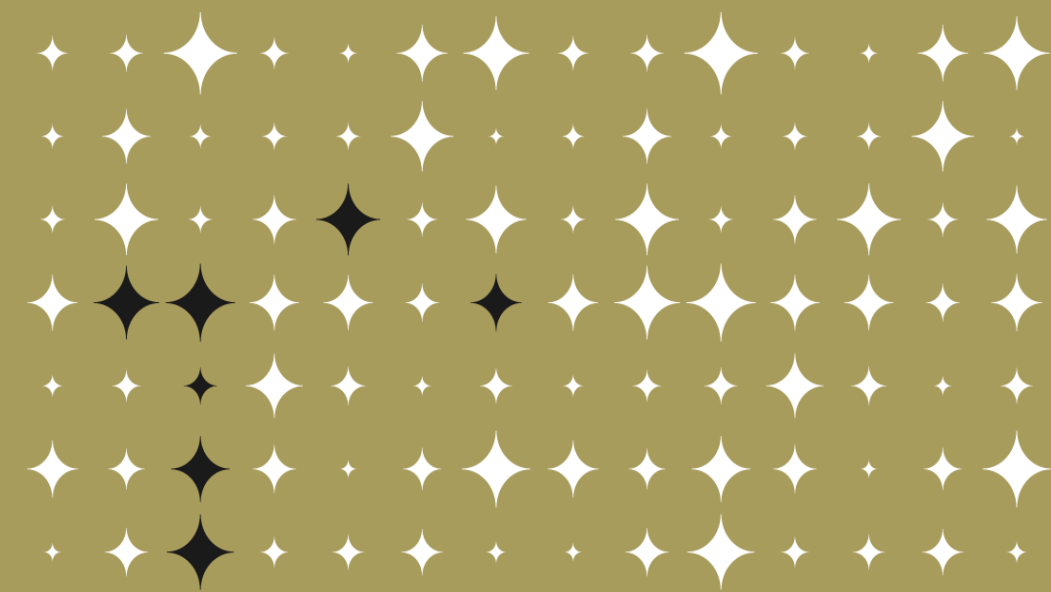




Gem and Jewellery Trade Update

April 2020 - January 2021



GJEPC Statistics Department (Data and Analytics Unit)



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Gem and Jewellery Trade Update : April 2020 - January 2021

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Key Highlights

- ➔ During April 2020- January 2021, G&J exports declined by (-)36.97 % y-o-y to US\$ 19.24 billion as compared to US\$30.52 billion registered during the same period previous year.
- ➔ During April 2020 -January 2021, **Exports Growth of Cut & Polished Diamonds (-23.43 %)** ,Coloured Gemstones(-50.83%) and Gold Jewellery (-64.92%) have witnessed a decline, while **Exports growth of silver jewellery(45.25%)** , **Polished lab grown diamonds (56.87%)** and **Platinum Jewellery (54.48%)** have registered a rise.
- ➔ Imports of all commodities, rough diamonds, rough lab grown diamonds, rough coloured gemstones , gold/silver bar declined during April 2020 -January 2021. This is an indication of the contracted manufacturing activities and demand of the gem and jewellery products in the country.
- ➔ Net exports from all regions have declined sharply ranging from (-)21 % to (-)46 % during April 2020-January 2021, while exports from Gujarat Region have witnessed a growth of 52.16 % to US\$ 2866.29 million during the stated period.
- ➔ All SEZs have witnessed a declining growth rate except the Surat ,Kolkata and Vishakhapatnam SEZs, which have registered growth rates of 39.42%, 24.83%, 49.13% to US\$1626.90, 54.21, 18.49 million during April 2020-January 2021

Gem & Jewellery Gross Exports April 2020 –January 2021



Months	Gross Exports	Gross Exports	% Growth /Decline (Y-o-Y)
	2019-2020 US\$bn	2020-2021 US\$bn	
April	2.99	0.04	-98.79
May	3.30	1.06	-67.79
June	3.09	1.65	-46.66
July	3.05	1.51	-50.41
August	3.05	1.78	-41.65
September	3.42	2.51	-26.45
October	3.61	2.92	-19.02
November	2.68	2.55	-4.71
December	2.44	2.54	4.19
January	2.90	2.67	-7.93
April to January	30.52	19.24	-36.97



After recording a positive growth of 4.19% in Dec 2021, gem and jewellery exports in fell by (-)7.93% in January 2021. Overall, during April 2020-January 2021, G&J exports declined by (-)36.97 % y-o-y to US\$ 19.24 billion as compared to US\$30.52 billion registered during the same period previous year.

Source : GJEPC Statistics Dept. Analysis

Notes: (p) = Provisional,

Gross exports means inclusive of return consignments

i) Figs from Aircargo Delhi April 20 January 2021 is not included

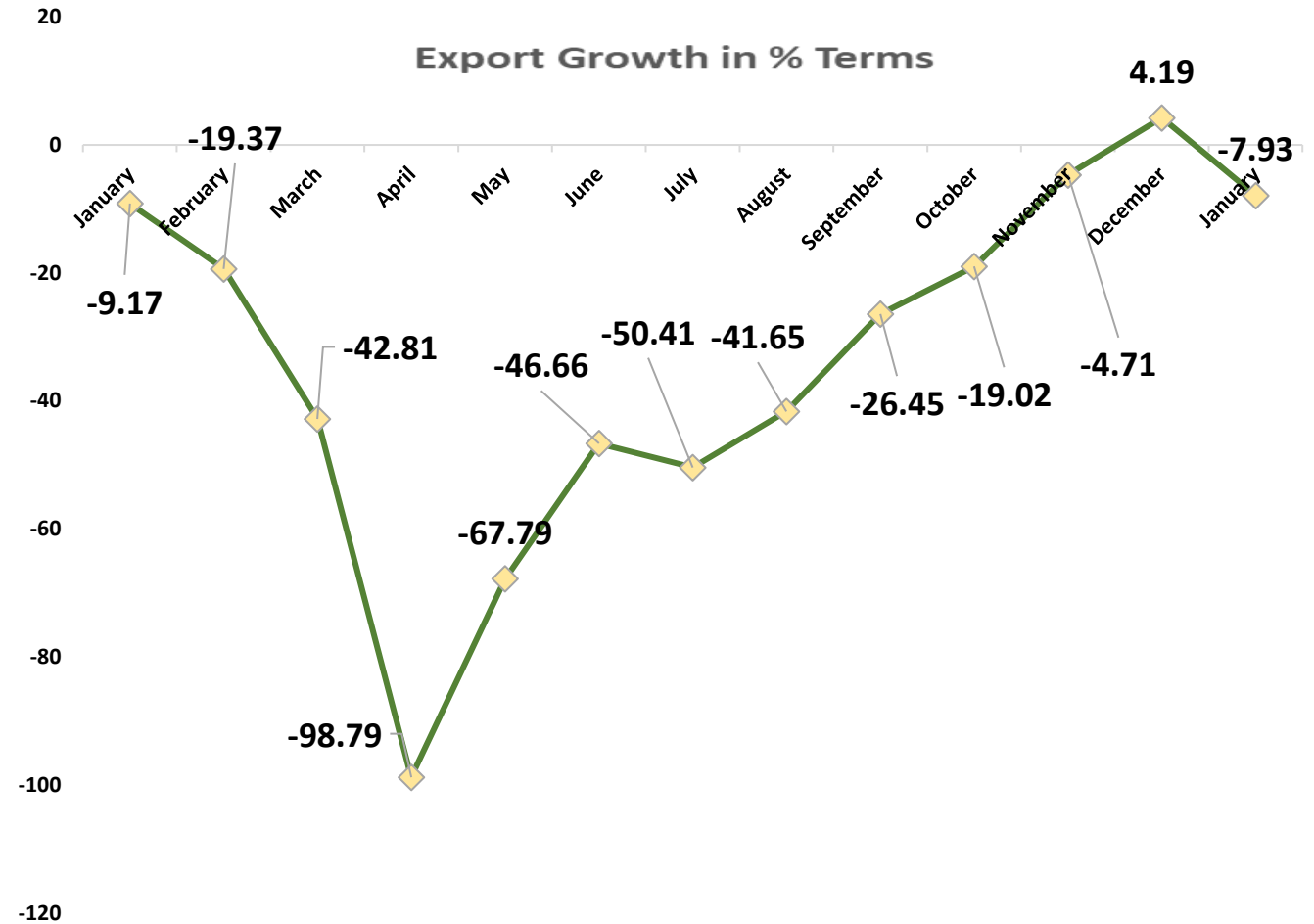
Gross Exports - January 2020 – January 2021

Months	Gross Exports	Gross Exports	% Growth /Decline (Y-o-Y)
	2019-2020 US\$bn	2020-2021 US\$bn	
January	3.27	2.97	-9.17
February	3.69	2.97	-19.37
March	3.44	1.97	-42.81
Jan to March	10.39	7.91	-23.92
Months	Gross Exports	Gross Exports	% Growth /Decline (Y-o-Y)
	FY2020 US\$bn	FY2021 US\$bn	
April	2.99	0.04	-98.79
May	3.30	1.06	-67.79
June	3.09	1.65	-46.66
July	3.05	1.51	-50.41
August	3.05	1.78	-41.65
September	3.42	2.51	-26.45
October	3.61	2.92	-19.02
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April to January	30.52	19.24	-36.97

Source : GJEPSC Statistics Dept. Analysis

Notes: (p) = Provisional, Gross exports means inclusive of return consignments
i) Figs from Aircargo Delhi April 20 January 2021 is not included

Gem and Jewellery Exports after falling peak low by (-) 98.79% in April 2020 started rising and hence witnessed a 'V' shaped recovery



Declined G&J Export growth of (-) 7.93% in January 2021 is lower than (-) 9.17% recorded in January 2020

Gem & Jewellery Imports : April 2020 – Jan2021



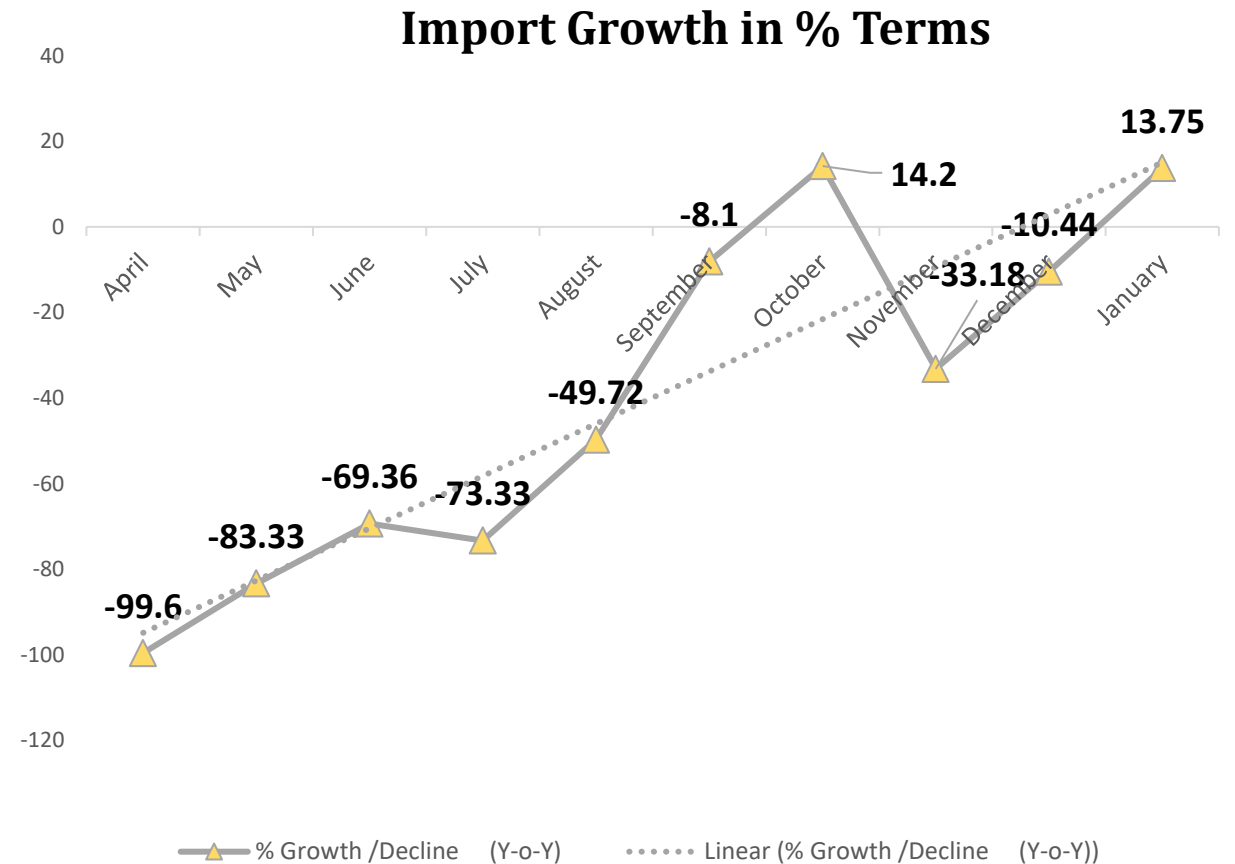
Months	Import	Import	% Growth /Decline (Y-o-Y)
	2019-2020 US\$bn	2020-2021 US\$bn	
April	2.26	0.01	-99.6
May	1.90	0.32	-83.33
June	1.93	0.59	-69.36
July	2.10	0.56	-73.33
August	1.81	0.91	-49.72
September	2.11	1.94	-8.1
October	1.76	2.01	14.2
November	2.20	1.47	-33.18
December	2.39	2.14	-10.44
January	1.60	1.82	13.75
April to January	20.07	11.77	-41.37

Source : GJEPC Statistics Dept. Analysis

Notes: (p) = Provisional,

i) Figs for Gold Bar from MMTC April 20 to January 2021 is not included

ii) Figs for Gold Bar from SBI, UBI & Bank of India January 2021 is not included



In January 2021, imports of gem and jewellery increased by 13.75% to US\$1.82 billion as compared to US\$1.60 billion in January 2019. During April 2020 – January 2021, G&J Imports declined by (-)41.37 % y-o-y to US\$ 11.77 billion as compared to US\$ 20.07 billion registered during the same period previous year.

Gem & Jewellery Imports : Jan 2020-Jan 2021

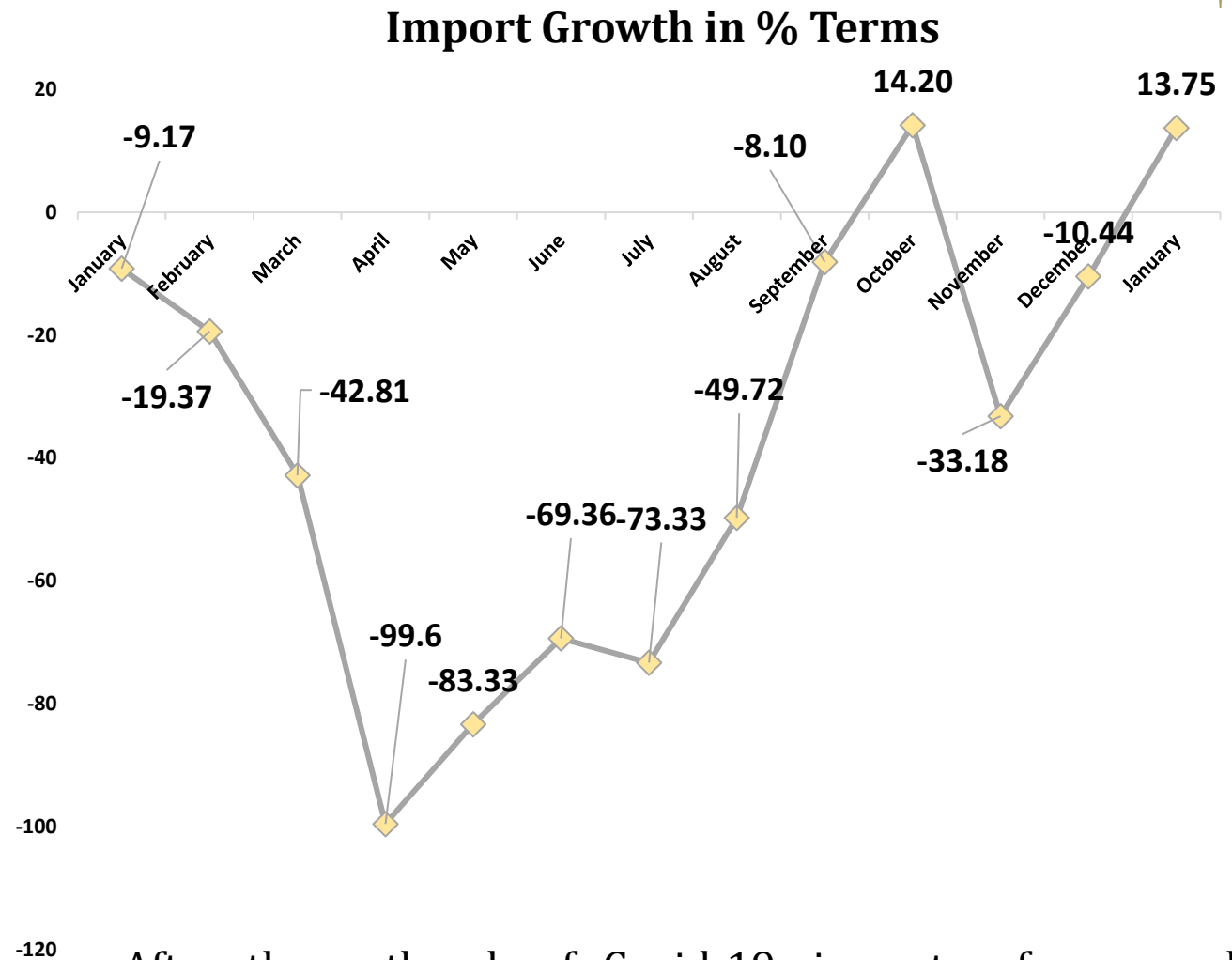
Months	Gross Imports	Gross Imports	% Growth /Decline (Y-o-Y)
	2018-2019 US\$bn	2019-2020 US\$bn	
January	3.27	2.97	-9.17
February	3.69	2.97	-19.37
March	3.44	1.97	-42.81
Jan to March	10.39	7.91	-23.92
Months	Gross Imports	Gross Imports	% Growth /Decline (Y-o-Y)
	2019-2020 US\$bn	2020-2021 US\$bn	
April	2.26	0.01	-99.6
May	1.90	0.32	-83.33
June	1.93	0.59	-69.36
July	2.10	0.56	-73.33
August	1.81	0.91	-49.72
September	2.11	1.94	-8.10
October	1.76	2.01	14.20
November	2.20	1.47	-33.18
December	2.39	2.14	-10.44
January	1.60	1.82	13.75
April to January	20.07	11.77	-41.35

Source : GJEPC Statistics Dept. Analysis

Notes: (p) = Provisional,

i) Figs for Gold Bar from MMTC April 2020 – January 2021 is not included

ii) Figs for Gold Bar from SBI, UBI & Bank of India January 2021 is not included



After the outbreak of Covid-19, imports of gem and jewellery declined sharply by (-) 99.6% , which later started rising in the following months in synch with the eventual un lockdown in the domestic as well as international economy.

Gem and Jewellery Gross vis-a-vis Net Exports - April 2020- January 2021

Exports	April 2019 to January 2020	April 2020 to January 2021	% Growth
	(US\$ in Million)	(US\$ in Million)	
Gross Exports (P)	30524.46	19240.61	-36.97
Return Consignment	5,541.93	3451.25	-37.72
Net Exports	24982.53	15789.36	-36.80

Source : GJEPC Statistics Dept. Analysis

Notes: (p) = Provisional, Gross exports means inclusive of return consignments

Gross exports declined by (-) 36.97% to US\$19.24 billion in April 20-Jan 2021 from US\$30.52 billion same period last year

Net Exports declined by (-) 36.80% to US\$15.79 billion in April 20 -Jan. 2021 from US\$24.98billion same period last year

Commodity wise Exports– April 20 – January 2021



Commodities	April 19 - January 2020	April 20 – January 2021 (P)	% Growth/decline
	(US\$mn)	(US\$mn)	(Y-o-Y)
Cut & Pol Diamonds	16,315.61	12,492.75	-23.43
Pol. Lab Grown Syn. Diamonds	356.15	558.71	56.87
Coloured Gemstones	289.54	142.37	-50.83
Pol. Synthetic Stone	0.79	0.77	-2.53
Gold Jewellery	10,124.29	3,551.45	-64.92
Silver Jewellery	1,217.53	1,768.49	45.25
Platinum Jewellery	8.37	12.93	54.48
Imitation Jewellery	49.20	34.96	-28.94
Articles of Gold, Silver & others	386.41	76.91	-80.1
Others	1,776.57	601.27	-66.16
Gross Exports	30524.46	19240.61	-36.97
Return Consignment	5,541.93	3,451.25	-37.72
Net Exports	24,982.53	15,789.36	-36.80

During April 2020 –January 2021,

Exports Growth declined of :

Cut & Polished Diamonds (-23.43%)
Coloured Gemstones (-50.83%)
Gold Jewellery (-64.92%)

Exports Growth Increased of :

Silver Jewellery (45.25%)
Polished Lab Grown Diamonds(56.87%)
Platinum Jewellery (54.48%)

Source : Statistics Dept. GJEPC, Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments , Net Exports pertains to exclusive of return consignments

i) Figs from Aircargo Delhi April 2020 January 2021 is not included

Commodity wise Imports – April 2020 – January 2021



Products	April 2019- January 2020	April 2020 - January 2021 (p)	% growth/decline (y-o-y)
	US\$ Mill	US\$ Mill	US\$ Mill
Rough Diamonds	10,921.34	8,022.51	-26.54
Rgh Lab Grown Diamonds	293.13	452.43	54.34
Rough Coloured Gemstones	219.28	112.49	-48.7
Rough Synthetic Stone	3.12	0.93	-70.19
Raw Pearls	10.15	0.32	-96.85
Gold Bar	6,353.36	788.98	-87.58
Silver Bar	29.53	27.90	-5.52
Platinum Bar	132.27	81.69	-38.24
Sub - Total	17962.18	9487.25	-47.18
Imports of Cut & Pol. Diamonds	1,224.23	1,626.57	32.86
Pol. Lab Grown Diamonds	86.44	33.70	-61.02
Col. Gemstones	482.79	324.73	-32.74
Pol. Synthetic Stone	11.98	0.62	-94.81
Pearls worked	6.06	1.21	-80.07
Gold Jewellery	230.19	150.52	-34.61
Silver Jewellery	53.82	18.58	-65.48
Imitation Jewellery	1.45	1.54	6.14
Others	9.31	4.83	-48.09
Sub - Total	2106.27	2162.30	2.66
Gross Imports	20,068.45	11,771.42	-41.34

Imports of all commodities rough diamonds, rough lab grown diamonds, rough coloured gem stones , gold/silver bar declined during April 2020 –January 2021

Overall imports of gem and jewellery products declined by (-)41.34% to US\$11771.42 million as compared to US\$20068.45 million.

This is an indication of the contracted manufacturing activities and demand of the gem and jewellery products in the country.

Country wise exports in India's Top 10 export destinations ...




G&J Exports : April – September 2020

Rank	Countries	Apr-September 2019 US\$ million	Apr-September 2020 US\$ million	% growth (y-o-y)
1	HK	5,263.10	3419.79	-35.02
2	USA	4,743.85	2678.13	-43.55
3	UAE	5,063.94	673.68	-86.70
4	Belgium	996.79	412.77	-58.59
5	Israel	433.28	236.50	-45.42
6	Turkey	379.98	173.26	-54.4
7	Thailand	343.39	168.88	-50.82
8	U.K	245.73	117.16	-52.32
9	Japan	206.81	98.40	-52.42
10	Switzerland	137.54	60.32	-56.14

Among the top 10 export destination , Gem and Jewellery exports to UAE has witnessed the highest fall of (-)86.70% followed by Belgium (-) 58.59% , Switzerland (-)56.14%, Thailand, Japan, Israel, USA, Turkey and HK.

GJEPC Region-wise Growth/Decline in Net Exports



Region	Net Exports (April 2019 to January 2020)	Net Exports (April 2020 to January 2021)	% Growth / Decline
	US\$ Million	US\$ Million	
Western Region	14824.29	10916.80	-26.36
Southern Region	525.47	357.29	-32.01
Rajasthan Region	512.63	416.20	-18.81
Gujarat Region	1883.80	2866.29	52.16
Northern Region	1570.18	843.36	-46.29
Eastern Region	510.43	279.80	-45.18
Total	19826.79	15679.75	-20.92

Source : GJEPC Statistics Dept. Analysis

Net exports pertains to exclusive of return consignments and Cochin & Hyderabad SEZ

Net exports from all regions have declined ranging from (-)21% to (-)46% during April 2020 – January 2021, while exports from Gujarat Region have witnessed a growth of 52.16% to US\$2866.29 million during the stated period.

Gem & Jewellery Port-wise Net Exports : SEZ

SEZ	April 2019 to Jan 2020 US\$ Million	April 2020 to Jan 2021 US\$ Million	% Growth / Decline
Seepz	1,887.93	1,598.26	-15.34
Surat SEZ	1,166.93	1,626.90	39.42
Jaipur SEZ	164.74	146.21	-11.25
Delhi SEZ	296.95	143.56	-51.65
Kolkata SEZ	43.43	54.21	24.83
Visakhapatnam SEZ	12.40	18.49	49.13
Hyderabad SEZ	3.47	0.00	-100
Chennai SEZ	1.58	0.70	-55.37
Cochin SEZ	5,164.05	58.15	-98.87
Total	8741.47	3646.49	-58.29

Source : GJEPC Statistics Dept. Analysis

All SEZs have witnessed a declining growth rate except the Surat, Kolkata & Visakhapatnam SEZ which has registered a growth of 39.42%, 24.83%, 49.13% to US\$1626.90, 54.21, 18.49 million from US\$ 1166.93, 43.43, 12.40 mn.

Net Gem and Jewellery Exports from SEZs declined by around (-) 58.29% to US\$3646.49 million during April-January 2021 from US\$8741.47 million in April-January 2020



Key Featured Slides...

**GJEPC Budget Proposals and Government
Announcements.**

2021-2022

Proposed Recommendations and Actual Budget Announcements

S.No.	HS Codes	Commodities	(Proposed) From	(Proposed) To	Actual
1	71081200	Gold *	12.5%	4%	7.5% *
2.	71081200	Gold dore bars *	11.85%	-	6.9%*
3	71069100	Silver *	12.5%	4%	7.5%*
4	71069100	Silver dore bars *	11%	-	6.1%*
5	71101110 & 71102100	Platinum and Palladium	12.5%	4%	10%
6.	71131130	Parts of silver jewellery (Silver findings)	20%	12.5%	10%
7.	71131960	Parts of gold jewellery (Gold findings)	20%	12.5%	10%
8.	7112	Waste & Scrap of Precious Metals	12.5%	-	10%
9.	71123000	Spent Catalyst or ash containing precious metals	11.85%	-	9.2%
10.	71189000	Precious metal coins	12.5%	-	10%
11	71049090	Increase in import duty on Cut and Polished Cubic Zirconia	7.5%	15%	15%
12.	71049090	Increase in Import duty on Synthetic cut and polished stones	7.5%	25%	15%

**Proposed Agriculture Infrastructure and development Cess at the rate of 2.5% was removed after GJEPC representation*

Proposed Recommendations and Actual Budget Announcements Contd..

Particulars	Status in Budget 2021-2022
Gold exchanges	<p>Accepted - In the budget 2018-19, Government had announced its intent to establish a system of regulated gold exchanges in the country. For the purpose, SEBI will be notified as the regulator and Warehousing Development and Regulatory Authority will be strengthened to set up a commodity market eco system arrangement including vaulting, assaying, logistics etc in addition to warehousing.</p>
<p>Clarification on Online Equalization Levy for B2B International Diamond Auctions</p>	<p>The scope of the levy is drafted too broadly. It covers sales of own goods via e-commerce platforms and has extremely low prescribed thresholds. This will bring almost any transactions done on-line into the scope of the Equalization Levy and will put undue burden and compliance on very wide net of taxpayers who may not have the resources to handle the administration and costs of the levy. With the way the Equalization Levy is drafted at the moment, it will adversely impact the sustainability and development of key industries for India. However, there were no such clarification in the Finance Bill, 2021 that Equalization Levy is not applicable on B2B transaction or specifically on procurement of rough diamonds from outside India through online means or digital platform.</p> <p>Therefore, we urge that rough diamonds should be excluded from the scope of the Equalization Levy provisions. An amendment may be made to the provisions to exclude rough diamonds from the scope of the levy as under: After clause (iii) under sub section (2) of section 165A to the Finance Act, 2016 (as amended by the Finance Act, 2020), a new clause “(iv)” should be inserted as under:</p> <p><i>“(iv) on online sale or auction of rough diamonds by the e-commerce operator”</i></p> <p>An exemption to rough diamonds from the Equalization Levy will go a long way to support the gems and jewellery sector which will in turn ensure employment to masses and foreign currency earnings through exports.</p>

Tax Incidence : Pre and Post Budget Comparison on all Commodities

S.No.	HS Codes	Commodities	Proposed From	Actual To	Tax incidence Pre Budget**	Tax Incidence Post Budget**	Change	Tax Incidence Increase/ Decrease
1	71081200	Gold *	12.50%	7.50%	16.26	14.07	-2.96	Decrease
2	71081200	Gold dore bars *	11.85%	6.90%	15.57	13.39	-2.89	Decrease
3	71069100	Silver *	12.50%	7.50%	16.26	14.07	-2.96	Decrease
4	71069100	Silver dore bars *	11%	6.10%	14.67	12.49	-2.81	Decrease
5	71101110 & 71102100	Platinum and Palladium	12.50%	10.00%	16.26	14.33	-1.93	Decrease
6	71131130	Parts of silver (findings)	20%	10%	24.22	14.33	-9.89	Decrease
7	71131960	Parts of gold (findings)	20%	10%	24.22	14.33	-9.89	Decrease
8	7112	Waste & Scrap of Precious Metals	12.50%	10%	16.26	14.33	-1.93	Decrease
9	71123000	Spent Catalyst or ash containing precious metals	11.85%	9.20%	15.57	13.42	-2.15	Decrease
10	71189000	Precious metal coins	12.50%	10%	16.26	14.33	-1.93	Decrease
11	71049090	Increase in import duty on Cubic Zirconia (worked)	7.50%	15%	10.96	19.99	+9.03	Increase
12	71049090	Increase in Import duty on Synthetic cut and polished stones	7.50%	15%	10.96	19.99	+9.03	Increase

*AIDC was removed by the Govt after GJEPC representations

**IGST @3% included in above computations , leads blockage of working capital for exporters

According to GJEPC -Overall Budget is Strategic, Wise and Visionary to Propel India into 5th Economy

- 1. Capex spend & fiscal deficit :** Higher capex spend will result into higher second and third order impact such as improving cost effectiveness, higher job creation, growth of various ancillary industry, increasing spending power in the economy. **Higher capex will also result in re-leveraging of the system and aid financial systems credit growth.**
- 2. Relief from tax hike :** High fiscal spending without any kind of a tax hike is also BIG indication of the government mindset of moving to a lower tax regime. India continues to be the lowest tax destination in the world, enticing global investments in a big way.
- 3. Privatization :** The obvious immediate goal is raising resources, there is a deep routed intent of removing inefficiencies from the system and re-orient India as a market-oriented economy.
- 4. Ease of doing business :** Several steps simplifying the compliance requirements of business/individuals such as reducing the time limit for re-opening assessments, faceless tribunals, raising the tax audit threshold limit, relaxing norms for startups, investment by NRIs, raising FDI limit in the insurance and many more.
- 5. Developing State Capacity & Capability :** For long-term sustainable development of a country, building state capacity is very essential. This budget has made several announcements on that count including the Rail vision 2030, implementation of the National Education Policy, allocation towards power reforms etc.
- 6. Infrastructure super boost :**Infrastructure spend always has a multiplier impact on the economy, as it generates demand and builds efficiency.
- 7. Enabling manufacturing - *Atma Nirbhar Bharat*** is clearly a big focus area for the government over the last one year several measures have been taken to grow India's manufacturing GDP from USD 450bn to USD1.25tn by 2025.
- 8. Health and well-being including spending on vaccines with higher outlay** - Strengthening three areas – preventive, curative and well-being – Indirectly adds to the bounce in activities. Neutral for bonds and INR

Thanks