RISING GOLD PRICES STRAIN INDIAN JEWELLERS

The worrying rise in gold prices has placed jewellers across India in a very difficult position.

As a jeweller from a family involved in this trade, 'difficult position' is a serious understatement. It is an existential crisis for the small dealers spread across every corner of the country.

To illustrate the shock: a 10-gram 24-karat coin, which cost Rs 87,000 nine months ago, now costs a staggering Rs1.35 lakh. A massive increase of 60% in just nine months is unprecedented. This has left no one time to adapt - neither the industry nor the consumers.

And my deepest concern centres on a simple question: whose income in India rose 60% in nine months? Almost nobody's.

Therefore, families buying wedding jewellery are faced with heartbreaking compromises. A family that planned for a 20-gram 22-karat necklace now has to choose: either a lighter 12-gram piece that appears larger, or a 20-gram piece in 14-karat gold, which is only 58.5% gold.

They spend the same but receive far less of the metal that symbolises their savings and blessings.

Similarly, for jewellers, this crisis impacts multiple aspects. They see margins disappear as the market shifts towards less profitable products like coins and bars.

This creates a domino effect: our talented designers, the heart of the industry, see their work devalued. With people barely able to afford the metal, demand for intricate, high-margin designs has plummeted. We are turning into metal traders, and our entire creative ecosystem is at risk.

Furthermore: crippling inventory costs are suffocating the industry. For smaller jewellers, their capital being frozen in gold inventory at these prices is a significant issue.

This results in a complete freeze of working capital, leaving tight cash flow for rent, salaries, or bills.

Here's the difference: a large chain employs extensive balance sheets and bank credit to survive, whereas a small jeweller is often forced to lay off trusted employees just to keep their business afloat. Most tragically, the impact on our artisans is devastating. India's nearly five million karigars are custodians of a craft passed down through generations. They now face a severe loss of livelihood. With demand for intricate jewellery collapsing, these master craftsmen have less and less work.

And with this, we risk losing more than jobs - we may also lose irreplaceable cultural heritage, as skilled artisans are pushed into manual labour just to survive.

This is why I am deeply worried.

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