



# *Gem and Jewellery Trade Update*

*April - June 2021*

*Global Trade Forecast by World  
Trade Organization – Key Feature*

*GJEPC Statistics Department (Data and Analytics Unit)*



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# Contents

## Gem and Jewellery Trade Update : April- June 2021



<b>S.No.</b>	<b>Particulars</b>	<b>Slide No.</b>
1.	Key Highlights	3
2.	Export and Import Performance	4-5
3.	Commodity-wise Exports	6
4.	Commodity-wise Imports	7
5.	Region-wise Net Exports Performance	8
6.	Port –Wise SEZ Net Exports	9
7.	Key observations and trends – G&J Exports	10-11
8.	Key Featured slides – Global Trade projections by WTO	12-14

## Key Highlights

- ➔ During April – June 2021, G&J exports increased by 2.93% to US\$ 9.18 billion as compared to pre-covid levels of exports of US\$ 8.92 billion registered during April - June 2019 reflecting that the exports are intact amid second wave of covid-19. G&J exports rose by 267.2 % during April –June 2021 as compared to US\$ 2.5 billion recorded during same period last year .
- ➔ During April – June 2021, Cut and Polished Diamonds (20.34%) , Silver Jewellery (155.05%) , Platinum jewellery (124.28%) , Studded gold Jewellery (60.46%) and polished lab grown diamonds (202.29) witnessed a positive export growth while the exports of plain gold jewellery ( -71.33 %), Coloured Gemstones (-29.10%) recorded a negative export growth rate w.r.t April-June2019.
- ➔ Imports of rough diamonds, rough lab grown diamonds and silver bar registered a positive import growth in April - June 2021 as compared to import levels registered in April - June 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 - June 2021 are even more than the exports recorded in April – June 2019 i.e. pre-covid level
- ➔ Exports from SEZ have witnessed a rise from almost all the SEZs in April – June 2021 as compared to April -June 2019 . Overall, there is a decline of (-)38.37% in exports to US\$1498.71 million from US\$2431.69 million in April – June 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 volume of world merchandise trade is expected to increase by 8 % in 2021 and 4 % in 2022 according to World Trade organization G20 report published in July 2021 .

## Gem & Jewellery Gross Exports January to June 2021

{ 2.93% growth  
over April –  
June 2019 }

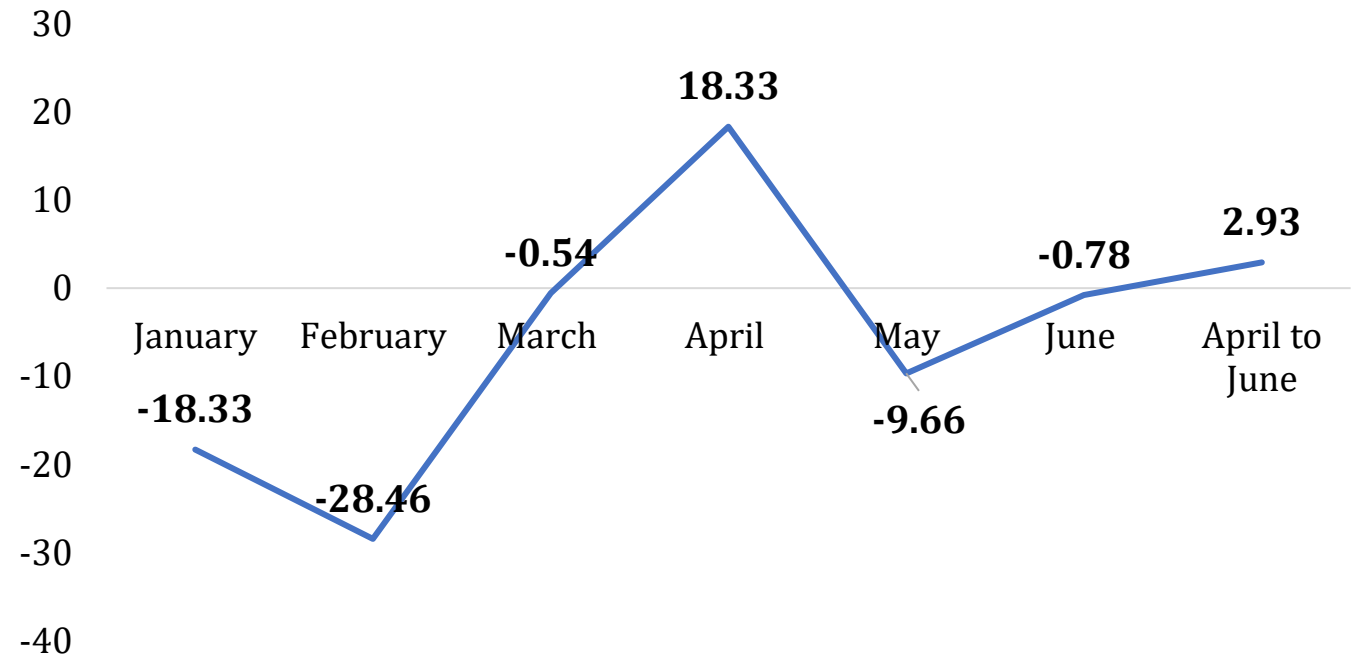
Months	Gross Exports	Gross Exports	Gross Exports
	FY2018-2019	FY2019-2020	FY2020-2021
	US\$ Billion	US\$ Billion	US\$ Billion
January	3.27	2.96	2.67
February	3.69	2.97	2.64
March	3.44	1.97	3.42
<b>Jan to March</b>	<b>10.41</b>	<b>7.90</b>	<b>8.74</b>
Months	FY2019-2020	FY2020-2021	FY2021-2022
April	2.89	0.04	3.42
May	3.21	1.04	2.90
June	2.88	1.43	2.86
Apr - June	8.92	2.50	9.18
<b>Jan to June</b>	<b>19.33</b>	<b>10.4</b>	<b>17.92</b>

Source : GJEPC Analysis

Notes: (p) = Provisional,

Gross exports means inclusive of return consignments, Figs from Aircargo Delhi January to April-June 2021 are not available and hence not included.

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



*G&J exports stood at US\$ 9.18 billion in April – June 2021; higher than the pre-covid level of exports of US\$ 8.92 billion recorded in April – June 2019 - indicating exports are intact amid Covid-19 II Wave*

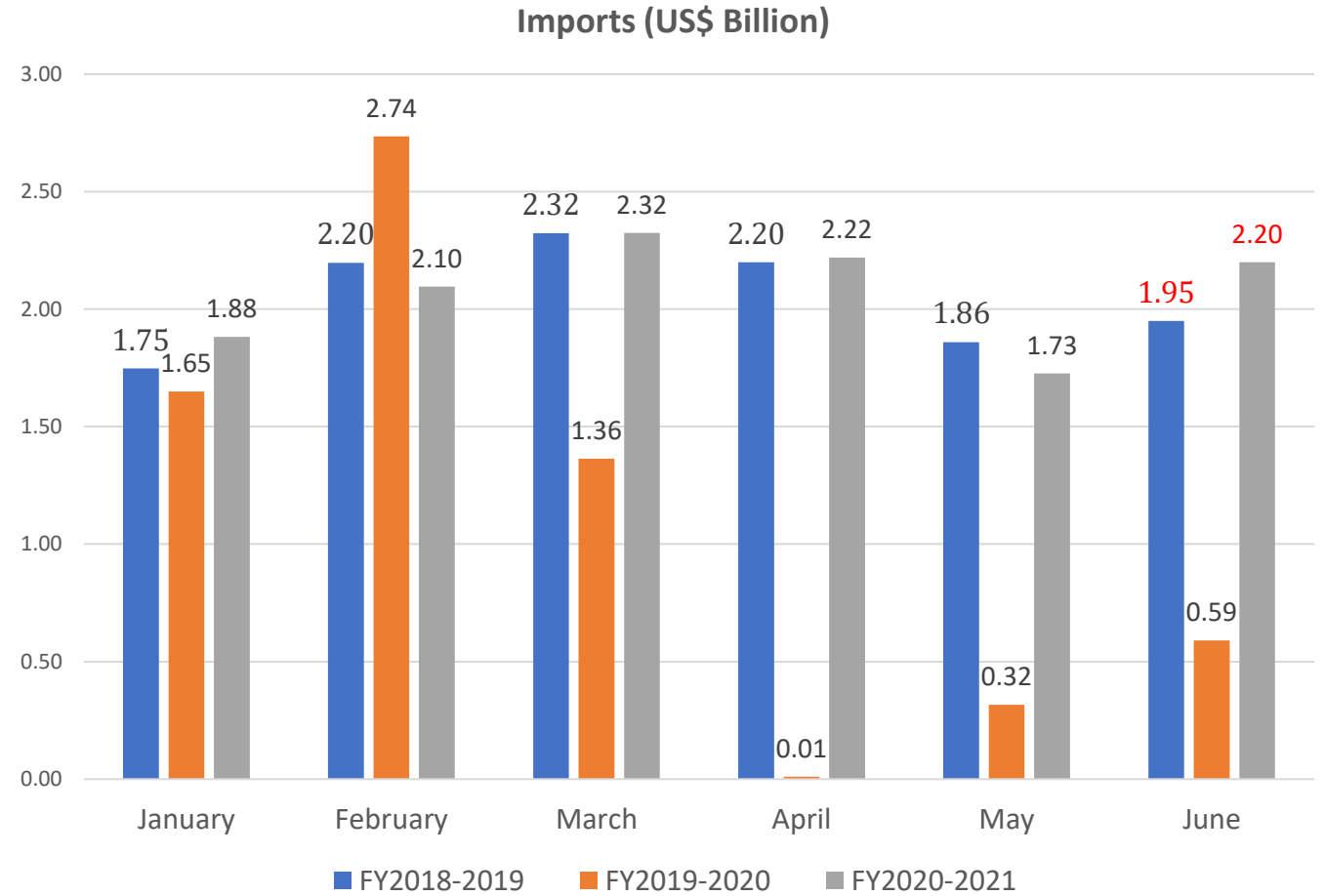
## Gem & Jewellery Imports January to June 2021

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
<b>Jan to March</b>	<b>6.27</b>	<b>5.75</b>	<b>6.30</b>
Months	FY2019-2020	FY2020-2021	FY2021-2022
April	2.2	0.01	2.22
May	1.86	0.32	1.73
June	1.95	0.59	2.20
<b>Apr - June</b>	<b>6.01</b>	<b>0.92</b>	<b>6.15</b>
<b>Jan to June</b>	<b>12.28</b>	<b>6.67</b>	<b>12.45</b>

Source : GJEPC Analysis

Notes: (p) = Provisional.

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



*G&J imports stood at US\$6.15 billion in April -June2021; almost at par with the pre-covid level of imports US\$ 6.01 billion recorded in April - June2019, indicating continued production activities in G&J sector.*

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

Commodities	April - June 2019	April - June 2020	April- June 2021 (P)	% Growth/Decline 2019/2021
	(US\$mn)	(US\$mn)	(US\$mn)	(Y-o-Y)
Cut & Pol Diamonds	5,203.44	1,801.68	6,261.85	20.34
Pol. Lab Grown Syn. Diamonds	86.36	38.99	261.05	202.29
Coloured Gemstones	85.61	16.17	60.70	-29.1
Pol. Synthetic Stone	0.03	0.03	0.17	463.91
Gold Jewellery	2,869.22	172.08	1,734.20	-39.56
Plain Gold Jewellery	2,177.52	57.89	624.32	-71.33
Studded Gold Jewellery	691.70	114.19	1,109.87	60.46
Silver Jewellery	246.00	322.61	627.42	155.05
Platinum Jewellery	2.02	0.48	4.53	124.28
Imitation Jewellery	3.57	1.68	8.74	145.17
Articles of Gold, Silver & others	73.81	55.63	9.29	-87.41
Others	350.78	95.23	214.44	-38.87
<b>Gross Exports</b>	<b>8920.83</b>	<b>2504.58</b>	<b>9182.38</b>	<b>2.93</b>
Return Consignment	1,953.25	263.40	1,775.35	-9.11
<b>Net Exports</b>	<b>6,967.58</b>	<b>2,241.18</b>	<b>7,407.03</b>	<b>6.31</b>

**April - June 2021 exports growth in comparison with April - June 2019 :**

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

- Cut & Polished Diamonds(+20.34%)
- Polished LGD (+202.29%)
- Studded gold jewellery (+60.46%)
- Silver Jewellery (+ 155.05%)
- Platinum Jewellery (+124.28)

**Exports growth declined of :**

Plain Gold Jewellery (-71.33%)  
Coloured Gemstones (-29.10%)

## Commodity-wise G&J Imports – April – June 2021



Commodities	April -June 2019	April -June 2021 (p)	% growth/decline w.r.t 2019
	US\$ Million	US\$ Mill	US\$ Mill
Rough Diamonds	3,411.96	4,649.16	36.26
Rgh Lab Grown Diamonds	67.57	255.65	278.33
Rough Coloured Gemstones	72.10	117.78	63.35
Rough Synthetic Stone	0.44	0.52	18.47
Raw Pearls	2.31	0.14	-93.96
Gold Bar	1,881.82	356.69	-81.05
Silver Bar	7.32	15.78	115.45
Platinum Bar	24.14	16.06	-33.49
<b>Sub - Total</b>	<b>5,467.66</b>	<b>5,411.78</b>	<b>-1.02</b>
Imports of CPD	278.67	362.00	29.90
Pol. Lab Grown Diamonds	19.26	9.75	-49.38
Col. Gemstones	153.83	226.49	47.23
Pol. Synthetic Stone	3.42	1.27	-62.85
Pearls worked	1.19	0.40	-66.10
Gold Jewellery	68.60	98.97	44.26
Silver Jewellery	16.03	7.96	-50.35
Imitation Jewellery	0.35	0.76	115.60
Others	1.51	36.02	2281.19
<b>Sub - Total</b>	<b>542.87</b>	<b>743.62</b>	<b>36.98</b>
<b>Gross Imports</b>	<b>6,010.53</b>	<b>6,155.40</b>	<b>2.41</b>

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

## GJEPC Region-wise Growth/Decline in Net Exports



Region	Net Exports (April - June 2019)	Net Exports (April - June 2020)	Net Exports (April - June 2021)	% of Growth / Decline 2019/2021 (Y-o-Y)
	US\$ Million	US\$ Million	US\$ Million	
Western Region	4407.11	1149.26	5618.71	27.49
Southern Region	195.02	12.68	287.90	47.62
Rajasthan Region	144.79	53.06	181.01	25.02
Gujarat Region	389.15	996.79	1053.78	170.79
Northern Region	92.04	5.36	34.29	-62.74
Eastern Region	191.29	1.60	177.69	-7.11
<b>Total</b>	<b>5419.40</b>	<b>2218.74</b>	<b>7353.38</b>	<b>35.69</b>

Source : GJEPC Statistics Dept. Analysis

Net exports pertains to exclusive of return consignments and Cochin SEZ & Hyderabad SEZ  
*Figs from Aircargo Delhi April -June 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 - June 2021 are even more than the exports recorded in April - June 2019 i.e. during the pre-covid level .



## Gem & Jewellery Port-wise Net Exports : SEZ



SEZs	April – June 2019 US\$ Million	April – June 2020 US\$ Million	April – June 2021 US\$ Million	% of Growth / Decline 2021 w.r.t 2019 (Y-o-Y)
Seepz	431.50	91.22	704.28	63.22
Surat SEZ	236.10	301.33	621.64	163.3
Jaipur SEZ	45.04	20.31	59.82	32.82
Delhi SEZ	92.04	5.36	34.29	-62.74
Kolkata SEZ	13.57	0.00	22.29	64.24
Visakhapatnam SEZ	1.85	0.97	2.50	34.76
Hyderabad SEZ	3.47	0.00	0.00	-100
Chennai SEZ	0.80	0.06	0.23	-71.61
Cochin SEZ	1607.32	22.45	53.66	-96.66
<b>Total</b>	<b>2431.69</b>	<b>441.69</b>	<b>1,498.71</b>	<b>-38.37</b>

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 – June 2021 as compared to April – June 2019. Overall, there is a decline of (-)38.37% in exports to US\$1498.71 million in April-June 2021 from US\$2431.69 million recorded in April-June 2019.

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



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

## **Growth Drivers**

- **Cut and Polished Diamonds (20.34% rise)** - Revival of the demand for manufacturing studded jewellery products and restocking/increasing the inventory levels are the key drivers of such a swift recovery in the exports of diamonds.
- **Studded Gold Jewellery (60.46% 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 (155.05% rise)** - The export growth of silver jewellery is majorly driven from the SEZ units . However ,silver jewellery exporters mainly operating in DTA are facing the same challenges as faced by the exporters of plain gold jewellery products.

## **Growth Obstructors**

- **Plain gold Jewellery (-71.33%)** - Demand in India's key export markets for the product have still not revived fully . Additionally , the sector is facing critical domestic challenges including non-availability of the precious metal i.e. gold and duty drawback rates are not at par with the actual duty paid leading to compressed margins for the exporters and also making the products less competitive in the world market. Thus, the future outlook of plain gold jewellery remains cautiously optimistic and will depend on the severity of new covid-19 variants in Europe and Middle East-regions .
- **Colored Gem Stones (-29.10%)** - The export scenario of coloured gemstones has not witnessed any significant change during the month of June 2021 . Lack of 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 continued to be the major reasons of the sluggish revival of the sector.



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

- Export growth over June 2020 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. Take a note, there are still restrictions on the entry of Indian exhibitors and so as participating in the trade shows being organised by various countries including UAE, HK etc.
- 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...**

### **Global Trade Forecast by World Trade Organization (WTO)**

## Global Trade Projections by World Trade Organization (WTO)

### 1. Projected growth in world merchandise trade: (+) 8 % in 2021 and (+) 4 % in 2022

According to WTO'S Trade statistics & forecast press , the volume of world merchandise trade is expected to increase by 8 % in 2021 after declining by (-)5.3 % in 2020 reflecting a rebound in trade activities after a pandemic induced collapse in the second quarter of last year . The trade growth will slow down to 4 % in 2022 due to the effects of pandemic that will leave trade below the below its pre-pandemic trend . The short outlook for global trade will be affected by regional disparities , continued weakness in services trade , and lagging vaccination timetables , particularly in poor countries .

### 2. Projected Global trade growth across regions

The impact of pandemic on merchandise trade volumes differed across regions in 2020, with most of the regions recording large declines in both exports and imports except Asia whose export volumes increased by 0.3 % and import volumes declined by (-)1.3% in 2020 .

Middle east is expected to record the highest export growth in 2021 ( 12.4%) followed by Asia (8.4%) ,Europe (8.3%) and Africa(8.1%). Meanwhile , South America will record weaker export growth (3.2%) as will the Commonwealth of Independent States (CIS) , including certain former and associate members (4.4%)

The fastest growing region on the import side will be North America (11.4%), with demand fuelled by increased government spending followed by Europe (8.4%), South America (8.1%), the Middle East (7.2%), Asia (5.7%), the CIS (5.7%) and Africa (5.5%).

## Merchandise Trade Volume ,2017-22<sup>a</sup> Annual % Change

Particulars	2017	2018	2019	2020	2021P	2022P
<b>Volume of world merchandise trade <sup>b</sup></b>	<b>4.9</b>	<b>3.2</b>	<b>0.2</b>	<b>-5.3</b>	<b>8</b>	<b>4</b>
<b>Exports</b>						
North America	3.4	3.8	0.3	-8.5	7.7	5.1
South America <sup>c</sup>	2.3	0	-2.2	-4.5	3.2	2.7
Europe	4.1	1.9	0.6	-8	8.3	3.9
CIS <sup>d</sup>	3.9	4.1	-0.3	-3.9	4.4	1.9
Africa	4.7	2.7	-0.5	-8.1	8.1	3
Middle East	-2.1	4.7	-2.5	-8.2	12.4	5
Asia	6.7	3.8	0.8	0.3	8.4	3.5
<b>Imports</b>						
North America	4.4	5.1	-0.6	-6.1	11.4	4.9
South America	4.5	5.4	-2.6	-9.3	8.1	3.7
Europe	3.9	1.9	0.3	-7.6	8.4	3.7
CIS	14	4.1	8.5	-4.7	5.7	2.7
Africa	-1.7	5.4	2.6	-8.8	5.5	4
Middle East	1.1	-4.1	0.8	-11.3	7.2	4.5
Asia	8.4	5	-0.5	-1.3	5.7	4.4

Source : WTO for trade, consensus estimates for GDP. a) Figures for 2021 and 2022 are projections. b) Average of exports and imports. c) Refers to South and Central America and the Caribbean. d) Refers to Commonwealth of Independent States (CIS), including certain associate and former member States.

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**Thanks**