

Chapter 1

1. Introduction

Thailand Gemstones and jewelry industries play a significant role in the jewelry world market. Gems and Jewelry trade in Thailand has been existed for more than over 40 years. Gems and Jewelry also has been ranked number three in 2012 and always running in Thailand top ten export market every year. This shows that Thailand gemstones and jewelry industries has a very high value market share in the world.

According to Thai history from ancient time, Thai craftsmen artists used traditional craft mostly gold and silver but later the very first gems used were rubies which appeared in Mon gold jewelry, with its “dot” design, and increasingly the use of emeralds and sapphires in combination with rubies come into popular with brilliant works of the Ayutthaya Period, 200 to 600 years ago, where the gold crafted crowns, swords, even items of clothing were arranged with gemstones setting with the magnificence of the Thai hand crafts. From ancient time, Thai gold, silver craftsmen not only craft the gold but also cut and polish the gemstones art until now they gradually handed over their art to the new generation and now with the use of high technology and machinery in the manufacturing process have also aided in the industry’s development. Thai government and Thai Gem and Jewelry Trader Association (TGJTA) also support to increase quality, design and celebrate one year two times Bangkok gems and jewelry fair to meet the demand of international buyers, seller and trade to help to achieve its goal of becoming Asia’s Gems Jewelry Hub.

Gems and Jewelry industry group include two industries: gems industry and Jewelry industry. But we can see that gemstone industry is one of the main suppliers for jewelry industries. Gems industry is into manufacturing of diamonds, colored stones, both un-cutting and finished cutting, including artificial stones. Actually a few gemstones are mined and find in these day in Thailand because the old mining centers such as Chantaburi, Kanchanaburi are lack of resource. Thailand imports rougher gem material than exports. The rough stones and some unheated gemstones come from its neighboring country, especially Myanmar, Cambodia, Lao and, more distant country like India, Sri Lanka, Africa, Colombia, Russian, Madagascar and Brazil etc.; where most of the gems you can see in Thai markets. But Thailand has remain the top sourcing gems with internationally recognized testing facilities and leading new technology cutting, polishing, setting industries and now is a major importer of diamond, precious stones, semi-precious used in settings for export to jewelry lovers all around the world.

According to gems and jewelry institute of Thailand the overall report in 2005 precious and semi-precious export amounted to 7.14% and 7.30% in 2006. Then, in 2010 the precious and semi-precious exports sharply decreased to 4.09% and 4.90 % in 2011.

It shows the precious and semi-precious export decrease by 2.24 % in 2011. Then import precious and semi-precious in 2005 / 3.58% compare to in 2011 / 1.52%. Not only the export but also the import decreased to 2.06%. This figures show just one part of gemstones industry situation. Thus, this research will figure out what is the impact export and import has on gemstones industry.

Even though Thailand has a good quality of gemstones and very high quality of workers skills but Thailand is facing high competition from other countries with low labor costs; high rate of import taxes; the rules of origin for gemstones; the rules of product origin; Consumer behavior; depend on the country gemstones price competition and including new tariff barriers which play an important role for international import and export trade.

1.1 Problem Statement

Thailand has been one of the countries that export a lot of jewelries to the rest of the world. It gets its raw materials from many countries like Nigeria, Madagascar, Tanzania, Guinea, Mali and others all in Africa as well as India, China, Hong Kong, Sri Lanka all in Asia and Brazil in South America. In recent times, there has been a drop in the revenue gained from the export of gems and jewelry. Factors such as political instability, natural disasters at the gemstones producing countries, world economic and the Euro-zone crisis were seen as the major factors contributing to the drop in the revenue.

1.2 Research Objective

The following research objectives are considered in this study:

1. To study about the difference attitude towards factors facilitate import and export trade of gemstones market.
2. To study about the difference attitude towards wholesaler and retailer have difference attitude towards factors facilitate import and export trade of gemstones market.

1.3 Research Questions

1. What are the competitors of Thailand gemstones import and export position market?
2. What is the difference in opinion between whole sale and retail attitude towards gemstones market in Thailand?
3. What factors affect the gemstones export and import market in Thailand?
4. How can political recession and natural disasters impact on gemstones export market of Thailand?

1.4 Scope of the study

This research focuses on the gemstones export and import market of Thailand only and the data is obtained from 2002 to 2011. Firstly the general information of the gemstones history of Thailand gradually developed and became the world recognized Thai technology gems heat-treatment, polishing, design, low labor cost. Secondly the researcher analyzed and identified the problem that occurs in the gemstones export and import competitive market and to solve the non-traffic barriers in the some of the major countries.

1.5 Significance of the Study

The study helped to know Thailand gemstones history place. This study seeks to contribute to the academic knowledge in area of gems and jewelry business. The findings may assist people into the business to find solution to this menace.

1.6 Limitation of the Study.

During this study, certain drawbacks were envisaged that made the study to be completed late. Time was the major constraint. The researcher had to blend working time and study time which was not easy for the researcher.

Access to respondents to administer the questionnaire was yet another big drawback. Most respondents were not ready to reveal their personal information so some declined to provide answers on the questionnaire making the work a bit harder. Some did not even return their questionnaires to the researcher.

1.7 Organization of Work

This study has been organized into five (5) chapters with details as follows: Chapter one contains the introduction, problem statement, the objectives, research questions, scope of the study, significance of the study and the limitations of the study. Chapter two (2) covers the literature review which consists of the following. Overview of gems and jewelry industry, the conceptual framework, variables reviewed such as demography, age, gender, income, education and the customer perception and conclusion. Chapter three (3) highlighted on the research methodology which consists of the following sub headings: Research design, methods of data collection which included the primary and secondary methods, sampling techniques, techniques and tools of data analysis and presentation which includes; tools for hypothesis testing as well as ANOVA, tables etc. Chapter four (4) however focused on the analysis of the data collected using the tools like tables and ANOVA. The chapter is made up of;

For hypothesis testing the following statistical techniques are being used on the tabulated data.

- t- test
- ANOVA (Analysis of Variance)

In the current research design is being applied and values are interpreted with the help of the table as well as SPSS software

