

GJEPC

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GEM & JEWELLERY TRADE TRENDS

QUARTERLY (Q3) REPORT - FY- 2023-2024



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The Gem & Jewellery Export Promotion Council

Sponsored by Ministry of Commerce & Industry, Govt. of India

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Preface

Gem and Jewellery exports with a growth of 4.06% during the Q3 of 2023-2024 witnessed a 'V' shape recovery after declining whoppingly by over 20% during the last two quarters. The recovery was fueled by resilient growth of Indian economy, festive season, positive consumer sentiments and growing impact of India-UAE trade pact. This analytical report analyses the Q3 performance and explains the possible reasons for trade performance in Q3 of FY2023-24.

Exports of Plain gold jewellery, Platinum jewellery, Coloured gemstones and Pol Synthetic stones rose due to rise in exports of plain gold jewellery in UAE market, shifting preferences towards platinum jewellery and rising interest in coloured gem stones studded jewellery among others.

Polished diamonds, LGDs, Studded Gold jewellery, and silver jewellery reported negative exports during April - December 2023 in comparison to same period last year. This is majorly on account of global economic conditions, reduced consumer demand in top export destinations, supply-chain disruptions, and decline in prices of natural and lab grown diamonds.

The exports of the gem and jewellery industry in the last quarter of FY2023-24 may not do well due to the recent announcement of increase in import duty on gold and silver findings, supply of raw materials, economic conditions, and market dynamics.

Key highlights of G&J trade trends are mentioned here below: -

I Gross Exports – December 2023

In December 2023, gross exports of G&J grew by 14.12% y-o-y to US\$ 2.91 billion as compared to US\$ 2.55 billion registered during December 2022.

II Gross Exports – October -December 2023

During Q3- October- December 2023, gross exports of G&J grew by 4.06% y-o-y to US\$ 8.72 billion as compared to US\$ 8.38 billion registered in April - December 2022.

III Gross Exports – April -December 2023

During April- December 2023, gross exports of G&J fell by -16.05% y-o-y to US\$ 24.42 billion as compared to US\$ 29.09 billion registered in April - December 2022.

IV Commodity-wise exports- April-December 2023

a. Cut and Polished Diamonds

Cut and polished diamond exports declined by (-) 28.26% to US\$ 11926.93 million during April -December 2023 as compared to US\$ 16626.36 million recorded in the same period last year.

b. Lab-Grown Diamonds

Pol lab-grown diamond exports declined by -22.95% to US\$ 1024.99 million in April-December 2023 as compared to US\$ 1330.29 million registered in the same period last year.

c. Coloured Gemstones

Coloured Gemstones recorded a growth of 20.02% in April- December 2023 to US\$ 343.41 million from US\$ 286.13 million witnessed in April- December 2022.

d. Gold Jewellery

Gold jewellery exports recorded a growth of 15.06% in April- December 2023 to US\$ 8489.03 million from US\$ 7378.13 million registered in April-December 2022.

e. Plain Gold Jewellery

Exports of plain gold jewellery have recorded a positive growth of 63.02% during April -December 2023 to US\$ 5152.3 million from US\$ 3160.54 million in April- December 2022.

f. Studded Gold Jewellery

Exports of studded gold jewellery fell by -20.89% to US\$ 3336.72 million during April -December 2023 from US\$ 4217.60 million in April -December 2022.

g. Silver Jewellery

Silver jewellery exports fell by -50.94% to US\$ 1238.45 in April-December 2023 from US\$ 2524.34 million during April-December 2022.

V. Region-wise exports

Gross exports from Northern, Rajasthan and Eastern regions have recorded a positive growth, while Western, Gujarat and Southern regions have recorded a negative growth during April -December 2023 in comparison to exports registered in the same period last year. Overall, there is a degrowth of (-)17% y-o-y in the same period.

VI. SEZ wise exports

Overall, there is a degrowth of (-) 16.48% in exports to US\$ 4878.96 million in April – December 2023 from US\$ 5841.58 million recorded in April – December 2022.

VII. Imports of commodities

Gross imports of key rough gems and jewellery products such as rough diamonds, rough LGDs, rough CGS, and platinum bar have witnessed a negative growth, indicating a diminishing supply of raw materials for manufacturing of finished gems and jewellery commodities during April-December 2023 as compared to same period last year. Whereas gross imports of rough synthetic stones, raw pearls, gold bar and silver bar have registered a positive growth, indicating sufficient supply of raw materials during April-December 2023 as compared to same period last year. Overall, there is a degrowth of (-)22.6% y-o-y in the same period.

1

*Gem and Jewellery Gross Exports Trends In
Value Terms*

1.1 Gem and Jewellery Exports Trends in Value Terms – Q3 Performance

Gross exports of gem and jewellery registered a growth of 4.06% to US\$8.72 billion in Q3 (Oct-Dec 2023) as compared to US\$8.38 billion in Q3 (Oct-Dec 2022) showing signs of recovery after a slump for 7 months (i.e., from Apr-Oct 2023).

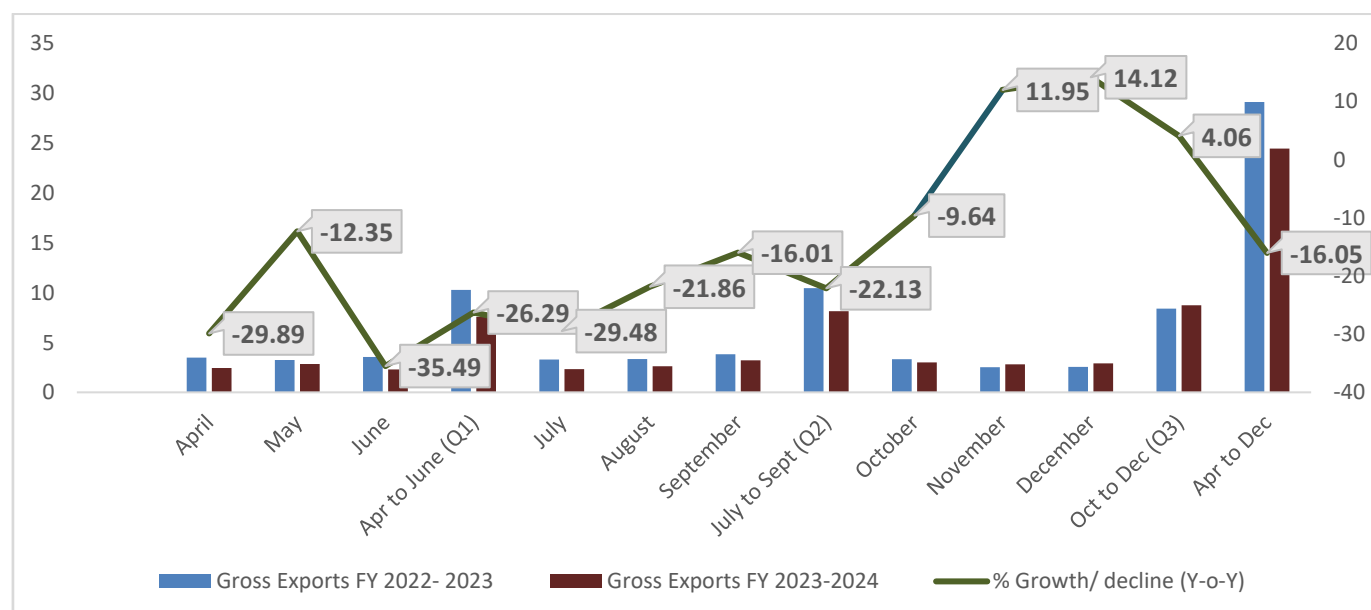
Overall, gross exports of gem and jewellery fell by (-)16.05% to US\$24.42 billion in Apr-Dec 2023 from US\$29.09 billion recorded in the same period previous year (Refer Table-1 and Figure 1).

Table -1 Gross Exports of Gem and Jewellery – April-Dec 2023 (P)

Months	Gross Exports FY 2021-2022 US\$ Billion	Gross Exports FY 2022-2023 US\$ Billion	% Growth/ decline (Y-o-Y)
Apr to March	39.27	38.11	-2.94
Month	Gross Exports FY 2022-2023 US\$ Billion	Gross Exports FY 2023-2024 (P) US\$ Billion	% Growth/ decline (Y-o-Y)
April	3.48	2.44	-29.89
May	3.24	2.84	-12.35
June	3.55	2.29	-35.49
Apr to June (Q1)	10.27	7.57	-26.29
July	3.29	2.32	-29.48
August	3.34	2.61	-21.86
September	3.81	3.2	-16.01
July to Sept (Q2)	10.44	8.13	-22.13
October	3.32	3	-9.64
November	2.51	2.81	11.95
December	2.55	2.91	14.12
Oct to Dec (Q3)	8.38	8.72	4.06
Apr to Dec	29.09	24.42	-16.05

Source: GJEPC Research Division based on DGCIS data up to November 2023 and data as per MOC&I Press release December 2023 data

Figure -1 Gross Exports of Gem and Jewellery – April-December 2023 (Growth in %)



Source: GJEPC Research Division

Key Reasons of recovery in G&J exports in Q3 (Oct-Dec 2023):

- The resilience shown by Indian economy with GDP growing by 7.2% in FY 2023, positive consumer sentiment drove the demand for gems and jewellery in Q3 of FY2023.
- Festive seasons like Diwali, Christmas and the New Year contributed to the increase in demand for G&J commodities.
- The LBMA average tray ounce rate of gold increased from US\$1913 in Oct 2023 to US\$1985.27 in Nov 2023 and US\$2029.20 in Dec 2023. The anticipation of further rise in prices led people to stock-up this commodity.
- Growing impact of India-UAE Comprehensive Economic Partnership Agreement (CEPA) resulted in a remarkable 17% growth in exports of plain gold jewellery in 2022-23

1.2 Gem and Jewellery Gross vis-a-vis Net Exports - April- December 2023

Gem and Jewellery gross exports declined by (-)17% to US\$ 23.96 billion in April -December 2023 as compared to US\$ 28.87 billion during April- December 2022. Net exports also declined by (-)15.58% to US\$ 19.26 billion during April -December 2023 as against US\$ 22.82 billion in April -December 2022 (Table -2).

Table -2 G&J Gross vis-à-vis Net Exports- April-December 2023

Exports	April to December 2022	April to December 2023 (p)	% growth/ decline in 2023 w.r.t 2022
	(US\$ in Million)	(US\$ in Million)	
Gross Exports	28867.02	23960.06	-17
Return Consignment	6051.06	4698.92	-22.35
Net Exports	22815.96	19261.14	-15.58

Source: GJEPC Research Division

2

Gem and Jewellery Gross Exports Trends: Commodity-wise

2. Gem and Jewellery Gross Exports Trends: Commodity-wise

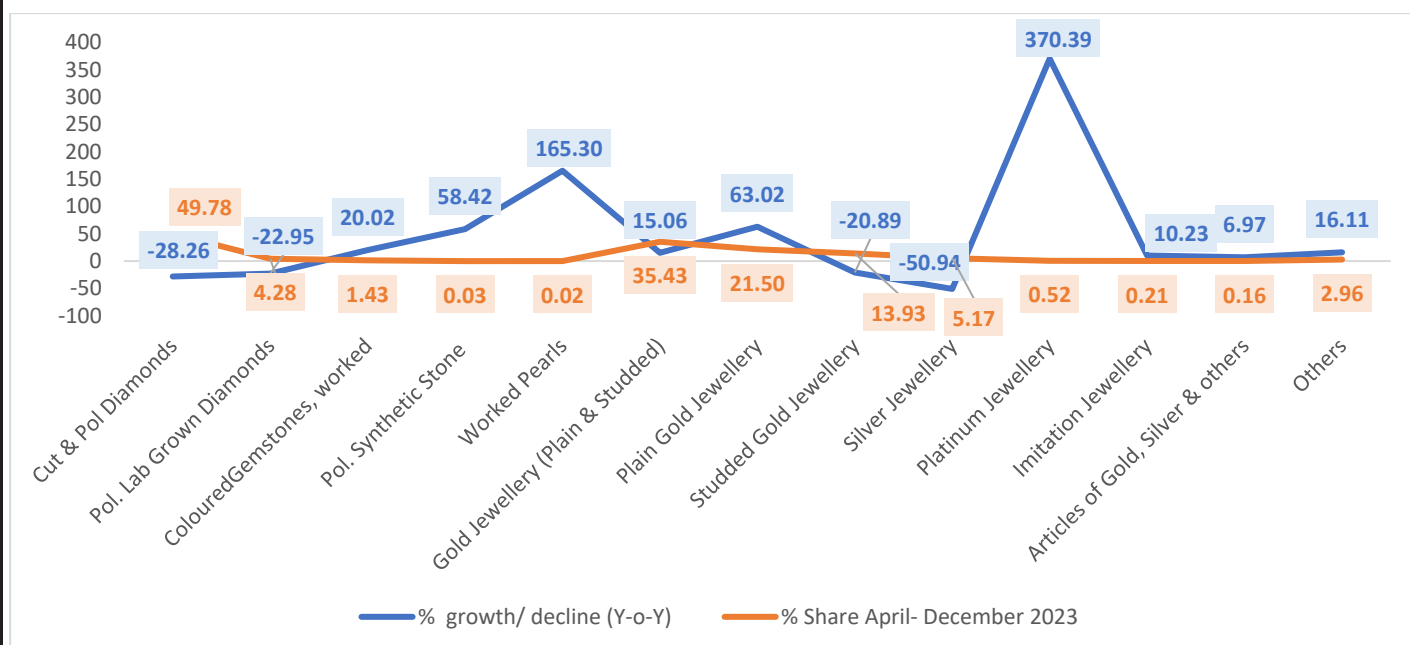
Key gem and jewellery commodities recorded a mixed performance. Commodities like cut and polished diamonds, polished lab grown diamonds, studded gold jewellery and silver jewellery recorded a negative growth of (-) 28.26%, (-)22.95%, (-)20.89% and (-)50.94% respectively, during April-Dec 2023 as compared to April-Dec 2022. Other key commodities like CGS, polished synthetic stones, worked pearls, plain gold jewellery, platinum jewellery and imitation jewellery have recorded a y-o-y growth in the same period. Platinum jewellery and worked pearls have recorded significant y-o-y growth of 370.39% & 165.30% during the same period. (Refer to Table -4 and Figure 2).

Table- 4 Commodity-wise Exports of Gem and Jewellery– April-Dec 2023 (P)

Commodities	April – December 2022 (US\$ mn)	April – December 2023 (P) (US\$ mn)	% growth/ decline (Y-o-Y)	% Share (Apr-Dec 23')
Cut & Pol Diamonds	16626.36	11926.93	-28.26	49.78
Pol. Lab Grown Diamonds	1330.29	1024.99	-22.95	4.28
Coloured Gemstones, worked	286.12	343.41	20.02	1.43
Pol. Synthetic Stone	5.05	8	58.42	0.03
Worked Pearls	2.19	5.81	165.30	0.02
Gold Jewellery (Plain & Studded)	7378.13	8489.03	15.06	35.43
Plain Gold Jewellery	3160.54	5152.3	63.02	21.50
Studded Gold Jewellery	4217.6	3336.72	-20.89	13.93
Silver Jewellery	2524.34	1238.45	-50.94	5.17
Platinum Jewellery	26.51	124.7	370.39	0.52
Imitation Jewellery	46.51	51.27	10.23	0.21
Articles of Gold, Silver & others	35.15	37.6	6.97	0.16
Others	606.38	709.88	16.11	2.96
Gross Exports	28867.02	23960.06	-17	100
Return Consignment	6051.06	4698.92	-22.35	
Net Exports	22815.96	18008.97	-21.07	

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure 2- Commodity-wise Exports of Gem and Jewellery– April-Dec 2023 (P)



Source: GJEPC Research Division

Specific Commodity-wise export trends Analysis

I DIAMONDS

A. Natural Diamonds

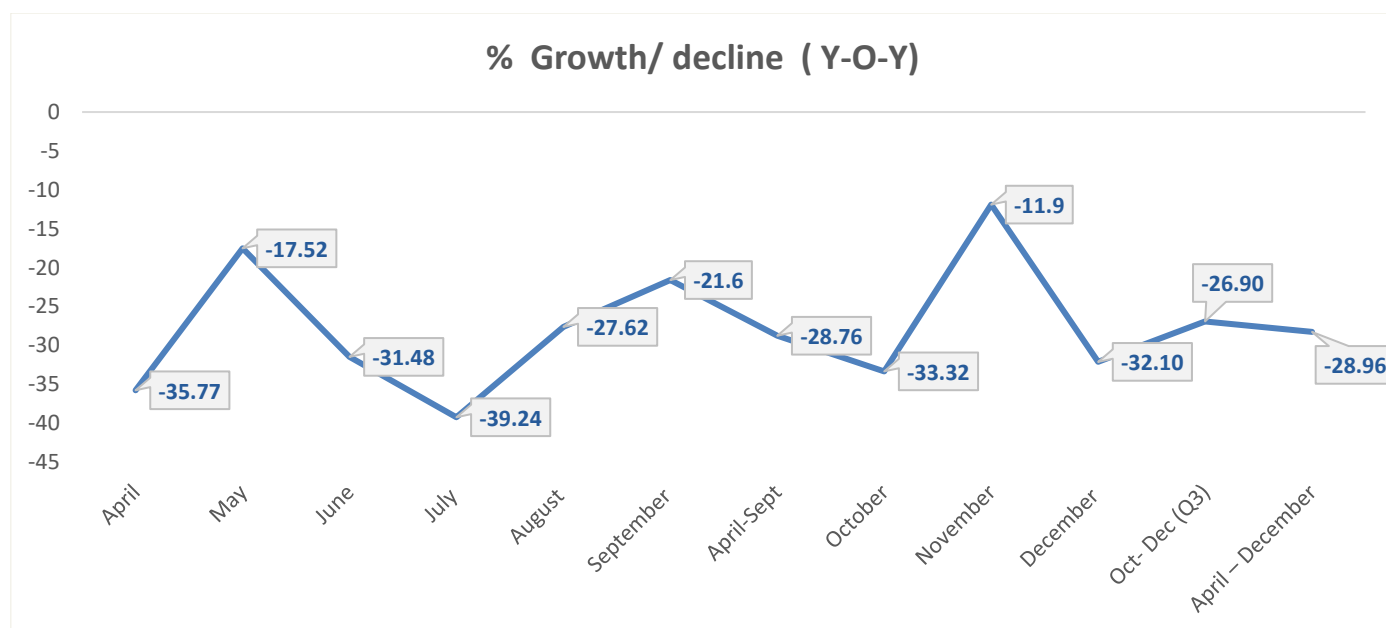
- Cut and polished diamonds exports in Q3 of FY-2023-24 declined by (-)26.90% to US\$ 3224.31 million as compared to US\$ 4410.89 million registered in Q3 of FY-2022-23. This decline is in alignment with the decline in y-o-y exports by (-)28.76% recorded in H1 of FY-2023-24 (**Refer Table-5 and Figure 3**).
- Overall, cut and polished diamonds exports declined by around (-)28.26% to US\$ 11926.93 million in April -December 2023 from US\$ 16626.36 million registered in April -December 2022.

Table – 5 Cut and Polished Diamond Gross Exports April – December 2023 (P)

Months	Gross Exports	Gross Exports	% Growth/ decline
	2022 - 2023 US\$ mn	2023 - 2024 (P) US\$ mn	(Y-O-Y)
April	2159.93	1387.38	-35.77
May	2089.46	1723.41	-17.52
June	2018.07	1382.72	-31.48
July	1933.32	1174.77	-39.24
August	1879.78	1360.58	-27.62
September	2134.91	1673.77	-21.60
April-September	12215.47	8702.63	-28.76
October	1891.55	1261.33	-33.34
November	1248.74	1100.22	-11.89
December	1270.60	862.76	-32.10
Oct- Dec (Q3)	4410.89	3224.31	-26.90
April – December	16626.36	11926.93	-28.26

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure: 3 Export growth of Cut and Polished Diamonds (%) April – December 2023 w.r.t Apr - Dec 2022



Source: GJEPC Research Division

Key factors contributing to decline in exports of CPD are: -

- G7 Sanctions on Russian Diamonds:** Given India's reliance on Russian rough diamonds, non-acceptance of these diamonds in G7 nations have created an apprehensions around Indian manufactured polished diamonds and hence impacted its exports. (**table-6 and table-7**).
- Economic downturn in major economies:** Economic downturns and inflationary pressures in major economies and their reduced consumption demand adversely impacted India's exports of polished diamonds to the key export countries.
- Geopolitical tensions and international conditions** between Russia and Ukraine which has resulted in reduced imports of rough diamonds to India leading to the disruption of supply chain in the country is another reason for decline in exports. As it can be seen in Table-6, India's rough diamonds imports from the world have declined by (-)23.51% y-o-y from US\$ 13209.65 million in April-December 2022 to US\$ 10104.28 million in April-December 2023(**Refer Table 6**). This has further resulted in overall decline in exports of Cut & Polished Diamonds from India to the World by around 28.27% to US\$ 11926.10 million during April-Dec 2023 (**Refer Table-7**). The key factor influencing is mainly due to curb in imports from 1st Nov23 to 15 Dec 2023.

Table 6- India's Rough Diamonds imports from World

Rough Diamonds Imports	April – December 2022	April - December 2023 (P)	% Growth (Y-o-Y)
	(US\$ mn)	(US\$ mn)	
Rough Diamonds	13209.65	10104.28	-23.51

Source: GJEPC Research Division

Table 7: India Exports of Cut & Polished diamonds

Commodities	April – December 2022	April – December 2023	% Growth/ decline (Y-o-Y)
	(US\$ mn)	(US\$ mn)	
Cut & Pol Diamonds	16626.36	11926.10	-28.27

Source: GJEPC Research Division

4. **Decline in prices of CPD:** Demand-supply gap has put downward pressures on the prices of the polished diamonds and hence impacted the exported value of the polished diamonds. As evident from the **Table-8**, The RapNet Diamond Index (RAPI™) for 1-carat polished diamonds fell by (-) 21.9% as on December 1, 2023, year-on-year.

Table 8- Diamond Prices

RapNet Diamond Index (RAPI™)				
	Index	November	Year to Date Jan. 1, 2023, to Dec. 1, 2023	Year on Year Dec. 1, 2022, to Dec. 1, 2023
RAPI 0.30 ct.	1,404	0.3%	-5.2%	-4.1%
RAPI 0.50 ct.	1,938	1.2%	-27.4%	-27.5%
RAPI 1 ct.	5,977	0.8%	-20.7%	-21.9%
RAPI 3 ct.	22,114	0.1%	-10.9%	-12.1%

Source: Rapaport USA

5. **Competition from Lab-Grown Diamonds:** Lab-grown diamonds, which are priced at a significant discount to natural diamonds, have increased in popularity. This has particularly affected the demand for large-sized diamonds in the range of one to three carats.

Growth Outlook

The decline in exports of cut and polished diamonds in Q3 of FY2023-2024 can be attributed to a combination of economic conditions, geopolitical tensions, weakened global demand, and competition from lab-grown diamonds. These factors, coupled with the broader economic conditions, have led to a challenging environment for the Indian Gem & Jewellery industry. However, it's important to note that these trends are subject to change based on various market and economic factors.

Major destinations for Cut and polished diamonds – April -December 2023

USA, Hongkong, UAE, and Belgium are the key export destinations for cut and polished diamonds with more than 80% share in total exports during April -December 2023. USA (-32.20%), Hongkong (-15.46 %), UAE (-16.86) and Belgium (-15.90%) have recorded negative export growths in April -December 2023 as compared to April -December 2022. **(Refer Table 9).**

Except Switzerland, other top 10 export destinations have all recorded declining trend during Apr-Dec 2023 vis-à-vis April-Dec 2022. Thus, negative exports growth in key export destinations is the main reason for the degrowth in exports of CPD during same period.

Table 9 - Top 10 export destinations for Cut and Polished Diamonds – April -December 2023 (P)

Sr. No.	Countries	April to Dec 2022	April to Dec 2023 (P)	% growth/ decline	% Share (Apr-Dec 23')
		US\$ Million	US\$ Million	(Y-o-Y)	
1	United States Of America	6401.83	4340.50	-32.20	36.39
2	Hongkong	3744.53	3165.62	-15.46	26.54
3	United Arab Emirates	1499.43	1246.67	-16.86	10.45
4	Belgium	1456.28	1224.79	-15.90	10.27
5	Israel	925.90	472.46	-48.97	3.96
6	Switzerland	302.25	379.74	25.64	3.18
7	Thailand	763.29	353.06	-53.75	2.96

8	Japan	201.54	145.03	-28.04	1.22
9	United Kingdom	154.23	119.58	-22.47	1.00
10	China P.Rp	84.62	61.15	-27.74	0.51
11	Others	1092.46	418.33	-61.77	3.51
Total		16626.36	11926.93	-28.27	100

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

B. Lab-grown diamonds

Exports of polished lab-grown diamonds recorded a negative trend of (-)22.95% in Q3 of FY2023-24 as compared to Q3 of FY2022-23. It is to be noted that LGDs exports slightly increased by 3.26% in Nov 2023 from (-)23.63% in Oct 2023, however it again slumped to (-)18.40% in Dec 2023. The declining trend in Q3 of FY2023-24 is in continuation of decline in exports by (-)26.25% in H1 of FY2023-24.

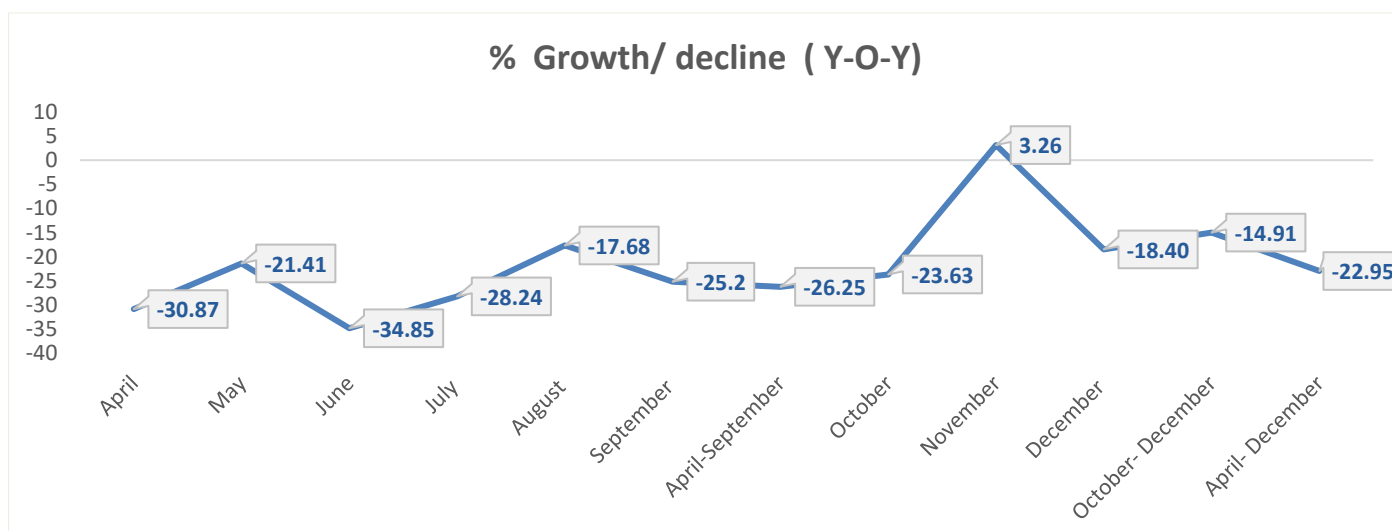
Overall, in Apr-Dec 2023 exports plunged to (-) 22.95% y-o-y as compared to same period last year (Refer Table- 10 and Figure -4).

Table -10 Pol. Lab-Grown Diamonds Gross Exports April – December 2023 (P)

Months	Gross Exports	Gross Exports	% Growth/ decline
	2022 - 2023 US\$ mn	2023 - 2024 (P) US\$ mn	(Y-O-Y)
April	148.13	102.4	-30.87
May	177.32	139.36	-21.41
June	149.91	97.66	-34.85
July	147.37	105.75	-28.24
August	143.14	117.84	-17.68
September	177.77	132.97	-25.20
April-September	943.64	695.98	-26.25
October	178.75	136.52	-23.63
November	105.44	108.88	3.26
December	102.46	83.61	-18.40
Oct-Dec	386.65	329.01	-14.91
April – December	1330.29	1024.99	-22.95

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure 4: Exports growth of Lab-grown Diamonds (%) Apr - Dec 2023 w.r.t Apr - Dec 2022



Source: GJEPC Research Division

Key factors contributing to decline in exports of LGD are: -

- **Reduction in the prices of LGD:** Similar to the CPD, decline in the price of LGD during the recent times have resulted fall in India's exports of LGD to key export destinations. **Refer table-11** prices of LGD has recorded a decline from US\$355.51 per carat during 2022-2023 to US\$198.22 per carat during April-Dec 2023-2024.

Table-11 – LGD Prices

Months	2021-2022	2022-2023	2023-2024(April-December)
Average price per carat per US\$	\$238.21	\$355.51	\$198.22

Source: GJEPC Research Division

Growth Outlook

Exports outlook of polished lab-grown diamonds is promising due to the rising acceptance of LGD studded jewellery in the key markets like USA, UK and Australia. Lab-grown diamonds are considered environmentally friendly, and relatively lower priced. Therefore, the commodity is becoming a preferred choice for the consumers.

Major destinations for Polished Lab-grown diamonds – April -December 2023

Among the top 10 export destinations, USA, Hongkong and UAE have 90% share in India's total exports in Apr-Dec 2023. Except UK, China and Thailand, lab-grown diamonds exports to almost all key export markets have recorded negative growth in April -December 2023 as compared to April -December 2022. UK and China have recorded significant y-o-y exports growth of 91.8% and 87.53% in Apr-Dec 2023 (**Refer Table 12**).

Table 12 - Top 10 export destinations for Lab-grown diamonds – April -December 2023 (P)

Sr. No.	Countries	April to Dec 2022	April to Dec 2023 (P)	% growth/ decline (Y-o-Y)	% Share (Apr-Dec 23')
		US\$ Million	US\$ Million	(Y-o-Y)	
1	United States Of America	849.89	612.85	-27.89	59.79
2	Hongkong	182.85	162.05	-11.38	15.81
3	United Arab Emirates	159.57	146.16	-8.4	14.26
4	Belgium	26.47	19.19	-27.5	1.87
5	United Kingdom	8.42	16.15	91.81	1.58
6	Israel	32.55	13.90	-57.3	1.36
7	China P.Rp	7.30	13.69	87.53	1.34
8	Thailand	9.39	10.22	8.84	1.00
9	Singapore	21.87	6.96	-68.18	0.68
10	Australia	10.89	6.07	-44.26	0.59
11	Others	21.11	17.75	-15.92	1.72
Total		1330.29	1024.99	-22.95	100

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

II GOLD JEWELLERY

A. Plain Gold Jewellery

Plain gold jewellery - a key gems and jewellery commodity registered a significant growth of 161.84% to US\$ 2748.43 million in Oct-Dec 2023 vis-à-vis US\$ 1024.27 million in Oct-Dec 2022.

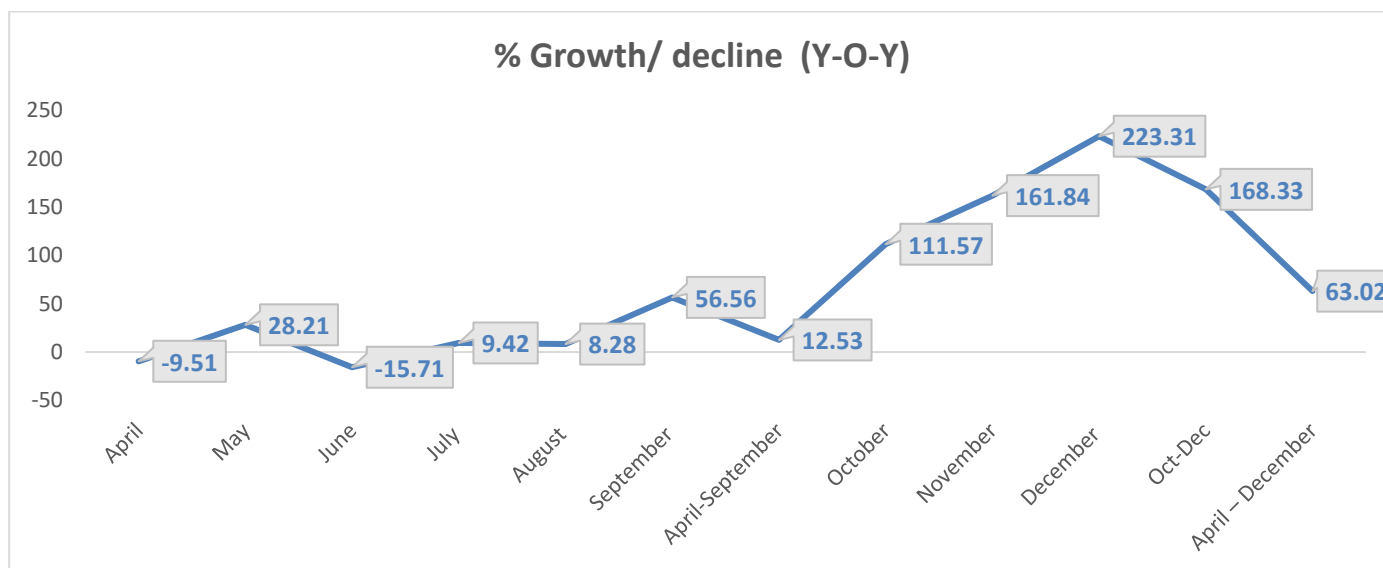
Overall, gross exports of plain gold jewellery have increased by 63.02 % to US\$ 5152.30 million during April – December 2023 as against US\$ 3160.54 million registered in April -December 2022 **(Refer Table- 13 & Figure- 5).**

Table- 13 Plain Gold Jewellery Gross Exports - April – December 2023 (P)

Months	Gross Exports	Gross Exports	% Growth/ decline
	2022 - 2023 (US\$ mn)	2023 - 2024 (P) (US\$ mn)	(Y-O-Y)
April	296.78	268.56	-9.51
May	296.70	380.41	28.21
June	407.71	343.68	-15.71
July	353.82	387.15	9.42
August	412.32	446.46	8.28
September	368.95	577.61	56.56
April-September	2136.27	2403.87	12.53
October	317.19	671.10	111.57
November	339.53	889.03	161.84
December	367.54	1188.30	223.31
Oct-Dec	1024.27	2748.43	168.33
April – December	3160.54	5152.30	63.02

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure – 5 % Exports growth of Plain Gold Jewellery- April – December 2023 w.r.t Apr-Dec 2022



Source: GJEPC Research Division

Reasons for growth in exports of plain gold jewellery

1. **Strong Market Demand:** During Q3 the correction in the high gold price , combined with the festive and wedding season, were the two major drivers of growth of plain gold jewellery.
2. **India-UAE CEPA:** The Comprehensive Economic Partnership Agreement (CEPA) between India and the UAE proved to be a major catalyst for the growth in exports.

B. Studded Gold Jewellery

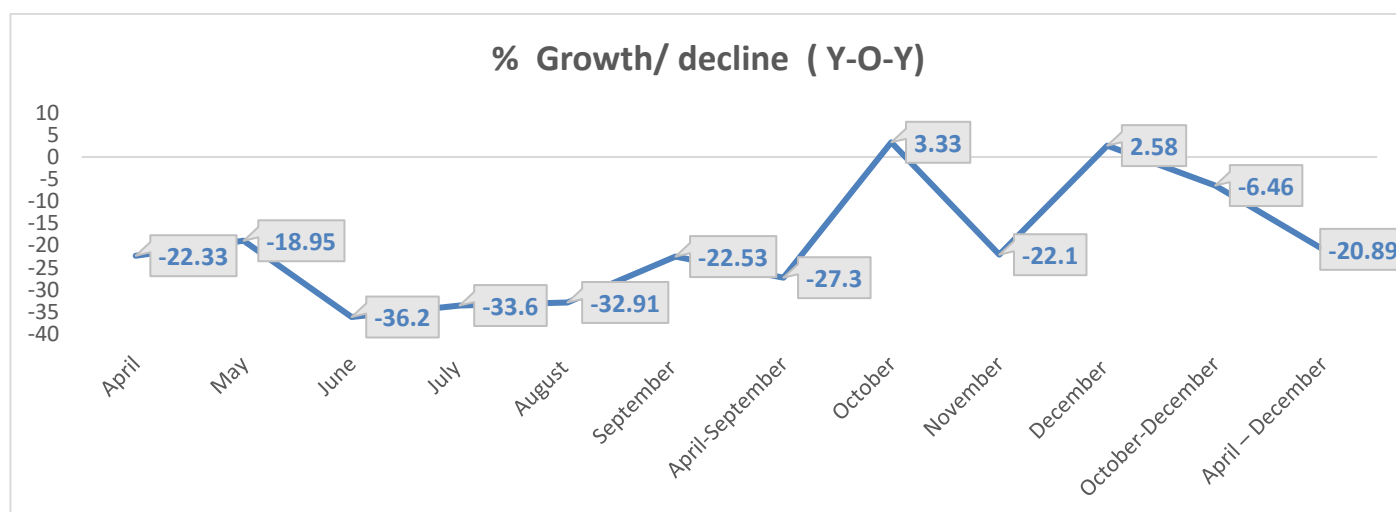
Exports of studded gold jewellery have witnessed a degrowth of (-)6.46% y-o-y in Q3 of FY2023-24 as compared to Q3 of FY2022-23. Overall, export of studded gold jewellery has declined by (-)20.89% to US\$ 3336.73 million during April-December 2023 as compared to US\$ 4217.60 million registered in April - December 2022 (**Refer Table -14 and Figure 6**)

Table – 14 Studded Gold Jewellery Gross Exports - April – December 2023 (P)

Months	Gross Exports	Gross Exports	% Growth/ decline
	2022 - 2023 (US\$ mn)	2023 - 2024 (P) (US\$ mn)	(Y-O-Y)
April	487.18	378.41	-22.33
May	471.96	382.52	-18.95
June	431.68	275.42	-36.2
July	431.46	286.49	-33.6
August	486.52	326.40	-32.91
September	610.14	472.70	-22.53
April-September	2918.94	2121.94	-27.3
October	503.44	520.21	3.33
November	490.89	382.38	-22.1
December	304.34	312.20	2.58
October-December	1298.67	1214.79	-6.46
April – December	4217.60	3336.72	-20.89

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure -6- % Export growth of Studded Gold Jewellery- Apr- Dec 2023 w.r.t Apr-Dec 2022

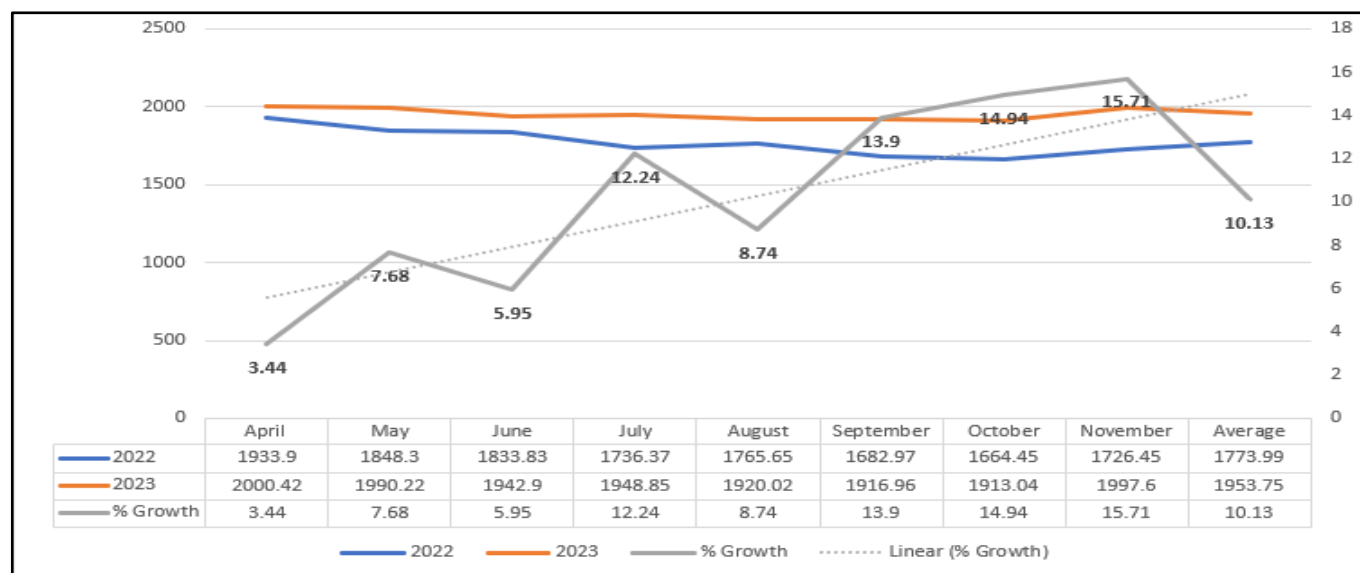


Source: GJEPC Research Division

Reasons for decline in exports of studded gold jewellery

- 1. Reduced Demand from Key Markets:** Decline in demand from key export markets due to diminished consumer spending on luxury items, particularly jewellery in countries like USA & Canada led to reduction in exports of gold jewellery from India.
- 2. Limited availability of gold and rise in the prices of gold, on an average by 10% (y-o-y) from April-Nov 2023 (Refer Fig 7)** impacted overall export competitiveness of gold jewellery products and so as its exports from the country.

Figure-7



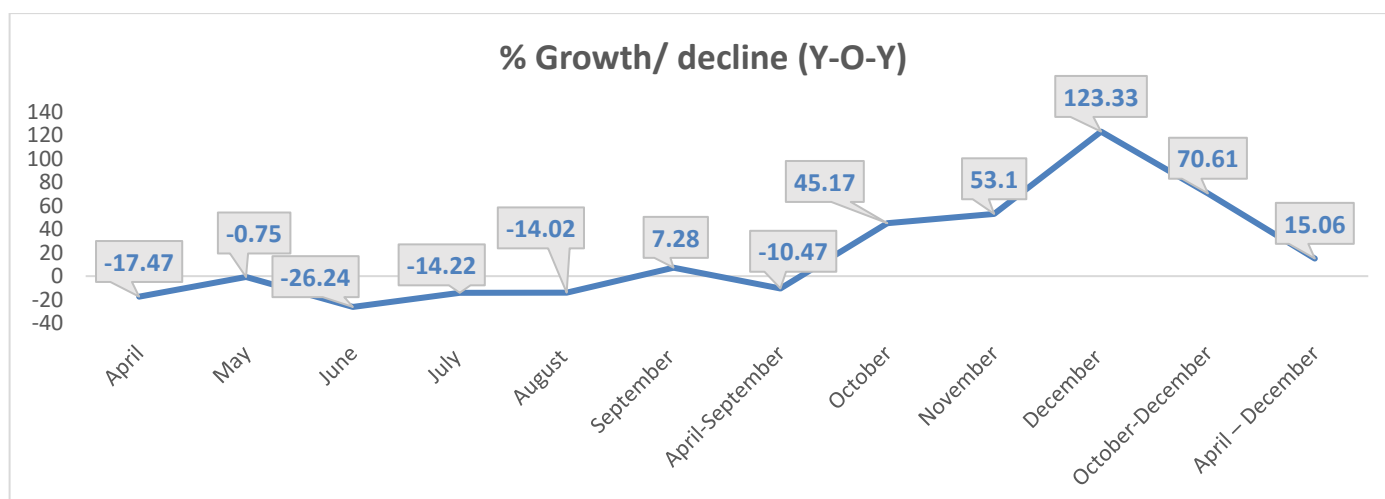
Gold jewellery recorded a growth in y-o-y exports by 15.06% in Q3 of FY2023-24. This is a recovery from the decline in exports by (-)10.47% in H1 2023. The main reason for the upward trend in gold jewellery in Q3 is the increase in exports of plain gold jewellery and growth in the gold jewellery exports during October and December months of FY2023-24 (Refer Table-15).

Table -15 Gold Jewellery gross exports - April – December 2023 (P)

Months	Gross Exports	Gross Exports	% Growth/ decline
	2022 - 2023 US\$ mn	2023 - 2024 (P) US\$ mn	(Y-O-Y)
April	783.95	646.97	-17.47
May	768.66	762.93	-0.75
June	839.39	619.10	-26.24
July	785.28	673.64	-14.22
August	898.84	772.86	-14.02
September	979.08	1050.32	7.28
April-September	5055.21	4525.81	-10.47
October	820.63	1191.31	45.17
November	830.42	1271.40	53.1
December	671.88	1500.51	123.33
October-December	2322.93	3963.220	70.61
April – December	7378.13	8489.03	15.06

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure-8 % Export growth of gold jewellery- Apr- Dec 2023 w.r.t Apr- Dec 2022



Source: GJEPC Research Division

Future Outlook

The future outlook for gold jewellery seems to be promising amidst some challenges. Increase in duty-drawback for gold announced in Oct 2023, New year and the Valentine month are expected to result in increases exports. However, global recessionary impact, non-availability of replenishment precious metal, higher subvention rates, non-availability of scheme for gold supplied by the buyer for exports, and sluggish demand in international market may act as challenges in increasing exports.

Major destinations for Gold Jewellery – April -December 2023

Among top 10 destinations, UAE and USA have more than 70% share in India's exports of gold jewellery in April-Dec 2023. It is significant to note that, exports to UAE have increased by 73.73% in April-Dec 2023 as compared to same period last year, whereas exports to USA have decreased by (-)9.65% during the same period. Except Hongkong and Bahrain where exports have significantly increased by 90% and 7%, exports to other key destinations have registered a degrowth in Apr-Dec 2023 vis-à-vis Apr-Dec 2022 (Refer Table 16).

Table 16 - Top 10 export destination for Gold Jewellery (Plain + Studded) – April -December 2023 (P)

Sr. No.	Countries	April to Dec 2022	April to Dec 2023 (P)	% growth/ decline (Y-o-Y)	% Share (Apr-Dec 23')
		US\$ Million	US\$ Million	(Y-o-Y)	
1	United Arab Emirates	2448.50	4253.67	73.73	50.11
2	United States Of America	2378.02	2148.59	-9.65	25.31
3	Hongkong	303.43	576.68	90.06	6.79
4	Singapore	603.21	360.46	-40.24	4.25
5	United Kingdom	261.32	208.69	-20.14	2.46
6	Australia	124.81	117.17	-6.12	1.38
7	Canada	108.45	89.40	-17.57	1.05
8	France	101.56	89.01	-12.35	1.05
9	Malaysia	186.98	82.60	-55.83	0.97
10	Bahrain	69.40	74.58	7.47	0.88
11	Others	792.46	488.16	-38.4	5.75
Total		7378.13	8489.03	15.06	100

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Air cargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

III COLOURED GEMSTONES

Coloured Gemstones exports in Q3 (October- December) of FY2023-24, declined by (-)8.26% y-o-y to US\$ 70.51 million from US\$ 76.86 million in the same period last year.

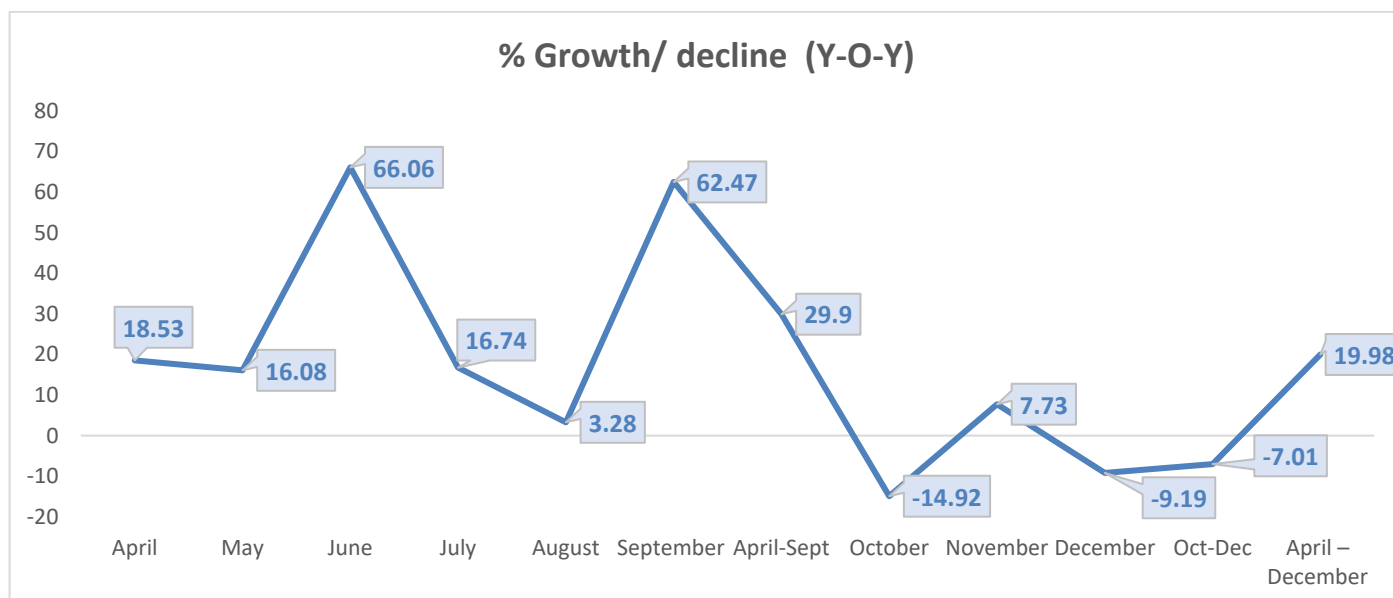
Overall, coloured gemstones exports have increased by 19.98% during April -December 2023 to US\$ 343.31 million as compared to US\$ 286.13 million recorded in April -December 2022. (Refer Table 17 and Figure – 9)

Table – 17: Coloured Gemstone Gross Exports April – December 2023 (P)

Months	Gross Exports	Gross Exports	% Growth/ decline (Y-O-Y)
	2022 - 2023 US\$ mn	2023 – 2024 (P) US\$ mn	
April	32.38	38.38	18.53
May	43.67	50.69	16.08
June	23.48	38.99	66.06
July	21.39	24.97	16.74
August	41.78	43.15	3.28
September	46.57	75.66	62.47
April-Sept	209.27	271.84	29.9
October	33.45	28.46	-14.92
November	21.21	22.85	7.73
December	22.2	20.16	-9.19
Oct-Dec	76.86	71.47	-7.01
April – December	286.13	343.31	19.98

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure – 9 % Export growth of coloured gemstones- Apr- Dec 2023 w.r.t Apr- Dec 2022



Source: GJEPC Research Division

Reasons for rise in exports of Coloured Gemstones

1. **Social Media Impact:** The influence of social media boosted the desirability of coloured gemstone jewellery among consumers, thus increasing its exports.
2. **Rising Middle-Class Aspirations:** A growing middle-class population with desires for a luxurious lifestyle increased the demand for coloured gemstones, thus rising its exports.
3. Other factors include, strong holiday season sales, robust online jewellery sales, revival of business & consumer sentiments, government support & trade development initiatives.

Future Outlook

The export growth outlook for the commodity is optimistic due to a steady supply of raw materials, strong consumer demand in key export destinations, holiday and festive season and high demand due to social media marketing. However, global fear of recession, fall in demand due to further increase in prices are challenging factors faced by the sector.

Major destinations for Coloured Gemstones – April -December 2023

Coloured Gemstones exports to top 10 destinations have increased in Apr-Dec 2023 by 19.98% to US\$ 343.31 million from US\$ 286.13 million in Apr-Dec 2022. Hongkong, USA and Thailand are the major exporting destinations for CGS with a share of more than 75% in India's exports in Apr-Dec 2023. Y-o-Y CGS exports to Hongkong has grown significantly by 132.10% in Apr-Dec 2023 as compared to Apr-Dec 2022.

Exports to USA has increased marginally by 0.89% y-o-y during the same period. However, exports to Thailand have declined by (-)16.54% y-o-y during the same period. Exports to other top 10 destinations has been a mixed bag with y-o-y growth rate increase in Italy, UAE, Armenia and Belgium and y-o-y decline in Switzerland, Japan, and France. There has been a significant increase in exports to Armenia (171.67%) and Belgium (56.77%) in Apr-Dec 2023 as compared to same period last year (**Refer Table 18**).

Table 18 Top 10 export destinations – Coloured Gemstones – April -December 2023 (P)

Sr. No.	Countries	April to Dec 2022	April to Dec 2023 (P)	% growth/decline (Y-o-Y)	% Share (Apr-Dec 23')
		US\$ Million	US\$ Million	(Y-o-Y)	
1	Hongkong	56.70	131.60	132.10	38.32
2	United States Of America	76.79	77.47	0.89	22.56
3	Thailand	64.21	53.59	-16.54	15.61
4	Italy	12.87	13.58	5.52	3.95
5	Switzerland	14.45	12.62	-12.66	3.67
6	Japan	9.63	8.24	-14.43	2.40
7	United Arab Emirates	7.15	7.25	1.38	2.11
8	France	6.83	6.76	-1.02	1.97
9	Armenia	1.80	4.89	171.67	1.42
10	Belgium	3.10	4.86	56.77	1.42
11	Others	32.60	21.48	-34.11	6.25
Total		286.13	343.31	19.98	100.00

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

IV. SILVER JEWELLERY

Silver jewellery exports in Q3 (October- December) of FY2023-24, has recorded a decline by (-)18.65% y-o-y to US\$ 633.02 million from US\$ 778.18 million in the same period last year. Thus, the exports in Q3 have not recovered from the declining trend recorded in H1 (April- September) of FY2023-24.

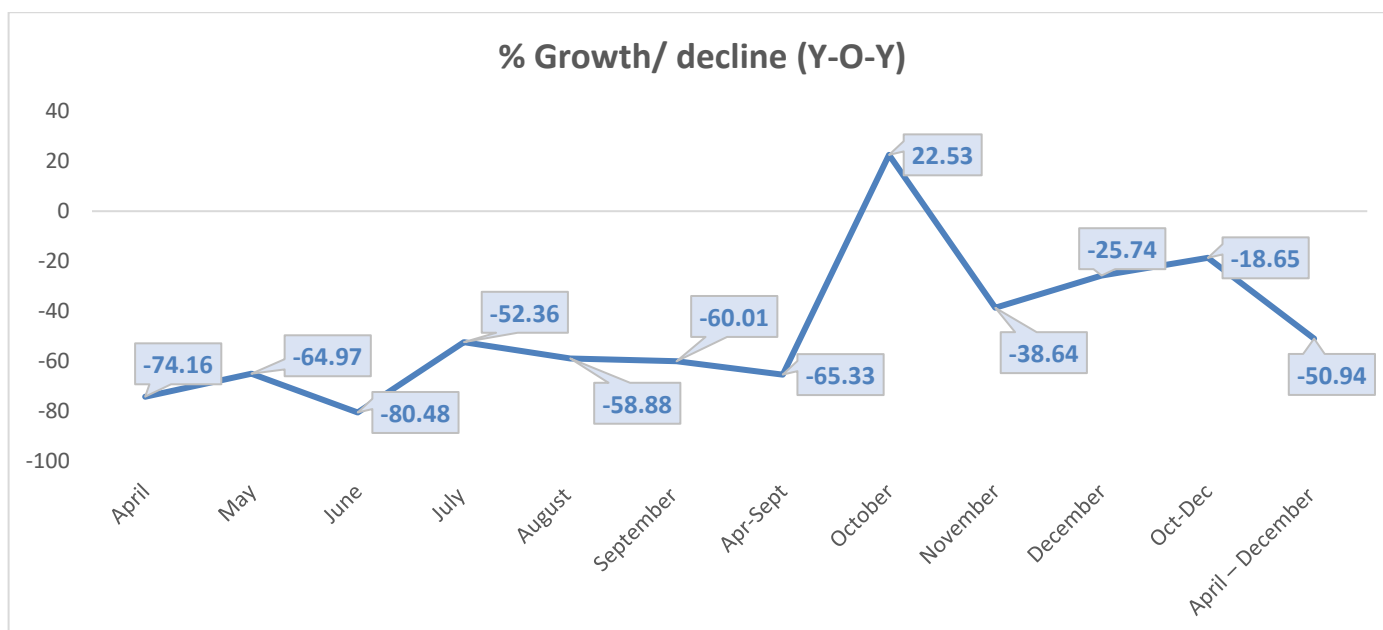
Overall, silver jewellery exports declined by (-)50.94% during April -December 2023 to US\$ 1238.45 million as against US\$ 2524.34 million in April -December 2022. **(Refer Table -19 and Figure – 10)**

Table-19 Silver Jewellery Gross Exports (April – December 2023) (P)

Months	Gross Exports	Gross Exports	% Growth/ decline (Y-O-Y)
	2022- 2023 (US\$ mn)	2023 – 2024 (P) (US\$ mn)	
April	251.95	65.11	-74.16
May	239.55	83.91	-64.97
June	327.96	64.01	-80.48
July	240.51	114.57	-52.36
August	301.91	124.15	-58.88
September	384.28	153.67	-60.01
Apr-Sept	1746.16	605.42	-65.33
October	182.4	223.49	22.53
November	255	156.46	-38.64
December	340.78	253.07	-25.74
Oct-Dec	778.18	633.02	-18.65
April – December	2524.34	1238.45	-50.94

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure – 10 % Export growth of Silver Jewellery Apr- Dec 2023 w.r.t Apr- Dec 2022



Source: GJEPC Research Division

Reasons for fall in exports of Silver Jewellery

1. HK and USA are the major export destinations of silver jewellery. However, due to recession in USA and HK market exports of silver jewellery had been adversely impacted.
2. The silver merchandise is high, while its value is less augmenting the shipping cost which is the same as gold.
3. The marketing and exhibition costs are very high thus making it difficult for smaller exporters to promote their products internationally.

Major destinations for Silver Jewellery– April -December 2023

Silver jewellery exports to top 10 destinations have decreased in Apr-Dec 2023 by (-)50.94% to US\$ 1238.45 million from US\$ 2524.34 million in Apr-Dec 2022. Hongkong and USA are the major exporting destinations for silver jewellery with a share of more than 85% in India's exports in Apr-Dec 2023. Y-o-Y silver jewellery exports to Hongkong have declined significantly by (-) 59.83% y-o-y in Apr-Dec 2023 as compared to Apr-Dec 2022. Exports to USA has declined marginally by (-)7.18% y-o-y during the same period. Barring German and Thailand, exports to other destinations have a declining trend in the same period (Refer Table 20).

Table 20 - Top 10 export destinations – Silver jewellery – April -December 2023 (P)

Sr.No.	Countries	April to Dec 2022	April to Dec 2023 (P)	% growth/ decline	% Share
		US\$ Million	US\$ Million	(Y-o-Y)	
1	Hongkong	2106.57	846.28	-59.83	68.33
2	United States Of America	249.87	231.93	-7.18	18.73
3	United Kingdom	47.32	44.54	-5.87	3.60
4	Germany	15.17	17.73	16.88	1.43
5	Thailand	9.28	13.92	50	1.12
6	Spain	11.71	9.53	-18.62	0.77
7	Italy	7.16	8.25	15.22	0.67
8	Australia	9.43	8.44	-10.5	0.68
9	United Arab Emirates	13.15	7.62	-42.05	0.62
10	Canada	7.87	8.18	3.94	0.66
11	Others	46.8	42.02	-10.21	3.39
Total		2524.34	1238.45	-50.94	100

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Future Outlook

The recent increase in import duty of silver findings to 15% from 11%, effective from January 22, 2024, may pose a challenge for silver exports. This increase can possibly impact the cost of production for silver jewellery, affecting its competitiveness in the international market. However, working on the initiatives by GJEPC like buyer-sellers meet will prove to be beneficial. Also, the upcoming Valentine Day is likely to contribute to a rise in exports.

V. PLATINUM JEWELLERY

Platinum jewellery has recorded an impressive y-o-y growth of 370.67% in Apr-Dec 2023 vis-à-vis Apr-Dec 2022 (Refer Table 21).

Table 21: Exports of Platinum Jewellery

Months	2022	2023 (P)	% growth
	US\$ Mn	US\$ Mn	US\$ Mn
April	2.54	3.52	38.55
May	2.68	11.22	318.46
June	2.88	14.11	389.74
July	2.39	16.67	598.72
August	5.13	15.29	197.82
September	3.88	17.40	348.51
October	3.24	18.11	458.53
November	2.27	14.61	542.38
December	1.49	13.78	824.59
Total	26.51	124.69	370.67

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCIS, Sept-Dec data as per GJEPC.

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*Gem and Jewellery Gross Exports Trends:
Region-wise and SEZ Wise & Imports*

3. REGION-WISE GROSS EXPORTS

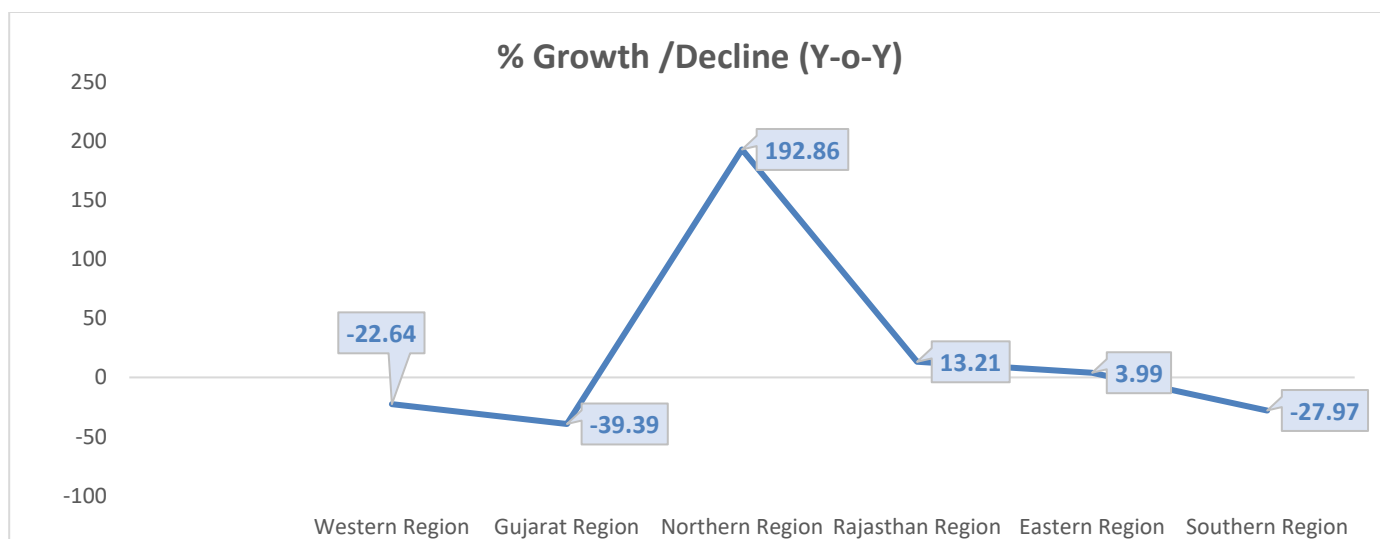
In April -December 2023, exports from three regions (North, Rajasthan and Eastern) have recorded positive growth and the other regions have recorded negative growth over the exports recorded in April – December 2022. (Refer Table- 22, Figure 11).

Table – 22 Region-wise Gross Exports April to December 2023 (P)

Region	Gross Exports (April-December 2022) (US\$ mn)	Gross Exports (April-December 2023) (P) (US\$ mn)	% Growth /Decline (Y-o-Y)
Western Region	21243.42	16433.93	-22.64
Gujarat Region	3946.27	2391.64	-39.39
Northern Region	848.16	2483.89	192.86
Rajasthan Region	816.76	924.67	13.21
Eastern Region	864.8	899.29	3.99
Southern Region	1147.6	826.65	-27.97
Total	28867.02	23960.06	-17

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure- 11 Region-wise % Gross Export growth -Apr- Dec 2023 w.r.t Apr- Dec 2022



Source: GJEPC Research Division

3. SEZ-WISE GROSS EXPORTS

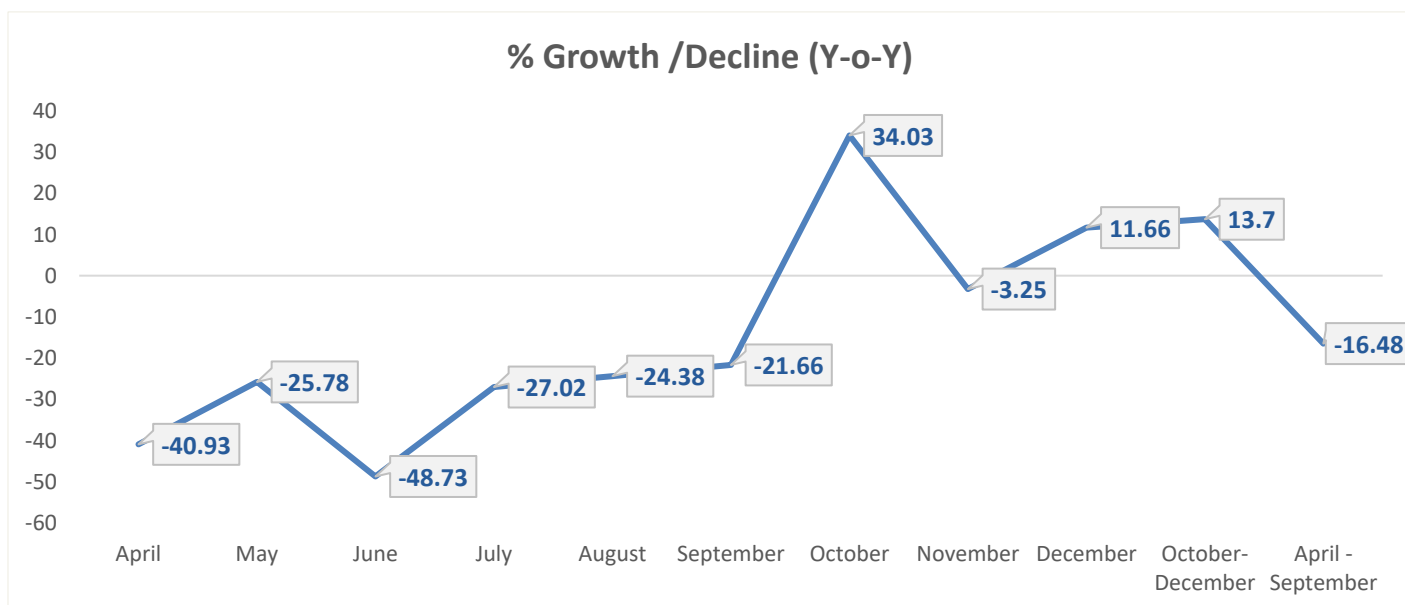
SEZ exports have registered a positive growth of 13.7% y-o-y in Q3 of FY2023-24 in comparison to Q3 of FY2022-23. Overall, the total exports from SEZs declined by -16.48% in April-December 2023 as compared to the same period last year (**Refer Table -23, Figure 12**).

Table 23 -SEZ Gross Exports April to December 2023 (P)

Months	Gross Exports 2022-2023 (US\$ mn)	Gross Exports 2023-2024 (US\$ mn) (P)	%Growth/Decline (Y-o-Y)
April	598.06	353.26	-40.93
May	558.40	414.42	-25.78
June	665.29	341.08	-48.73
July	596.02	434.99	-27.02
August	707.78	535.23	-24.38
September	814.77	638.26	-21.66
October	611.38	819.45	34.03
November	657.42	636.08	-3.25
December	632.45	706.19	11.66
October- December	1901.26	2161.72	13.7
April - December	5841.58	4878.96	-16.48

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments , Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

Figure- 12 SEZ- wise % Gross Export growth- Apr- Dec 2023 w.r.t Apr- Dec 2022



Source: GJEPC Research Division

5.COMMODITY-WISE IMPORTS

Gross imports of key gems and jewellery products such as rough diamonds, rough LGDs, rough CGS, and platinum bar have registered a negative growth. However, imports of rough synthetic stone, raw pearls, gold bar and silver bar have recorded a positive growth during the same period.

Overall, the imports of gems and jewellery commodities has decreased by (-)22.6% to US\$ 15590.26 million in April -December 2023 as compared to US\$ 20142.37 million registered in the same period last year **(Refer Table -24)**.

Table 24- Commodity-wise imports- April-Dec 2023 w.r.t April-Dec 2022

Countries	April –December 2022 (US\$ mn)	April –December 2023 (P) (US\$ mn)	% Growth / Decline (Y-o-Y)
Rough Diamonds	13209.65	10104.28	-23.51
Rough Lab-Grown Diamonds	963.22	822.72	-14.59
Rough Coloured Gemstones	335.90	335.57	-0.1
Rough Synthetic Stone	2.86	3.56	24.45
Raw Pearls	7.83	12.34	57.53
Gold Bar	1769.24	1922.68	8.67
Silver Bar	35.06	41.44	18.22
Platinum Bar	97.08	57.14	-41.14
Sub Total	16420.85	13299.74	-19.01
Imports of Cut & Pol. Diamonds	1046.06	1495.33	42.95
Pol. Lab-Grown Diamonds	76.74	93.80	22.23
Pol. Col. Gemstones	2266.27	100.38	-95.57
Pol. Synthetic Stone	6.49	8.85	36.33
Pearls worked	8.34	5.69	-31.78
Gold Jewellery	216.33	465.89	115.36
Silver Jewellery	93.71	87.69	-6.43
Imitation Jewellery	1.22	2.72	123.09
Others	6.36	30.18	374.66
Sub Total	3721.52	2290.52	-38.45
Gross Imports	20142.37	15590.26	-22.6

Source: GJEPC Research Division, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Delhi Aircargo April to August data as per DGCI&S, Sept-Dec data as per GJEPC.

CONCLUSION

The gems and jewellery gross exports witnessed relatively better performance in Quarter 3 of FY2022-23 on account of festive season, India UAE trade pact and positive consumer sentiments. However, natural polished diamonds, studded gold jewellery and silver jewellery which accounts for around 65% share in India's total gem and jewellery exports are continuously declining and therefore the last quarter of the 2023-2024 is not expected to show the strong recovery. Undertaking strategic measures viz. realizing untapped potential of the new markets, further capitalizing the benefits of FTAs, innovatively designing the couture jewellery, enhancing sales viz e-commerce platforms is imperative to subside the negative export growth of natural polished diamonds for attaining the sustainable export growth of the gem and jewellery sector. Further, the GJEPC ongoing initiatives – trade shows, BSMs, RBSMs, IJEX, skill programs accompanied with the Government support towards EODB is pivotal to recover the exports of gem and jewellery in the coming times.

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February 2022

About GJEPC

The Gem & Jewellery Export Promotion Council is the apex body set up by the Ministry of Commerce, Government of India, driving India's export-led growth in the gem and jewellery sector, since 1966. The GJEPC has been continuously working for the development of the sector. The council's major focus areas include promoting Brand INDIA through participation in International Jewellery shows; facilitating better interaction on trade-related issues between the industry and the Government of India via various ministries, regulatory authorities, and agencies; spreading education by running training institutes that impart manufacturing skills, technical and design excellence training, working on innovation and infrastructure by providing MSMEs with affordable modern machines and tools at Common Facility Centers and setting up Jewellery Parks across the country.

For more information about GJEPC, visit <https://gjecp.org>.