

GJEPC urges Govt. of India to implement clear guidelines for disclosing natural and lab-grown diamonds.

In light of shifting consumer preferences and increasing demand for lab-grown diamonds, the Gems and Jewellery Export Promotion Council (GJEPC) is urging the Indian government to establish stringent regulations for the clear disclosure of whether a diamond is natural or lab-grown. This initiative aims to protect consumers and uphold the integrity of the domestic diamond industry.

The GJEPC has communicated with the Department of Consumer Affairs, highlighting the widespread misuse of terminology in marketing lab-grown diamonds in India. As these diamonds are often seen as more affordable, ethical, and sustainable, the council argues that transparent guidelines are essential to avoid consumer confusion and maintain market integrity.

To address this critical issue, the GJEPC advocates for the adoption of the U.S. Federal Trade Commission (FTC) guidelines. These guidelines provide standardized nomenclature and mandatory disclosure requirements for both natural and lab-grown diamonds, which would help eliminate ambiguity in the marketplace.

The council has pointed out significant gaps in the current Consumer Protection Act, which, while offering some safeguards against unfair trade practices, lacks specific provisions for distinguishing between natural and lab-grown diamonds. This absence of standardized



guidelines has led to confusion among consumers and allowed unscrupulous traders to misrepresent lab-grown diamonds as natural, potentially causing consumers to make costly mistakes.

The diamond industry is also grappling with challenges stemming from the Russia-Ukraine conflict, which has disrupted the global diamond supply chain. Sanctions on Russia, a major producer of rough diamonds, have further complicated trade and contributed to market instability. In this context, clear regulations are more vital than ever.

The GJEPC has emphasized the need for a robust framework within consumer protection

laws to ensure that lab-grown diamonds (LGDs) cannot be falsely marketed as natural diamonds. The lack of clarity around diamond terminology and the significant price differences between natural and lab-grown diamonds create an environment ripe for consumer deception.

The council's letter to the Department of Consumer Affairs underlines that unscrupulous practices are eroding consumer trust and tarnishing the industry's reputation. Consumers may unknowingly pay premium prices for LGDs misrepresented as natural diamonds, leading to significant financial losses.

Additionally, the Indian government has been promoting the manufacturing of lab-grown diamonds by eliminating customs duties on LGD seeds and approving research grants to Indian Institutes of Technology for developing

indigenous LGD production technology. Despite these initiatives, the GJEPC stresses that consumer protection through transparent regulations is paramount.

Aligning Indian consumer laws with internationally recognized guidelines will enhance consumer confidence and ensure fair trading practices, the GJEPC argues. To facilitate this, the council has requested a meeting with relevant stakeholders to discuss these pressing issues and develop a coherent strategy for implementing clear disclosure regulations in the diamond market.

As the industry evolves and consumer preferences shift, establishing clear guidelines for the distinction between natural and lab-grown diamonds will be crucial for protecting consumers and ensuring a fair marketplace.

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