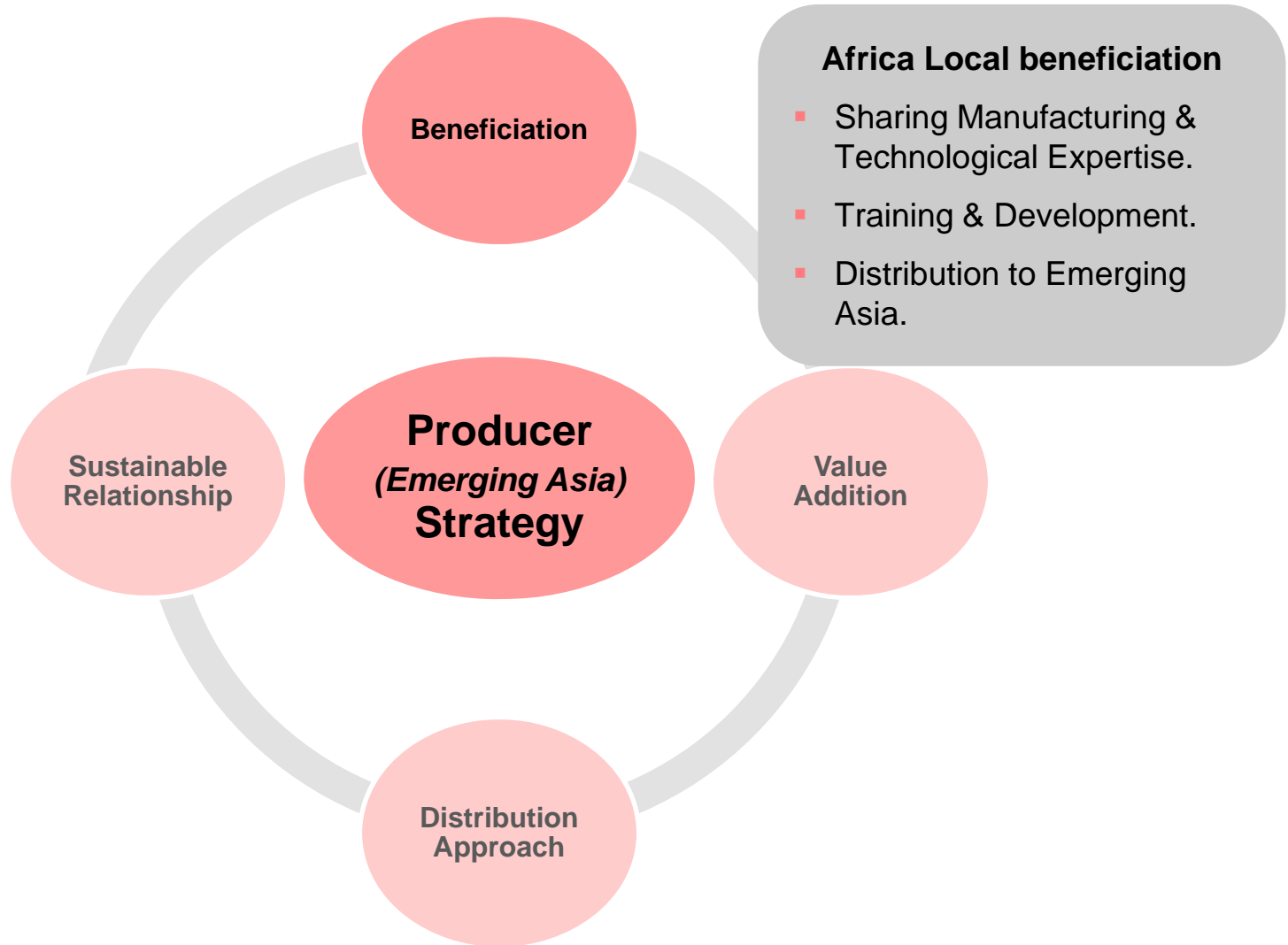
Finally, how can producer countries benefit from emerging Asia?



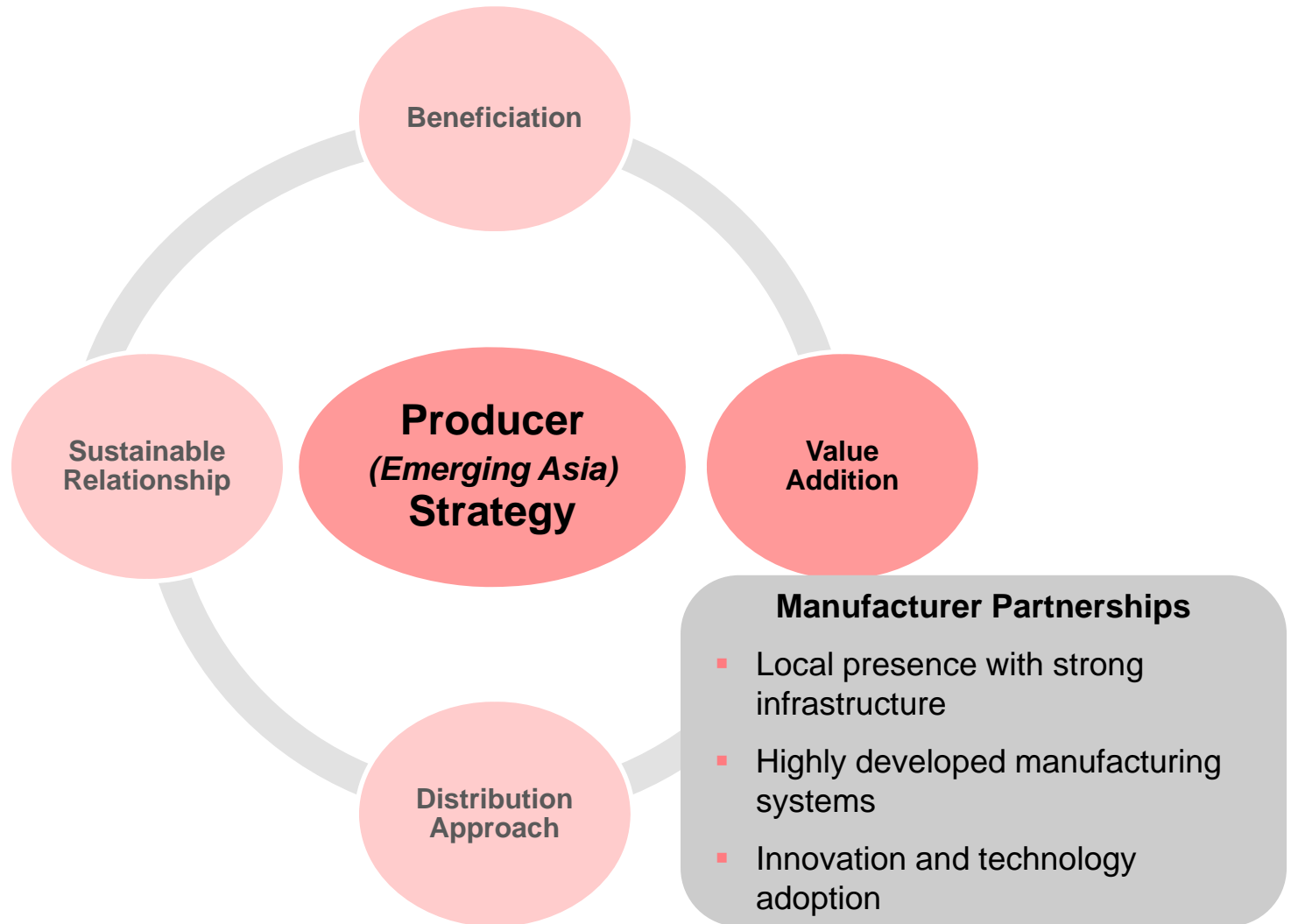
# Strategy to leverage Emerging Asia..



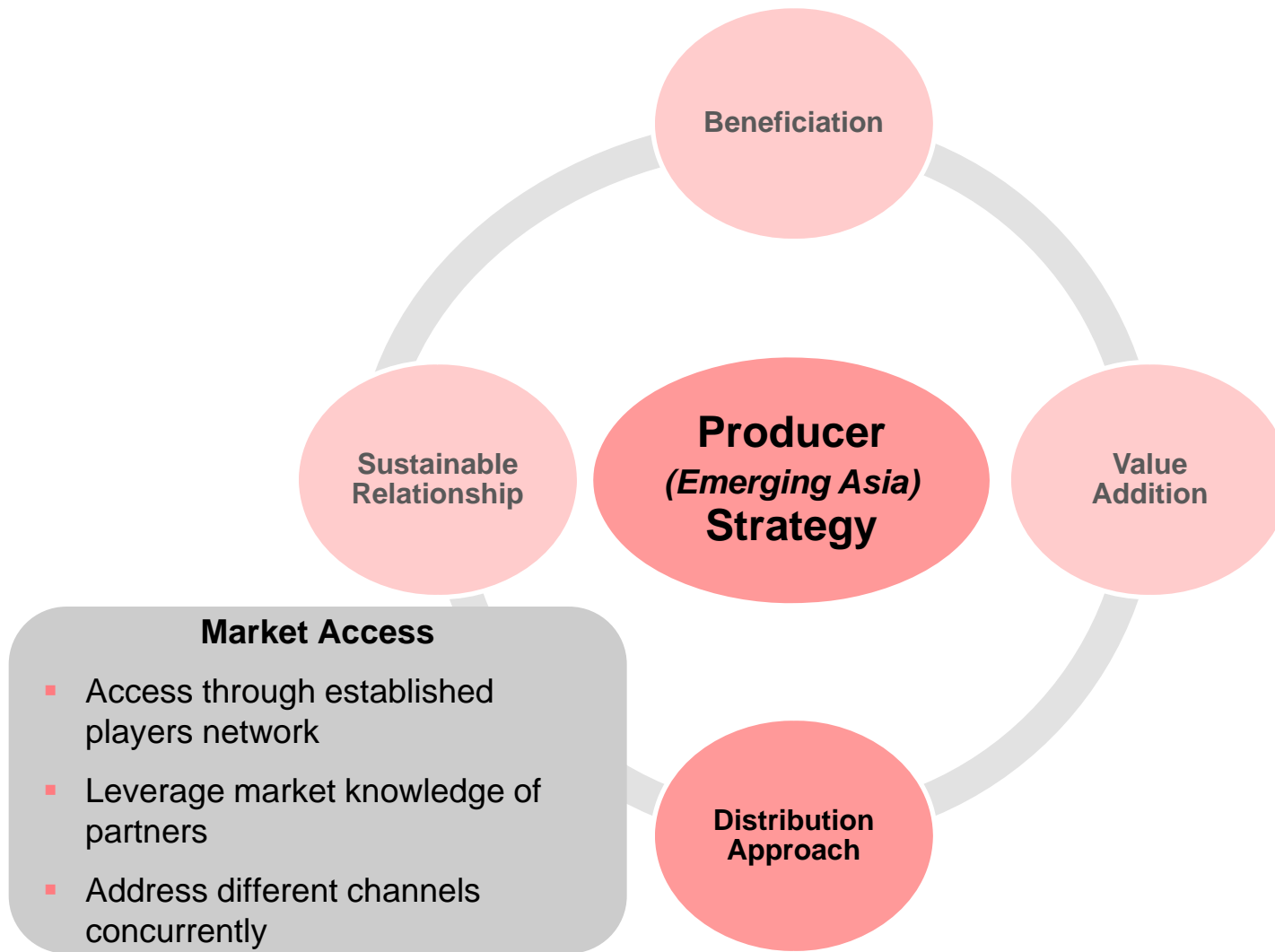
# Economically feasible local beneficiation



# Value addition through manufacturing...



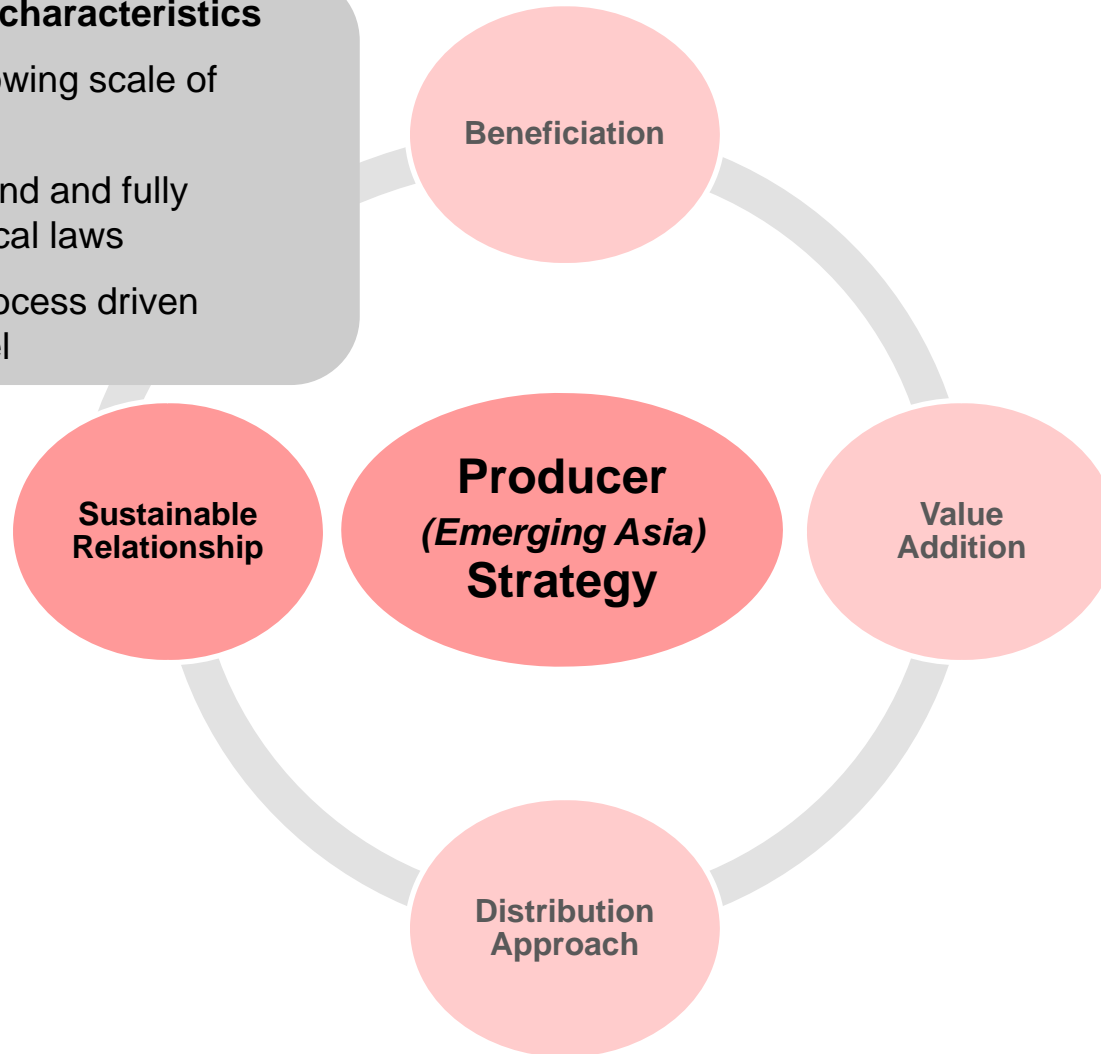
# Distribution through global network...



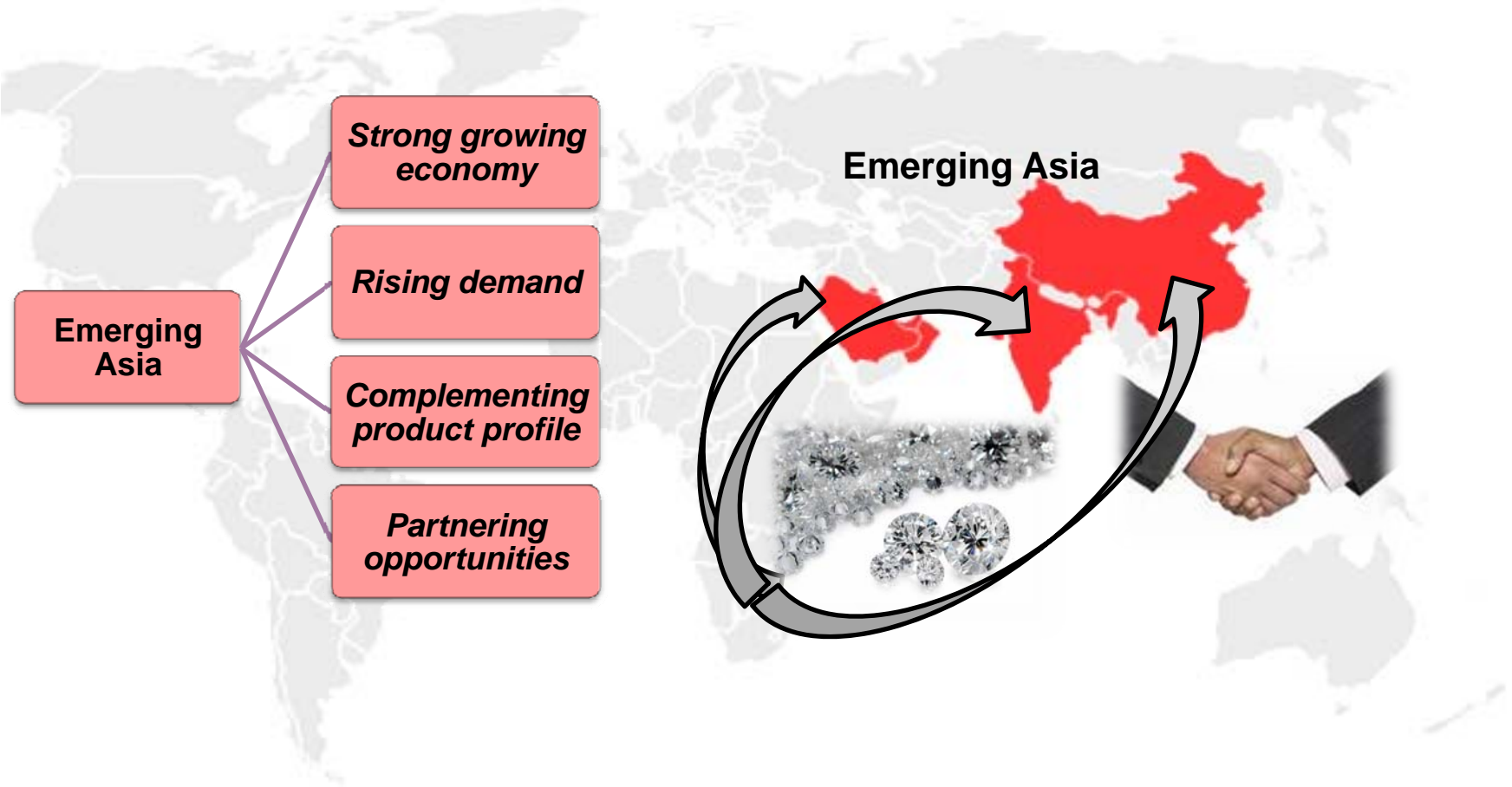
# Sustainable partnerships for the future...

## Ideal Partner characteristics

- Consistent, growing scale of operations
- Financially sound and fully compliant to local laws
- Sustainable process driven business model



# Bridging *African* mines to *Asian* markets...



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Thank you

