

FURA - Green resurgence



After nearly a decade long stint at the helm of Gemfield Plc., a global mining company, **Dev Shetty**, takes over as **Fura's President and Chief Executive Officer**. In his former position as group chief operating officer and board member, he developed the world's largest producing emerald mine in Zambia and transformed a greenfield ruby project in Mozambique, into the largest ruby deposit in the world. Under his astute leadership, in less than twelve months of joining, Fura has not only acquired four Ruby Licenses in Mozambique but has also started the drilling programme to study the geology of the location. He speaks to **The Retail Jeweller** soon after making the public announcement of Fura's proposed acquisition of the renowned Colombian emerald mine, Coscuez, which has been the source for some of the finest emerald pieces in the world. **Soma Bhatta**

The opportunities in the colored stone category have been widely acknowledged by the gem and jewellery industry. Yet, the unorganized nature of business and the yawning gap in the demand and supply continue to keep the business in few hands. Fura Gems Inc., a new gemstone mining company, is all set to change the game by going the extra distance to enable the trade as a whole to gather that extra premium from the category.

The Retail Jeweller (TRJ): What is the vision for FURA?

Dev Shetty (DS): The color gemstone industry still remains highly fragmented with about 90% of the sector in the hands of small-scale or artisanal miners, individual private players and government of respective countries. Fura's vision is to set the new precedent for best practices in the gemstone industry by transforming current

standards into the premiere example of employee-friendly, sustainability-driven, community-centered enterprise. With our mission to organize the sector and market it globally we have embarked on a Ruby project in Mozambique and Emerald project in Colombia.

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TRJ: What are the larger issues of the colour gemstone mining industry?

DS: Today the situation is not just stagnant but moving backward. Mining today runs the risk of becoming a bit of a backwater. A lot of emerald manufacturers both in Colombia and India have left this sector, which means a lot of expertise has left the market. There isn't enough product in the market. So we are losing skills as well as volume. The trading hub for Colombian emeralds in Bogota, Colombia, is much less busy than it was four or five years ago. It has shrunk even as global demand has gone up because of the lack of supply.

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mining — that is, geology. Companies have not invested in organised mining. Business here has never run on the basis of long-term strategy, so reinvestment has not taken place. But in the emerald mining business you need long-term vision, not short-term thinking.

We have to improve working conditions. We must formalise relations with employees and other stakeholders. It's time to discard the questionable practices of the past, because they show the entire mining industry in a poor light.

Additionally, across the whole sector we must improve transparency. "Sustainability" and "provenance" are powerful selling points. This is no secret — and yet, if you ask in the trade how a particular stone has been mined and brought to market, the answer usually is a blank. It is up to gemstone and jewellery producers and retailers to fill this vacuum. They have to know how a stone came to the market, and who got it there. Marketing is going to be an important element.

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TRJ: What will FURA do to help fix the problems of the colour gemstone mining industry?

DS: An organised player like us, by coming in we commit not only to invest in marketing. We speak the language that today's consumers prefer to hear. But marketing is not by any means the sole concern.

Investments are needed across the various stages of mining including pre-post and during mining. Investments in science, in geology and other disciplines, to improve assessment, investments that will build the industry's expertise in underground mining, investments that help scale up to large-scale mining and as we have said, in developing the market and gaining prominence.

We also bring technology and the knowhow to help organise the sector.

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We commit to bringing the local community, including our employees, into the development story. At FURA we aim to bring our local workforce into the mainstream. The workforce has to be, and has to feel, part of the business. For us it is important that we continue to employ and empower people, and lay down strong roots.

TRJ: Fura has recently announced its plans for acquiring the renowned Colombian emerald mine, Coscuez, which has been the source for some of the finest emerald pieces in the world. What are the opportunities in the Colombian emeralds? How does FURA plan to leverage them?

DS: Colombian emeralds have a long and rich history. Peak production of Colombian emeralds was 9.8 million carats in 2004. It has come down since, to 2.4 million carats in 2016. The peak sale revenue of USD450million in the year 1998 has dropped to USD150million in the year 2016. That's a steep drop. [Shetty addresses the reasons for this decline later in this interview.] But demand has been steady. The result is that prices have gone up manifold. Colombian emeralds have become very expensive.

Very few stones, very few players, a lot of people competing for the stones. So the emeralds eventually make their way into very few hands. Ordinary buyers get no opportunity in this business.

That is the gap we want to bridge. We will not be able to bridge it entirely, but we will take the first steps. We believe that there is a wonderful opportunity to grow, but first we have to cover the current shortfall and then move beyond.

With our global links we open access to a much wider clientele, and this is sure to lift Colombian emeralds not only back to where the market was

in 2003, but to help it grow far beyond that benchmark of 9.8 million carats.

TRJ: If Colombian emeralds command a price premium because of the supply shortage, how do you see the increased production impacting prices?

DS: Right now there is ambiguity in the pricing. The demand is so high that people are willing to pay extra. We can maintain the price level even if we increase supply. With introduction of grading system for rough Colombian emeralds, the price for top-quality emeralds can still go up, and the price for lower-quality gems can still soften. On average, you can achieve the same price.

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TRJ: Will FURA create value for retailers?

DS: If we brand the category of emeralds produced from Colombia, it can lift the emerald market in a multi-faceted way. There are some headwinds, unfortunately. One of the difficulties is that consumers face a lack of good-quality information about Colombian emeralds. Another is wrong notions such as the idea that emeralds share some connection with the drug cartels for which Colombia used to be known. Both these issues can be tackled with education and marketing. So we need to create a platform that will allow us to stand up and talk to the market and our target audience.

When an organised player starts selling Colombian emeralds, it also promotes a lot of features of the emeralds. These features become an important element of the marketing. They also enrich the sales-staff training and education that are an



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essential part of customer outreach. No one has marketed Colombian emeralds before in an organised way. We will work through our marketing platform with Indian retailers to educate the market and create the awareness of the intrinsic features of the Colombian emeralds.

TRJ: Will the Indian gems and jewellery industry see any direct trade benefits from FURA's initiatives?

DS: Jaipur in India is the largest hub in the world for cutting and polishing emeralds. We believe that with the increase in the supply of the Colombian emeralds, the Jaipur manufacturers will definitely be able to come back to the sector and add Colombian emeralds to their portfolio. With the significant reduction in the Colombian emerald production, the

Jaipur manufacturers have moved into Zambian and Brazilian emeralds FURA will incorporate standardised grading, and will sell through an auction platform. We will supply the market with gems of consistent quality, which is not happening with Colombian emeralds at present.

As the volumes go up, the infrastructure of grading and quality consistency becomes increasingly effective. As a gemstone expert can tell you, it is impossible to get accurate grading with very low volumes of production. So, in the past, Colombian emeralds were not graded. FURA will supply our trade partners with graded emeralds, and they can pick up gemstones according to their needs and clientele.

In short, this industry needs to be led from the front and Fura is well positioned to take the lead and benefit each source country and the trade as a whole.

TRJ: How is the Colombian emerald positioned in the minds of the consumer?

DS: From the consumer perspective, emeralds have always a choice of colour and Colombian emeralds have always found space in the Indian culture. Colombian emeralds have a long and rich history. They have been

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mined in Colombia since the 1480s, more than 500 years ago. Even in more recent times, you have Elizabeth Taylor in the 1960s with her taste for magnificent jewellery, including Colombian emeralds. Think of Angelina Jolie and the show-stopping Colombian emerald earrings and ring she wore to the Oscars in 2009. I think modern celebrities consider the emerald a suitable match for their own radiance. With A-list associations like Taylor and Jolie — not to mention Indian royalty from the Mughals to Maharaja Bhupinder Singh of Patiala — it is hardly surprising that emeralds are considered desirable and fashionable.

We believe that with our objective to bring back the Colombian emeralds to the global platform, Indian consumer will be able to get back the access to the product more consistently.