



Gem and Jewellery Trade Update

April - May 2022

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

GJEPC Statistics Department (Data and Analytics Unit)

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Gem and Jewellery Trade Update : April – May 2022



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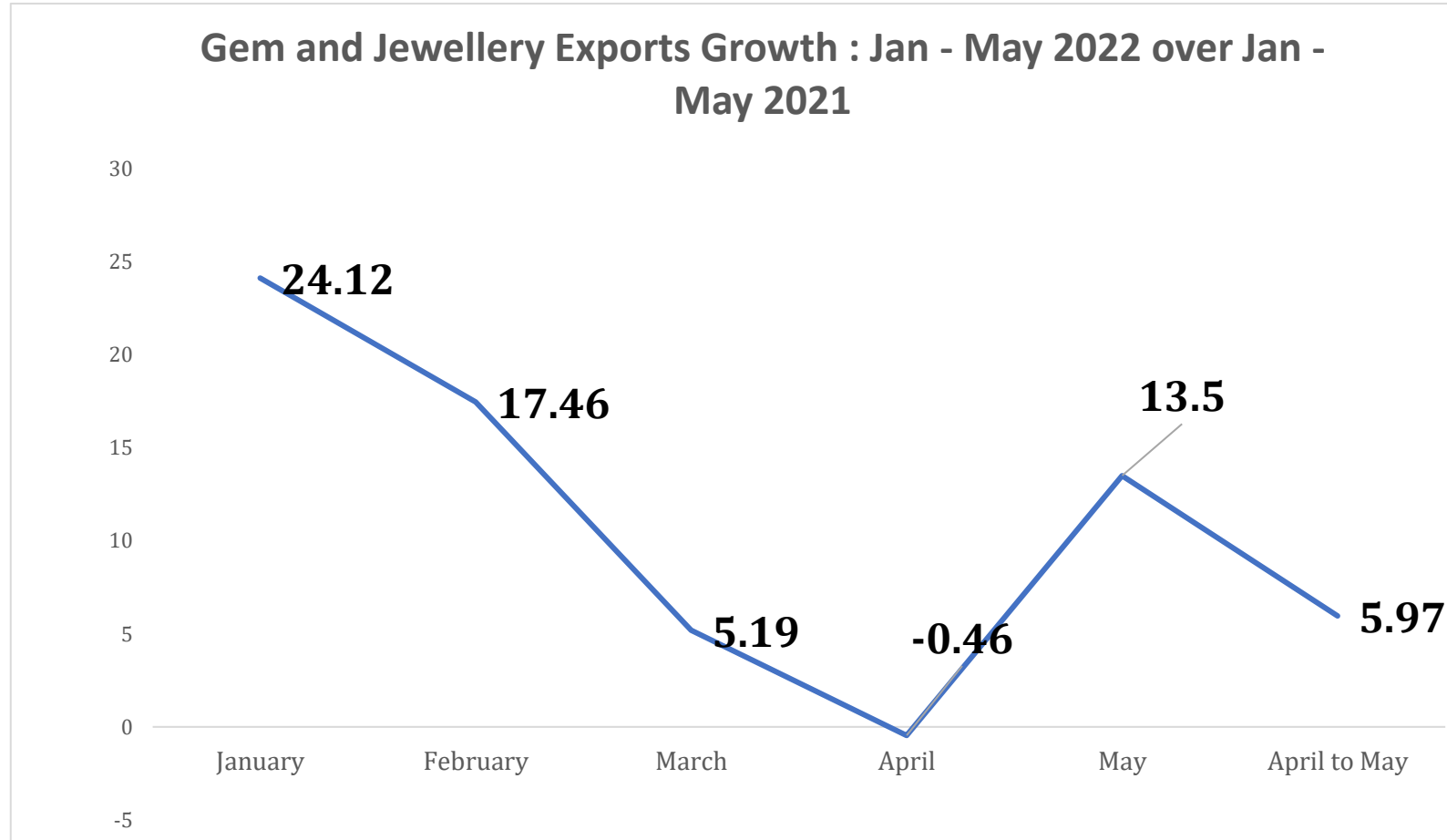
Key Highlights

- ➔ During April – May 2022, G&J exports increased by 5.97% to US\$ 6.65 billion as compared to exports of US\$ 6.28 billion registered during April - May 2021.
- ➔ During April - May 2022, Cut & Polished Diamonds (0.52%), Polished Lab Grown Diamonds(97.82%), Coloured Gemstones (98.91%) Platinum jewellery (36.21%), Plain Gold Jewellery (11.36) and Studded gold Jewellery (30.38%) witnessed a positive export growth while the exports of Silver Jewellery (-10.14%) recorded a negative export growth rate as compared to April – May 2021.
- ➔ Imports of rough diamonds, gold bar and silver bar have witnessed a negative import growth in April – May 2022 over April – May 2021. It indicates towards diminished supply of raw materials for manufacturing of finished gems and jewellery commodities due to Russia – Ukraine conflict
- ➔ Gross exports from almost all regions barring Gujarat region have recorded positive export growth in April – May 2022 over the exports recorded in April – May 2021.
- ➔ Exports from SEEPZ , Jaipur, Delhi, Chennai & Visakhapatnam SEZs have witnessed a rise in April – May 2022 as compared to April – May 2021. Overall, there is a growth of (+) 1.87% in exports to US\$ 1156.46 million in April – May 2022 from US\$ 1135.19 million recorded in April – May 2021
- ➔ Among the top 10 export destination , Gem and Jewellery exports to Hongkong has witnessed the highest fall of (-) 25.97 % followed by Netherland (-) 7.44 % during April – May 2022 as compared to April – May 2021. While, gem and jewellery exports to other destinations such as U.S.A, U.A.E, Belgium, Israel , Thailand, Singapore, Switzerland and UK have shown a rise during the stated time period.
- ➔ The positive export growth in the month of May 2022 can be majorly attributed to positive market sentiments on account of upcoming trade shows – JCK June 2022 & IIJS Premiere 2022 , recovery of exports in key export destinations such as US , UAE , Europe ,etc .
- ➔ Indian economy is expected to record a growth of 7.5 % in 2022 as against 8.7 % predicted in Global Economic Perspectives report by World Bank .

Gem & Jewellery Gross Exports January 2022 to May 2022

5.97 % growth over April – May 2021

Months	Gross Exports	Gross Exports
	FY 2020-2021	FY 2021-2022
	US\$ Billion	US\$ Billion
January	2.69	3.34
February	2.70	3.17
March	3.52	3.70
Jan to March	8.91	10.21
Months	FY 2021- 2022	FY 2022-2023
April	3.39	3.37
May	2.89	3.28
Apr to May	6.28	6.65



Source : GJEPC Analysis
 Notes: (p) = Provisional, . Figures from Delhi Aircargo for April – May 2022 and Bangalore Aircargo May 2022 are not included as yet to receive from the Customs . Gross exports means inclusive of return consignments,

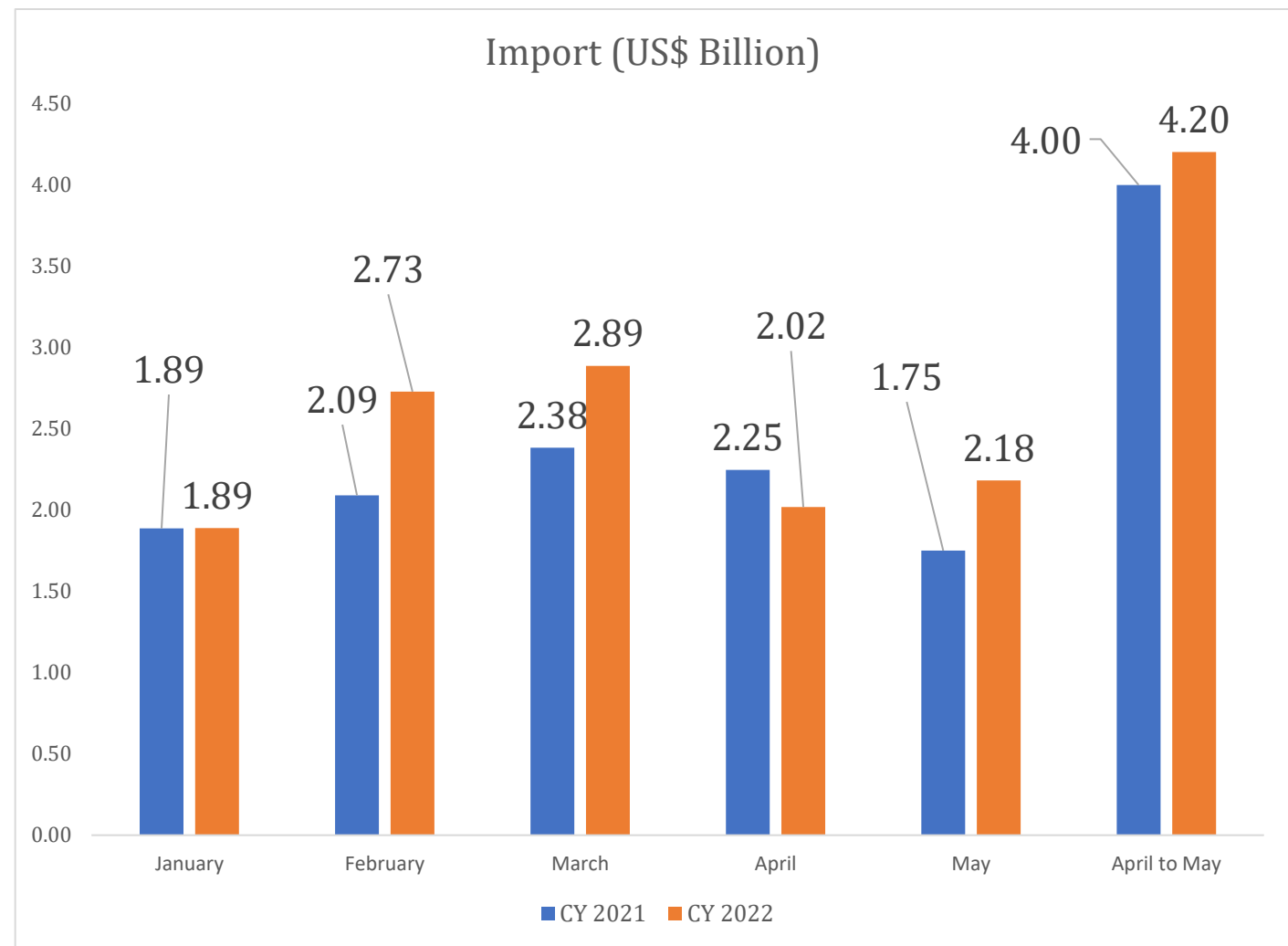
G&J exports stood at US\$ 6.65 billion in April- May 2022 higher than the export level of US\$ 6.28 billion recorded in April – May 2021 - indicating exports are intact amid geopolitical crisis in Ukraine .

Gem & Jewellery Imports January 2022 to May 2022

Months	Gross Imports	Gross Imports
	FY 2021-2021	FY 2021-2022
	US\$ Billion	US\$ Billion
January	1.89	1.89
February	2.09	2.73
March	2.38	2.89
Jan to March	6.36	7.50
Months	FY 2021- 2022	FY 2022-2022
April	2.25	2.02
May	1.75	2.18
April to May	4.00	4.20

Source : GJEPC Analysis

Notes: (p) = Provisional. Figs for Gold Bar from SBI April – May 2022 are not included as not available.



G&J imports stood at US\$ 4.20 billion in April – May 2022 as against US\$ 4.00 billion recorded in April – May 2021, indicating slight recovery in supply of raw materials in G&J sector which has dipped on account of Russia –Ukraine conflict

**Commodity wise G&J Exports- April – May 2022
in comparison with April – May 2021**

Commodities	April -May 2021	April - may 2022	% Growth/ decline
	(US\$m)	(US\$m)	(Y-o-Y)
Cut & Pol Diamonds	4226.82	4248.82	0.52
Pol. Lab Grown Diamonds	164.52	325.45	97.82
Coloured Gemstones	38.20	75.99	98.91
Polished Synthetic Stone	0.11	0.92	776.30
Worked Pearls	0.31	0.34	7.12
Gold Jewellery	1159.28	1419.91	22.48
Plain Gold Jewellery	481.18	535.83	11.36
Studded Gold Jewellery	678.10	884.08	30.38
Silver Jewellery	540.19	485.41	-10.14
Platinum Jewellery	3.83	5.22	36.21
Imitation Jewellery	5.39	5.54	2.81
Articles of Gold, Silver & others	4.68	6.94	48.37
Others	133.78	77.12	-42.35
Gross Exports	6277.11	6651.66	5.97
Return Consignment	1,143.55	1,614.94	41.22
Net Exports	5,133.56	5,036.72	-1.89

April - May 2022 exports growth in comparison with April – May 2021 :

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


- Cut & Polished Diamonds(+0.52%)
- Polished LGD (+97.82 %)
- Coloured Gemstones (+98.91%)
- Studded gold jewellery (+30.11%)
- Plain Gold Jewellery (11.36)
- Platinum Jewellery (+36.21)

Exports growth declined of :
Silver Jewellery (-10.14%)

Source : GJEPC Analysis , Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments , Figures from Delhi Aircarg for April – May 2022 and Bangalore Aircargo May 2022 are not included as yet to receive from the Customs, Net Exports pertains to exclusive of return consignments

Commodity-wise G&J Imports – April – May 2022

Commodities	April - May 2021	April - May 2022	% growth /decline
	US\$ Mill	US\$ Mill	(y-o-y)
Rough Diamonds	2957.47	2,743.69	-7.23
Rgh Lab Grown Diamonds	155.37	210.05	35.20
Rough Coloured Gemstones	34.11	84.29	147.14
Rough Synthetic Stone	0.71	0.42	-40.60
Raw Pearls	0.91	2.87	213.75
Gold Bar	330.12	295.16	-10.59
Silver Bar	10.33	8.69	-15.83
Platinum Bar	28.30	41.57	46.88
Sub - Total	3,517.32	3,386.75	-3.71
Imports of Cut & Pol. Diamonds	272.62	232.96	-14.55
Pol. Lab Grown Diamonds	5.43	15.42	183.91
Col. Gemstones	147.71	486.80	229.57
Pol. Synthetic Stone	1.13	1.20	6.23
Pearls worked	0.43	0.83	91.59
Gold Jewellery	44.11	52.82	19.74
Silver Jewellery	5.27	22.33	323.36
Imitation Jewellery	0.95	0.26	-72.96
Others	2.92	1.51	-48.32
Sub - Total	480.57	814.11	69.40
Gross Imports	3,997.89	4,200.86	5.08



Imports of rough diamonds, gold bar and silver bar have witnessed a negative import growth in April – May 2022 over April - May 2021. It indicates towards diminished supply of raw materials for manufacturing of finished gems and jewellery commodities due to Russia – Ukraine conflict

Notes: (p) = Provisional Figs for Gold Bar from SBI April – May 2022 are not included as not available.

GJEPC Region-wise Growth/Decline in Gross Exports



Region	Gross Exports (April - May 2021)	Gross Exports (April to May 2022)	% of Growth / Decline
	US\$ Million	US\$ Million	
Western Region	4907.43	5215.25	6.27
Southern Region	258.52	279.13	7.98
Rajasthan Region	118.35	195.15	64.89
Gujarat Region	846.18	758.11	-10.41
Northern Region	21.97	33.29	51.54
Eastern Region	124.65	170.73	36.96
Total	6277.11	6651.66	5.97

Source : GJEPC Statistics Dept. Analysis .

Figures from Delhi Aircargo for April - May 2022 and Bangalore Aircargo May 2022 are not included as yet to receive from the Customs

Gross exports from almost all regions barring Gujarat region have recorded positive export growth in April - May 2022 over the exports recorded in April - May 2021.

Gem & Jewellery Port-wise Gross Exports : SEZ



SEZ	April - May 2021	April - May 2022	% of Growth / Decline
Seepz	463.28	555.72	19.96
Surat SEZ	544.75	500.44	-8.13
Jaipur SEZ	37.88	50.23	32.62
Delhi SEZ	21.97	33.29	51.54
Kolkata SEZ	12.87	11.35	-11.87
Visakhapatnam SEZ	1.60	2.27	41.71
Chennai SEZ	0.13	0.33	160
Cochin SEZ	52.72	2.83	-94.63
Total	1135.19	1,156.46	1.87

Source : GJEPC Statistics Dept. Analysis

Exports from SEEPZ , Jaipur, Delhi, Chennai & Visakhapatnam SEZs have witnessed a rise in April – May 2022 as compared to April – May 2021. Overall, there is a growth of (+) 1.87% in exports to US\$ 1156.046 million in April - May 2022 from US\$ 1135.19 million recorded in April – May 2021

Top 10 Export Destinations for G&J products : April – May 2022(p)



Rank	Countries	(April - May 2021)	(April to May 2022)	% growth
		US\$million	US\$million	(y-o-y)
1	U.S.A	2,368.87	2,589.22	9.3
2	Hongkong	1,871.06	1,385.21	-25.97
3	U.A.E	794.04	810.16	2.03
4	Belgium	200.55	441.37	120.08
5	Israel	250.88	261.29	4.15
6	Thailand	145.92	207.64	42.3
7	Singapore	105.99	150.30	41.81
8	Switzerland	35.57	129.87	265.08
9	Netherland	122.21	113.11	-7.44
10	United Kingdom	81.40	97.01	19.17
11	Others	300.62	466.47	55.17
Total		6,277.11	6,651.66	5.97

Source : GJEPC Statistics Dept. Analysis . *Figures from Delhi Aircargo for April – May 2022 and Bangalore Aircargo May 2022 are not included as yet to receive from the customs*

Key Observations and trends – G&J Exports (April – May 2022)



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

Growth Drivers

- **Studded Gold Jewellery (30.38 % rise)** - Rise in US jewellery retail sales , positive industry and consumer sentiment on account of upcoming domestic & international trade shows – JCK 2022 & IIJS Premiere 2022 , and strong demand in key export destinations such as UAE , US ,Europe ,among others
- **Colored Gem Stones (98.91 % rise)** - Resumption of flights , removal of almost all covid-19 restrictions and steady supply of precious coloured gemstones such as rubies & emeralds on account of Rough gemstone sourcing shows have led to positive export growth of the commodity
- **Cut and Polished Diamonds (+ 0.52 %)** - The diamond market grew marginally due to good demand for rough diamonds supported by strong consumer demand for diamond jewellery in the key export destinations especially US. However, rough diamond demand in the coming cycle will be affected with the closure of many diamond polishing factories in India for the traditional May holidays and continued disruption in supply of rough diamonds due to the Russia –Ukraine war
- **Plain gold Jewellery (+ 11.36 %)** – The positive growth in plain gold jewellery exports can be attributed to recovery of exports in the WANA region on account of India –UAE CEPA and continued opening of the global and domestic markets

Growth Obstructors

- **Silver Jewellery (-10.14%)** - The negative export growth of silver jewellery is majorly on account of lack of availability of raw materials/metal , lack of duty drawback provision in foreign exhibitions and no clear SOP for procuring metal by SEZ units from DTA and global supply chain constraints on account of the Russia-Ukraine war



Growth Drivers of G&J exports

- The positive export growth in the month of May 2022 can be majorly attributed to positive market sentiments on account of upcoming trade shows – JCK June 2022 & IJS Premiere 2022 , recovery of exports in key export destinations such as US , UAE , Europe ,etc . However , factors such rising inflation ,lingering supply chain issues , tightening of monetary policy by key economies diminished supply of rough gems and jewellery commodities such as rough diamonds ,gold and silver bar on account of sanctions on Russian banks and spread of fourth wave of covid-19 in domestic & global market could restrain the growth of the sector .
- Announcement of key G&J trade shows by GJEPC – IJS Premiere 2022 ,IJS Tritiya, IGJS Dubai , continued support from the government, signing of free trade agreements with major economies and strong summer wedding season in US and continued removal of covid-19 restrictions is expected to revive the demand of the commodity further in the new financial year .



Key Featured Slides...

**Global Economic Growth Projections by
World Bank**

Global Economic perspectives by World Bank , June 2022

1. According to World Bank's Flagship report- 'Global Economic Perspectives 2022' released on 10th June 2022 , the global economy is projected to expand by (+) 2.9 % in 2022 from 3 % in 2023 . This is majorly on account of spillovers from the Russian Federation's invasion of Ukraine that is set to hasten the deceleration of global economic activity. The war in Ukraine is leading to high commodity prices, adding to supply disruptions, increasing food insecurity and poverty, exacerbating inflation, contributing to tighter financial conditions, magnifying financial vulnerability, and heightening policy uncertainty.

2. Projected Growth in Advanced Economies is (+) 2.6 % and EMDEs (+) 3.4 % in 2022

- Advanced Economies are projected to expand by (+) 2.6 % in 2022 which includes the USA (+ 2.5 %), Japan (+ 1.7 %), and Euro area (+2.5 %).
- The group of emerging market and developing economies (EMDEs) is projected to expand by +3.4 % in 2022.

3. India is expected to record a firm growth of 7.5 % in 2022 as against 8.7 % predicted in Global Economic Perspectives, January 2022.

4. Projected Growth in Global Trade is (+) 4 % in 2022 and (+) 4.3 % in 2023

Global Trade growth is anticipated to slow to 4 % in 2022 due to the war in Ukraine that is expected to lead to a disruption in the global value chains, shift down of global activity toward the less trade- intensive services sector, and gradual movement of international mobility toward pre-pandemic levels. Global trade growth is expected to moderate to an average of 4.1 % in 2023-24 as global demand for tradable goods continues to decelerate. The other downward risks to the outlook includes prolonged closures of factories and key ports in China as a result of COVID-19 lockdowns.

Regional outlooks

- **Advanced economies** – Growth in advanced economies is projected to slow markedly in 2022, to 2.6 percent, as spillovers associated with the war weigh on near-term activity, especially in the euro area. Growth is then expected to continue to moderate, averaging 2.1 percent in 2023–24, as macroeconomic policy support is unwound further and pent-up demand is exhausted. A worsening war in Ukraine is the major risk clouding the outlook, as it could destabilize an already fraught geopolitical situation, trigger additional increases in energy and food prices, exacerbate inflationary pressures, further tighten financial conditions, and prolong policy uncertainty
- **South Asia** - South Asia has endured significant adverse spillovers from the Russian Federation’s invasion of Ukraine. Growth is expected to slow from 7.6 % in 2021 to 6.8 % in 2022—0.8 percentage points below previous projections. The external environment has worsened markedly, with soaring energy and agricultural prices, slowing global growth, and rising financing costs. Surging food costs in a region populated by more than one-third of the global poor and where one-fifth of calories come from wheat products pose significant challenges to poverty alleviation and food security. Downside risks to the outlook relate to adverse geopolitical developments, the possibility of even-higher inflation, tighter financing conditions, the re-emergence of stress in the financial sector, and the resurgence of the COVID-19 pandemic, all in an environment of high debt levels and worsening current account positions.
- **India** –The Indian economy is forecasted to grow by 7.5 % in fiscal year 2022/23, with headwinds from rising inflation, supply chain disruptions, and geopolitical tensions offsetting buoyancy in the recovery of services consumption from the pandemic. Growth will also be supported by fixed investment undertaken by the private sector and by the government, which has introduced incentives and reforms to improve the business climate. In India, the focus of government spending has shifted toward infrastructure investment, simplification of labor regulations, privatization of underperforming state-owned assets, and the integration and modernization of the logistics sector.
- **East Asia and Pacific region** – Growth in the East Asia and Pacific (EAP) region is projected to decelerate to 4.4 % in 2022 as slower growth in China more than offsets a rebound in the rest of the region. The region has so far been affected less than the rest of the world by the spillovers from the Russian Federation’s invasion of Ukraine, in terms of both output and inflation; however, the war’s effects on commodity prices and global demand are expected to dampen the recovery, especially in commodity-importing economies. Downside risks to the outlook include a lingering pandemic and resulting mobility restrictions, financial stress triggered by tightening global financial conditions, larger-than-expected spillovers from the war, and disruptions from natural disasters

Regional Outlook (Continued)

- **Europe and Central Asia** – According to the World Bank, Russian Federation’s invasion of Ukraine has triggered a humanitarian crisis in Ukraine, setting back economic growth in Europe and Central Asia (ECA) and beyond, and heightened global geopolitical instability. The invasion has devastated Ukraine’s economy, while output in Russia has plummeted. Output in ECA is forecast to shrink by about 3 percent in 2022, as the invasion and its repercussions reverberate through commodity and financial markets, trade and migration links, and business and consumer confidence. The largest regional spillovers of the war in Ukraine are likely to be through higher commodity prices and weaker external demand from the euro area.
- **Latin America and Caribbean** –Growth in Latin America and the Caribbean (LAC) is forecast to slow sharply in 2022 and remain weak in the following two years. Elevated inflation, tighter financial conditions, and policy uncertainty are expected to take a toll domestically, while slowing growth in key export markets, U.S. monetary tightening, and global supply bottlenecks impart negative spillovers to the region. Risks to the baseline projections are tilted to the downside, and include further shocks to global growth, domestic stagflation, financial stress, and social unrest linked to sharply higher prices for food and energy.
- **Middle East and North Africa** – The real GDP in the Middle East and North Africa region is expected to expand by 5.3 % in 2022—0.9 percentage point above previous projections, in part reflecting higher oil prices. This would be the region’s fastest growth in a decade; however, this rebound is expected to be short-lived. The region faces a growing divide between oil exporters—which on net should benefit from elevated oil prices and high COVID-19 vaccination rates—and oil importers, which face higher food and energy prices, deteriorating external balances, and still limited vaccination rates. Risks to the outlook are predominantly to the downside, with drought conditions, policy uncertainty, new outbreaks of COVID-19, and geopolitical tensions threatening to raise prices further, erode real incomes, and aggravate social tensions.
- **Sub-Saharan African countries** - Growth in Sub-Saharan Africa (SSA) is projected to slow to 3.7 percent this year, reflecting forecast downgrades in over 60 percent of regional economies. Price pressures, partly induced by the Russian Federation’s invasion of Ukraine, are sharply reducing food affordability and real incomes across the region. However, the impact of the war will vary across countries, as elevated commodity prices will help soften the damaging effects of high inflation in some large commodity exporters. Among the risks to the forecast, prolonged disruptions to the food supply across the region could significantly increase poverty, hunger, and malnutrition, while persistent inflation could ignite stagflation risks and further limit policy space to support recoveries. An elevated cost of living could increase the risk of social unrest, especially in low-income countries.

Overview of the Global Economic Perspectives Projections (Real GDP** % change from previous year)

Particulars	2019	2020	2021e	2022 f	2023 f	2024f
World Output	2.6	-3.3	5.7	2.9	3	3
Advanced Economies	1.7	-4.6	5.1	2.6	2.2	1.9
USA	2.3	-3.4	5.7	2.5	2.4	2
Euro Area	1.6	-6.4	5.4	2.5	1.9	1.9
Japan	-0.2	-4.6	1.7	1.7	1.3	0.6
Emergent Market and Developing Economies	3.8	-1.6	6.6	3.4	4.2	4.4
East Asia and Pacific	5.8	1.2	7.2	4.4	5.2	5.1
China	6.0	2.2	8.1	4.3	5.2	5.1
Indonesia	5.0	-2.1	3.7	5.1	5.3	5.3
Thailand	2.2	-6.2	1.6	2.9	4.3	3.9
Europe and Central Asia	2.7	-1.9	6.5	-2.9	1.5	3.3
Russian federation	2.2	-2.7	4.7	-8.9	-2.0	2.2
Turkey	0.9	1.8	11.0	2.3	3.2	4.0
Latin America and Caribbean	0.8	-6.4	6.7	2.5	1.9	2.4
Brazil	1.2	-3.9	4.6	1.5	0.8	2.0
Mexico	-0.2	-8.2	4.8	1.7	1.9	2.0
Middle East and North Africa	0.9	-3.7	3.4	5.3	3.6	3.2
Saudi Arabia	0.3	-4.1	3.2	7.0	3.8	3.0
South Asia	4.1	-4.5	7.6	6.8	5.8	6.5
India *	3.7	-6.6	8.7	7.5	7.1	6.5
Bangladesh	7.9	3.4	6.9	6.4	6.7	6.9
Sub-Saharan Africa	2.6	-2.0	4.2	3.7	3.8	4.0
South Africa	0.1	-6.4	4.9	2.1	1.5	1.8
Nigeria	2.2	-1.8	3.6	3.4	3.2	3.2

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 GDP₁₇ weights at average 2010-19 prices and market exchange rates. The aggregate growth rates may differ from the previously published numbers that were calculated using GDP weights at average 2010 prices and market exchange rates. Data for Afghanistan and Lebanon are excluded. f = forecast e = Estimated

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June 2022

Thanks