



UNLOCKING POTENTIAL IN THE UK MARKET THROUGH NAVIGATING TRENDS AND OPPORTUNITIES



The Gem & Jewellery Export Promotion Council
Sponsored by Ministry of Commerce & Industry, Govt. of India



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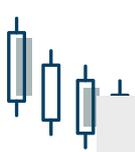
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Unlocking Potential in the UK Market through Navigating Trends and Opportunities

United Kingdom (UK) and India share a dynamic and evolving bilateral relationship, characterised by strategic collaboration, cultural ties, and robust trade. The historical ties between India and UK have significantly transformed over the years and turned into multi-faceted, and mutually beneficial in recent times. The strategic relationship between the two countries has grown strength to strength over a period of time. UK has been a key trading partner for India and is a potential market for Indian exporters, particularly in the Gems and Jewellery (G&J) sector. The UK's robust \$17.5 billion G&J industry, coupled with its increasing consumer demand for luxury, ethical, and sustainable products, offers immense opportunities for businesses in India.

This report is an attempt to study the trade dynamics, market opportunities, consumer preferences in UK and equip Indian exporters with practical strategies to strengthen their presence in the UK market. Also, this report is an extension of the insightful discussions shared in a webinar conducted by GJEPC as part of their market insights series in August 2024.



1. TRADE DYNAMICS BETWEEN INDIA AND UK

1.1. Bilateral Trade between India and UK

- The bilateral trade between India and the UK has increased at a rapid pace with the total trade growing at 4.76%, standing at US\$ 21.34 billion in FY2024, despite global trade challenges and drop in their total trade with the world.
- The signing of the India-UK Free Trade Agreement (FTA), set for 2025, aims to double this trade to \$100 billion by 2030, creating significant opportunities for exporters in the G&J sector.
- Indian exporters currently benefit from the Generalized System of Preferences (GSP), offering reduced tariffs. The FTA is expected to lower these tariffs further, enhancing the competitiveness of Indian products in the UK market.

1.2. Bilateral G&J Trade between India and UK

- The UK is the 6th largest global importer of G&J products, with imports totaling \$63.2 billion in 2023. However, India ranks 19th as a supplier, showcasing untapped potential worth US\$ 824 million. India holds 1.8% share in UK's imports while UK holds a 3.1% share in India's total exports.
- CPD, gold jewellery, worked precious and semi-precious stones are the key India's G&J exports to the UK. Significant opportunities exist in silver jewellery, lab-grown diamonds, coloured gemstones and platinum jewellery.
- UK imports reveal a rising preference for silver and platinum products, coupled with ethical and sustainable sourcing, driven by consumer demand.

Importance of Indian Diaspora:

The Indian diaspora in the UK is one of the largest, oldest and most influential ethnic minority groups in the country. With a population exceeding 1.9 million, British Indians make up a significant portion of the UK's demographic landscape, accounting for 3.1% of the UK population. The Indian diaspora's impact on the UK is profound, reflecting a rich cultural heritage and a strong presence in the socio-economic fabric of the nation. Thus, it is a key consumer group, with preferences for traditional wedding-related gold jewellery and rising interest in lab-grown diamonds. India is well adept at catering to the preferences of this vast Indian diaspora and should leverage digital platforms, blockchain technology, and e-commerce to enhance transparency and expand market reach.

1.3. UK's Market Insights

- The UK's G&J sector is characterized by strong demand for wedding and occasion-based jewellery, lightweight and sustainable designs, and growing e-commerce adoption.
- Northern cities like Manchester exhibit high demand for traditional jewellery, while the South shows a preference for fashion-oriented designs.
- UK consumers increasingly prioritize sustainable and ethically sourced jewellery, presenting a unique opportunity for Indian exporters to align offerings with these preferences.

1.4. GJEPC's Initiative

With an aim to enhance India's brand visibility in untapped emerging markets like the UK, GJEPC has undertaken many initiatives such as the e-commerce cell, glob-

al trade delegations, promotions through international coordinators and brand India advertising in international publications. GJEPC is also undertaking efforts to attract foreign direct investment (FDI) in initiatives like the India Jewellery Park in Mumbai to further bolster India's competitiveness and become a world leader in manufacturing and trading jewellery products in the global market. GJEPC's initiatives to enhance participation in events such as the London Jewellery Show in September 2024 offered a strategic platform for showcasing India's rich jewellery-making heritage and modern design sensibilities to a global audience.

Indian exporters can adopt sustainable practices to cater to the growing demand of UK consumers for customized and lightweight designs jewellery and capitalize on their seasonal and occasion-based jewellery trends. India must enhance its export reach by focusing on underutilized product segments and leveraging consumer interest in eco-friendly and customizable jewellery.

UK represents a promising market with growing demand for high-quality, sustainable, and uniquely designed jewellery. By aligning with evolving consumer preferences, embracing technology, and leveraging trade agreements, Indian G&J exporters can significantly enhance their market presence. The insights and strategies outlined in this report provide a roadmap for Indian exports to increase their market penetration to UK seamlessly.

This report highlights the key aspects of India-UK interdependence, with a focus on the Gems and Jewellery (G&J) sector, giving a glimpse into the UK's market landscape and export potential for Indian G&J products. The aim is to provide strategic insights to Indian exporters looking to start or enhance their exports in UK. Furthermore, this report is a continuation of the insightful discussions shared in a webinar conducted by GJEPC's research team as part of their market insights series in August 2024. This report is an attempt to delve deeper into the bilateral trade dynamics, consumer preferences, and actionable steps for Indian exporters to strengthen their presence in the UK market.

1.5. Economic Parameters of UK

The economic health of a potential market is very important for an exporter or potential business to know. The below table offers insights into the economic landscape of United Kingdom:

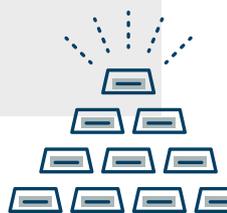
Table-1: UK's Economic Parameters

Parameter	2023 Value
GDP (current)	3,380.85 billion
GDP Growth Rate (annual %)	0.34%
GDP per Capita (constant 2015 US\$)	\$47,005
Inflation Rate, consumer prices (annual %)	6.79%
Foreign Direct Investment (FDI), net inflows (BoP, current US\$)	90 billion
Total Population (UK)	68.35 million
Population (Indian Diaspora) *	1.4 million
Percentage of Income for Discretionary Spending	17%
Percentage of Discretionary Spending on Luxury	5%
Urbanization Rate	84.6%

Source: World Development Indicators, WDI, *Ministry of External Affairs, Link: - ([World Development Indicators | DataBank](#); [Population of Overseas Indians](#))



As per the latest data for 2023 for GDP, United Kingdom is facing economic slow-down with an annual GDP growth rate at a slow rate of 0.34%. With a relatively high GDP per capita of US\$47,005 dollars, which is a high average income level per person, adjusted for inflation to 2015 dollars, UK is a high-income economy. There is an annual inflation rate of 6.79%. Out of the 17% discrepancy income, 5% is spent on luxury items, indicating a huge potential in G&J sector. There is a huge inflow of Foreign Direct Investment (FDI) to the tune of US\$90 billion, indicating confidence in the economy. UK has a high urbanization rate of 84.6%, indicating a predominantly urban population. Indian Diaspora's population is a significant 1.4 million of the total 68.35 million population.



2. INDIA- UK BILATERAL RELATIONS

2.1. India- UK Total Bilateral Trade-2022 & 2023

UK is India's one of the top 10 trading partners with a bilateral trade of around US\$21336.24 million as of FY2023. India's total exports of various commodities to UK were registered at US\$12,922.65 million in FY2023 accounting for 2.96% share in India's total exports. India's imports from UK were recorded at US\$8,413.59 million constituting 1.24% share in India's total imports in FY2023. In total, India-UK bilateral trade stood at US\$21336.24 million in FY2023 with a share of 1.91% in India's total trade. India's imports with UK has recorded a degrowth by (-)6.11%, while its exports and total trade have recorded a growth by 13.3% and 4.76% respectively.

India's key export commodities to UK Mineral Fuels, Electric Machinery, Nuclear reactor materials, Apparels and Clothing's, Pharmaceuticals and Gems and Jewellery. While India's major imports from the country are Gems and Jewellery, Iron and steel and nuclear reactors.

Table-2: India- UK Merchandise Trade Dynamics-

Trade Parameters (in US\$ million)	2022-2023	2023-24	Growth Rate (%)
India's total exports to UK	11,405.63	12,922.65	13.30
UK's % share in India's total exports	2.53	2.96	-
India's total imports from UK	8,960.73	8,413.59	-6.11
UK's % share in India's total imports	1.25	1.24	-
India- UK Total Trade	20366.36	21336.24	4.76
UK's % share in India's total trade	1.75	1.91	
India's key export commodities to UK	Mineral Fuels, Electric Machinery, Nuclear reactor materials, Apparels and Clothing's, Pharmaceuticals and Gems and Jewellery		

Source: GJEPC compiled Data from DGCIS

The Indo-UK trade relationship is robust, with a focus on economic co-operation. While global trade for both countries saw a slowdown in 2023, India-UK bilateral trade has grown steadily with the total trade value increasing by 4.76% in the same year. Over the years, India's exports to UK has increased from US\$8,738 million in 2019 to US\$12,923 million in 2023, while its imports have increased from US\$6,713 million to US\$8,414 million during the same period.

Table-3: Bilateral Trade between the Two Countries- 2019-2023

Indicator	2019	2020	2021	2022	2023
India's Exports to UK (\$M)	8,738	8,158	10,461	11,406	12,923
% Change of India's Exports to UK		-6.64	28.23	9.03	13.3
India's Imports from UK (\$M)	6,713	4,956	7,018	8,961	8,414
% Change of India's Imports from UK		-26.17	41.61	27.69	-6.1
Total Trade Value (\$M)	15,450	13,113	17,479	20,366	21,336
% Change of India-UK Total Trade Value		-15.13	33.3	16.52	4.76

Source: GJEPC compiled Data from DGCIS

To further strengthen this bilateral relationship, India and UK are aiming to double the total trade value to \$100 billion by 2030, through the ongoing FTA negotiations which is likely to benefit the G&J exporters significantly considering the Gems and Jewellery market of UK.

2.2. India- UK Gem & Jewellery Bilateral Trade

India and UK's bilateral trade w.r.t gem and jewellery products has seen a slow-down by (-) 10.92% from US\$684.48 million in FY2022-23 to US\$609.75 million in the FY2023-24. However, UK's share in India's total exports has increased from 1.80% to 1.86% in FY2023-24.

Similarly, India's gem and jewellery imports has decreased by (-)22.8% to US\$2348.32 million in FY2023-24 from US\$3041.92 million in FY2022-2023. UK's share in India's total imports has also declined from 4.11% to 2.99% during the same period. With this, gem and jewellery total trade stood at US\$2,958.07 million in FY2023-24 declining by (-)20.62% from US\$3,726.40 million in FY2022-23. UK's share in India's total trade also decreased from 3.33% to 2.66% during the same period.

Table-4: India- UK Gem & Jewellery Bilateral Trade

Trade Parameters (in US\$ billion)	2022-2023	2023-2024	Growth Rate (%)
India's total G&J exports to UK (US\$ Million)	684.48	609.75	-10.92
UK's % share in India's total exports	1.80	1.86	-
India's total G&J imports from UK (US\$ Million)	3,041.92	2,348.32	-22.8
UK's % share in India's total imports	4.11	2.99	-
India- UK Total Trade (US\$ Million)	3,726.40	2,958.07	-20.62
UK's % share in India's total trade	3.33	2.66	-

Source: GJEPC compiled Data from DGCIS

The trade relationship between India and the UK in the gem and jewellery sector has been quite volatile over the years. India's exports, imports and total trade to and from UK over the last 5 years is a mix of positive and negative trends.

The highest exports to UK were in 2020-2021, with a significant increase of 61.8% from the previous year. Exports have been declining since 2020-2021 and continued to decline through 2023-2024.

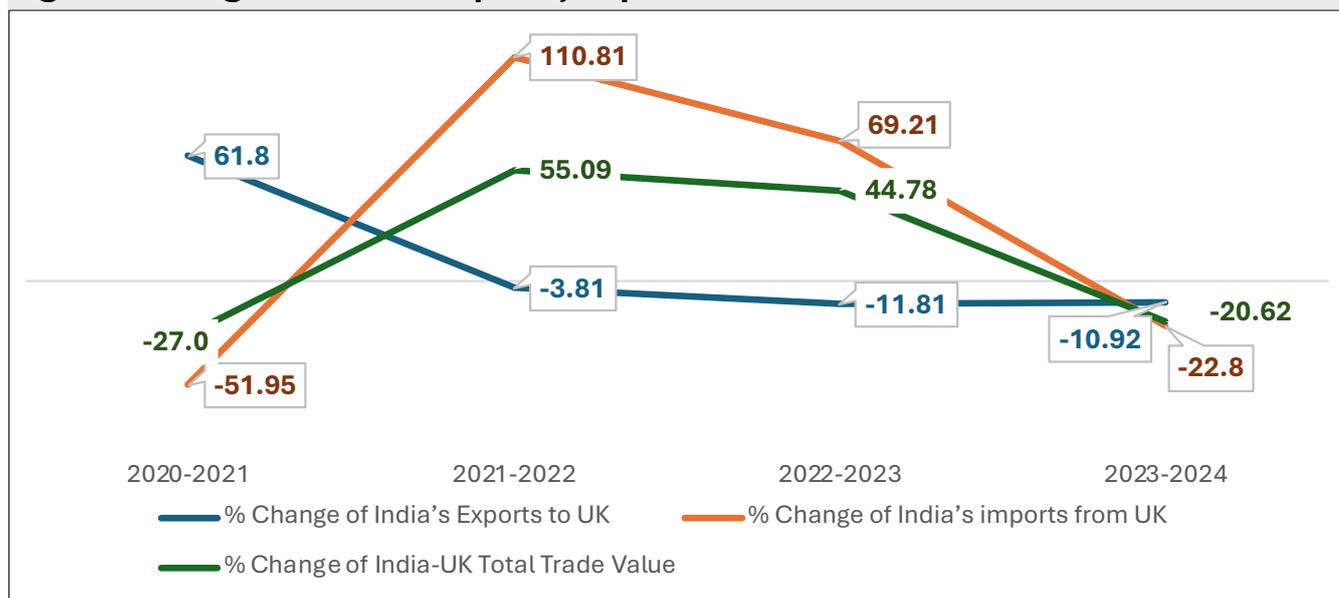
Imports recorded a decline in 2020-2021 by 51.95%, but then surged significantly in 2021-2022 by 110.81%, followed by an increase of 69.21% in 2022-23. In 2023-24, similar to exports, imports also decreased to -22.8%.

Table-5: India - UK Gem and Jewellery Trade (US\$ million)- 2019-2024

Year	Exports to UK	% Change of India's Exports to UK	Imports from UK	% Change of India's imports from UK	Total Trade	% Change of India-UK Total Trade
2019-2020	498.64		1,774.83		2,273.47	
2020-2021	806.8	61.8	852.79	-51.95	1,659.59	-27
2021-2022	776.1	-3.81	1,797.75	110.81	2,573.85	55.09
2022-2023	684.48	-11.81	3,041.92	69.21	3,726.40	44.78
2023-2024	609.75	-10.92	2,348.32	-22.8	2,958.07	-20.62

Source: GJEPC compiled data from DGCIS

Fig 1: % Change of India's Exports, Imports and Total Trade to UK- 2019-2024



Source: GJEPC compiled Data from DGCIS

2.3. UK's position in India's G&J exports

UK is among the top 10 export destinations of India's exports of gem & jewellery products.

Table-6: India's G&J Sector Position at Global level 2023 (CY)

Trade Indicators	Amount/ % Share (2023)	
Total World Exports of G&J Products	US\$ 865 bn	
India's Exports of G&J Products	US\$ 33.42 bn	
India's share (%)	Around 4%	
India's Ranking	6th	
Other key exporters	1.Switzerland	14.70%
	2. Hong Kong, China	9.40%
	3. United Kingdom	9.30%
	4. USA	8.90%
	5. UK	6.60%
	6. India	3.90%
	7.China	3.70%

Source: UN comtrade database 2023

2.4. India's key export commodities to UK

CPD, gold jewellery, silver jewellery, polished LGD, imitation jewellery and CGS constitutes the key export gem & jewellery commodity basket to UK. As is evident from the table below, exports of gold jewellery (-)10.87%, CPD (-)13.69%, polished LGD (-0.93%), and CGS (-)27.45% have recorded a degrowth whereas silver jewellery (4.01%) and imitation jewellery (15.59%) has recorded a growth in FY2023-24 as compared to same period last year. Overall, the exports of gems and jewellery commodities declined by -10.92% to US\$609.75 million in FY2023-24 as compared to US\$ 684.48 million registered in the same period last year.

The reasons for degrowth in key G&J exports can be attributed to the stagnant economic conditions in UK as well as global geopolitical conditions, decline in prices of CPD due to demand-supply gap, decline in production of natural diamonds due to high inventory levels, fall in prices of LGDs due to market saturation, high gold prices, shift in consumer preferences, among others. On the other hand, reasons for growth in silver jewellery and imitation jewellery can be attributed towards changing preferences towards these commodities.

Table-7: India's Exports of Gem and Jewellery Commodities to UK

Commodities	2022-2023 (US\$ Million)	2023-2024 (US\$ Million)	% growth
Gold Jewellery	309.84	276.16	-10.87
Polished Diamonds (CPD)	193.64	167.13	-13.69
Silver Jewellery	57.8	60.12	4.01
Worked LGD	28.03	27.77	-0.93
Imitation Jewellery	13.6	15.72	15.59
Coloured gemstones	7.25	5.26	-27.45
Others	74.32	57.59	-22.51
Total	684.48	609.75	-10.92

Source: GJEPC compiled data from DGCI&S

Overall, the imports of gems and jewellery commodities declined by -22.8% to US\$2348.3 million in FY2023-24 as compared to US\$3041.92 million registered in the same period last year.

Table-8: India's Imports of Gem and Jewellery Commodities from UK

Commodities	2022-2023 (US\$ Million)	2023-2024 (US\$ Million)	% growth
Silver Bar	2683.49	1992.19	-25.8
Gold Bar	94.64	160.27	69.35
Palladium	178.04	103.33	-42
Gold Jewellery	19.75	23.07	16.81
Polished Diamonds	22.9	22.21	-3.01
Platinum Bar	25.2	25.63	1.71
Others	17.9	21.62	20.78
Total	3041.92	2348.3	-22.8

Source: GJEPC compiled data from DGCI&S

2.6. UK's Imports of Gem and Jewellery Products & India's position

The below table provides a detailed analysis of the UK's imports of gems and jewellery, highlighting India's significant role in this sector. Overall, the UK imported gems and jewellery worth \$63,203.07 million from the world, with India contributing \$749.61 million, ranking 19th with a 1.2% share. Notably, India is the leading supplier of gold jewellery (HS Code 711319) to the UK, with a 15.8% share, surpassing France and Italy. In the cut and polished diamonds category (HS Code 710239), India holds the second position with a 19.4% share, following Israel. For silver jewellery (HS Code 711311), India ranks third with a 14.6% share, behind Thailand and China. In imitation jewellery (HS Code 7117), India is fifth with a 4.8% share, while in precious and semi-precious stones (HS Code 710399), India leads with a 15% share. However, in the rubies, sapphires, and emeralds category (HS Code 710391), India ranks 10th with a 3.4% share. This data thus underscores India's strong presence in the UK's gems and jewellery market, particularly in gold jewellery and precious stones.

Table-9: UK's Imports of Gem and Jewellery Products in (US\$ Million) from World & India 2023

HS Codes	Commodity	UK Imports from World	UK Imports from India	Rank, % share of India in UK's Imports	Supplying Markets to UK
71	Gems and Jewellery	63203.07	749.61	1.2%, 19th Rank	Kazakhstan (22.2%) USA (14.5%) Canada (11.1%) South Africa (8%) Germany (6%)
711319	Gold Jewellery (Plain + Stud-ded)	2108.33	333.65	15.8%, 1st Rank	India (15.8%) France (13.4%) Italy (12.6%) UK (11.5%) Switzerland (8.7%)
710239	Cut and Pol-ished Dia-monds	953.56	184.52	19.4%, 2nd Rank	Israel (27.8) India (19.4%) UK (16.4%) Belgium (10.5%) South Africa (10.4%)
711311	Silver Jewellery	398.72	58.17	14.6%, 3rd Rank	Thailand (39.9%) China (15%) India (14.6%) Italy (10.9%) USA (8.8%)
7117	Imitation Jew-ellery	379.25	18.07	4.8%, 5th Rank	China (47.4%) Italy (12.6%) Thailand (11.1%) France (4.8%) India (4.8%)
710399	Precious and semi-precious stones, worked	29.92	4.48	15%, 1st Rank	India (15%) Germany (11.6%) Hong Kong, China (11.2%) Thai-land (10%) Mozambique (7.9%)
710391	Rubies, Sap-phires & Emer-alds	172.12	5.88	3.4%, 10th Rank	USA (14.3%) Thailand (10.3%) Colombia (9%) UK (9%) Sri Lan-ka (7.1%)

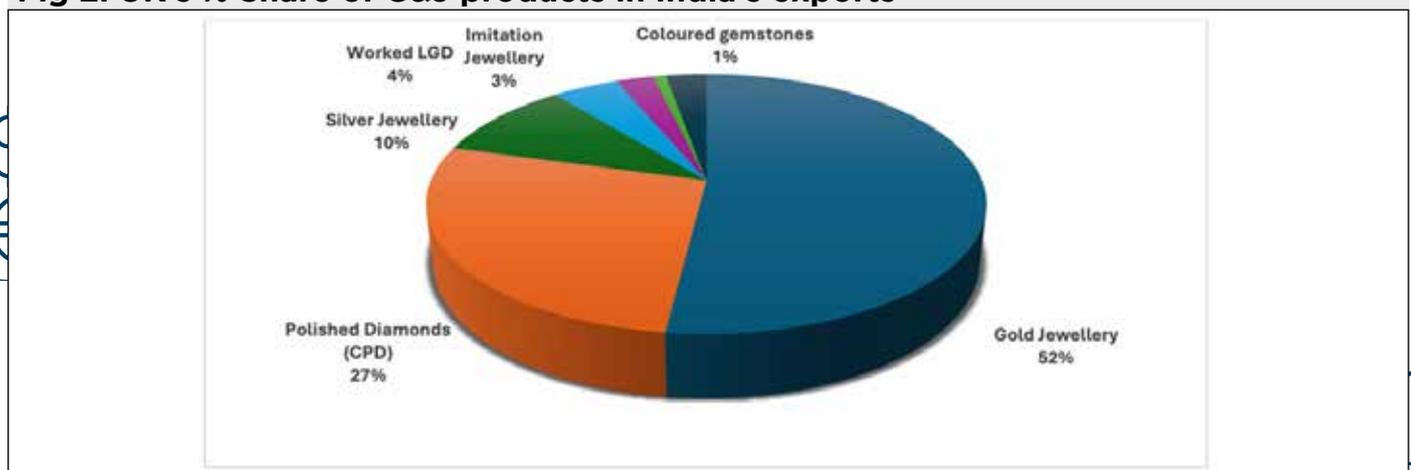
Source: GJEPC compiled data from TradeMap

2.7. Complementarity exists between India -UK G&J Trade - 2023-24

India's key gem & jewellery export commodities to UK are gold jewellery, cut and polished diamonds, silver jewellery, lab grown diamonds and imitation jewellery.

According to the data of the FY2023-24 exports of gold jewellery amounting to US\$276.16 million (Plain gold jewellery - US\$2.09 bn and studded gold jewellery - US\$1.10 bn) and exports of cut and polished diamonds amounting to US\$167.13 million were recorded from India to UK. Gold jewellery accounted for 52% share and cut and polished diamonds accounted for 27% share in India's total gems and jewellery exports of US\$609.75 million to UK

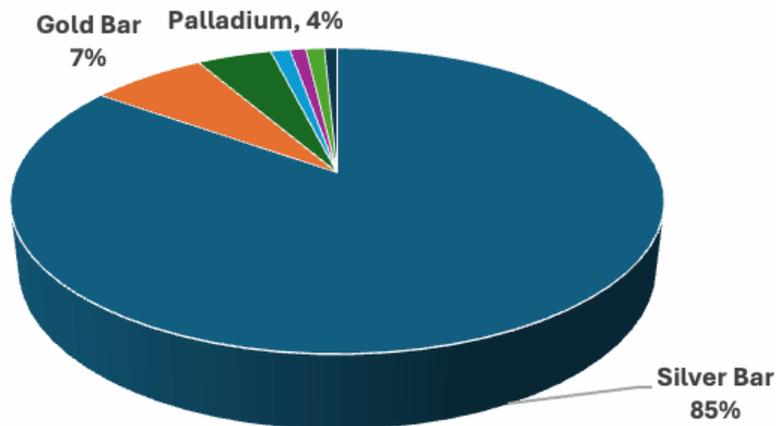
Fig 2: UK's % Share of G&J products in India's exports



India's key import gem & jewellery commodities from UK consists of silver bar, gold bar, palladium, CPD and gold jewellery. According to the data of the FY2023-2024, silver bar amounting to US\$1992.19 million, gold bars amounting to US\$160.27 million and palladium amounting to US\$ 103.33 million were imported from UK to India. With this, silver bars accounted for 85% share, gold bar comprises of 7% share and palladium comprises of 4% share in India's total imports of US\$2348.3 million from UK in FY2023-24.

Fig 3: UK's % Share of G&J products in India's imports

The export and import scenario indicate a strong export complementarity between both these countries as India is exporting finished jewellery products and polished diamonds to UK and importing rough materials i.e. gold bars and rough diamonds from UK



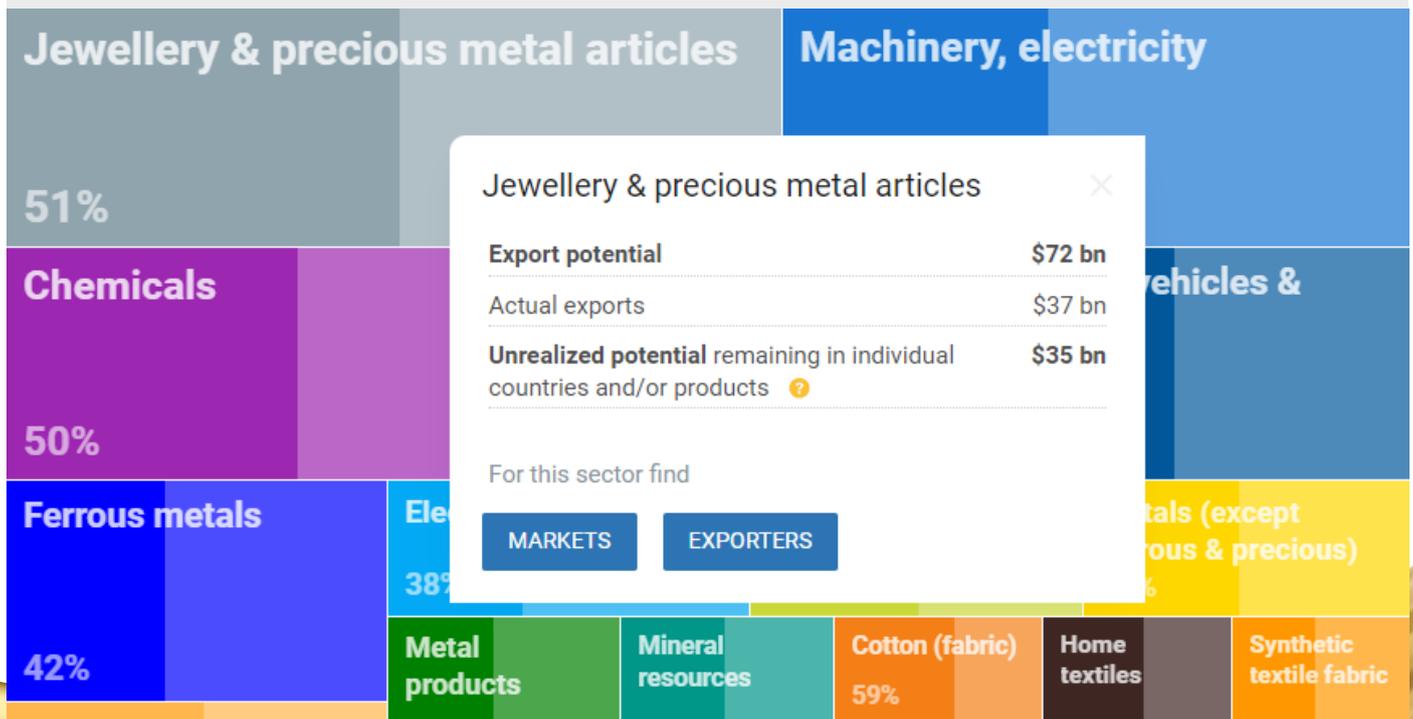
3. INDIA'S G&J EXPORT POTENTIAL

Gems and Jewellery sector of India has the highest untapped export potentials both in terms of percentage and volume of exports in 2023.

India's export potential in G&J sector - US\$72 billion

India's Untapped Export Potential- US\$35 billion

Fig 4: India's G&J Export Potential-2023



Source: Export Potential Map, October 2023. * GJEPC estimates

3.1. Country-wise untapped export potential (US\$)

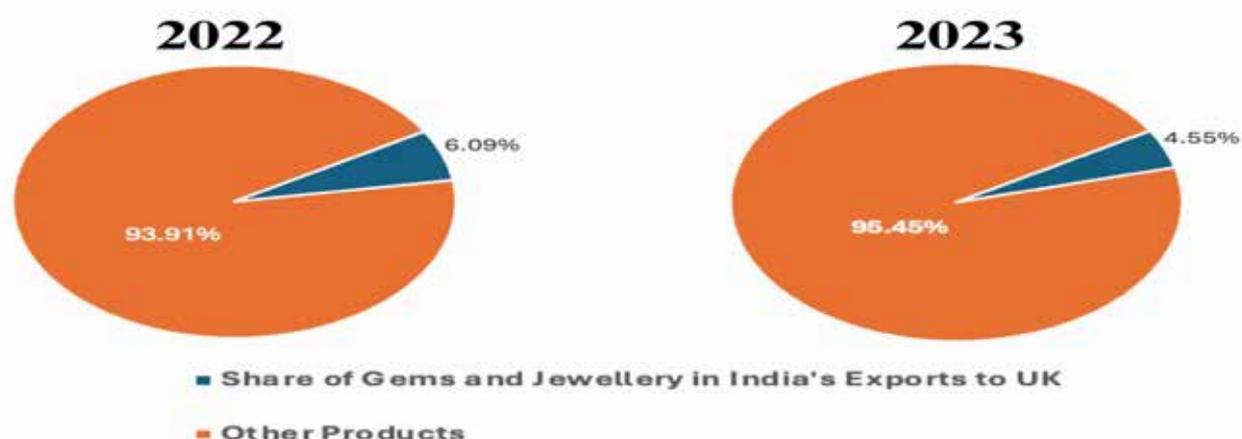
India stands on the 19th position in the imports of Gems and Jewellery done by the United Kingdom, having a 1.2% market share. It also stands at the first rank for a few products and in the top 5 countries for others. The products where India has a huge market share are safe bets that can be taken by Indian exporters of Gems and Jewellery looking to venture into United Kingdom as a possible market. However, there are products from India with untapped export potential to the United Kingdom in the Gems and Jewellery sector.

Table-10: India's Country-wise untapped export potential (US\$) - Top 10 markets

S.no.	Countries	Export Potential	Untapped Export Potential
1	USA	US\$ 21 bn	US\$ 8.7 bn
2	Hong Kong	US\$ 15 bn	US\$ 7 bn
3	UK	US\$ 13 bn	US\$ 6.9 bn
4	Belgium	US\$ 2.9 bn	US\$ 936 mn
5	Israel	US\$ 2.3 bn	US\$ 1.2 bn
6	Switzerland	US\$ 2 bn	US\$ 1.8 bn
7	Thailand	US\$ 1.6 bn	US\$ 457 mn
8	Singapore	US\$ 1.7 bn	US\$ 1 bn
9	China	US\$ 1.5 bn	US\$ 768 mn
10	UK	US\$ 1.4bn	US\$ 824 mn

Source: GJEPC Trade Research based on Export Potential Map, ITC 2022 as on 26th October 2023

Fig 5: Share of G&J and other products in India's exports to UK



3.2. Commodity-wise untapped export potential (US\$)

Table-11: India's Commodity-wise untapped export potential to UK

Commodity	Imports By United Kingdom	India's Export Potential to UK	Untapped Export Potential to UK
Gems and Jewellery	\$92.77 bn	\$1.5 bn	\$812 mn
Diamonds, worked	\$1 bn	\$597 mn	\$391 mn
Jewellery of precious metal	\$2.6 bn	\$546 mn	\$212 mn
Jewellery of silver	\$396 mn	\$250 mn	\$167 mn
Rubies, sapphires & emeralds, worked	\$196.6 mn	\$22 mn	\$17 mn
Imitation jewellery	\$122.7 mn	\$18 mn	\$6.6 mn
Imitation jewellery, of base metal	\$252 mn	\$10 mn	\$4.5 mn

Source: Export Potential Map by ITC, data compiled by GJEPC

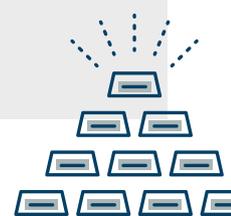
3.3. Tariffs in UK for Indian exporters

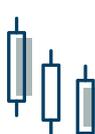
The below table underlines the tariffs imposed by the UK on Indian exporters for various categories of gems and jewellery. Under the Most Favoured Nation (MFN) rates, gold and silver jewellery (HS Codes 7113.19 and 7113.11) are subject to a 2% duty, while imitation jewellery (HS Code 7117) faces a 4% duty. However, under the Developing Countries Trading Scheme (DCTS) Standard Preference, these duties are waived, making these items duty-free. Cut and polished diamonds (HS Code 7102.39), rough diamonds (HS Codes 7102.31/.21/.10), rough, precious stones (HS Code 7103.1), polished coloured gemstones (HS Codes 7103.91/.99), raw pearls (HS Codes 7101.10/.21), processed pearls (HS Code 7101.22), and synthetic or reconstructed precious or semi-precious stones (HS Code 7104) are all duty-free under both MFN and DCTS preferences. Additionally, a 20% VAT is applicable across all categories. This tariff structure significantly benefits Indian exporters, particularly under the DCTS, by reducing costs and enhancing competitiveness in the UK market.

Table-12: Commodity-wise Tariffs in UK for Indian exporters

HS Code	Description	Duty rates applicable for India in UK (MFN)	DCTS Standard Preference
7113.19	Gold Jewellery	2%	Free
7113.11	Silver Jewellery	2%	Free
7117	Imitation Jewellery	4%	Free
7102.39	Cut & Polished Diamonds	Free	Free
7102.31/.21/.10	Rough Diamonds	Free	Free
7103.1	Rough Precious Stone	Free	Free
7103.91/.99	Polished Coloured Gem-Stones	Free	Free
7101.10/.21	Raw Pearls	Free	Free
7101.22	Processes Pearls	Free	Free
7104	Synthetic Or Reconstructed Precious or Semi-Precious Stones	Free	Free
VAT	20%		

Source: FedEx World Tariff





4. UK'S CURRENT G&J MARKET PREFERENCES, RETAIL LANDSCAPE

The Gems and Jewellery (G&J) market in the UK, ranked as the fifth largest globally, presents a promising yet competitive landscape for Indian exporters. This report highlights key market demand trends, material preferences, consumer behaviour, and structural changes that are shaping the G&J market in the UK. With the growth in e-commerce, sustainable practices, and evolving consumer preferences, the Indian G&J sector can strategically address unmet demands and reinforce its position within the UK.

1. Demand Types and Consumer Preferences

- **Metals and Material Preferences:** Gold remains a dominant choice, especially for traditional and wedding jewellery, with a noticeable increase in demand for silver and imitation jewellery. A shift towards sustainable options, such as lab-grown diamonds, is notable among environmentally conscious consumers.
- **Jewellery Types in Demand:** Popular categories include rings, necklaces, and bracelets. There is a growing inclination towards lightweight, comfortable designs suitable for daily wear and fashion purposes. Vintage designs and personalized options also cater to the wedding and luxury segments.
- **Gemstones and Weight Preferences:** Diamonds, rubies, sapphires, and emeralds are preferred, with lab-grown diamonds seeing increased demand due to cost-efficiency and ethical sourcing. Weight preferences lean towards 9ct and 18ct gold, particularly for wedding bands, engagement rings, and everyday jewellery.

2. Purpose and Demographics of Jewellery Use

- **Purpose:** Jewellery serves various purposes from fashion and special occasions (e.g., weddings) to religious significance and everyday wear. The wedding season sees a peak in demand for engagement rings and bridal sets, whereas fashion jewellery is more popular for its seasonal adaptability and affordability.
- **Age and Gender Preferences:**
 - ✓ **Age Groups:** Younger consumers (10-25 years) favour trendy, customizable options. Individuals aged 25-60 are key buyers for wedding and luxury jewellery, while those 60+ often prefer traditional designs.
 - ✓ **Gender:** While both men and women exhibit strong demand for jewellery, preferences vary significantly. Women predominantly buy gold, silver, and fashion jewellery, while men's interests include rings, bracelets, and watches.
- **Seasonal Demand Trends:** Peak buying seasons are the winter holidays (Christmas and New Year) and the wedding season from May to August, aligning with cultural events and gift-giving occasions.

3. Regional and Structural Market Dynamics

- **Regional Demand:** Northern cities like Manchester and Newcastle show higher interest in traditional and bespoke jewellery, whereas southern areas are more inclined towards fashion jewellery.
- **Retail Landscape and Channels:** A shift from traditional retail to e-commerce is evident, with online platforms gaining traction due to their flexibility in delivery and personalized service. However, physical stores remain important for luxury and high-end services, especially in providing a tactile experience and custom services.





4. Sustainability Trends and Indian Diaspora Demand

- **Sustainability:** There is a strong emphasis on ethically sourced materials and recycled metals, with certifications such as the Kimberley Process becoming increasingly valuable in the market.
- **Indian Diaspora:** The Indian community in the UK contributes to high demand for traditional gold jewellery and wedding-related items, with rising interest in lab-grown diamonds for their affordability and sustainability.

5. Market Structure and Key Industry Segments

- **Revenue and Growth Drivers:** The UK G&J market is valued at \$17.5 billion, driven by high demand for luxury items, wedding jewellery, and sustainable products. Online retail and personalized shopping experiences continue to fuel growth, catering to consumer demands for convenience and customization.

Table-13: Below table shows in a nutshell- **the preferences and choices of UK consumers with reference to various parameters:** -

Demand Type	Categories	Secondary Research
Type of Metals in demand	Silver, gold, jewellery, imitation jewellery, platinum	1. Gold followed by silver and platinum 2. Lab-grown diamonds and other gemstones are rising in popularity
Most in-demand jewellery types	Rings, chains, necklaces etc	Pearl necklaces, gold necklaces, and chains
Gemstones Preferences	CPD, rubies, sapphires etc	Most popular diamonds, followed by pearls, emeralds, and sapphires, with rubies popular in some cities.
Weight Preferences	1 Oz, 14Oz	1. Gold - 9ct and 18ct, for wedding bands and engagement rings 2. Lightweight Designs- for daily wear and fashion jewellery. Preference for comfortable and easy to wear, moving away from bulky or heavy items.
Purpose	Events, Fashion, Religious, Occasion	
Age Group	10-25,25-60,60+	
Gender	Men, women, Kids, Gen Z	Growth in demand and interest from Z and millennials for fashion jewellery and customisable pieces.
Seasons	Winter, Summer, Monsoon	Peak Seasons- Valentine, Christmas, and weddings
Months		May to August - Weddings, December- winter weddings and holiday engagements.

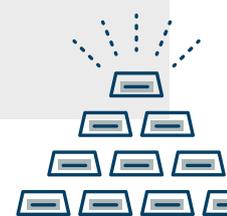


Table-14: Below table captures the **key aspects, including retail landscape, evolving consumer preferences, material trends, and challenges as shared by the experts in UK market:**

Demand Type	Categories	Secondary Research
Wedding Jewellery related demand		<ol style="list-style-type: none"> engagement rings, wedding bands, diamond jewellery including LGDS, solitaire diamonds, and platinum or gold bands, vintage designs, personalized pieces, and lab-grown diamonds, Bespoke bridal jewellery, including necklaces and earrings, diamonds, pearls, and gemstones like sapphires and emeralds. There is also a shift towards lab-grown diamonds due to affordability and environmental considerations
Regional Trends	Northern, southern, etc	Stronger demand in Northern cities like Newcastle, Manchester, and Leeds
Market Structure	Retail, Wholesale, online	Shift observed from retail to online. Physical stores offering personalized services
Indian Diaspora	Size & G&J Demand Profile	High demand for gold and wedding-related jewellery, with rising interest in lab-grown diamonds.
Sustainability Focus	Kind of sustainability	<ol style="list-style-type: none"> Ethical sourcing and recycled metals are becoming a significant trend in UK jewellery design. certified by the Kimberley Process
<ol style="list-style-type: none"> Market Revenue Generated and Global rank (2023) Drivers of growth 	UK jewellery market	<ol style="list-style-type: none"> \$17.5 billion, 5th global rank growth was driven by both the luxury and mass-market segments, including diamonds and other precious gems, which hold strong demand for weddings and other special occasions.
Market Size		£1.2 billion (2021) from Manufacturing
Imports		<ol style="list-style-type: none"> \$3.2 billion (2022) Top ten importers of gold, silverware, and finished jewellery
Specialist watch and jewellery stores turnover		<ol style="list-style-type: none"> £6.5 billion (2021) boosted by wedding-related and luxury jewellery sales
Comments		<ol style="list-style-type: none"> Growth seen in luxury and sustainable pieces, along with a consumers shift toward online shopping. UK jewellery market is poised for continued growth, with demand for ethical products, wedding jewellery, and e-commerce playing critical roles.

Detailed Analysis:

1. Retail Segments

The UK Gems and Jewellery (G&J) market is divided into several retail segments to cater to varying consumer preferences:

- **Collections:** These are ready-made jewellery sets, often grouped by season or theme, designed for style-conscious consumers seeking cohesive looks.
- **Branded Jewellery:** Sold under recognized brand names, branded jewellery offers unique identity and design, appealing to consumers looking for exclusivity.
- **Generic Jewellery:** This category includes mass-produced, non-branded pieces, widely accessible due to their affordability.
- **Bespoke Jewellery (£1bn market):** Customized jewellery tailored to individual tastes, often purchased for special occasions or personal expression.
- **Watches (£2bn market):** High-end and fashion watches remain significant in the luxury segment, attracting a dedicated customer base.

2. Retail Channels

The UK jewellery market employs a mix of retail channels, reflecting the diverse preferences of modern consumers:

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- **Multiple Retailers:** Chain stores with a broad presence that offer consistent, reliable products.
 - **Independent Retailers:** Locally owned businesses that cater to niche markets, appealing to consumers seeking unique, artisanal pieces.
 - **Designer Boutiques:** Specialized stores focusing on designer or artistic jewellery, often targeting high-end and discerning buyers.
 - **Online Platforms:** E-commerce has gained popularity, offering flexible delivery options and personalized offers, making shopping more convenient and accessible.

3. Consumer Trends

Consumer preferences in the UK market reveal distinct trends:

- **Occasion-based Jewellery (60%):** Jewellery for weddings, anniversaries, and special events remains the main sales driver.
- **Fashion-related Jewellery (13.7%):** These pieces cater to style trends, allowing consumers to accessorize affordably.
- **Meaningful Jewellery:** Jewellery with sentimental or symbolic significance, such as birthstones or family heirlooms, holds special appeal.
- **High Jewellery:** Luxurious, high-carat pieces are favoured by affluent customers, emphasizing exclusivity and fine craftsmanship.

4. Customer Values

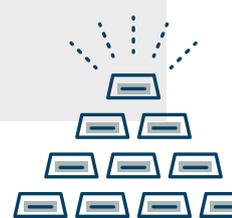
Values influencing consumer choices highlight a shift towards ethical and sustainable options:

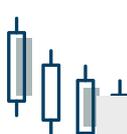
- **Sustainability:** Consumers increasingly prioritize jewellery that is ethically sourced and environmentally friendly.
- **Lab-grown Diamonds:** There is growing interest in man-made diamonds due to their affordability and ethical advantages.
- **Fair Trade Certification:** Jewellery crafted under ethical labour standards is gaining traction.
- **Recycled Materials:** The use of recycled metals and stones is becoming popular, reflecting consumers' preference for eco-friendly products.
- **Provenance:** Knowing the origin of materials is important to buyers, reflecting their interest in responsible sourcing.

5. Quality and Standards

Quality remains a critical consideration in the UK jewellery market:

- **Craftsmanship:** High-quality, skilfully crafted pieces are highly valued.



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- **Repairs and Maintenance:** After-sale services, including cleaning and repairs, enhance customer loyalty.
 - **Service Quality:** Excellent in-store and post-purchase experiences are essential for retaining customers.
 - **Trading Standards Compliance:** Adherence to UK laws ensures consumer trust, especially regarding product quality and authenticity.

6. Jewellery Materials

Material preferences indicate trends in accessibility and design choices:

- **9ct Gold and 925 Silver (75%):** Affordable alloys popular for a variety of jewellery items.
- **14ct and 22ct Gold:** Increasingly popular among affluent consumers, offering a balance of durability and luxury.
- **Decline in Pure White Metal Jewellery:** White metals, such as platinum, are losing ground to warmer gold tones.
- **Trends Towards Fashion and Design:** Growing experimentation with unconventional materials and contemporary designs.

7. Emerging Trends

The market is seeing new trends that emphasize individuality and technology:

- **Design-focused Jewellery:** Consumers seek jewellery that offers artistic expression and uniqueness.
- **Personalization and Customization:** There is rising demand for tailored pieces that reflect personal taste.
- **Integration of Technology:** Online tools like configurators and augmented reality for virtual try-ons are enhancing the shopping experience.
- **Stackable Jewellery:** Layered bracelets, rings, and necklaces have become popular, allowing for creative expression.

8. Challenges

The UK jewellery market faces several challenges:

- **Brexit Impact:** Tariff increases, supply chain issues, and currency fluctuations affect profitability.
- **Income Levels:** Lower disposable income impacts luxury spending.
- **Rising Costs and Inflation:** Increased production and operational costs are influencing pricing strategies.
- **Shift in Preferences:** Younger consumers are prioritizing experiences over material items, reshaping demand.

9. South Asian Diaspora

The South Asian diaspora in the UK holds significant purchasing power and unique preferences:

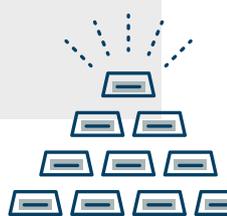


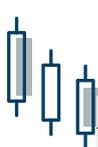
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- **Service-driven Buying Behaviour:** A preference for retailers offering excellent customer service.
 - **Storytelling:** Purchases often hold emotional value, rooted in family traditions.
 - **Cultural Significance:** Strong demand for gold and heirloom pieces as symbols of wealth and heritage.
 - **Access to Services:** Preference for stores that provide customization, repair, and exchange services.

10. Key Industry Hubs

Prominent industry hubs within the UK contribute to the jewellery sector's structure:

- **Birmingham Assay Office:** A central hub for hallmarking and ensuring jewellery authenticity.
- **London, Sheffield, Edinburgh, and Birmingham:** Key cities for jewellery production, retail, and certification, supporting regional economies.





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