



Gem and Jewellery Trade Update

April - August 2021

*FDI Inflows in Indian G&J sector
Q1 2021 – Key Feature*

GJEPC Statistics Department (Data and Analytics Unit)



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Gem and Jewellery Trade Update : April- August 2021



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Key Highlights

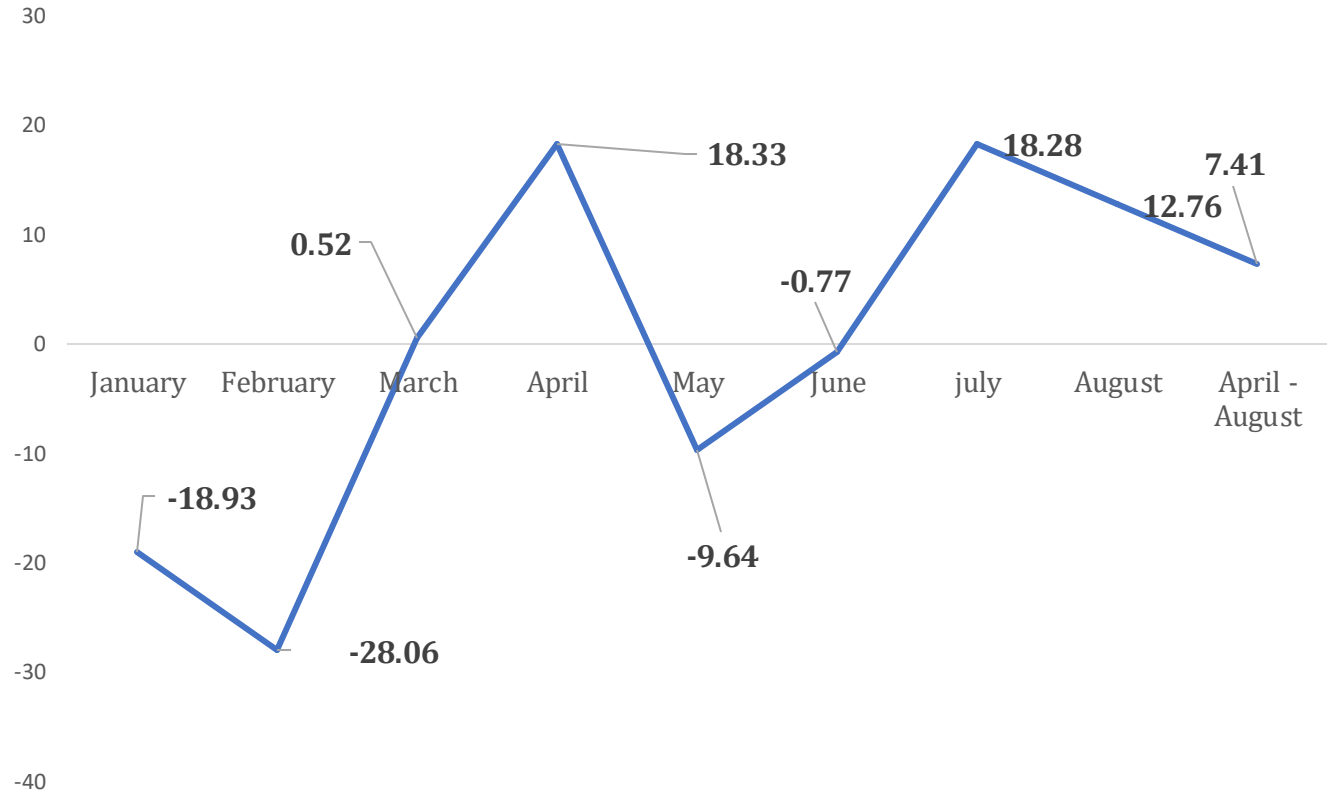
- ➔ During April – August 2021, G&J exports increased by 7.41% to US\$ 15.85 billion as compared to pre-covid levels of exports of US\$ 14.76 billion registered during April - August 2019 reflecting that the exports are intact amid second wave of covid-19. G&J exports rose by 184.36 % during April – August 2021 as compared to US\$ 5.57 billion recorded during same period last year .
- ➔ During April – August 2021, Cut and Polished Diamonds (26.74%) , Silver Jewellery (153.98%) , Platinum jewellery (234.84%) , Studded gold Jewellery (68.42%) and polished lab grown diamonds (212.71) witnessed a positive export growth while the exports of plain gold jewellery (-68.70 %), Coloured Gemstones (-14.36%) recorded a negative export growth rate w.r.t April-August 2019.
- ➔ Imports of rough diamonds, rough lab grown diamonds and silver bar registered a positive import growth in April - August 2021 as compared to import levels registered in April – August 2019. It indicates continued production activities pertaining to making polished diamonds, lab grown diamonds and silver jewellery amid the second wave of covid-19 in India.
- ➔ Net exports from all the regions have recovered as exports recorded in April - August 2021 are even more than the exports recorded in April – August 2019 i.e. pre-covid level
- ➔ Exports from SEZ have witnessed a rise from almost all the SEZs in April – August 2021 as compared to April – August 2019 . Overall, there is a decline of (-)35.54% in exports to US\$2742.16 million from US\$4253.95 million in April – August 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 Total FDI Equity inflows in Indian G&J Sector increased by 32.6 % to US\$ 3.17 million during April – June 2021 as compared to US\$ 2.39 million recorded during same period last year . FDI Equity inflows in G&J sector rose by 77.09 % during April- June 2021 in comparison to April – June 2019

Gem & Jewellery Gross Exports January to August 2021

7.41% growth over April –August 2019

Months	Gross Exports	Gross Exports	Gross Exports
	FY2018-2019	FY2019-2020	FY2020-2021
	US\$ Billion	US\$ Billion	US\$ Billion
January	3.27	2.97	2.65
February	3.69	2.97	2.66
March	3.44	1.97	3.46
Jan to March	10.41	7.91	8.77
Months	FY2019-2020	FY2020-2021	FY2021-2022
April	2.89	0.04	3.42
May	3.21	1.04	2.90
June	2.89	1.43	2.86
July	2.86	1.37	3.39
August	2.92	1.70	3.29
Apr - August	14.76	5.57	15.85
Jan to August	25.17	13.48	24.63

Gem and Jewellery Exports Growth : Jan -August 2021 over Jan-August 2019 (pre-covid-level)



Source : GJEPC Analysis
Notes: (p) = Provisional,
Gross exports means inclusive of return consignments, Figs from Aircargo Delhi January to August 2021 and Cochin Air Cargo August 2021 are not available and hence not included.

G&J exports stood at US\$ 15.85 billion in April – August 2021; higher than the pre-covid level of exports of US\$ 14.76 billion recorded in April – August 2019 - indicating exports are intact amid Covid-19 II Wave

Gem & Jewellery Imports January to August 2021

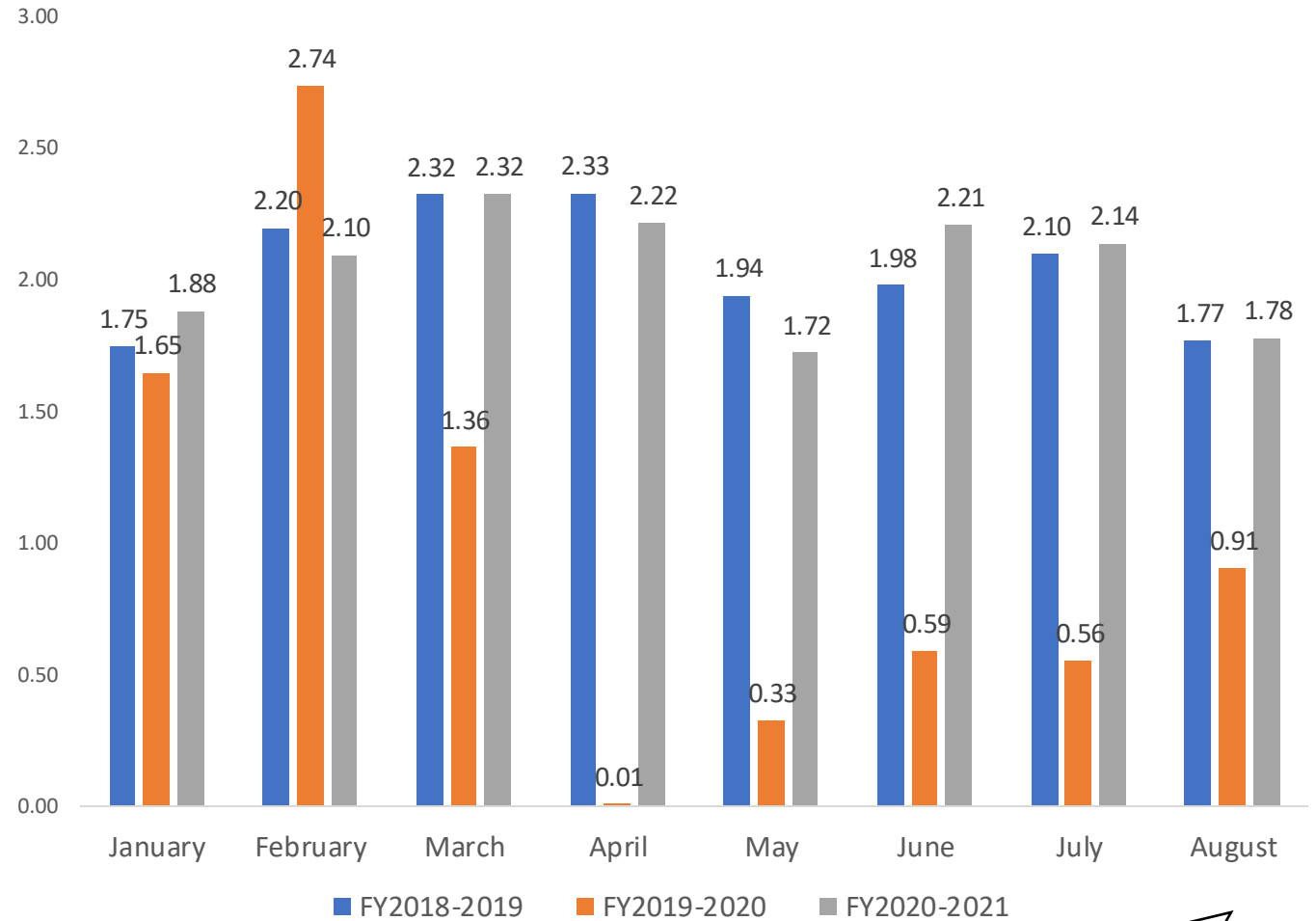
Months	Gross Imports	Gross Imports	Gross Imports
	FY2018-2019	FY2019-2020	FY2020-2021
	US\$ Billion	US\$ Billion	US\$ Billion
January	1.75	1.65	1.88
February	2.20	2.74	2.10
March	2.32	1.36	2.32
Jan to March	6.27	5.75	6.30
Months	FY2019-2020	FY2020-2021	FY2021-2022
April	2.33	0.01	2.22
May	1.94	0.33	1.72
June	1.98	0.59	2.21
July	2.10	0.56	2.14
August	1.77	0.91	1.78
Apr - August	10.12	2.38	10.07
Jan - August	16.39	8.13	16.37

Source : GJEPC Analysis

Notes: (p) = Provisional.

Figs for Gold Bar from MMTC April to August 2021 and Figs for Gold Bar from BOI & UBI August 2021 are not included as not available.

Imports (US\$ Billion)



G&J imports stood at US\$10.07 billion in April –August 2021; almost at par with the pre-covid level of imports US\$ 10.12 billion recorded in April – August 2019, indicating continued production activities in G&J sector.

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

Commodities	April - August 2019	April - August 2020	April- August 2021 (P)	% Growth/Decline 2019/2021
	(US\$m)	(US\$m)	(US\$m)	(Y-o-Y)
Cut & Pol Diamonds	8,343.42	3,936.82	10,574.22	26.74
Pol. Lab Grown Syn. Diamonds	158.28	127.74	494.94	212.71
Coloured Gemstones	130.66	47.29	111.90	-14.36
Pol. Synthetic Stone	0.65	0.20	0.29	-55.89
Gold Jewellery	4,882.64	626.69	3,208.31	-34.29
Plain Gold Jewellery	3,657.36	215.23	1,144.66	-68.7
Studded Gold Jewellery	1,225.27	411.45	2,063.66	68.42
Silver Jewellery	417.80	626.60	1,061.13	153.98
Platinum Jewellery	3.15	2.34	10.55	234.84
Imitation Jewellery	7.38	5.81	16.69	126.21
Articles of Gold, Silver & others	221.87	60.12	18.86	-91.5
Others	594.81	141.76	357.02	-39.98
Gross Exports	14760.66	5575.37	15853.91	7.41
Return Consignment	2,932.81	1,136.98	3,044.04	3.79
Net Exports	11,827.85	4,438.39	12,809.87	8.30

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

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


- Cut & Polished Diamonds(+26.74%)
- Polished LGD (+212.71%)
- Studded gold jewellery (+68.42%)
- Silver Jewellery (+ 153.98%)
- Platinum Jewellery (+234.84)

Exports growth declined of :

Plain Gold Jewellery (-68.70%)
Coloured Gemstones (-14.36%)

Commodity-wise G&J Imports - April - August 2021

Products	April - August 2019	April - August 2020	April - August 2021 (p)	% growth / decline 2019/2021
	US\$ Mill	US \$ Mill	US\$ Mill	(y-o-y)
Rough Diamonds	5,367.67	1210.26	7,413.15	38.11
Rgh Lab Grown Diamonds	121.71	113.41	439.24	260.90
Rough Coloured Gemstones	105.39	14.78	89.38	-15.18
Rough Synthetic Stone	1.89	0.37	1.13	-40.12
Raw Pearls	8.03	0.20	0.18	-97.76
Gold Bar	3,522.55	142.18	699.92	-80.13
Silver Bar	15.35	8.06	29.23	90.47
Platinum Bar	63.42	52.31	29.18	-53.99
Sub - Total	9,206.01	1541.58	8,701.42	-5.48
Imports of Cut & Pol. Diamonds	505.94	683.23	588.91	16.40
Pol. Lab Grown Diamonds	32.38	11.74	17.21	-46.87
Col. Gemstones	217.72	88.84	520.46	139.05
Pol. Synthetic Stone	5.10	0.46	2.99	-41.48
Pearls worked	3.16	0.53	0.59	-81.36
Gold Jewellery	124.35	47.12	171.33	37.78
Silver Jewellery	25.38	6.05	16.22	-36.10
Imitation Jewellery	0.52	0.46	1.43	174.94
Others	3.72	1.73	49.03	1218.63
Sub - Total	918.27	840.16	1,368.15	48.99
Gross Imports	10124.27	2381.73	10,069.57	-0.54



Imports of commodities - rough diamonds, rough lab grown diamonds, silver bar have witnessed a positive import growth in April - August 2021 over April - August 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 April to August 2021 and Figs for Gold Bar from UBI & BOI August 2021 are not included as not available.

GJEPC Region-wise Growth/Decline in Gross Exports



Region	Gross Exports (April – August 2019)	Gross Exports (April – August 2020)	Gross Exports (April - August 2021)	% of Growth / Decline 2019/2021 (Y-o-Y)
	US\$ Million	US\$ Million	US\$ Million	
Western Region	10199.90	3868.02	12674.78	24.26
Southern Region	3088.33	74.15	537.56	-82.59
Rajasthan Region	292.06	146.12	351.34	20.3
Gujarat Region	764.43	1426.46	1844.18	141.25
Northern Region	140.68	27.67	78.75	-44.02
Eastern Region	275.26	32.95	367.31	33.44
Total	14760.66	5575.37	15853.91	7.41

Source : GJEPC Statistics Dept. Analysis

Figs from Aircargo Delhi April – August 2021 and Cochin Air Cargo August 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 – August 2021 are even more than the exports recorded in April – August 2019 i.e. during the pre-covid level .

Gem & Jewellery Port-wise Gross Exports : SEZ



SEZs	April – August 2019 US\$ Million	April – August 2020 US\$ Million	April – August 2021 US\$ Million	% of Growth / Decline 2021 w.r.t 2019 (Y-o-Y)
Seepz	788.81	355.88	1,394.18	76.75
Surat SEZ	418.11	574.61	1,051.53	151.5
Jaipur SEZ	81.94	53.07	109.24	33.32
Delhi SEZ	140.68	27.67	78.75	-44.02
Kolkata SEZ	21.11	3.69	46.13	118.57
Visakhapatnam SEZ	4.99	3.32	4.37	-12.38
Hyderabad SEZ	3.47	0.00	0.00	-100
Chennai SEZ	1.00	0.28	0.54	-45.91
Cochin SEZ	2793.84	23.02	57.41	-97.95
Total	4253.95	1041.54	2,742.16	-35.54

Source : GJEPC Statistics Dept. Analysis

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 – August 2021 as compared to April – August 2019. Overall, there is a decline of (-)35.54% in exports to US\$2742.16 million in April-August 2021 from US\$ 4253.95 million recorded in April-August 2019.

Key Observations and trends – G&J Exports (April-August 2021)



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

Growth Drivers

- **Cut and Polished Diamonds (26.74% rise)** - Strong demand in USA , China and several European countries along with sustained consumer interest in diamond jewellery are some of the factors for the positive export growth of cut and polished diamonds .
- **Studded Gold Jewellery (68.42% rise)** - Studded gold jewellery is reviving in sync with the revival of import demand in the export markets and revived consumption in the key markets like USA .
- **Silver Jewellery (153.98% rise) – Positive export growth is on** account of the exports of silver jewellery studded with precious metals (diamonds) from the SEZs . The silver jewellery exporters from the DTA region are facing challenges pertaining to non-availability of precious metals i.e gold and duty drawback rates are not at par with the actual duty paid are some of the factors inhibiting growth .

Growth Obstructors

- **Plain gold Jewellery (-68.70%)** – Decline in manufacturing jewellery quantity has gone down in the last two years , problems surrounding Hallmarking Unique Identification Number (HUID) , and non-revival of demand in key export markets due to pandemic induced restrictions can be attributed to the decline in the plain gold jewellery exports .
- **Colored Gem Stones (-14.36%)** - The import duty of 0.5 % on rough coloured gemstones is one of the primary reasons for the negative export growth of the coloured gemstones which is leading to reduction in export competitiveness of the product in the international markets . However , The second phase of GJEPC's third edition of the India Rough Gemstone Sourcing Show (IRGSS) in the month of August 2021 , less restrictions on domestic manufacturing and availability of rough coloured gemstones in comparison to previous months may result in bounce back of coloured gemstones from the country .



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

- Export growth over August 2021 is majorly attributed to the revived import demand in India's one of the major markets i.e. USA, fulfilment of export orders received by numerous Indian exhibitors during the VBSMs conducted by the Council and participation of Indian exporters in trade shows through their Hong Kong office among others.
- We understand that with the opening of the markets gradually, removal of entry restrictions, forthcoming festive season the import demand and so as India exports of gem and jewellery may rise in near future. However, quick solution to the critical challenge of unavailability of rough material and difference in duty drawback and actual duty rates needs to be fixed.
- At the above backdrop, we can see that the short-term export growth outlook is progressive with the presumption that Covid-19 third wave would not outbreak within/outside the country.



Key Featured Slides...

FDI Equity inflows in Indian Gems and Jewellery Sector

April – June 2021

- Total FDI Equity inflows in India rose by 167.7 % to US\$ 17.5 billion in April - June 2021** - According to the DPPIIT Data, the total FDI equity inflows in India increased by 167.7 % to US\$ 17.5 billion during April - June 2021 from US\$ 6.5 billion recorded in same period last year . Overall, the total FDI equity inflows in India increased by 100.6 % from US\$ 29.7 billion in 2014-2015 to US\$ 59.63 billion in 2020-2021 .
- Total FDI Equity inflows in Indian G&J Sector** increased by (-) 32.62 % to US\$ 3.17 million during April - June 2021 in comparison to last year . Total FDI Equity Inflows in Indian G&J Sector in India increased by 77.01 % from US\$ 1.79 million in April - June 2019 to US\$ 3.17 million in April -June 2021

Growth of Total FDI equity inflows and FDI inflows in G& J Sector

Year	Total FDI Equity inflows (US \$ million)	% change in FDI Equity inflows	FDI Inflows in Gems & Jewellery (US\$ million)	FDI inflows in G&J sector % change
2014-15	29737	--	263.16	--
2015-16	40001	34.51%	75.57	-71.28
2016-17	43478	8.60%	123.91	39%
2017-18	44857	3.17%	233.03	88%
2018-19	44366	-1.09%	29.01	-87.50%
2019-20	49977	12.60%	18.87	-34.50%
2020-21	59636	19.32 %	13.82	-26.7 %
April -June 2019	16,330	----	1.79	---
April-June 2020	6,562	-59.81 %	2.39	33.51%
April -June 2021	17,567	167.7 %	3.17	32.62 %

3. Share of G&J Sector in Total FDI Equity Inflows in India have declined to 0.01 % during April – June 2021

The Share of FDI in the Gems and Jewellery sector has been declining since 2014-2015 and has contracted from 0.88 % in 2014-2015 to 0.02 % in 2020-2021 . The FDI in the G&J sector is recorded at US\$ 3.17 million during April-June 2021, comprising only 0.01% of India's total FDI of US\$ billion received during the said period.

FDI Equity Inflow in Gem & Jewellery sector: 2015- 2021

Years	FDI Equity Inflows in India (US \$ million)	FDI Equity Inflows in G & J Sector* (US \$ million)	% share of FDI total inflows in G & J Sector
2014-2015	29737	263.16	0.88%
2015-2016	40001	75.57	0.19%
2016-2017	43478	123.91	0.28%
2017-2018	44857	233.03	0.52%
2018-2019	44366	29.01	0.07%
2019-2020	49977	18.87	0.03%
2020-21	59636	13.82	0.02%
April – June 2019	16,330	1.79	0.01 %
April – June 2020	6,562	2.39	0.03 %
April – June 2021	17,567	3.17	0.01 %

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Thanks