GJEPC INDIA

Special Economic Zones (SEZs)

Catalyst for the Indian Gem & Jewellery Sector

March

2024

GJEPC INDIA

Special Economic Zones (SEZs)

Catalyst for the Indian Gem & Jewellery Sector

March

2024

MESSAGES

"SEZs in India have 500 gems and jewellery manufacturing units that produce a wide range of products namely studded gold jewellery, coloured gemstones, silver jewellery, cut and polished diamonds and lab grown diamonds, etc. We believe that these zones have the potential to satiate the growing demand of our economy and generate considerable employment opportunities for our large labour force coupled with meaningful policy initiatives that can enhance the functioning of the SEZ units in India. "

Mr. Kirit Bhansali
Chairman
GJEPC

"SEZs have been catalysts for India's growth is attributed to the various perks that companies enjoy by virtue of their SEZ membership. SEZs are regional manufacturing hubs where a group of companies manufacturing similar products have access to the same resources, knowledge, common facility centres and so forth. The Indian gems and jewellery sector through the SEZs has the potential to serve as a global hub by creating world class jewellery using the advanced machineries and technologies that they offer to all gems and jewellery units. However, financial incentives, policy improvements and technology tie-ups with the other countries are imperative to make the Indian SEZs global competitive to the utmost level."

Mr. Suvankar Sen
Former Convener, SEZ Sub-Committee
GJEPC

"One of the key projects initiated by the council to enhance the infrastructural capacity of the gems and jewellery units in the SEZs is the Mega CFC Project -SEEPZ. The project is the first of its kind project in India with full grant from Government for the trade which is expected to be implemented in record time. It will provide the much-needed support to the units for designing and manufacturing of gems and jewellery products by enhancing existing quality, productivity, skill of workers, domestic research & development, technological advancement and cost competitiveness. "

Mr. Sabyasachi Ray
Executive Director
GJEPC

Sr No	Particulars	Page No
1.	Executive Summary	3
2.	Special Economic Zones – A Global Overview	5
3.	Special Economic Zones in India – An Overview	8
4.	Special Economic Zones: Current Export Performance	17
5.	The Gems and Jewellery Exports of SEZs and DTAs: A comparison	18
6.	SEZs wise gem and jewellery exports • Exports from SEZs: Commodity-wise • Exports from SEZs: Commodity * Country-wise • SEZ-wise * Commodity wise * Country -wise G&J exports – 3 - dimensional analysis	19
7.	SEZ Gem and Jewellery – Vision 2025	32
8.	Conclusion	36
9.	Annexure	38

Executive Summary

Special economic zones (SEZs) are geographically delimited areas within which governments facilitate industrial activity through fiscal and regulatory incentives and infrastructure support and widely used across developing and developed economies (UNCTAD, 2019). The special economic zones model to boost economic growth is now being used by 147 economies around the world, including the developing and transition economies. As of 2019, there are 5383 special economic zones (SEZs) in the world of which 4772 are in developing economies followed by 374 in developed economies and 237 in transition economies.

China, with more than 2543 SEZs, accounts for around 50 % of the total SEZs in the world, therefore within Asia; East Asia has the highest number of SEZs, i.e., 2645, while South Asia and West Asia has 456 and 208 SEZs, respectively. There are 486 SEZs and 237 SEZs in Latin American and the Caribbean region. Thus, there is a high concentration of SEZs across the developing economies and especially in East Asia.

The Special Economic Zone (SEZ) model plays the role of a catalyst in driving the growth of gem and jewellery exports from India. It is noteworthy that almost all the gem and jewellery products, including cut and polished diamonds, gold jewellery, silver jewellery and coloured gemstones, are exported from the various SEZs situated across the country, with major hubs at Mumbai, Surat, Noida, Jaipur and Kolkata among others. As per the latest data available for the financial year 2022-2023, the total gem and jewellery exports from India amounted to approximately US$38 billion. Of this, around US$7 billion worth of gem and jewellery products were exported from SEZs, constituting 19% of the total gem and jewellery exports. Thus, almost 1/5th of India's gem and jewellery exports have been possible through the SEZs situated across the country.

India's overall gem and jewellery sector has a huge export potential of US$70 billion as of 2022-2023 of which 50% of total export potential is yet to be realized. In the light of the capacity to produce and cater the demand of the buyers from different countries, it is believed that the SEZ model can further be instrumental for realising the untapped export potential of India in gem and jewellery sector and also be shifted to the next level in the form of SEZ + (plus) model so as to ensure that India becomes a marketplace for the world in the gems and jewellery sector.

However, this has been noted that there is a high export product and market concentration pertaining to the gem and jewellery products from the DTA as well as SEZ.

- Majority of the total exports of studded gold jewellery from SEZ are exported to USA which accounts for 67% of the total exports of the said commodity. This is followed by Hong Kong (7%), UAE (4%), UK (4.9%) and Australia (3.3%).

- For plain gold jewellery exports from SEZ, UAE is the major export destination capturing more than half of the total exports in this category with 51.2% share, followed by USA (32.87%), UK (5.7%) and Hong Kong (2.6%).

- It is noteworthy that 95% of plain silver jewellery and 73% of studded silver jewellery is exported from Indian SEZs to Hong Kong, followed by USA and UK with relatively very low share.

- Botswana, Israel, Hong Kong, UAE and USA are the key export markets for

cut and polished diamonds for Indian SEZs.

- Coloured gemstones from Indian SEZs are majorly exported to Hong Kong with 51.2% share in total exports, followed by USA and Thailand with 26% and 8.5% shares respectively.

At this backdrop, this is imperative to undertake strategic measures for enhancing exports of gem and jewellery from SEZ to US$15 billion by 2025 from around US$7 billion recorded in FY2022-2023.

This is based on the discussions with the key stakeholders, following measures are outlined in the report. These are i. Focus on the new markets and thrust products viz. Platinum jewellery, Silver Jewellery and Lab grown diamonds ii. Encouraging PPP models for the infrastructure development iii. Enhancing QQQ (Quantity, Quality and Quest) iv. Encouraging e-commerce business v. Establishing complementarity between men and machine vi. Upskilling vii. Reposition Brand India and viii Enhancing EODB by addressing policy and procedural issues by the GoI.

We believe that , with the collaborated strategic efforts of the GoI , trade and other key stakeholders , exports of varied gem and jewellery products can be enhanced from SEZ and vision of doubling the exports to US$15 billion by 2025 can be translated into the realty.

1. Special Economic Zones (SEZs): Global Overview

Special economic zones (SEZs) – geographically delimited areas within which governments facilitate industrial activity through fiscal and regulatory incentives and infrastructure support are widely used across developing and developed economies (UNCTAD, 2019)[1] . SEZs have a long historical background. The concept of freeports dates back many centuries, with traders operating off ships, moving cargoes and re-exporting goods with little or no interference from local authorities[2].

According to the World Bank Report- Special Economic Zones an Operational Review of Their Impacts, 2017, the first modern zone was set up in Brooklyn, New York's Navy Yard in 1937[3]. It was spread across 92 acres and located on the East River side of New York Harbor. Similar zones in other US ports were set up in New Orleans, San Francisco, and Seattle. These zones were export oriented as they provided the facilities whereby exports could be produced, stored, serviced and sold and also provided strong legislation comprising of fiscal benefits.

The first European Zone, the Shannon Free Zone in Ireland, was established in 1959. In Latin America, the development of the zone started in the mid-1960s, first in Colombia, which established the Barranquilla Zone in 1964; then in the Dominican Republic, which established the La Romana Zone in 1965. Zone development in Asia began shortly thereafter, starting with Kandla in India in 1965 and Kaohsiung in Taipei in 1965. These soon were followed by Masan in South Korea in 1970, Sungei Way in Malaysia in 1971, Bataan in the Philippines in 1972, and Tanjun Priok in Indonesia in 1973. By the 1970s, the United Nations Economic and Social Council (ECOSOC) adopted a resolution suggesting the improvement of port, customs, and trade zone facilities in developing countries. Thereafter, zones made their way to Africa, beginning in Mauritius, Ghana, Liberia, and Senegal[4] (Refer Table-1).

Table -1 Inception of SEZs across Different Regions/Countries

Regions/Countries	Location	Year of Inception of SEZ
USA	Brooklyn, New York's Navy Yard New Orleans, San Francisco, and Seattle	1937
European Zone	Shannon Free Zone in Ireland	1959
Latin America	Barranquilla Zone, Colombia La Romana Zone, Dominican Republic	1960s 1965
Asia	Kandla , India Kaohsiung, Taipei Masan, South Korea Sungei Way, Malaysia Batan, Philippines Tanjun Priok, Indonesia	1965 1965 1970 1971 1972 1973
Africa	Mauritius, Ghana, Liberia, and Senegal	In 1970s

Source: World Bank Report - Special Economic Zones- An Operational Review of Their Impacts, 2017

[1] World Investment Report, UNCTAD, 2019
[2] Ibid
[3] P154708-12-07-2017-15126400006382.pdf
[4] Ibid

1.1 Region-wise – No. of SEZs

The special economic zones model to boost economic growth is now being used by 147 economies around the world, including the developing and transition economies. As of 2019, there are 5383 special economic zones (SEZs) in the world of which 4772 are in developing economies followed by 374 in developed economies and 237 in transition economies[5] (Refer Table-2).

China, with more than 2543 SEZs, accounts for around 50 % of the total SEZs in the world, therefore within Asia; East Asia has the highest number of SEZs, i.e., 2645, while South Asia and West Asia has 456 and 208 SEZs, respectively. There are 486 SEZs and 237 SEZs in lac and Africa region respectively. Thus, there is a high concentration of SEZs across the developing economies and especially in East Asia (Refer Table-2).

Table -2 Number of SEZs by region,2019

Region	Total number of SEZs	Of which under development	Additional SEZs planned
World	5383	474	507
Developed economies	374	5	---
Europe	105	5	---
North America	262	-----	---
Developing economies	4772	451	502
Asia	4046	371	419
East Asia	2645	13	---
China	2543	13	----
South Asia	456	167	184
India	373	142	61
West Asia	208	24	---
Africa	237	51	53
Latin America & Caribbean	486	28	24
Transition economies	237	18	5

Source: UNCTAD, WIR 2019, Note: Zones are counted on the basis of their establishment by law. They exclude 8,368 single-enterprise zones (free points) found in 18 economies. SEZs in other developed economies (Australia, Israel, Japan, andNew Zealand) and in Oceania were counted towards the respective economic group's aggregate and the global total.

[5] World Investment Report, UNCTAD, 2019

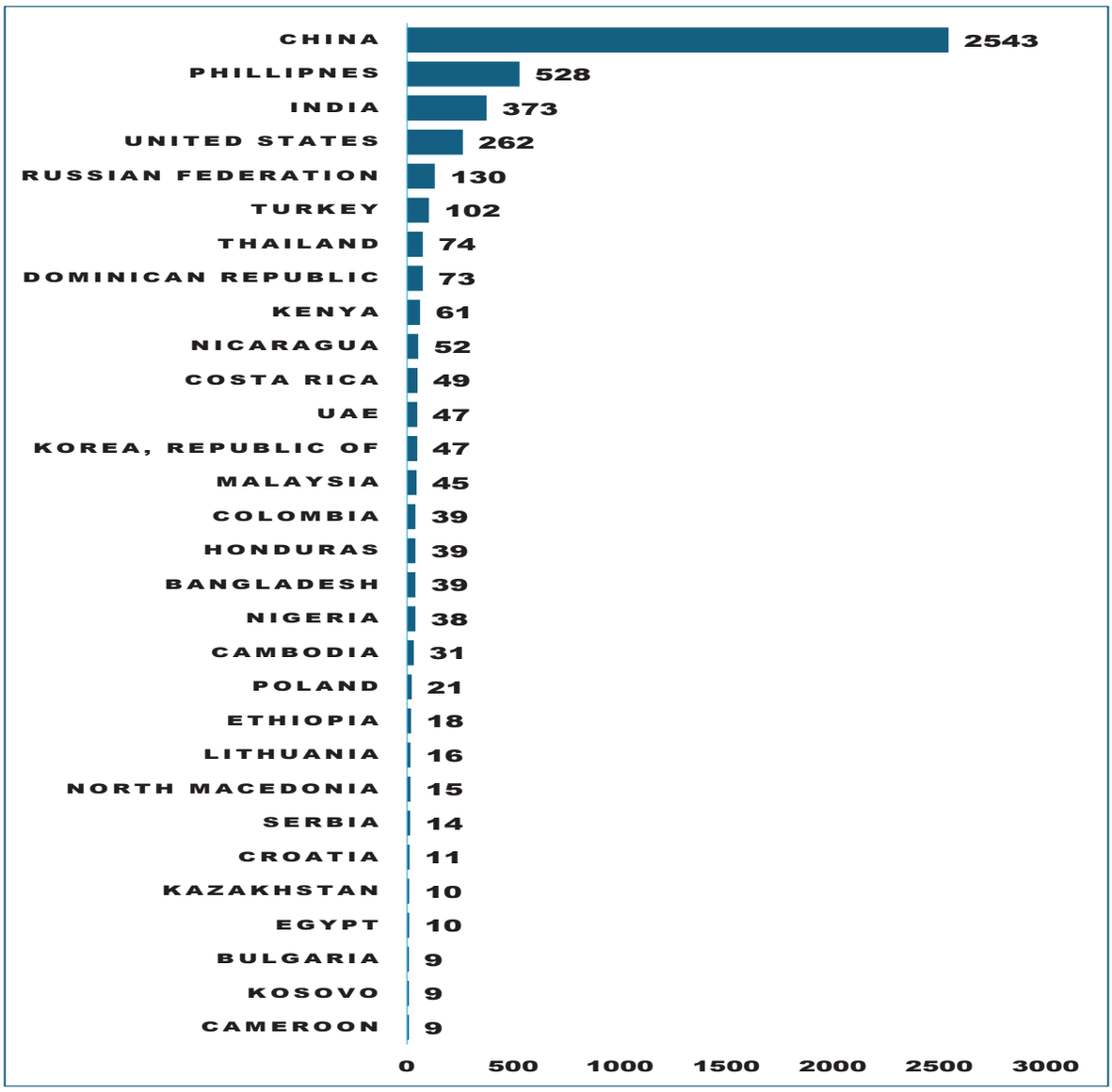
According to the WIR, 2019 development of the SEZs across different regions began during different time periods. In developing countries, SEZs began to be set up in the 1970s and the early 1980s. In Latin America development of the zones started in the late 1980s and 1990s, while transition economies adopted the concept of free zones in the 1990s and Africa in the 1990s and 2000.

In this way, several free zones were set up adjacent to seaports or airports from the 1970s to 2000s, majorly due to rising globalization, adopting of export-led strategies by various countries and intensifying global competition. Further, acceleration of international production and rapid growth of global value chains (GVCs) also resulted in creating this wave of setting up SEZs across various regions/countries (WIR, 2019).

1.3 Country-wise - No. of SEZs

This is apparent from the below figure 1, the presence of SEZs is the highest in China as the country with 2543 SEZs accounts for almost half of the global SEZs. This is followed by Philippines, India, and USA, wherein around 200 to 500 no. of SEZs are in existence.

Figure -1 Country-wise – No. of SEZs



Source: Compiled from UNCTAD, WIR 2019

2. Special Economic Zones in India: An Overview

Special Economic Zones (SEZs) have been recognized as an important mechanism for trade and investment promotion, creation of infrastructure, employment generation, promotion of regional development, increase in foreign exchange earnings, improving export competitiveness and transfer of skills and technology. The SEZs have been in existence for decades but have attracted enhanced attention due to the globalization of trade and financial markets. The SEZs are instrumental in developing local and regional infrastructure facilities, which are necessary for a country's overall economic development. These zones also enable SEZ firms to manufacture, produce, and trade goods at a lower price to make them globally competitive.

The genesis of SEZs in India lies in the basic model of EPZs[6] (Export Promotion Zones) which was set up at Kandla (KFTZ, Kandla Free Trade Zone) in Gujarat in 1965 as an instrument of promoting exports, attracting foreign investments, earning foreign exchange, and generating employment in the economy. With this, **India became one of the first in Asia to recognize the effectiveness of the EPZs model in promoting exports. Since then, a number of EPZs have come up in various sectors and in different states of the country.**

The second EPZ, SEEPZ (Santa Cruz Electronics Export Processing Zone), was set up in Maharashtra in 1974. Subsequently, the government set up four more zones, namely NEPZ (Noida Export Processing Zone) in Uttar Pradesh, MEPZ (Madras Export Processing Zone) in Tamil Nadu, CEPZ (Cochin Export Processing Zone) in Kerela, and FEPZ (Falta Export Processing Zone) in West Bengal during the mid-eighties; and VEPZ (Vishakhapatnam Export Processing Zone) in Andhra Pradesh was commissioned in 1994. Surat EPZ became operational in 1998. In 2000, India's Export-Import (EXIM) policy shifted towards a new scheme of special economic zones (SEZs). Under this scheme, EPZs at Kandla, Santa Cruz, Cochin and Surat were converted into SEZs. In 2003, the other existing EPZs at Noida, Falta, Chennai and Vizag (also known as Vishakhapatnam) were also converted into SEZs.

The main objectives of the SEZ Act, of 2005 was a significant generation of additional economic activity through the following measures: -

- Promotion of Export of goods and services
- Promotion of Investment from Domestic and Foreign sources
- Creation of Employment opportunities for the labour force
- Development of Infrastructural Facilities

These policy changes were aimed at instilling confidence in foreign investors signalling the government's commitment towards a stable SEZ policy regime that will lead to economic activity and employment generation.

As a result of these changes, the current status of SEZs as on 19.02.2024 is as follows:

[6] An EPZ is defined "as a clearly delineated industrial estate, which constitutes a free trade enclave in the customs and trade regime of a country and where foreign manufacturing firms producing mainly for export benefit from a certain number of fiscal and financial incentives" (World Bank, 1981).

Table -3 Current Status of SEZs in India as on 19.02.2024

Number of Formal approvals (As on 19.02.2024)	424				
Number of notified SEZs (As on 19.02.2024)	376 (Including 7 Central Govt.+12State Govt. / Private Sector SEZs set up prior to the enactment of SEZ Act, 2005)				
Number of In-Principle Approvals (As on 19.02.2024)	35				
Operational SEZs (As on 31st December 2023)	278				
Units approved in SEZs (As on 30th September 2023)	5,713				
Land for SEZs (As on 19.02.2024)	7 Central Govt. + 12 State Govt. /Pvt. SEZs notified before SEZ Act, 2005.	Notified SEZs under the SEZ Act, 2005	Total Notified SEZs Area (1+2)	Formally Approved SEZs (424-357)	Total Area (3+4)
	(1)	(2)	(3)	(4)	(5)
	2122.35 Ha	37612.92 Ha	39735.27 Ha	5487.33 Ha	45222.60 Ha
	Land is a State subject. Land for SEZs is procured as per the policy and the procedures of respective State Governments.				

INVESTMENT	Investment (As on February, 2006)	Incremental Investment	Total Investment (As on 30th September 2023)
Central Government SEZs	Rs. 2,279.20 cr.	Rs. 28,064.80 cr.	Rs. 30,344 cr.
State/Pvt. SEZs set up before 2006	Rs. 1,756.31 cr.	Rs. 11,365.69 cr.	Rs. 13,122 cr.
SEZs Notified under the Act	-	Rs. 6,26,514 cr.	Rs. 626,514 cr.
Total	Rs.4,035.51 cr.	Rs. 6,65,944.49 cr.	Rs. 6,69,980 cr.

EMPLOYMENT	Employment (As on February, 2006)	Incremental Employment	Total Employment (As on 30th September, 2023)
Central Government SEZs	1,22,236 person	73,748 person	1,95,984 person
State/Pvt. SEZs set up before 2006	12,468 person	1,06,283 person	1,18,751 person
SEZs Notified under the Act	0 person	26,69,942 person	26,69,942 person
Total	1,34,704 person	28,49,973 person	29,84,677 person

Exports in 2021-22	Rs. 9,90,747 Crore [133Billion USD] (Growth of 30%over FY2020-21)
DTA Sale (Deemed exports) DTA Sale(Not counted for +ve NFE)	Rs. 27,401 Crore (2% of total production) Rs. 3,27,642Crore (24% of total production)
Exports in 2022-23 DTA Sale (Deemed exports) DTA Sale(Not counted for +ve NFE)	Rs. 12,63,578 Crore [157.24Billion USD] (Growth of 28%over of FY 2021-22) Rs. 28,955 Crore (2% of total production) Rs. 2,49,761Crore (16% of total production)
Exports in 2023-24 (As on 31st December 2023) DTA Sale (Deemed exports) DTA Sale(Not counted for +ve NFE)	Rs. 9,97,877 Crore [120.65 Billion USD] (Growth of 7%over the exports of the corresponding period of FY 2022-23) Rs. 22,610 Crore (2% of total production) Rs. 2,04,482 Crore (17% of total production)

Source: GJEPC Research & Analysis compiled from www.sezindia.nic.in ** Land is a state subject. Land for SEZs is procured as per the policy and procedures of the respective State Governments

2.1 Evolution of SEZs in India

The EPZs have progressed over four distinct phases over the last few decades which are discussed briefly here below:

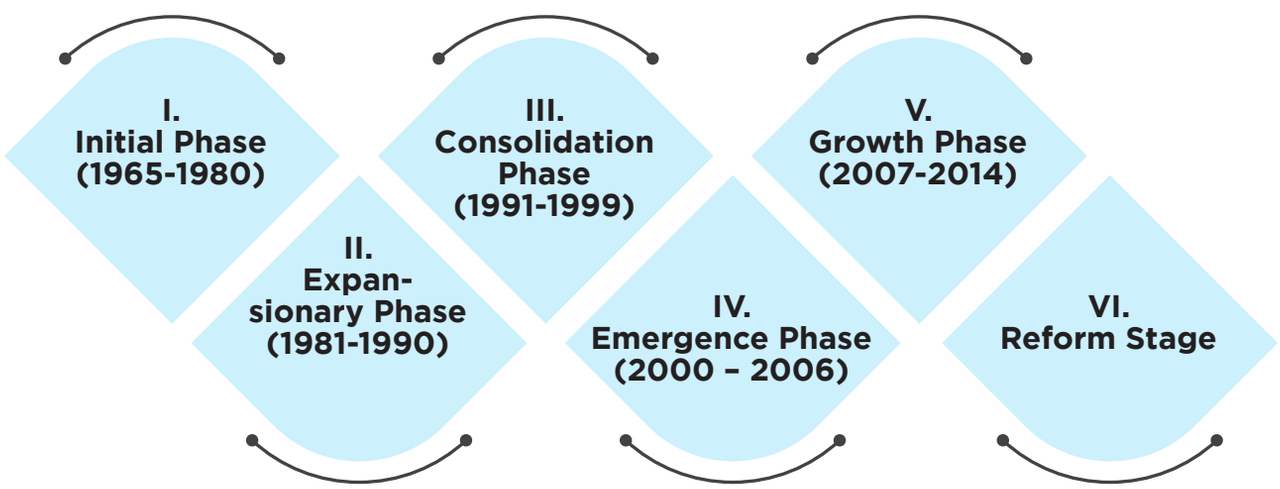
I. Initial Phase (1965-1980) - The initial stage witnessed the establishment of the KFTZ (Kandla Free Trade Zone) in the city of Gujarat in the year 1965 and the consequent establishment of the SEEPZ (Santacruz Electronics Export Processing Zone) in Mumbai in 1973. However, it is believed that these EPZs were established with an overall 'Inward Looking' policy approach. It was argued that the policies were rigid, infrastructure was weak, and the package of incentives and facilities were not attractive within the zone. To overcome this, various committees were appointed by the Government of India to review the working of the zones. Kandla FTZ was reviewed by the Kaul Committee in 1978, while Santa Cruz FTZ was reviewed by the Review Committee on Electronics in 1979. In 1980, there was another Committee organized, known as the Tandon Committee, to review both these zones.

The committee's main objective was to formulate policy measures for accelerating the progress of free trade zones and 100 % export-oriented units. These committees pointed to the absence of an implementation authority to centrally coordinate and control the zones, procedural constraints, infrastructural deficiencies, limited concessions, and limited powers of the zone authorities to take action on the spot, resulting in inordinate delays. Moreover, it was highlighted that there was no clarity of objectives for setting up of EPZs in India until 1988. These committees made several concrete recommendations to improve the functioning of these zones.

II. Expansionary Phase (1981-1990) - The second phase started in the 1980s, during which more zones were established based on the Tandon Committee's recommendation that the inward-oriented developmental approach needed to be reorganized by strengthening outward-oriented export promotion. Following the report, the government established four more zones in 1984. The zones established during this phase were NEPZ at Noida (Uttar Pradesh), FEPZ at Falta (West Bengal), CEPZ at Cochin (Kerala), and MEPZ at Chennai (Tamil Nadu). In addition, Visakhapatnam EPZ in Andhra Pradesh was established in 1989.

Thus, the total number of operational EPZs in India increased to seven. Another significant step was taken in 1980, when the government introduced the Export Oriented Units (EOUs) Scheme. This scheme facilitates the setting up of EOUs beyond the boundaries of EPZs. The responsibility of administering these units was also entrusted to the zone administration. While the primary objectives of these EPZs were not still specified, and there were no significant changes in other laws and procedures governing the EPZs.

Figure - 2



III. Consolidation Phase (1991-1999) - Since 1991, the Indian economy has undergone a paradigm shift in terms of restructuring economic policies. There was a transformation from the regime of regulated economic development to a competitive regime through industrial delicensing, import liberalization, and removing barriers to exports for accelerating growth. This phase can be highlighted as the third stage in the development of EPZs in India. EPZs underwent administrative restructuring, procedural simplification, delegation and decentralization of powers at the functioning level, and rationalization of customs procedures. One of the significant changes was that the powers of the Board of Approval (BoA) were decentralized by introducing an automatic approval route for streamlining licensing procedures and providing operational flexibility. The scope and coverage of the EPZ/EOU scheme was enlarged in 1992 by permitting agriculture, horticulture, and aquaculture sector units as well. In 1994, trading, re-engineering and re-conditioning units were also permitted to be set up. This period was known as a consolidating phase in the transformation of EPZs which continued until 2000.

IV. Emergence Phase (2000 – 2006) - While the first Indian EPZ was already established in the 1960s, EPZ policy has not been part of a coherent national strategy, and its impact on the Indian economy was not much significant. Administrative inefficiencies, lack of infrastructure, and difficult customs procedures were the major concerns of the EPZs in India.

However, in April 2000, the Government of India adopted a new policy framework titled 'Export and Import Policy 2000' for the establishment of public, private or joint public- private SEZs. The objective was to provide internationally competitive and business-friendly environments for goods manufacturers and service suppliers. The number of fiscal and non-fiscal incentives were extended to the units operating in the SEZs. Several measures have been adopted to improve the quality and governance of these zones. These include relaxation in the conditions for the approval process and simplifying the custom rules. SEZ Policy thus became an identity towards ensuring the success of EPZs.

In this light, on November 1, 2000, the export processing zones at Kandla, Santa Cruz, Cochin, and Surat were converted into SEZs. In 2003, the other existing EPZs, namely Noida, Falta, Chennai, and Vizag, were also converted into SEZs. Altogether, a total of 19 SEZs were established prior to the promulgation of the SEZ Act. These SEZs in 2005 got a legally deemed status after the enactment of SEZ Act 2005. This development was further followed by the implementation of SEZ rules in 2006.

V. Growth Phase (2007-2014) - Post enactment of SEZ Act 2005, there was a growth in the number of formal approvals, notifications and operational SEZs in India. No. of formal approvals for setting up SEZs increased from 453 in 2007-08 to 589 in 2011- 12, while number of operational SEZs increased from 87 in 2008-09 to 170 in 2012- 13. Though, the figures were showing the rising trends of the establishment of SEZs in the country, but it was reported that, as many as 33 developers had surrendered their SEZ projects between December 2008 to July 2011. The imposition of MAT and DDT on SEZs has been one of the reasons for such losing interest of the unit holders to be operational in SEZ.

VI. Reform Stage – SEZ policy has been leveraged well by the companies in the services sector in terms of increasing their share in the world market, however manufacturing sector has been unable to replicate the similar export-led growth success due to the following reasons:[7]

- Complexity in undertaking domestic and international business for manufacturing.
- Uncertainty in government policies, specifically tax
- Multiple regulatory stakeholders need not necessarily be aligned all the time.
- Some provisions of SEZ law are not operationalized, though enacted to be single legislation for the development of SEZs.
- Procedural delays and infrastructural bottlenecks

VII Baba Kalyani Committee on SEZs

The special economic zones since its inception have been envisaged for providing an enabling environment and a thriving ecosystem for entrepreneurs and companies to do business and achieve competitiveness. Thus, in order to achieve the same there is a need to shift from a purely cost competitiveness paradigm based on incentives and sop to a model that provides a world-class infrastructure with seamless access to gateways, advanced technology, skilled manpower, and flexible labour laws, among others.

However, as pointed out in the above section, the SEZs in India were plagued with numerous bottlenecks such as lack of support from state governments in developing an effective single window system for clearances, underutilization of existing capacity, restrictions in the acquisition of land, poor linkages and connectivity, etc.

In view of these challenges and lessons learnt from past experiences and from other countries, Ministry of Commerce and Industry constituted a committee headed by Mr Baba Kalyani, chairman & MD, Bharat Forge limited in June 2018 to study the existing Special Economic Zone (SEZ) of India and prepare a policy framework to adopt strategic policy measures which helps India to capitalize on global growth opportunities while developing its own highly competitive manufacturing and service base. The committee submitted its report in December 2018[8].

The Objectives of the Baba Kalyani Committee:

- Evaluate, implement and suggest SEZ policy measures from the year 2000 to cater to the needs of exporters in present economic scenario with WTO compatible norms.
- Suggest course correction for encouraging the manufacturing sector and maximizing utilization of vacant land in SEZs.
- Make a comparative analysis of the SEZ scheme in India and worldwide and suggest changes in the SEZ policy based on the international experience.
- Dovetail the SEZ policy with other schemes.

Baba Kalyani Recommendations

- Framework shift from export growth to broad-based Employment and Economic Growth (Employment and Economic Enclaves-3Es).
- Formulation of separate rules and procedures for manufacturing and service SEZs.
- Shift from supply-driven to demand-driven approach for 3Es development to improve the efficiency of investment based on specific industries, and the current level of existing inventory in the region.
- Enabling framework for Ease of Doing Business (EoDB) in 3Es in sync with State EoDB initiatives. One integrated online portal for new investments, operational requirements and exits related matters.

[8] Report- 5c401a4291212Circular.pdf (sezindia.nic.in)

- Enhance competitiveness by enabling ecosystem development by funding high-speed multi-modal connectivity, business services and utility infrastructure. Critical to providing support to create high-quality infrastructure either within or linked to the zones, e.g., High-Speed Rail, Express roadways, Passenger/Cargo airports, shipping ports, warehouses etc.
- Promote integrated industrial and urban development- walk to work zones, states and centre to coordinate on the framework development to bring linkages between all initiatives.
- Procedural relaxations for developers and tenants to improve operational and exit issues.
- Extension of Sunset Clause and retaining tax or duty benefits.
- Broad-banding definition of services/allowing multiple services to come together.
- Additional enablers and procedural relaxations.
- Unified regulator for IFSC.
- Utilizing Multi Services SEZ IFSC for all the inbound and outbound investments of the country.
- Incentives for availing services from IFSC SEZ by domestic institutions.
- Extension of benefit under services Export incentives scheme.
- Allowing alternate sectors to invest in sector specific SEZs/ 3Es.
- Flexibility of long-term lease for developers and tenants.
- Facility of sub-contracting for customers outside 3Es/SEZs without any restriction or cap at any level.
- Specified domestic supplies supporting 'Make in India' to be considered in NFE computation.
- Export duty should not be levied on goods supplied to developers and used in the manufacture of goods exported.
- Flexibility in the usage of NPA by developers and sale space to investors/ units.
- Infrastructure status to improve access to finance and enable long-term borrowing.
- Promote MSME participation in 3Es and enable manufacturing enabling service players to locate in 3E.
- Dispute resolution through arbitration and commercial courts.

VIII SEZ (Special Economic Zone) Amendment Bill 2023.

The government is considering several measures such as a flexible framework for sale of products manufactured in special economic zones (SEZs) in the domestic market, easy de-notification norms, and streamlining approval processes for units.

The aim is to help revive SEZs and facilitate business transactions between SEZ and domestic tariff area (DTA) or the domestic market. SEZs are enclosures which are treated as foreign territories for trade and customs duties, with restrictions on duty-free sales outside these zones in the domestic market.

To seek views of different Ministries on these measures, the Commerce Ministry has circulated a note on a draft SEZ (Special Economic Zone) Amendment Bill 2023. This Amendment Bill will be introduced in place of the proposed Development of Enterprise and Service Hubs (DESH) Bill.

2.2 Sector-wise SEZs in India

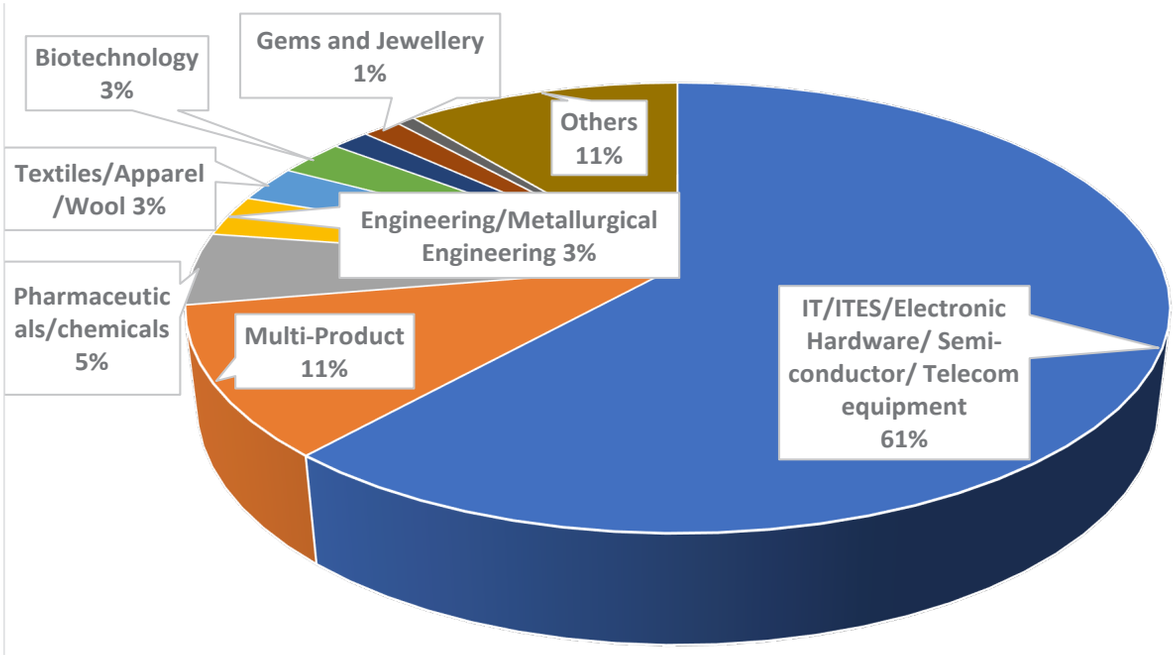
The sector-wise distribution of SEZs clearly shows that majority of the total SEZs are operational in the IT/ITES sector (166) which comprises of 61.48% of the total SEZs operational in the country as on 31st December 2022. Other prominent sectors for which SEZs are operational are Multi products, Pharmaceutical/Chemicals sector, Engineering/Metallurgical Engineering sector and Textiles/Apparel/Wool. For the gem and jewellery sector there are 4 SEZs which are operational (Refer Table-4).

Table- 4 Sector-wise distribution of operational SEZs as on 31st December 2022

Sectors	Total Operational SEZs (Including prior to SEZs Act + under the SEZs Act) (as on 31.12.2022)	% Share in total operational SEZs
IT/ITES/Electronic Hardware/ Semi-conductor/ Telecom equipment	166	61.48
Multi-Product	29	10.74
Pharmaceuticals/chemicals	14	5.19
Engineering/Metallurgical Engineering	8	2.96
Textiles/Apparel/Wool	7	2.59
Biotechnology	7	2.59
Footwear/Leather	4	1.48
Gems and Jewellery	4	1.48
Food processing	2	0.74
Others	29	10.74
Total	270	100.00

Source: GJEPC Reasearch & Analysis compiled from c.pdf (sezindia.nic.in)

Figure - 3 Sector-wise distribution of operational SEZs



Source: GJEPC Reasearch & Analysis compiled from c.pdf (sezindia.nic.in)

2.3 Presence of Gems and Jewellery Manufacturing Units in SEZs

- **Around 300 Gem and Jewellery Companies –** There are around 300 manufacturing units/companies across different SEZs in India, contributing to around 19% (US$ 7 billion) of the country's total merchandise exports.
- **10 SEZs for Gem and Jewellery Products -** There are 10 SEZ locations in India for producing and manufacturing gems and jewellery products. The locations of these SEZs are SEEPZ- Mumbai, Noida, Jaipur, Surat, Kolkata, Cochin, Chennai, Hyderabad, and Vishakhapatnam.
- **Production of wide variety of gem and jewellery products -** Manufacturers in SEZs produce a wide variety of gem and jewellery commodities, including Cut and Polished Jewellery, Plain Gold Jewellery, Studded Gold Jewellery, Plain Silver Jewellery, Studded Silver Jewellery, Coloured Gemstones, Platinum Jewellery, Imitation Jewellery, Lab-Grown Diamonds, Articles of Gold, Silver, Pearl, etc., Pearls and many others.
- **Designing Capabilities & Product development -** The SEZs produce a variety of gem and jewellery commodities in the country that is exported to the USA, China, Hong Kong, the Middle East, Europe, and many other countries in the world. The manufacturing units in SEZ regions provide a platform for designers to design their gem and jewellery masterpieces, which are hand-crafted by Indian craftsmen. Computer-aided design (CAD) designing support and live designing cum sampling facilities are available for all the clients of the manufacturing units. The CAD design forms an essential part of the production of

a range of Jewellery products like rings, settings, earrings, bangles, and pendants.

- **Technology Capabilities -** The Indian jewellery industry is known for its artistic, delicate artwork and ability to supply various metals, jewellery, and gemstones across various countries. The infusion of technology has led to an evolution in designing gems and jewellery commodities. The SEZs regions have adopted modern technology with traditional techniques to meet the changing preferences of gems and jewellery buyers. Some of the contemporary methods/ equipment used in these areas include CAD, 3D printing, Laser Soldering technology, pressure casting, etc., that have pushed the gems and jewellery sector into a path of rapid technological expansion to capture the world market.
- **Bharat Ratnam, Mega CFC at SEEPZ, Mumbai -** The Mega Common Facility Centre (CFC) has emerged as a transformative project, led by the SEEPZ Authority under the Ministry of Commerce, with the Gem & Jewellery Export Promotion Council (GJEPC) as thenodal body for implementation. The primary objective of the Mega CFC is to support the design and manufacturing of gem and jewellery products, augmenting their quality, productivity, and cost competitiveness. It will act as a centralized facility, providing shared resources and services that were previously inaccessible to individual units due to high investment requirements. This unique facilitation centre, located in the heart of the world's largest cluster of jewellery manufacturing units in SEEPZ, Mumbai, will significantly benefit small and medium sizedenterprises (SMEs) by reducing operating costs, increasing efficiency, and promoting growth. Recognizing the importance of skilled manpower in the industry, the Mega CFC includes a dedicated Training Centre. This centre will offer skill development courses to develop a highly trained workforce, ensuring that the industry remains at the forefront of innovation and technological advancements. In this way, equipped with We believe that the Mega CFC would revolutionize the gems and jewellery sector and boost exports from India.

3 Special Economic Zones: Current Export Performance

The Special Economic Zone (SEZ) model plays the role of a catalyst in driving the growth of gem and jewellery exports from India. It is noteworthy that almost all the gem and jewellery products, including cut and polished diamonds, gold jewellery, silver jewellery and coloured gemstones, are exported from the various SEZs situated across the country, with major hubs at Mumbai, Surat, Noida, Jaipur and Kolkata among others. As per the latest data available for the financial year 2022-2023, the gem and jewellery units situated across the SEZs, contribute significantly to total exports of the gem and jewellery sector and merchandise exports from the country as presented here below:

SEZ's share in gross gem and jewellery exports is 19 % - In the fiscal year 2022-2023, the total gem and jewellery exports from India amounted to approximately US$38 billion. Of this, around US$7 billion worth of gem and jewellery products were exported from SEZs, constituting roughly 19% of the total gem and jewellery exports. However, it's important to note that this share has declined from 20% in 2015-2016 to 18.87% in 2022-2023 (Refer Table-5).

Contribution of G&J exports from SEZs to India's merchandise exports is at par with contribution of few sectors - Gem and jewellery exports from SEZs contributed approximately 1.59% to India's total merchandise exports in FY2022-2023. This percentage is at par with the contribution of other sectors in total merchandise exports of the country viz. leather & leather manufactures (1.06%), marine (1.81%), ores & minerals (1.14%), sports goods (0.09%) and so on (Refer Table-5).

Table 5 – SEZs contribution in India's G&J exports and Merchandise Exports

Year	India's Merchandise Exports (US$ billion)	Gems and Jewellery Gross Exports (US$ billion)	Gems and Jewellery SEZs Gross Exports (US$ billion)	SEZ % share in total Gems and Jewellery exports	SEZ % share in India's total merchandise exports
2015-16	262.3	39.3	7.87	20.03	3.00
2016-17	275.8	43.2	9.10	21.07	3.30
2017-18	303.4	40.9	9.81	23.95	3.23
2018-19	330.1	39.7	9.68	24.35	2.93
2019-20	313.1	35.6	10.62	29.84	3.39
2020-21	291.80	25.51	5.0	19.60	1.71
2021-22	422	39.59	7.0	17.68	1.65
2022-23	450.96	38.11	7.19	18.87	1.59

Source: GJEPC Reasearch & Analysis compiled from DGCIS, P.N- For 2023-24 data, refer table 1 of Annexure A5 (page No 27 to 31)

Thus, SEZ's play an instrumental role in the Indian gem and jewellery sector and economy as a whole.

4. The Gems and Jewellery Exports of SEZs and DTAs: A comparison

Based on the percentage share of Domestic Tariff Area (DTA) and Special Economic Zone (SEZs) in the total exports of gem and jewellery, it is observed that the DTA's share has increased from approximately 80% in FY2015-2016 to 81.13% in FY2022-2023. In contrast, the SEZs' share in total gem and jewellery exports decreased from 20.03% in FY2015-2016 to around 18.87% in FY2022-2023. This highlights that the contribution of DTA and SEZs to total exports is skewed at 80:20. (Refer Table-6).

Table 6 – DTA and SEZ share in India's total exports of gem and jewellery

Year	Exports from DTA (US$ million)	Exports from SEZ (US$ million)	Total Exports (US$ million)	DTA % share in total exports	SEZ % share in total exports
2015- 2016	31.42	7.87	39.29	79.97	20.03
2016-2017	34.10	9.10	43.20	78.93	21.07
2017- 2018	31.20	9.81	41.01	76.07	23.93
2018-2019	30.07	9.68	39.76	75.64	24.36
2019- 2020	25.03	10.62	35.65	70.20	29.80
2020- 2021	20.50	5.00	25.51	80.38	19.62
2021-2022	32.57	7.00	39.59	82.26	17.68
2022-2023	30.92	7.19	38.11	81.13	18.87

Source: GJEPC Reasearch & Analysis based on DGCIS and GJEPC data, P.N- For 2023-24 data, refer table 2 of Annexure A5 (Page No 27 to 31)

5. SEZs wise gem and jewellery exports

Amongst all the SEZs, the SEEPZ, Mumbai contributes the most in gem and jewellery exports followed by Surat SEZ. In terms of value, SEEPZ, Mumbai exported gem and jewellery products worth US$3362.55 million, while Surat SEZ exported US$3040.07 million in FY2022-2023. Together, these two SEZ's play a key role and account for around 89% of the total gem and jewellery exports from all SEZs.

Noida and Jaipur SEZ's contribution stands at US$238.48 million and US$360.08 million in FY 2022-2023, accounting for 3.31% and 5% share in total exports of gem and jewellery from SEZs respectively. The remaining 3% of the total G&J exports from SEZs are exported from Kolkata, Vishakhapatnam, Chennai and Cochin (Refer Table-7).

Table 7 – SEZs wise gem and jewellery exports - 2022-2023

Regions	SEZs	Total Exports from SEZs 2022-23 (US$ Million)	% Share in total exports from SEZs
Western region	Mumbai	3362.55	46.74%
Gujarat region	Surat	3040.07	42.26%
Northern region	Delhi /Noida	238.48	3.31%
Rajasthan region	Jaipur	360.08	5.00%
Eastern region	Kolkata	155.39	2.16%
Southern region	Cochin	19.78	0.27%
	Visakhapatnam	16.33	0.23%
	Chennai	1.88	0.03%
Total		7194.56	100

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 3 of Annexure A5 (Page No. 27 - to 31)

5.1 Exports from SEZs: Commodity-wise

Analysis of commodity-wise exports from SEZs, reveal that almost all kinds of gems and jewellery products are exported from the SEZs situated across different locations.

Of all the commodities, studded gold jewellery (US$3167.28 million) is the topmost exported commodity from the SEZs, followed by plain silver jewellery (US$2102.97 million), plain gold jewellery (US$810.99 million), studded silver jewellery (US$652.77 million), cut and polished diamonds (US$257.85 million) and polished lab-grown diamonds (US$64.88 million). Coloured Gemstones, platinum jewellery and imitation jewellery are also exported from the SEZs, however their value is less than US$100 million.

In terms of percentage share, studded gold jewellery accounts for 44.02% of total gem and jewellery exports from SEZs, followed by plain silver jewellery (29.23%), plain gold jewellery (11.27%) and studded silver jewellery (9.07%). Together, these four commodities make up approximately 94% of the total gem and jewellery exports from all SEZs (Refer Table-8).

Table 8 - Commodity wise gross exports from SEZs – 2022-2023

Sr. NO	Commodity Category	April 2022 to March 2023	% Share
		US$ Million	
1	Studded Gold Jewellery	3167.28	44.02
2	Plain Silver Jewellery	2102.97	29.23
3	Plain Gold Jewellery	810.99	11.27
4	Studded Silver Jewellery	652.77	9.07
5	Cut & Pol Diamonds	257.85	3.58
6	Pol. Lab Grown Diamonds	64.88	0.90
7	Coloured Gemstones	39.01	0.54
8	Platinum Jewellery (Plain)	20.07	0.28
9	Imitation Jewellery	19.07	0.27
10	Articles of Gold, Silver & others	1.94	0.03
11	Others	57.74	0.80
Total		7194.56	100

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 4 of Annexure A5 (Page no 27 to 31)

5.2 Exports from SEZs: Commodity * Country-wise

This sub-section presents the major export destinations of the different G&J commodities exported from the SEZs in FY2022-2023 (Refer Table-9).

- Majority of the total exports of studded gold jewellery from SEZ are exported to USA which accounts for 61% of the total exports of the said commodity. This is followed by Hong Kong (9%), UAE (5%), UK (4%) and Australia (4%).
- For plain gold jewellery exports from SEZ, UAE is the major export destination capturing major share of the total exports in this category with 40% share, followed by USA (34%), Turkey (7%), UK (7%) and Hong Kong (4%).
- It is noteworthy that 97% of plain silver jewellery and 55% of studded silver jewellery is exported from Indian SEZs to Hong Kong, followed by USA and UK with relatively very low share.
- Hong Kong, USA, Israel, UAE and Botswana are the key export markets for cut and polished diamonds for Indian SEZs.
- Coloured gemstones from Indian SEZs are majorly exported to Hong Kong with 37% share in total exports, followed by USA and Thailand with 32% and 11% shares respectively.

Table 9 - Exports from SEZs: Commodity * Country -wise 2022-23

Key export Commodities	Exports Markets
Studded Gold Jewellery	USA (61%), Hong Kong (9%), UAE (5%), UK (4%), Australia (4%)
Plain gold Jewellery	UAE (40%), USA (34%), Turkey (7%), UK (7%), Hongkong (4%)
Plain silver Jewellery	Hong Kong (97%), UK (1%), USA (1%)
Studded silver Jewellery	Hong Kong (55%), USA (33%), UK (4%)
Cut and polished diamonds	Hongkong (28%), USA (26%), Israel (13%), UAE (11%), Botswana (9%)
Coloured Gemstones	Hong Kong (37%), USA (32%), Thailand (11%), Italy (7%)

Source: GJEPC Reasearch & Analysis

5.3 SEZ-wise * Commodity wise * Country-wise G&J exports - 3-dimensional analysis

In this section, we have conducted an analysis of different SEZs, which G&J commodities they export and to which specific global markets. This reflects the export competitive advantage of different Indian SEZs in the gem and jewellery sector and also their global export coverage.

5.3.1 Mumbai SEEPZ

Studded gold jewellery, totalling US$2572.93 million, dominates the exports from Mumbai SEEPZ, comprising 76.52% of the total exports at US$3362.55 million in FY2022-2023. This commodity is majorly shipped to the USA (64%), Hongkong (5%), and UK (5%). Notably, there is limited market diversification for this commodity, as it heavily relies on one market.

Plain gold jewellery and silver jewellery are also exported from SEEPZ, Mumbai, falling within the range of US$200 million to US$300 million. Their main export market is the USA that account for the major share of the total exports with 74% for plain gold jewellery and 76% for silver jewellery. Hongkong, UK, and UAE collectively account for around 18% share of total exports in these categories.

SEEPZ Mumbai also exports cut and polished diamonds with gross exports being US$ 206.17 million in FY2022-2023 and majorly exporting to USA (29.85%), followed by Hongkong (26.31%), UAE (14.28%) and Botswana (11.56%). Platinum jewellery, platinum bar, polished lab-grown diamonds and coloured gemstones are also exported, although their export values are less than US$100 million each (Refer Table-10).

Table 10 – Commodity & Country-wise G&J exports from SEEPZ, Mumbai–2022-23

Port	Commodity Category	Gross exports (US$million)	% Share	Key export markets
Mumbai (SEEPZ)	Articles of Gold Smith & Silver Smith	0.5	0.01	
	Coloured Gemstones, worked	1.28	0.04	
	Cut & Polished Diamonds	206.17	6.13	USA (29.85%), Hongkong (26.31%), UAE (14.28%), Botswana (11.56%), Israel (5.90%)
	Plain Gold Jewellery	z353.48	10.51	USA (74%), UK (9.75%), Australia (3.83%), UAE (1.89%), Canada (1.76%)
	Studded Gold Jewellery	2572.93	76.52	USA (63.98%), Hongkong (5.31%), UK (4.76%), UAE (4.38%), France (4.21%)
	Imitation Jewellery	3.66	0.11	
	Lab-Grown Diamonds, worked	2.96	0.09	
	Pearls, worked	0.01	0	
	Platinum Bar	5.62	0.17	
	Platinum Jewellery	16.4	0.49	
	Silver Jewellery	198.07	5.89	USA (75.61%), Hongkong (7.77%), UK (7.45%), UAE (3.85%)
	Others	1.46	0.04	
	Total	**3362.55**	100	

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 5 of Annexure A5 (Page no 27 to 31)

Nutshell: Export Product and Export Market concentration at Mumbai, SEEPZ is high as its exports are limited upto 4 commodities and 4 countries	
Studded gold jewellery	USA
Plain gold jewellery	UK
Cut & Polished Diamonds	Hong Kong
Silver Jewellery	UAE

5.3.2 Jaipur SEZ

Three commodities are majorly exported from Jaipur SEZ. Of the total exports of US$360.08 million, silver jewellery (US$108.95 million), gold jewellery (US$194.08 million) and polished coloured gemstones (US$37.07 million) are majorly exported. Together, these three commodities constitute around 94% share in total exports from Jaipur SEZ in FY2022-2023.

Gold jewellery is exported mainly to Turkey (29%), USA (24.07%) and Hongkong (15.41%). Silver jewellery is majorly exported to USA (36.68%) and UK (21.34%). Also, polished coloured gemstones are majorly supplied to Hong Kong (38.18%), USA (29.90%) and Thailand (11.18%) (Refer Table-11).

Table 11- Commodity wise and country-wise G&J exports from Jaipur SEZ – 2022-23

Port	Commodities	Gross exports (US$ mn)	% Share	Key export markets
Jaipur	Articles of Pearls	0	0	
	Articles of Precious/ Semi-Precious Stones	1.44	0.40	
	Coloured Gemstones, unworked	0.50	0.14	
	Coloured Gemstones, worked	37.07	10.30	Hongkong (38.18%), USA (29.90%), Thailand (11.18%)
	Cut & Polished Diamonds	0.08	0.02	
	Gold Jewellery	194.08	53.90	Turkey (29%), USA (24.07%), Hongkong (15.41%)
	Imitation Jewellery	13.36	3.71	
	Lab-Grown Diamonds, unworked	1.49	0.42	
	Lab-Grown Diamonds, worked	0.00	0.00	
	Pearls, worked	0.06	0.02	
	Platinum Jewellery	0.07	0.02	
	Silver Jewellery	108.95	30.26	USA (36.68%), UK (21.34%)
	Synthetic Stones, worked	2.85	0.79	
	Others	0.12	0.03	
	Total	**360.08**	**100.00**	

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 7 of Annexure A5 (Page no 27 to 31)

Nutshell: Export Product and Export Market concentration at Jaipur, SEZ is high as its exports are limited to up to 3 commodities and 4 countries	
Silver Jewellery Gold Jewellery Coloured Gemstones	USA Turkey Hong Kong UK
Deep export product and market penetration and diversification strategy can be formulated for the existing and new markets.	

5.3.3 Surat SEZs

Surat SEZ serves as a significant exporter for silver jewellery. As per latest data of FY2022-2023, plain silver jewellery exports from Surat SEZ amount to US$2049.65 million, comprising 67.42% of total gem and jewellery exports from the zone. Almost all of this is directed to Hong Kong, with a share of 99.9%.

Studded silver jewellery exports from Surat SEZ amount to US$378.82 million, representing one-third of the total exports from the zone. The primary export market for this category is also Hong Kong, accounting for 90.72% of the exports.

Studded gold jewellery exports from Surat SEZ, amount to approximately US$453.70 million, primarily to the USA (56.65%) and Hong Kong (33.26%).

Lab-grown diamonds (both worked and unworked) are gaining traction as an export focus from Surat. In 2022-2023, Surat SEZ exported around US$90 million worth of lab-grown diamonds, while cut & polished diamonds exports amounted to approximately US$51 million (Refer Table 12).

Table 12 – Commodity wise and country-wise G&J exports from Surat SEZ – 2022-23

Port	Commodity Category	Gross exports (US $ mn)	% Share	Key export markets
Surat	Articles of Gold Smith	0.00	0.00	
	Coloured Gemstones, worked	0.66	0.02	
	Cut & Polished Diamonds	50.87	1.67	
	Plain Gold Jewellery	10.16	0.33	
	Studded Gold Jewellery	453.70	14.92	USA (56.65%), Hongkong (33.26%)
	Imitation Jewellery	0.66	0.02	
	Lab-Grown Diamonds, unworked	40.06	1.32	
	Lab-Grown Diamonds, worked	51.91	1.71	
	Platinum Jewellery	3.59	0.12	
	Plain Silver Jewellery	2049.65	67.42	Hongkong (99.99%)
	Studded Silver Jewellery	378.82	12.46	Hongkong (90.72%), USA (8.88%)
	Total	**3040.07**	**100**	

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 6 of Annexure A5 (Page no 27 to 31)

Nutshell: Export Product and Export Market concentration at Surat, SEZ is high as its exports are limited to up to 3 commodities and 2 countries	
Plain Silver Jewellery Studded Silver Jewellery Studded Gold Jewellery	Hong Kong USA
• Export product and export market diversification strategies can be formulated. • Manufacturing and exports enhancement strategy of Lab-grown diamonds can be formulated.	

5.3.4 Kolkata SEZs

Gold Jewellery is the only commodity within the G&J category which is exported from the Kolkata SEZ. Its exports amount to US$ 155.39 million. UAE, with around 89% share in exports from Kolkata SEZ, is its key export market followed by Singapore (6). (Refer -Table 13).

Table 13 – Commodity wise and country-wise G&J exports from Kolkata SEZ – 2022-23

Port	Commodity category	Gross exports (US$ mn)	% Share	Key export markets
Kolkata	Gold Jewellery	155.39	100.00	UAE (88.70%), Singapore (6.43%)
	Total	**155.39**	**100.00**	

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 9 of Annexure A5 (Page no 27 to 31)

Nutshell: Export Product and Export Market concentration at Kolkata, SEZ is high as its exports are limited to up to 1 commodity and two countries	
1. Gold Jewellery	UAE Singapore
Export product and export market diversification and deep penetration strategy can be formulated.	

5.3.5 Noida SEZ

In Noida SEZ, total gem and jewellery exports amount to US$238.48 million, with gold jewellery making up the majority at US$217.51 million, constituting a significant 91.21% share of the total exports in FY2022-2023. The primary destination for gold jewellery exports from Noida SEZ is the UAE (81.60%).

Additionally, Noida SEZ also exports silver jewellery (8.21%), although its export value is comparatively lower than that of gold jewellery. These silver jewellery exports are directed mainly to the UK (18.11%) and USA (16.48%) markets (Refer -Table 14).

Table 14 – Commodity wise and country-wise G&J exports from Noida SEZ – 2022-23

Port	Commodity Category	Gross exports (US$ mn)	% Share	Key export markets
New Delhi	Gold Jewellery	217.51	91.21	UAE (81.60%), UK (9.57%)
	Imitation Jewellery	1.39	0.58	
	Silver Jewellery	19.58	8.21	UK (18.11%), USA (16.48%), Australia (10.33%), France (9.28%)
	Total	**238.48**	**100.00**	

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 8 of Annexure A5 (Page no 27 to 31)

Nutshell: Export Product and Export Market concentration at Noida, SEZ is high as its exports are limited to up to 1 commodity and 2 countries	
1. Gold Jewellery	UAE UK
Export product and export market diversification and deep penetration strategy can be formulated.	

5.3.6 Chennai SEZ

Of the total gross exports of US$1.88 million from Chennai SEZ, gold and silver jewellery are the only export commodities, with export values of US$ 1.21 million and US$ 0.67 million in 2022-23 respectively. USA (51.04%) & UAE (48.85%) are the key export destinations for gold jewellery exported by the Chennai SEZs (Refer Table 15).

Table 15 - Commodity wise and country-wise G&J exports from Chennai SEZ – 2022-23

Port	Commodity category	Gross exports (US$ mn)	% Share	Key export markets
Chennai	Gold Jewellery	1.21	64.26	USA (51.04%), UAE (48.85%)
	Silver Jewellery	0.67	35.74	
	Total	**1.88**	**100**	

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 10 of Annexure A5 (Page no 27 to 31)

5.3.7 Cochin SEZ

Gold jewellery constitutes more than 99.99% of the total exports from the Cochin SEZ with an export value of US$ 19.78 million and its key export market is UAE (100%) (Refer-Table 16).

Table -16 Commodity-wise and country-wise G&J exports from Cochin SEZ – 2022-23

Port	Commodity category	Gross exports (US$ mn)	% Share	Key export markets
Cochin SEZs	Gold Jewellery	19.78	99.99	UAE (100%)
	Silver Jewellery	0.001	0.008	
	Total	**19.78**	**100**	

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 11 of Annexure A5 (Page no 27 to 31)

5.3.8 Visakhapatnam SEZ

The gross exports of Visakhapatnam SEZ stood at US$ 16.33 million in 2022-23, which majorly include lab-grown diamonds (both worked and unworked) amounting to around US$13 million comprising around 80% share in total exports. The ratio of lab grown diamonds, worked vs unworked in total exports is 60:20. Rough diamonds comprise 13.78% share of total exports, amounting to US$2.25 million. The prominent markets for the key products (Lab-grown diamonds and rough diamonds) manufactured by the Visakhapatnam SEZs include Thailand, UAE, USA, UK and Belgium (Refer Table 17).

Table 17 – Commodity wise and country-wise G&J exports from Visakhapatnam SEZ – 2022-23

Port	Commodity Category	Gross exports (US$ mn)	% Share	Key export markets
Visakhapatnam	Cut & Polished Diamonds	0.73	4.47	
	Gold Jewellery	0.03	0.18	
	Lab-Grown Diamonds, worked	10.01	61.30	Thailand (87.74%), UAE (11.17%) USA (0.90%)
	Lab-grown diamonds, unworked	3.30	20.21	USA (66.71%), UK (32.59%)
	Rough Diamonds	2.25	13.78	Belgium (98.97%)
	Total	**16.33**	**100**	

Source: GJEPC Reasearch & Analysis, P.N- For 2023-24 data, refer table 12 of Annexure A5 (Page no 27 to 31)

Nutshell: Exports value is less Need to understand the reasons and based on that export enhancement strategy can be framed.

Annexure A5

Table 1 – SEZs contribution in India's G&J exports and Merchandise Exports

Years	India's Total Exports (US$ million)	India's Total Gem & Jewellery Exports (US$ million)	Gems and Jewellery SEZs Gross Exports (US$ Mill)	SEZ % share in total Gems and Jewellery exports	SEZ % share in India's total merchandise exports
2018-2019	330078.09	39757.11	9684.41	24.36	2.93
2019-2020	313360.00	35646.40	10621.03	29.80	3.39
2020-2021	291808.48	25517.45	5004.61	19.61	1.72
2021-2022	422004.40	39583.34	7000.03	17.68	1.66
2022-2023	451070.00	37766.31	7194.18	19.05	1.59
2023-2024(p)	437112.97	32327.43	6410.23	19.83	1.47

Source: DGCI&S and GJEPC

Table 2 – India's Exports of Gem & Jewellery from DTA/SEZ

Year	DTA (US$million)	SEZ (US$-million)	Total Exports (US$million)	DTA % share in total exports	SEZ % share in total exports
FY2011	27238.89	18347.77	45586.66	59.75	40.25
FY2012	28315.89	18537.34	46853.22	60.44	39.56
FY2013	23763.54	19867.29	43630.83	54.47	45.53
FY2014	30254.07	9986.17	40240.24	75.18	24.82
FY2015	34182.45	5845.50	40027.96	85.40	14.60
FY2016	31415.87	7870.71	39286.58	79.97	20.03
FY2017	34097.79	9101.64	43199.43	78.93	21.07
FY2018	31199.77	9813.52	41013.29	76.07	23.93
FY2019	30072.71	9684.41	39757.11	75.64	24.36
FY2020	25025.37	10621.03	35646.40	70.20	29.80
FY2021	20500.97	5004.61	25505.58	80.38	19.62
FY2022	32569.20	7000.03	39569.22	82.31	17.69
FY2023	30542.87	7194.18	37737.05	80.94	19.06
FY2024	25875.61	6410.23	32285.85	80.15	19.85

Source: GJEPC

Table 3 – SEZs wise gem and jewellery exports - 2023-2024

Region	SEZ	April 2023 - March 2024 (US$ Million)	% Share in total 2023-24 exports from SEZ
Western Region	Seepz	3,371.70	52.60
Gujarat Region	Surat SEZ	1,629.55	25.42
Rajasthan Region	Jaipur SEZ	464.90	7.25
Northern Region	Delhi SEZ	751.16	11.72
Eastern Region	Kolkata SEZ	155.67	2.43
Southern Region	Cochin SEZ	21.72	0.34
	Visakhapatnam SEZ	12.44	0.19
	Chennai SEZ	3.09	0.05
Total		6,410.23	100.00

Source: GJEPC

Table 4 - Commodity wise gross exports from SEZs – 2022-2023

Sr. NO	Commodity Category	April - March 2024 US$ Milion	% Share
1	Cut & Pol Diamonds	220.30	3.44
2	Rough Lab Grown Diamonds	60.20	0.94
3	Pol. Lab Grown Diamonds	28.48	0.44
4	Coloured Gemstones	54.15	0.84
5	Plain Gold Jewellery	1230.80	19.20
6	Studded with diamnds	2226.56	34.73
7	Studded Gold Jewellery (Other than Diamonds)	959.93	14.97
8	Plain Silver Jewellery	55.40	0.86
9	Studded Silver Jewellery	1380.98	21.54
10	Platinum Jewellery	146.18	2.28
11	Imitation Jewellery	22.13	0.35
12	Articles of Gold, Silver & others	2.78	0.04
13	Others	22.34	0.35
Total		6410.23	100

Source: GJEPC

Table 5 - Commodity & Country-wise G&J exports from SEEPZ, Mumbai – 2023-24

Sr. NO	Commodity Category	2023-2024	% Share
		US$ Million	
1	Plain Gold Jewellery	158.58	4.70
2	Studded Gold Jewellery	2712.90	80.46
4	Cut & Polished Diamonds	167.11	4.96
9	Lab Grown Diamonds, worked]	8.76	0.26
5	Platinum Jewellery	132.74	3.94
6	Plain Silver Jewellery	9.68	0.29
7	Studded Silver Jewellery	167.13	4.96
8	Imitation Jewellery	5.15	0.15
10	Synthetic Stones, worked	0.09	0.00
11	Others	9.56	0.28
Total		3371.70	100.00

Source: GJEPC

Table 6 - Commodity & Country-wise G&J exports from Surat – 2023-24

Sr. NO	Commodity Category	2023-2024	% Share
		US$ Million	
1	Coloured Gemstones, worked	6.54	0.40
2	Cut & Polished Diamonds	50.82	3.12
3	Plain Gold Jewellery	8.20	0.50
4	Studded Gold Jewellery (Diamonds)	242.58	14.89
5	Studded Gold Jewellery (Others)	107.48	6.60
6	Imitation Jewellery	0.19	0.01
7	Lab-Grown Diamonds, unworked	56.56	3.47
8	Lab-Grown Diamonds, worked	12.36	0.76
9	Platinum Jewellery	9.70	0.60
10	Plain Silver Jewellery	1.33	0.08
11	Studded Silver Jewellery	1124.05	68.98
12	Others	9.74	0.60
Total		1629.55	100.00

Source: GJEPC

Table 7 - Commodity & Country-wise G&J exports from Jaipur – 2023-24

Sr. NO	Commodity Category	2023-2024	% Share
		US$ Million	
1	Coloured Gemstones, worked	46.51	10.00
2	Cut & Polished Diamonds	1.37	0.29
3	Plain gold jewellery	214.88	46.22
4	Studded gold jewellery (With diamonds)	32.63	7.02
5	Studded gold jewellery (Others)	29.15	6.27
6	Imitation Jewellery	15.19	3.27
7	Lab-Grown Diamonds, unworked	1.80	0.39
8	Platinum Jewellery	3.72	0.80
9	Plain Silver Jewellery	67.83	14.59
10	Studded silver jewellery	47.24	10.16
11	Others	4.58	0.99
Total		464.90	100.00

Source: GJEPC

Table 8 - Commodity & Country-wise G&J exports from Noida – 2023-24

Sr. NO	Commodity Category	2023-2024	% Share
		US$ Million	
1	Plain gold jewellery	708.81	94.36
2	Studded gold jewellery (Diamonds)	14.61	1.94
3	Studded gold jewellery (Others)	7.81	1.04
4	Studded silver jewellery	4.58	0.61
5	Plain silver jewellery	13.77	1.83
6	Imitation jewellery	1.57	0.21
7	Platinum jewellery	0.02	0.00
Total		751.16	100

Source: GJEPC

Table 9 - Commodity & Country-wise G&J exports from Kolkata – 2023-24

Sr. NO	Commodity Category	2023-2024 US$ Million	% Share
1	Plain gold jewellery	151.9	97.58
2	Studded gold jewellery (Diamonds)	3.61	2.32
3	Studded gold jewellery (Others)	0.11	0.07
4	Imitation Jewellery	0.04	0.03
5	Silver Jewellery	0.01	0.01
Total		155.67	100

Source: GJEPC

Table 10 - Commodity & Country-wise G&J exports from Chennai – 2023-24

Sr. NO	Commodity Category	2023-2024 US$ Million	% Share
1	Gold Jewellery	2.32	75.32
2	Silver Jewellery	0.76	24.68
Total		3.08	100

Source: GJEPC

Table 11 - Commodity & Country-wise G&J exports from Cochin – 2023-24

Sr. NO	Commodity Category	2023-2024 US$ Million	% Share
1	Gold Jewellery	21.72	100
Total		21.72	100

Source: GJEPC

Table 12 - Commodity & Country-wise G&J exports from Visakhapatnam 2023-24

Sr. NO	Commodity Category	2023-2024 US$ Million	% Share
1	Cut & Polished Diamonds	1.01	8.12
2	Gold jewellery	0	0.00
3	Lab-Grown Diamonds, unworked	1.44	11.58
4	Lab-Grown Diamonds, worked	7.36	59.16
5	Rough diamonds	2.63	21.14
Total		12.44	100

Source: GJEPC

6 SEZ Gem and Jewellery – Vision 2025

Strategies to enhance exports from SEZ from US$7 billion to US$15 billion

This is based on the perspectives shared by the eminent speakers from the Government, and Industry and pertaining to the strategies for enhancing exports from SEZ from US$7 billion to US$15 billion by 2025 during the SEZ Gem and Jewellery Conclave - Vision 2025 organized by GJEPC, key measures are outlined here below :

1. Enhancing markets and product portfolio

Export market diversification - There is a high export concentration of gem and jewellery exports in the five markets namely USA, Hong Kong, UAE, Belgium and Israel which accounts for around 85% of India's gem and jewellery exports. In the light of the untapped export potential of US$35 billion across various markets , it is suggested to focus market diversification strategy which comprised of two sub-strategies - A. Market Sustainability: This strategy is aimed at enhancing share and presence in the existing export markets of gem and jewellery including USA, UAE etc. and B. Market Penetration: This strategy is aimed at penetrating the unexplored markets or realizing the untapped export potential in the prospective countries including UK, Thailand, Saudi Arabia, Qatar etc.

In order to bifurcate the existing and potential export markets for various commodity categories, an extensive analysis has undertaken based on the Imports By Top 15 World Importing Countries Of A Particular Commodity And India's Share In The Country's Imports (Refer Annexure – Table A, B, C, D).

The countries where imports are high in terms of value and India's % share is less are identified as the potential markets and the markets where India's % share is high are considered the sustainable markets.

Table 18 - Market Categories and Broad Strategy

Market Categories	Parameters	Broad Strategy
Established /old Markets	Markets where imports of G&J are substantial and India's share is also high like USA, UAE, HK	Sustain our share & position
Potential /New Markets	Markets where imports of G&J are substantial, but India's share is low like UK, Canada, Switzerland, Saudi Arab etc.	Increase penetration /share
Non potential Markets	Markets where imports of G&J are less, and India's share may be low/high	Medium level efforts

Based on the above parameters, Established/Old markets and Potential/New markets are identified from the top 20 importers for the following various products and depicted in the tables --- .

1. Cut and Polished Diamonds & Lab Grown Diamonds

2. Gold jewellery (Studded, Plain, Platinum Jewellery)

3. Silver Jewellery

4. Coloured Gemstones

Table - 19 Old Products * Old Markets * New Markets

Products/Markets	**Old Markets** OPOM	**New Markets** OPNM
Cut and polished diamonds	1. United States 2. Hong Kong 3. Belgium 4. UAE 5. Israel 6. Japan 7. Australia 8. Canada 9. China 10. Thailand 11. Vietnam 12. Turkey	13. UK 14. Italy 15. France 16. Switzerland 17. Cambodia (trade)
Gold Jewellery	1. USA 2. UAE 3. Singapore	4. Saudi Arabia 5. Australia 6. Italy 7. Germany 8. Canada 9. Hong Kong
Coloured gem stones	1. Hong Kong 2. USA 3. Italy 4. Thailand	5. Switzerland (1.6%) 6. France (10.3%), 7. China (5.9%), 8. UK (4.2%), 9. Singapore (15.9%), 10. UAE (3.7%), 11. Japan (13.5%), 12. Germany (7.1%), 13. Belgium (17.9%)

Table - 20 Thrust Products * Old Markets * New Markets

Thrust Products	Old Markets	New Markets
Silver Jewellery	1. Hong Kong 2. USA	3. Brazil 4. France 5. Spain 6. Canada 7. Germany 8. UK 9. Australia
Lab grown diamonds	1. USA 2. HK	1. UAE 2. China 3. Thailand
Imitation jewellery	1. USA	1. UK 2. China 3. Singapore

2. Export product diversification - Focus on LGD , Platinum Jewellery and Silver Jewellery - Lab-grown diamond is one of the export-thrust areas exhibiting huge export potential for India. This product category can become the growth driver of the gem and jewellery industry as the country encompasses the entire ecosystem for producing these diamonds, from growing these diamonds to processing them to mounting them on jewellery products. Furthermore, this is due to rise in the prices of gold metal and change in the preferences of Z generation , demand o platinum and silver made jewellery products is rising in the domestic and international markets. This opportunity can be capitalized by focusing upon enhancing

the production of platinum/silver jewellery products as per the preferences of the international customers in terms of design, color, weight etc.

India has the capabilities and potential to produce both rough Lab-grown diamonds and polished lab-grown diamonds, therefore the commodity can emerge as a major gem and jewellery commodity to become the **Grown Diamond Supply Hub.**

Similarly, exports of silver jewellery and platinum jewellery are on the rise due to change in the preferences of the generation Z, working pattern, price differentials etc. across different parts of the world.

3. Enhancing capacities for processing big diamonds - Industry players need to ramp up their processing capacities to attract imports of bigger rough diamonds from Belgium and Israel to India since Indian SEZs provide latest infrastructure, technology and a trustworthy environment to process these diamonds.

B. Focus on Quantity and Quality

4. 'Plug and Play' infrastructure - The government policies, need to be driven by focusing on III (Infrastructure and Incentive-based Involvement). India needs **'Plug and Play'** infrastructure in the gem and jewellery sector as is available in the IT / ITeS sector. The country needs co-developers in the SEZ sector who can provide space and machineries so that exporters do not have to incur huge investments in procuring gem and jewellery machineries and other infrastructure. This will bring down their capital expenditure which will enable them to focus on design and marketing.

5. Focus on QQQ (Quantity, Quality and Quest) - At the same time, industry should focus on QQQ (Quantity, Quality and Quest). India has a huge workforce, and the government is aiming towards enhancing skill development. Indian manufacturers and exporters should hire good designers and manufacture exclusive jewellery, while also catering to mass markets. Industry players should have a quest for innovation, quality-consciousness and tapping new markets.With government and industry players working hand-in-hand, Indian SEZs is expected to easily achieve the US$ 15 billion export target in the next 2-3 years.

6. Intra-SEZ collaboration – SEZs in India must collaborate with each other to create synergies by bridging the resource gap from sourcing raw materials and machineries to supplying intermediate and finished products.

7. E-Commerce - Encouraging e-commerce business in the gem and Jewellery sector can create massive opportunities for India. Simplification of online export procédures is helping Indian exporters to access the untapped markets without having physical presence in those markets. Furthermore, courier regulations have been amended and now from the Domestic Tariff Area (DTA), Indian exporters are able to send courier consignments. The same process is being replicated in the SEZ sector.

C. Focus on Technology, Skilling & Branding

- **Establish complementarity between man and machine -** For thousands of years, jewellery manufacturing processes have remained unchanged. Technology has been evolving around these processes, but so far jewellery manufacturing has been hybrid, involving both man and machine. Indian jewellery sector is a world-leader known for its richness in form; but lacks accuracy and precision.

These shortcomings need to be addressed with the help of technology. It is believed that the future holds promise for complementarity between man and machine, and not competition.

- **Innovative designs to combine with technology -** Technology is a language of the expressions of the people who are creating it and the aspirations of the consumers. Therefore, to create that language, the technology has to be unique, and it needs to generate consistency, which cannot be created without skills and innovation. Indian jewellery manufacturers need to challenge their designers to come up with innovative designs so that technology can serve as an aid to designing. This will position India as a preferred gem and jewellery supplier.

- **Jewellery Casting Technology -** Jewellery casting is a very advanced technology. The key technology that will drive the future is Artificial Intelligence (AI), and the key identifier for a brand in future will be technology. If a consumer is able to visualise SEEPZ as a fusion of the art of jewellery designing and cutting-edge technology, India can take jewellery manufacturing to the next level.

- **3D printing technology is evolving -** 3D printing can be very effective for customised, niche and high value-added jewellery production. This technology is evolving; from simple applications such as prototyping to the advent of metal printing, the entire production landscape is changing. Adoption of technological developments and investment in R&D can go a long way in leapfrogging to quality jewellery manufacturing, and brand building.

- **Upskilling and branding go hand in hand -** Focus on niche jewellery products Jewellery exporters in SEEPZ have over the years been focusing on mass-market products, rather than specialized quality products. The jewellery manufacturing process undertaken by exporters in SEEPZ has been more of a job-work process, rather than delivering an art. Their inefficiencies have led to low skilling of workers. Skilling comes with discipline, and manufacturers should treat their workers as artisans. Therefore, in order to manufacture branded jewellery, upskilling of workers is a must. Only through manufacturing quality products exporters can dictate prices of their jewellery products and increase their exports.

- **Reposition Brand India -** Indian gem and jewellery exporters need to work collaboratively in production activities, providing services and sharing information in order to gain greater market share in the world market. For repositioning “Brand SEZ”, Indian regulators need to include “Jewellery” in the name of SEZ. Furthermore, Indian gem and jewellery exporters need to be encouraged to participate in international exhibitions.

- *In all, bulk of jewellery manufacturing in India is being done manually. If some part of it can be by combining advance technology, with innovative designs , Indian jewellery manufacturing can reach to the next level.*

CONCLUSION

Indian SEZs have vast opportunities and to realize untapped export potential of about US$ 30 billion in the gem and jewellery sector. This is a high time when SEZ model can become a high driving force to propel exports of the varied gem and jewellery products being the dedicated export zone with various facilities, high production capacities, state of the art infrastructure and technology and designing capabilities among others. However, amid the highly dynamic global markets, changing customers' preferences, swift technology shifts it is imperative to undertake strategic measures for realizing the untapped export potential.

As exports from SEZs are observed to be majorly concentrated towards few markets and traditional products , it is crucial to make changes in the market and product mix going forward. Markets where imports of G&J are substantial and India's share is also high like USA, UAE, HK , sustainable strategy can be followed, while markets where imports of G&J are substantial, but India's share is low like UK, Canada, Switzerland, Saudi Arab efforts can be put to increase penetration in these markets. Pertaining to product mix, focus can be enhanced on the exports of LGD, silver jewellery and platinum jewellery.

As there is a need to scale up the exports, therefore 360 degree development is required from infrastructure, technology, skilling, branding to e-commerce, EODB, procedural simplification and logistics arrangements. We believe that by the collaborated efforts of the various key stakeholders, the SEZ model can become a game changer for landscape of the Indian gem and jewellery sector , going forward.

REFERENCES

1. ICRIER ' Impact of Special Economic Zones on Employment, Poverty and Human Development' by Aradhna Aggarwal , May 2007 https://icrier.org/pdf/Working_Paper_194.pdf
2. Unctad's World Investment Report 2019: Special Economic Zones, 2019 https://unctad.org/system/files/official-document/wir2019_en.pdf
3. Asian Development Banks , 'Special Economic Zones in the Indonesia -Malaysia – Thailand Growth Triangle : Opportunities for Collaboration' report by Aradhna Aggarwal ,February 2022

   https://www.adb.org/sites/default/files/publication/772536/special-economic-zones-imt-growth-triangle.pdf
4. SEZ Development in Cambodia, Thailand and Vietnam and the regional value chains by Bui Thi Minh Tam# , Faculty of Economics, Srinakharinwirot University , 2019 https://www.ide.go.jp/library/English/Publish/Reports/Brc/pdf/24_05.pdf
5. IGC , Institutional Structure of Special Economic Zones by Mohak Mangal , March 2019

   https://www.theigc.org/wp-content/uploads/2019/12/Mangal-2019-policy-paper.pdf
6. Roux, Nadea & Schoeman, Anculien. (2016). A comparative analysis of the design of special economic zones: The case of South Africa, Malaysia and In-

donesia. Journal of Economic and Financial Sciences. 9. 749-768. 10.4102/jef.v9i3.69.

https://www.researchgate.net/publication/323372295_A_comparative_analysis_of_the_design_of_special_economic_zones_The_case_of_South_Africa_Malaysia_and_Indonesia/link/5a90c05caca2721405623547/download

7. ADB (November 2018) . The role of special economic zones in improving effectiveness of greater Mekong subregion economic corridors report https://www.adb.org/sites/default/files/institutional-document/214316/role-sez-gms.pdf

8. Zeng, Douglas Zhihua. 2015. Global Experiences with Special Economic Zones : Focus on China and Africa. Policy Research Working Paper;No. 7240. World Bank, Washington, DC. © World Bank.

   https://openknowledge.worldbank.org/handle/10986/21854

9. PHD Chamber of Commerce & Industry (February 2015) , SEZs in India – Criss Cross Concerns report

   https://www.phdcci.in/wp-content/uploads/2018/11/SEZs-in-India-Criss-Cross-Concerns-Feb-2015.pdf

10. Asian Development Bank. 2007. "Special Economic Zones and Competitiveness: A Case Study of Shenzhen, China." PRM (Pakistan Resident Mission) Policy Note.

11. African Development Bank Group (2016) ' Chinese Special Economic Zones: Lessons for Africa by Yitao Tao, Yiming Yuan and Meng Li; edited by Kapil Kapoor and Carlos Mollinedo1 https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Africa_Economic_Brief_-_Chinese_Special_Economic_Zones-Lessons_for_Africa.pdf

12. European Research Studies Journal Volume XXI, Special Issue 1, 2018 , Comparative Analysis of Taxation for Special Economic Zones in Russia and APEC Economies by OA Kuzmenko , S.V. Pelkova , O.V. Lukianenko , I.Y. Fomichev4

    https://www.ersj.eu/dmdocuments/22.KUZMENKO_XXI_S1_18.pdf

13. ADB's Knowledge Sharing session for Mongolia : Developing the economic cooperation zone : Case study on the Philippines : the PEZA experience

    https://events.development.asia/system/files/materials/2021/03/202103-case-study-philippines-one-stop-shop-sezs-and-role-global-value-chain-english-translation_0.pdf

14. PHD Chamber of Commerce & Industry (2017) 'Special Economic Zones Performance, Problems and Opportunities – Survey based empirical study on SEZs in India"

    https://www.phdcci.in/wp-content/uploads/2018/11/Research-Study-on-Special-Economic-Zones-in-India-April-2017.pdf

Annexure A1-Top 20 Importers for (Product : 710239 Cut & Polished Diamonds) in 2022

Sr. No.	Importers	Category Old/New Markets	Value imported in 2022 (US$ million)	Country's Share in world	Imports by India (US$ million)	India's % Share in country's	India's Rank in country's imports	Top 5 Exporters and % Share in country's Imports
1	United States of America	Old	23336.28	28.3	10892.77	46.7	1	Israel (27), Belgium (12.7), South Africa (3.4), Switzerland (1.8), Botswana (1.6)
2	Hong Kong, China	Old	14768.25	17.9	5349.98	36.2	1	China (14.3), USA (11.8), UAE (8), Belgium (6.1), Israel (5.8)
3	China	Old	8074.2	9.8	1836.67	22.7	3	South Africa (38.4), Belgium (32.3), Israel (3.5), USA (0.9), China (0.5)
4	United Arab Emirates	Old	5107.5	6.2	1846.93	36.2	1	Hong Kong, China (19.7), USA (13.5), Belgium (8.2), Botswana (6.2), South Africa (5.8)
5	Belgium	Old	4590.94	5.6	2784.97	60.7	1	Botswana (5.5), Israel (5.3), South Africa (4.3), UAE (4), USA (4)
6	Israel	Old	3965.38	4.8	1307.41	33	1	USA (17.9), Belgium (14.6), Hong Kong, China (9.9), UAE (5.2), Sri Lanka (3.1)
7	Switzerland	New	2418.51	2.9	276.82	11.4	4	Belgium (24), USA (18), Israel (12.7), France (5.8), UAE (5.5)
8	Thailand	Old	2261.15	2.7	1739.14	76.9	1	Israel (5.8), Belgium (4.3), USA (4.1), Hong Kong, China (3.1), UK (1.2)
9	United Kingdom	New	1547.36	1.9	233.57	15.1	3	Belgium (30.3), Israel (24.9), USA (7.7), UK (6.5), Hong Kong, China (5.9)
10	France	New	1008.06	1.2	177.09	17.6	2	Belgium (33), India (17.6), Israel (14.5), UK (12), USA (7.7)
11	Italy	New	918.46	1.1	128.44	14	2	Belgium (57.1), India (14), Viet nam (8.2), Israel (6.6), France (5.9)
12	Singapore	Old	717.08	0.9	187.02	26.1	2	Viet Nam (36.5), India (26.1), Israel (6.2), Belgium (6), Australia (6)
13	Viet Nam	Old	598.64	0.7	28.41	4.7	4	Belgium (35.3), Hong Kong, China (28.5), USA (24.4), India (4.7), Botswana (2.9)
14	Japan	Old	570.28	0.7	324.364	56.9	1	India (56.9), Belgium (15.2), Israel (12.2), Thailand (4.9), Hong Kong, China (4.2)
15	Botswana		548.43	0.7	253.369	46.9	1	India (46.9), Belgium (20.4), Russian Federation (8), USA (7.9), Namibia (7.5)
16	Australia	Old	402.54	0.5	245.573	61	1	India (61), Hong Kong, China (9.7), Israel (7.8), Australia (6.1), USA (5.1)
17	Canada	Old	376.48	0.5	190.556	50.6	1	India (50.6), Israel (15.7), USA (15.7), Canada (10.3), Belgium (3.7)
18	Germany		278.92	0.3	102.79	36.9	1	India (36.9), Belgium (30.2), Israel (13.6), Switzerland (8.3), USA (5.9)
19	Armenia		246.86	0.3	56.37	22.8	2	Russian Federation (56.2), India (22.8), Area Nes (10.1), Belgium (6.1), Israel (2.2)
20	Türkiye	Old	184.25	0.2	155.9	84.6	1	India (84.6), Belgium (10.4), USA (1.5), UAE (1.4), Hong Kong, China (1)
Total of 710239 (CPD)			82478.99					

Annexure A2: Top 20 Importers for Gems and Jewellery (Product : 711319 Gold Jewellery) in 2022

Sr. No.	Importers	Category Old/New Markets	Value imported in 2022 (US$ million)	Country's Share in world	Imports by India (US$ million)	India's % Share in country's	India's Rank in country's imports	Top 5 Exporters and % Share in country's Imports
1	Hong Kong, China	**New**	15630.24	18.2	426.33	2.7	9	China (46.5), Switzerland (8.4), UAE (8.1), USA (5.7), Japan (4.4)
2	United States of America	**Old**	10925.81	12.7	2957.7	27.1	1	India (27.1), Italy (12.6), France (8.5), Hong Kong, China (6.1), Thailand (6)
3	United Arab Emirates	**Old**	10483.01	12.2	3126.85	29.8	1	Turkey (17.9), Italy (10.8), Switzerland (8.5), Singapore (7.1), Malaysia (4.6)
4	Switzerland		8834.13	10.3	22.29	0.3	19	France (33.3), USA (11.8), Italy (11.1), UK (7.3), UAE (6)
5	Singapore	**Old**	4515.88	5.3	818.7	18.1	2	Malaysia (19.1), India (18.1), France (17.5), Indonesia (11.5), UAE (5.7)
6	China		4046.68	4.7	7.01	0.2	13	France (33.9), Italy (25), Switzerland (18.4), USA (11.3), Hong Kong, China (5.4)
7	France	**New**	3751.39	4.4	122.97	3.3	5	Area Nes (40.4), Switzerland (18.2), Italy (15), France (5.5), India (3.3)
8	Japan	**New**	2274.52	2.7	24.84	1.1	12	France (28.8), USA (26.4), Italy (19.9), Switzerland (7.4), Thailand (4.7)
9	United Kingdom	**New**	2259.68	2.6	348.06	15.4	1	India (15.4), Switzerland (14.6), France (11.7), UAE (10.6), Italy (10.2)
10	Iraq		1708.34	2	0	0	17	Turkiye (99.9), Thailand (0.1)
11	Macao, China		1525.48	1.8	0.09	0	17	Hong Kong, China (26), France (21.1), Italy (20.1), USA (13.7), China (12.2)
12	Italy	**New**	1375.32	1.6	57.78	4.2	6	Switzerland (23.3), France (20.9), USA (7.2), Bolivia, Plurinational State of (5.4), Thailand (5)
13	Australia	**New**	1320.42	1.5	154.65	11.7	4	France (17.4), Italy (12.4), USA (11.9), India (11.7), China (8.9)
14	Germany	**New**	1255.26	1.5	75.7	6	6	Switzerland (36.2), Italy (13), France (11.6), Thailand (8.5), Turkiye (7.1)
15	Canada	**New**	1220.74	1.4	193.1	15.8	2	USA (30.9), India (15.8), Italy (14.6), France (7), China (6.8)
16	Türkiye	**New**	1131.07	1.3	232.12	20.5	3	Italy (45.2), UAE (23.9), India (20.5), Switzerland (3.1), France (1.6)
17	Korea, Republic of		999.79	1.2	709	0.1	17	France (30.7), Italy (29.6), USA (16.7), Switzerland (14.7), Germany (1.5)
18	Thailand		988.97	1.2	43.28	4.4	8	Thailand (27.8), France (13.4), Italy (13.2), USA (10.1), China (8.6)
19	Malaysia	New	927.21	1.1	205.55	22.2	1	India (22.2), UAE (15.2), Hong Kong, China (13.9), Italy (10), Singapore (9.6)
	India		826.94	1	0	0	0	UAE (31.5), USA (27.3), Qatar (9), Bahrain (6.7), Italy (5.1)
20	Saudi Arabia	**New**	819.38	1	63.77	7.8	3	Switzerland (37.5), UK (28.4), India (7.8), USA (6.8), Thailand (3.4)

Annexure A3: Top 15 Importers for Gems and Jewellery (Product : 711311 Silver Jewellery) in 2022

Sr. No.	Importers	Category Old/New Markets	Value imported in 2022 (US$ million)	Country's Share in world	Imports by India (US$ million)	India's % Share in country's	India's Rank in country's imports	Top 5 Exporters and % Share in country's Imports
1	Hong Kong, China	Old	3180.73	31.7	2745.45	86.3	1	India (86.3), China (8.2), Thailand (1.3), Italy (1.1), UAE (0.8)
2	United States of America	Old	1839.37	18.3	358.53	19.5	2	Thailand (39), India (19.5), Italy (12.7), China (11.4), Israel (2.6)
3	Germany	New	634.82	6.3	31.01	4.9	3	Thailand (68.1), China (11.7), India (4.9), Italy (3.1), Hong Kong, China (2.4)
4	Italy		502.16	5	9.6	1.9	5	Germany (63.7), Romania (14), China (8.1), Hong Kong, China (2.2), India (1.9)
5	United Kingdom	New	418	4.2	60.54	14.5	2	Thailand (46.1), India (14.5), China (14.3), Italy (10.5), USA (5.9)
6	France	New	257.52	2.6	10.34	4	5	Thailand (44.5), China (17.5), Italy (11.1), Area nes (6.2), India (4)
7	Canada	New	230.18	2.3	19.17	8.3	5	Thailand (45.5), China (14.3), Italy (11.1), USA (10.9), India (8.3)
8	Spain	New	210.25	2.1	18.48	8.8	3	Thailand (48.9), China (21), India (8.8), Italy (5.8), Germany (3.8)
9	Mexico	New	191.23	1.9	17.3	9	3	Thailand (53.4), China (15.6), India (9), Italy (6.7), Spain (6.5)
10	China		187.23	1.9	4.13	2.2	6	Thailand (40), Italy (31.3), USA (4.7), France (4.1), India (2.2)
11	Australia	New	185.26	1.8	13.75	7.4	4	Thailand (60), Italy (10.5), China (9.5), India (7.4), USA (5.2)
12	Thailand	New	184.79	1.8	14.23	7.7	5	Hong Kong, China (32.6), Thailand (26.8), China (11.9), Italy (10.5), India (7.7)
13	Japan		158.13	1.6	5.12	3.2	8	Italy (27.9), USA (22), Thailand (17.8), Spain (6.4), France (5.7)
14	India		139.95	1.4	0	0	0	Thailand (69.7), Italy (11.6), USA (9.1), China (3.7), Hong Kong, China (1.7)
15	Switzerland		121.01	1.2	3.69	3.1	7	Thailand (25.2), Italy (22.1), Hong Kong, China (17.8), Germany (10.9), China (6.2)

Source: Trade Map

Annexure A4: Top 14 Importers for Gems and Jewellery (Product : 710391 Coloured Gemstones) in 2022

Sr. No.	Importers	Category Old/New Markets	Value imported in 2022 (US$ million)	Country's Share in world imports (%)	Imports by India (US$ million)	India's % Share in country's imports	India's Rank in country's imports	Top 5 Exporters and % Share in country's Imports
1	USA	Old	1592.31	29.1	169.789	10.7	4	Colombia (16.8), Thailand (14.3), Switzerland (12), India (10.7), Sri Lanka (9.6)
2	Hong Kong, China	Old	1042.34	19	35.53	3.4	8	Japan (18.3), USA (16.1), Switzerland (16), Thailand (14.9), France (10.5)
3	Switzerland	New	559.43	10.2	5.27	0.9	12	USA (27.9), France (18.1), Thailand (12.4), Hong Kong, China (11.8), Colombia (6.3)
4	Thailand	Old	473.86	8.6	54.75	11.6	3	Thailand (31.8), Hong Kong, China (11.9), India (11.6), Sri Lanka (9.5), Mozambique (6.4)
5	France	New	344.18	6.3	20.82	6	7	USA (17), Thailand (12), Colombia (11.1), Mozambique (10.4), Sri Lanka (10.1)
6	Italy	Old	231.75	4.2	70.35	16.4	2	Thailand (30.4), India (16.4), Sri Lanka (10.9), Colombia (10.4), Switzerland (9)
7	United Kingdom	New	197.23	3.6	4.04	2	9	USA (33.3), UK (17.9), Thailand (12.4), Switzerland (8.7), Sri Lanka (8.3)
8	China	New	166.51	3	37.09	22.3	2	Thailand (31), India (22.3), Colombia (9.1), Sri Lanka (7.2), Myanmar (6.8)
9	United Arab Emirates	New	143.28	2.6	6.64	4.6	7	Hong Kong, China (27.3), USA (25.8), Zambia (16.6), Singapore (5.8), Sri Lanka (5.7)
10	Singapore	New	73.51	1.3	18.02	24.5	1	India (24.5), Colombia (22.9), Zambia (22.3), Switzerland (8.5), Thailand (8)
11	Germany	New	55.23	1	2.21	4	7	Thailand (26.3), Hong Kong, China (26.2), Sri Lanka (16.1), USA (7.8), Colombia (6.5)
12	Japan	New	44.3	0.8	4.3	9.7	3	Thailand (36.2), Colombia (23.5), India (9.7), Sri Lanka (6.1), Mozambique (4.9)
13	Belgium	New	20.94	0.4	2.3	11	3	Thailand (31.4), USA (11.5), India (11), Sri Lanka (8.2), Hong Kong, China (7.1)
14	Australia		17.06	0.3	1.14	6.7	5	Thailand (42.8), USA (19.3), Sri Lanka (7.7), Switzerland (7.6), India (6.7)
Total of 710391			**5478.91**					

Source: Trade Map

STUDY TEAM

1) **Dr. Rashmi Arora**, Economist, GJEPC Research Division – Head rashmi.arora@gjepcindia.com contact no. 7045331319

2) **Mr. Alfred Cyril**, Sr. Manager Statistics, GJEPC Research Division at cyril@gjepcindia.com , contact no. 9987753817

3) **Mr. Reema Thakkar,** Research Asst. Manager, GJEPC Research Division at Reema.thakkar@gjepcindia.com , contact no. 8657914503

DISCLAIMER

A report titled 'Special Economic Zones: Catalyst for Gems and Jewellery sector & Indian Economy' is prepared by the Gems and Jewellery Export Promotion Council (GJEPC) for general guidance and information purposes only and should not be reproduced or decentralized to others without the permission of Gems and Jewellery Export Promotion Council.

Though, each effort is formed to confirm the accuracy and completeness of the data contained, the GJEPC takes no responsibility and assumes no liability for any error /omission or accuracy of the report. Readers of the report should consider professional advice or analyze their own judgement and conclusion before making any decision.

Gems and Jewellery Export Promotion Council (GJEPC)

March 2024

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 Centres and setting up Jewellery Parks across the country.

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

GJEPC
INDIA