



Gem and Jewellery Trade Update

April - May 2021

*Global Economic Growth Projections
by World Bank – Key Feature*

GJEPC Statistics Department (Data and Analytics Unit)



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Key Highlights

- ➔ During April – May 2021, G&J exports increased by 3.61% to US\$ 6.32 billion as compared to pre-covid levels of exports of US\$ 6.10 billion registered during April - May 2019 reflecting that the exports are intact amid second wave of Covid-19
- ➔ During April – May 2021, Cut and Polished Diamonds (21.35%) , Silver Jewellery (239.49%) , Platinum jewellery (204.08%) , Studded gold Jewellery (41.26%) and polished lab grown diamonds (164%) witnessed a positive export growth while the exports of plain gold jewellery (-70.87 %), Coloured Gemstones (-37.83%) recorded a negative export growth rate w.r.t April-May 2019.
- ➔ Imports of rough diamonds, rough lab grown diamonds and silver bar registered a positive import growth in April - May 2021 as compared to import levels registered in April - May 2019. It indicates continued production activities pertaining to making polished diamonds, lab grown diamonds and silver jewellery amid the covid-19 second wave in India.
- ➔ Net exports from all the regions have recovered as exports recorded in April - May 2021 are even more than the exports recorded in April – May 2019 i.e. pre-covid level
- ➔ Exports from SEZ have witnessed a rise from almost all the SEZs in April – May 2021 as compared to April -May 2019 . Overall, there is a decline of (-)31.44% in exports to US\$1116.83 million from US\$1628.94 million in April – May 2019.
- ➔ Considerable support of the government to the gem and jewellery sector in terms of providing solutions to its various issues resulted in revival of exports of the sector. It is hopeful that with the provided support of the Government and with the GJEPC continued efforts in a way of organizing various trade shows , resolving day to day issues/challenges of the trade members exports would again jump in the coming months.
- ➔ The Indian Economy is projected to expand by 8.3 % in 2021 and 7.5 % in 2022 according to World Bank's Global Economic Perspectives Report published in June 2021.

Gem & Jewellery Gross Exports January to May 2021

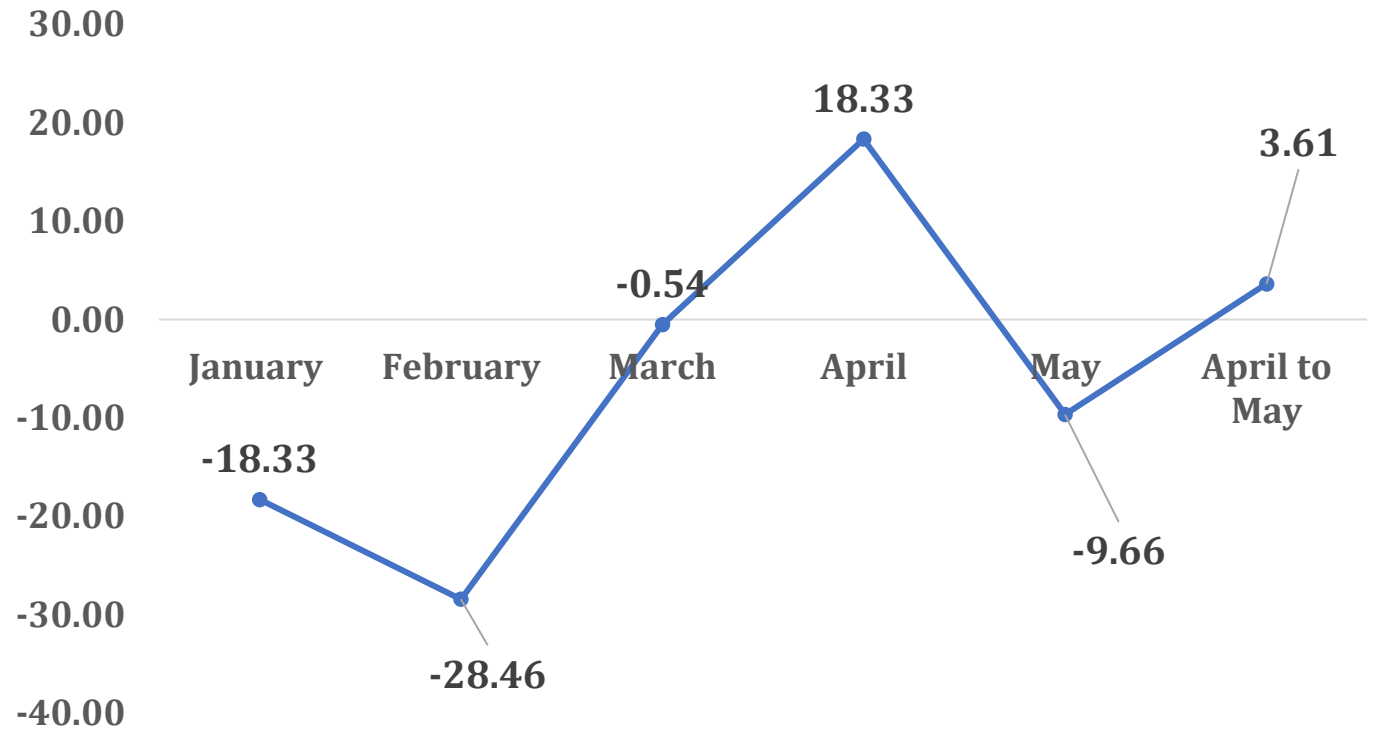
{ 3.61% growth
over April –
May 2019 }

Months	Gross Exports	Gross Exports	Gross Exports
	FY2018-2019	FY2019-2020	FY2020-2021
	US\$ Billion	US\$ Billion	US\$ Billion
January	3.27	2.96	2.67
February	3.69	2.97	2.64
March	3.44	1.97	3.42
Jan to March	10.41	7.90	8.74
Months	FY2019-2020	FY2020-2021	FY2021-2022
April	2.89	0.04	3.42
May	3.21	1.04	2.90
Apr - May	6.10	1.07	6.32
Jan to May	16.51	8.97	15.06

Source : GJEPC Analysis

Notes: (p) = Provisional,
Gross exports means inclusive of return consignments, Figs from Aircargo Delhi January to April-May 2021 are not available and hence not included.

Figure – 1 Gem and Jewellery Exports Growth (in %) April -May 2021 over April-May 2019 (pre-covid-level)



G&J exports stood at US\$6.32 billion in April –May 2021; higher than the pre-covid level of exports of US\$ 6.10 billion recorded in April – May 2019 - indicating exports are intact amid Covid-19 II Wave

Gem & Jewellery Imports January to May 2021

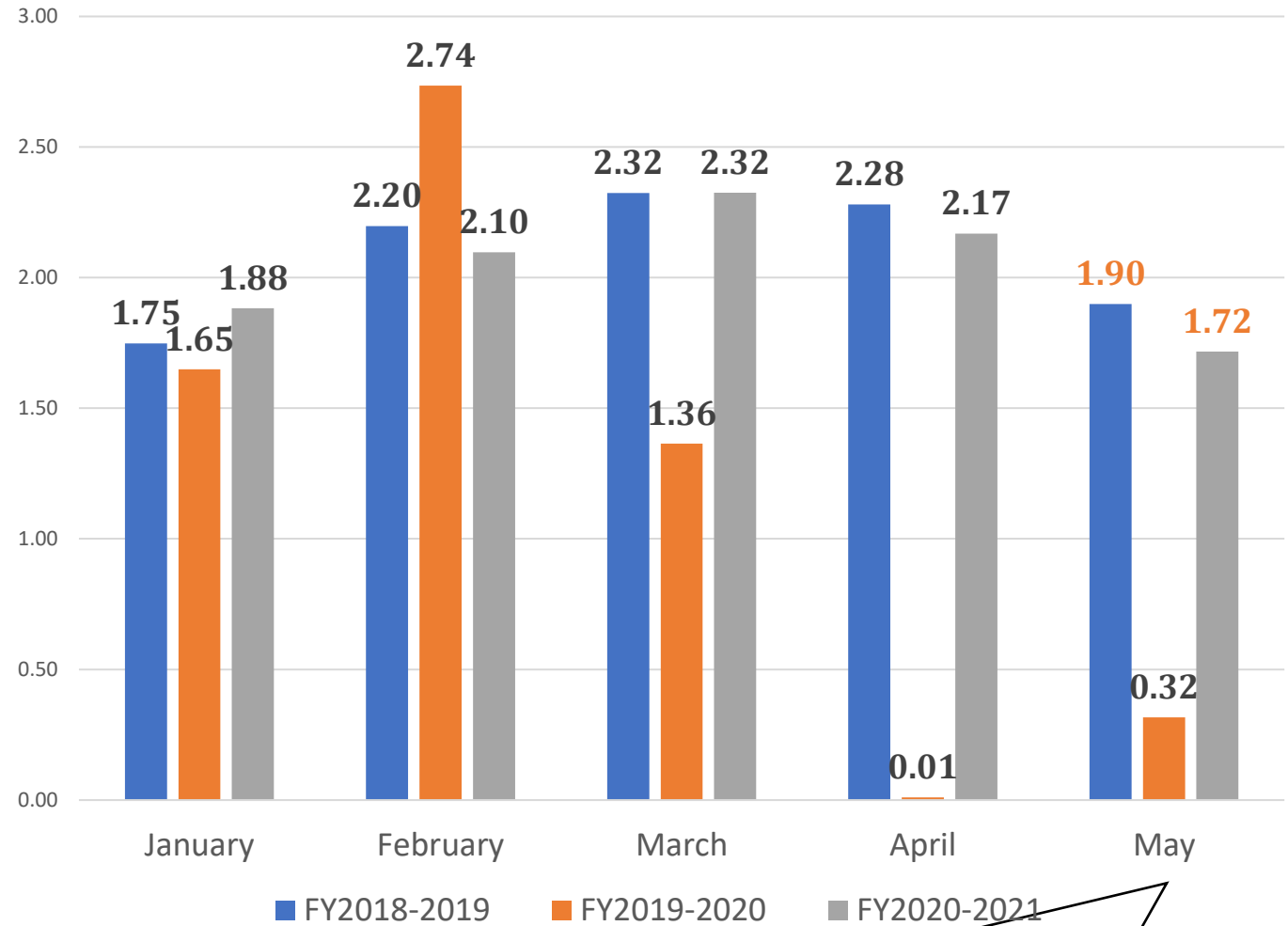
Months	Imports	Imports	Imports
	FY2018-2019	FY2019-2020	FY2020-2021
	US\$ Billion	US\$ Billion	US\$ Billion
January	1.75	1.65	1.88
February	2.20	2.74	2.10
March	2.32	1.36	2.32
Jan to March	6.27	5.75	6.30
Months	FY2019-2020	FY2020-2021	FY2021-2022
April	2.28	0.01	2.17
May	1.90	0.32	1.72
Apr - May	4.18	0.33	3.88
Jan to May	10.45	6.08	10.19

Source : GJEPC Analysis

Notes: (p) = Provisional.

Figs for Gold Bar from MMTC March & May 2021 and Figs for Gold Bar from SBI, UBI & Bank of India April & May2021 are not included as not available.

Imports (US\$ Billion)



G&J imports stood at US\$3.88 billion in April -May2021; almost at par with the pre-covid level of imports US\$ 4.18 billion recorded in April - May2019, indicating continued production activities in G&J sector.

**Commodity wise G&J Exports- April - May 2021
in comparison with Pre-Covid level April -May 2019**

Commodities	April - May 2019	April - May 2020	April- May 2021 (P)	% Growth/Decline 2019/2021
	(US\$mn)	(US\$mn)	(US\$mn)	(Y-o-Y)
Cut & Pol Diamonds	3,511.55	903.39	4,261.37	21.35
Pol. Lab Grown Syn. Diamonds	62.55	9.14	165.14	164
Coloured Gemstones	60.96	3.81	37.90	-37.83
Pol. Synthetic Stone	0.02	0.01	0.10	388.34
Gold Jewellery	2,007.24	61.29	1,164.14	-42.00
Plain Gold Jewellery	1490.43	27.28	434.11	-70.87
Studded Gold Jewellery	516.81	34.02	730.04	41.26
Silver Jewellery	158.79	85.38	539.09	239.49
Platinum Jewellery	1.22	0.12	3.70	204.08
Imitation Jewellery	2.39	0.57	5.27	120.08
Articles of Gold, Silver & others	42.30	0.58	4.55	-89.23
Others	251.19	9.61	137.35	-45.32
Gross Exports	6098.22	1073.90	6318.62	3.61
Return Consignment	1,075.60	123.1`2	1,119.78	4.11
Net Exports	5,022.62	950.78	5,198.84	3.51

April - May 2021 exports growth in comparison with April - May 2019 :

All key G&J commodities have witnessed a positive export growth

- Cut & Polished Diamonds(+21.35%)
- Polished LGD (+164%)
- Studded gold jewellery (+41.26%)
- Silver Jewellery (+ 239.49%)
- Platinum Jewellery (+204.08)

Exports growth declined of :

Plain Gold Jewellery (-70.87%)
Coloured Gemstones (-37.83%)

Commodity-wise G&J Imports – April – May 2021



Commodities	April -May 2019	April -May 2021 (p)	% growth/decline w.r.t 2019
	US\$ Million	US\$ Mill	US\$ Mill
Rough Diamonds	2,435.46	2,950.00	21.13
Rgh Lab Grown Diamonds	48.31	154.95	220.71
Rough Coloured Gemstones	49.33	34.10	-30.86
Rough Synthetic Stone	0.24	0.19	-20.38
Raw Pearls	1.76	0.11	-93.75
Gold Bar	1,285.04	204.57	-84.08
Silver Bar	4.71	9.97	111.56
Platinum Bar	13.34	9.11	-31.7
Sub - Total	3838.19	3363.00	-12.38
Imports of CPD	171.47	272.83	59.11
Pol. Lab Grown Diamonds	12.07	4.90	-59.38
Col. Gemstones	98.74	147.53	49.41
Pol. Synthetic Stone	2.36	0.63	-73.35
Pearls worked	0.54	0.20	-63.6
Gold Jewellery	48.12	63.66	32.29
Silver Jewellery	9.98	5.09	-49.04
Imitation Jewellery	0.23	0.53	129.29
Others	1.63	26.47	1520.32
Sub - Total	345.15	521.83	51.19
Gross Imports	4,183.34	3,884.84	-7.14

Imports of commodities - rough diamonds, rough lab grown diamonds, silver bar have witnessed a positive import growth in April -May 2021 over April – May 2019. It indicates towards the continued manufacturing activities in diamonds sector.

While, gold bar for export purpose has witnessed a steep decline reflecting contracted production and exports of gold jewellery and especially of the plain gold jewellery.

Source : GJEPC. Analysis

Notes: (p) = Provisional, Figs for Gold Bar from MMTC, SBI, UBI & Bank of India April - May 2021 are not included as not available

GJEPC Region-wise Growth/Decline in Net Exports

Region	Net Exports (April & May 2019)	Net Exports (April – May 2020)	Net Exports (April – May 2021)	% of Growth / Decline 2019/2021 (Y-o-Y)
	US\$ Million	US\$ Million	US\$ Million	
Western Region	3248.18	304.46	3855.13	18.69
Southern Region	142.77	0.27	208.38	45.96
Rajasthan Region	105.84	16.52	114.18	7.88
Gujarat Region	267.65	604.78	821.85	207.06
Northern Region	69.41	2.30	21.94	-68.39
Eastern Region	137.95	0.00	124.65	-9.64
Total	3971.79	928.32	5146.12	29.57

Source : GJEPC Statistics Dept. Analysis

Net exports pertains to exclusive of return consignments and Cochin SEZ & Hyderabad SEZ
Figs from Aircargo Delhi April –May 2021 are not included as yet to receive from the customs.

Net exports from all the regions ,barring the Northern and Eastern region, have recovered as exports recorded in April – May 2021 are even more than the exports recorded in April – May 2019 i.e. pre-covid level .

Gem & Jewellery Port-wise Net Exports : SEZ



SEZs	April – May 2019 US\$ Million	April – May 2020 US\$ Million	April – May 2021 US\$ Million	% of Growth / Decline 2021 w.r.t 2019 (Y-o-Y)
Seepz	298.31	27.04	446.70	49.74
Surat SEZ	168.75	77.52	543.21	221.91
Jaipur SEZ	31.00	6.39	37.66	21.48
Delhi SEZ	69.41	2.30	21.94	-68.39
Kolkata SEZ	9.61	0.00	12.87	34.01
Visakhapatnam SEZ	1.38	0.00	1.60	16.58
Hyderabad SEZ	3.47	0.00	0.00	-100
Chennai SEZ	0.63	0.00	0.13	-80.1
Cochin SEZ	1046.39	22.45	52.72	-94.96
Total	1628.94	135.70	1,116.83	-31.44

Source : GJEPC Statistics Dept. Analysis

Net exports pertains to exclusive of return consignments

In April 2020 due to complete lock down, exports from SEZs were not recorded

Exports from SEZ have witnessed a rise from almost all the SEZs in April – May 2021 as compared to April –May 2019. Overall, there is a decline of (-)31.44% in exports to US\$1116.83 million in April-May 2021 from US\$1628.94 million recorded in April-May 2019.



Factors which have driven/obstructed exports of the following key commodities are briefly described here below

Growth Drivers

- **Cut and Polished Diamonds (21.35% rise)** - Recovery of demand in India's key export destinations like USA ,China and Europe and continued manufacturing activities resulted in revival of exports of CPD from the country.
- **Studded Gold Jewellery (41.26% rise)** - Revival of retail demand in India's export markets viz. USA, Europe etc. for studded gold Jewellery led to rise in exports of the said commodity.
- **Silver Jewellery (240% rise)** – Shift in preferences of the consumers towards the silver jewellery in international markets is the major reason of rise in silver jewellery exports from the country and especially from the SEZs.

Growth Obstructors

- **Plain gold Jewellery (-70.87%)** – Due to pandemic, tourists in Singapore, Malaysia, and Dubai have not revived back in full swing and as these are the intermediary markets for Indian plain gold jewellery products and especially the Dubai therefore, exports of plain gold Jewellery are still in negative growth trajectory. Domestic challenges including non-availability of duty-free gold on loan for exports from nominated agencies/banks and charging high collaterals and margin money for the gold loan which has created financial pressure on firms and adversely impacting their production activities.
- **Colored Gem Stones (-37.83%)** - Drop in export orders and non-availability of rough coloured gemstones from major key sourcing partners like Brazil and Africa due to the restriction of activities amid Covid-19 are the major reasons of decline in coloured gem stones.



Government Support and GJEPC efforts drove G&J exports amid Covid-19 Second Wave

- Considerable support of the government to the gem and jewellery sector in terms of providing solutions to its various issues resulted in revival of exports of the sector. Reduction in import duties on various rough gem and jewellery commodities viz. gold bars, silver bars, palladium, gold and silver findings etc. revamped gold monetisation scheme and extension of Interest Equalisation Scheme (IES) for Pre and Post shipment Rupee Export Credit for three months among others are some of the pro-industry announcements by the government.
- It is apparent from the fact (Figure-1) that declining export growth started decelerating from -28.46% in Feb 2021 to -0.54% in March 2021 and in the month of April 2021, exports witnessed a significant jump of 18.33% to US\$3.42 billion from US\$2.89 billion in April 2019 i.e., the pre-covid level.
- In the month of May 2021, exports have again recorded a fall due to the outbreak of second wave of Covid-19 in the country which resulted in lock down /partial lock down across various States of the country and contracted manufacturing activities with the limited workforce capacity.
- However, we are hopeful that with the provided support of the Government and also with the GJEPC continued efforts in a way of organizing various trade shows, resolving day to day issues/challenges of the trade members exports would again jump in the coming months. Furthermore, GJEPC is organizing one of its key trade shows in the month of August 2021 in Dubai which would further enhance morale of the Indian manufactures/traders and so as their export businesses.



Key Featured Slides...

**Global Economic Growth Projections
by World Bank (June 2021)**

Global Economic Growth Projections by World Bank

Projected Global economy Growth: (+) 5.6 % in 2021 and (+) 4.3 % in 2022

According to World Bank's Flagship report- '**Global Economic Perspectives 2021**' released on 9th June 2021, the global economy is projected to expand by (+) 5.6 % in 2021. **(Table)**. The recovery is uneven and largely reflects sharp rebounds in some major economies, especially the United States, owing to substantial fiscal support amid highly unequal vaccine access.

2. Projected Growth in Advanced Economies is (+) 5.4 % and EMDEs (+) 6 % in 2021

Advanced Economies are projected to expand by (+) 5.4 % in 2021 which includes the USA (+ 6.8 %), Japan (+ 4.2 %), and Euro area (+2.9 %). The group of **emerging market and developing economies (EMDEs)** is projected to expand by +5.0% in 2021.

3. India is expected to record a firm growth of 8.3 % in 2021 and 7.5 % in 2022 .

4. Projected Growth in Global Trade is (+) 8.3 % in 2021 and (+) 6.3 % in 2022

Global trade is projected to grow by an average of 8.3 % in 2021 which reflects a rebound, but the strength of global trade growth is set to be dampened by shifting activity from manufacturing to the low-intensity domestic services sector in countries where COVID-19 caseloads have been declining.

Table Overview of the Global Economic Perspectives Projections (Real GDP % change)**

Particulars	2020 e	Projections		
		2021 f	2022 f	2023 f
World Output	-3.5	5.6	4.3	3.1
Advanced Economies	-4.7	5.4	4	2.2
USA	-3.5	6.8	4.2	2.3
Euro Area	-6.6	4.2	4.4	2.4
Japan	-4.7	2.9	2.6	1
Emergent Market and Developing Economies	-1.7	6	4.7	4.4
East Asia and Pacific	1.2	7.7	5.3	5.2
China	2.3	8.5	5.4	5.3
Thailand	-6.1	2.2	5.1	4.3
Europe and Central Asia	-2.1	3.9	3.9	3.5
Russian federation	-3	3.2	3.2	2.3
Latin America and Caribbean	-6.5	5.2	2.9	2.5
Brazil	-4.1	4.5	2.5	2.3
Mexico	-8.3	5	3	2
Middle East and North Africa	-3.9	2.4	3.5	3.2
Saudi Arabia	-4.1	2.4	3.3	3.2
South Asia	-5.4	6.8	6.8	5.2
India *	-7.3	8.3	7.5	6.5
Bangladesh	2.4	3.6	5.1	6.2
Sub-Saharan Africa	-2.4	2.8	3.3	3.8
South Africa	-7	3.5	2.1	1.5
Nigeria	-1.8	1.8	2.1	2.4

Source: World Bank, *For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with the fiscal year 2011/12 as a base year ** Headline aggregate growth rates are calculated using GDP weights at 2010 prices and market exchange rates.

f = forecast e- estimated

For any queries , you may contact :

Ms. Rashmi Arora, Assistant Director, Economist at rashmi.arora@gjepcindia.com contact no. 7045331319 and

Mr. Animesh Sharma, Senior Research Executive at Animesh.asharma@gjepcindia.com , contact no. 8826684731

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Thanks