



Gem and Jewellery Trade Update

April - September 2021

*World Economic Outlook by IMF –
Key Feature*

GJEPC Statistics Department (Data and Analytics Unit)

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Gem and Jewellery Trade Update : April- September 2021



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Key Highlights

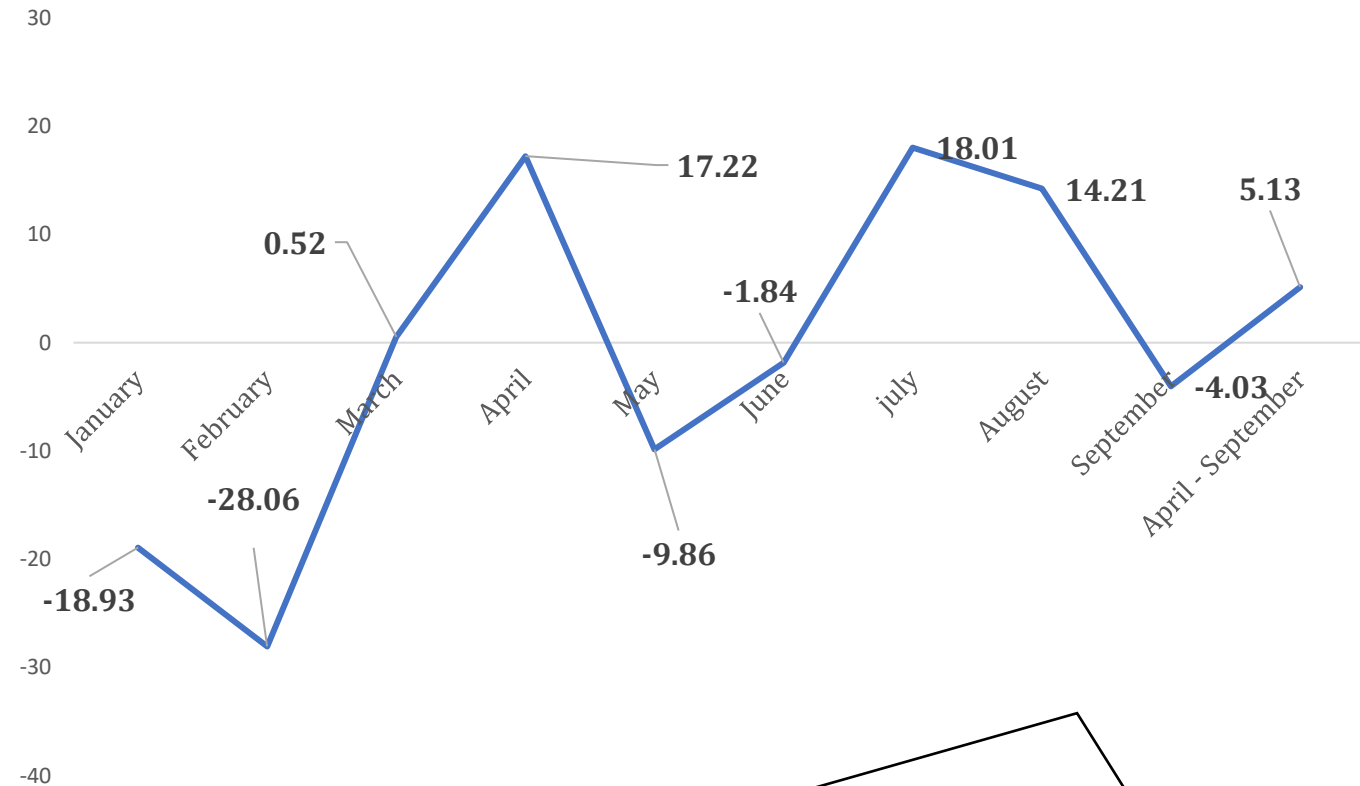
- ➔ During April – September 2021, G&J exports increased by 5.13% to US\$ 18.98 billion as compared to pre-covid levels of exports of US\$ 18.06 billion registered during April - September 2019 reflecting that the exports are intact amid second wave of covid-19. G&J exports rose by 136.80% during April – September 2021 as compared to US\$ 8.02 billion recorded during same period last year .
- ➔ During April – September 2021, Cut and Polished Diamonds (20.24%) , Silver Jewellery (139.96%) , Platinum jewellery (305.67%) , Studded gold Jewellery (51.65%) and polished lab grown diamonds (193.43) witnessed a positive export growth while the exports of plain gold jewellery (-63.38 %), Coloured Gemstones (-19.59%) recorded a negative export growth rate w.r.t April-September 2019.
- ➔ Imports of rough diamonds, rough lab grown diamonds and silver bar registered a positive import growth in April - September 2021 as compared to import levels registered in April – September 2019. It indicates continued production activities pertaining to making polished diamonds, lab grown diamonds and silver jewellery.
- ➔ Gross exports from all the regions , barring Northern and Southern region , have recovered as exports recorded in April - September 2021 are even more than the exports recorded in April – September 2019 i.e. pre-covid level
- ➔ Exports from SEEPZ , Surat , Jaipur & Kolkata SEZs have witnessed a rise in April – September 2021 as compared to April - September 2019 . Overall, there is a decline of (-)34.17% in exports to US\$ 3357.39 million from US\$ 5123.49 million in April – September 2019.
- ➔ Among the top 10 export destination , Gem and Jewellery exports to UAE has witnessed the highest fall of (-) 52.4 % followed by Belgium (-) 18.26%, Japan (-)17.16 % , and Hong Kong (-) 7.34 % during April- September 2021 as compared to April-September 2019. While, gem and jewellery exports to other destinations such as USA , Israel ,Thailand ,Singapore ,UK and Netherland have shown a rise during the stated time period.
- ➔ 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 9.5 % in 2021 and 8.5 % in 2022 according to IMF's World Economic Outlook Report published in October 2021.

Gem & Jewellery Gross Exports January to September 2021

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	3.39
May	3.21	1.04	2.89
June	2.89	1.43	2.83
July	2.86	1.37	3.38
August	2.92	1.70	3.33
September	3.29	2.44	3.16
Apr to September	18.06	8.02	18.98
Jan to September	28.47	15.92	27.76

5.13% growth over April - September 2019

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



G&J exports stood at US\$ 18.98 billion in April - September 2021; higher than the pre-covid level of exports of US\$ 18.06 billion recorded in April - September 2019 - indicating exports are intact amid Covid-19 II Wave

Source : GJEPC Analysis

Notes: (p) = Provisional,

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

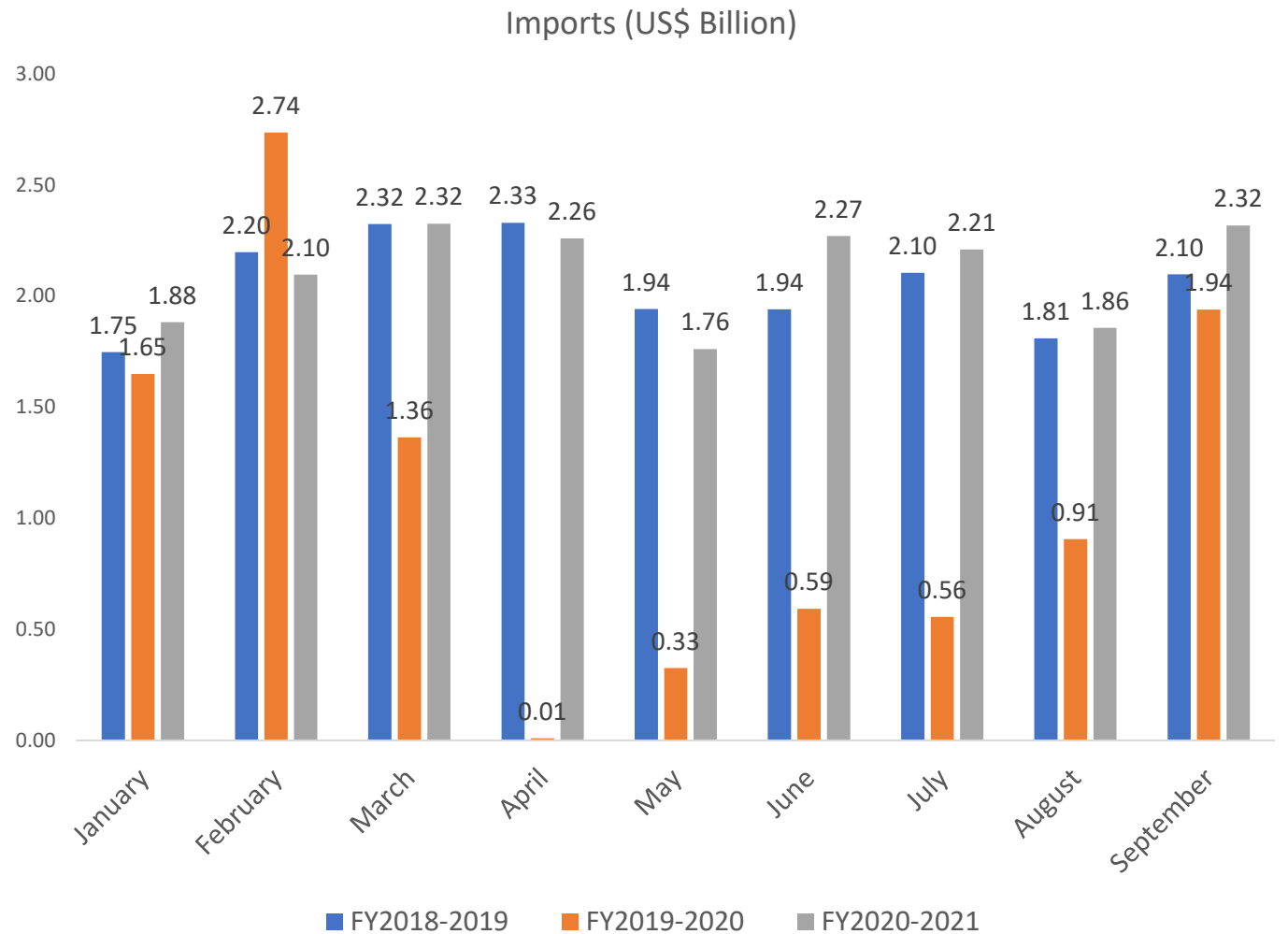
Gem & Jewellery Imports January to September 2021

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	2.26
May	1.94	0.33	1.76
June	1.94	0.59	2.27
July	2.10	0.56	2.21
August	1.81	0.91	1.86
September	2.10	1.94	2.32
Apr to September	12.22	4.33	12.68
Jan to September	18.49	10.08	18.98

Source : GJEPC Analysis

Notes: (p) = Provisional.

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



G&J imports stood at US\$12.68 billion in April – September 2021; almost at par with the pre-covid level of imports US\$ 10.22 billion recorded in April – September 2019, indicating continued production activities in G&J sector.

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

Commodities	April - September 2019	April - September 2020	April- September 2021 (P)	% Growth/Decline 2019/2021
	(US\$m)	(US\$m)	(US\$m)	(Y-o-Y)
Cut & Pol Diamonds	10,289.10	5,501.34	12,372.04	20.24
Pol. Lab Grown Syn. Diamonds	200.31	207.43	587.75	193.43
Coloured Gemstones	178.26	64.84	143.34	-19.59
Pol. Synthetic Stone	0.66	0.30	0.39	-40.91
Gold Jewellery	5,869.50	1,089.44	3,971.02	-32.34
Plain Gold Jewellery	4,286.02	394.51	1,569.65	-63.38
Studded Gold Jewellery	1,583.48	694.93	2,401.36	51.65
Silver Jewellery	533.53	854.17	1,280.23	139.95
Platinum Jewellery	3.75	3.36	15.22	305.87
Imitation Jewellery	9.30	8.47	20.73	122.9
Articles of Gold, Silver & others	254.01	63.47	23.64	-90.69
Others	720.10	224.35	570.13	-20.83
Gross Exports	18058.52	8017.17	18984.49	5.13
Return Consignment	3,703.24	1,532.81	3,696.44	-0.18
Net Exports	14,355.28	6,484.36	15,288.05	6.50

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

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


- Cut & Polished Diamonds(+20.24%)
- Polished LGD (+193.42%)
- Studded gold jewellery (+51.65%)
- Silver Jewellery (+ 139.95%)
- Platinum Jewellery (+305.87)

Exports growth declined of :

Plain Gold Jewellery (-63.38%)
Coloured Gemstones (-19.59%)

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

Products	April – September 2019	April – September 2020	April – September 2021 (p)	% growth /decline 2019/2021
	US\$ Mill	US \$ Mill	US\$ Mill	(y-o-y)
Rough Diamonds	6,527.30	2557.56	9,097.10	39.37
Rgh Lab Grown Diamonds	149.62	187.73	541.48	261.91
Rough Coloured Gemstones	128.29	26.54	132.94	3.63
Rough Synthetic Stone	2.32	0.45	2.16	-6.89
Raw Pearls	8.63	0.28	2.50	-71.03
Gold Bar	4,154.97	297.59	1,248.99	-69.94
Silver Bar	18.86	13.03	35.75	89.50
Platinum Bar	73.24	66.41	74.85	2.19
Sub - Total	11,063.24	3149.60	11,135.77	0.66
Imports of Cut & Pol. Diamonds	628.70	950.36	723.09	15.01
Pol. Lab Grown Diamonds	45.28	17.79	19.13	-57.75
Col. Gemstones	288.46	131.65	622.35	115.75
Pol. Synthetic Stone	5.99	0.59	4.97	-17.12
Pearls worked	3.75	0.59	1.34	-64.24
Gold Jewellery	150.57	67.15	137.44	-8.72
Silver Jewellery	30.32	8.19	22.65	-25.31
Imitation Jewellery	0.63	0.58	2.85	352.55
Others	4.97	2.48	5.52	10.93
Sub - Total	1,158.69	1,179.39	1,539.33	32.85
Gross Imports	12221.92	4328.98	12,675.10	3.71



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

GJEPC Region-wise Growth/Decline in Gross Exports



Region	Gross Exports (April – September 2019)	Gross Exports (April – September 2020)	Gross Exports (April – September 2021)	% of Growth / Decline 2019/2021 (Y-o-Y)
	US\$ Million	US\$ Million	US\$ Million	
Western Region	12562.04	5818.85	15115.86	20.33
Southern Region	3614.73	130.04	692.42	-80.84
Rajasthan Region	382.11	199.01	439.64	15.06
Gujarat Region	1005.56	1735.54	2197.97	118.58
Northern Region	164.87	56.57	102.95	-37.56
Eastern Region	329.21	77.17	435.65	32.33
Total	18058.52	8017.17	18984.48	5.13

Source : GJEPC Statistics Dept. Analysis

Figs from Aircargo Delhi April – September 2021 are not included as yet to receive from the customs.

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

Gem & Jewellery Port-wise Gross Exports : SEZ



SEZs	April – September 2019 US\$ Million	April – September 2020 US\$ Million	April – September 2021 US\$ Million	% of Growth / Decline 2021 w.r.t 2019 (Y-o-Y)
Seepz	1018.91	580.79	1,740.50	70.82
Surat SEZ	533.77	792.26	1,259.60	135.98
Jaipur SEZ	100.53	71.01	134.25	33.54
Delhi SEZ	164.87	56.57	102.95	-37.56
Kolkata SEZ	25.31	8.56	54.87	116.76
Visakhapatnam SEZ	6.59	7.27	5.26	-20.21
Hyderabad SEZ	3.47	0.00	0.00	-100
Chennai SEZ	1.13	0.35	0.60	-46.78
Cochin SEZ	3268.90	23.65	59.36	-98.18
Total	5123.49	1540.46	3,357.39	-34.47

Source : GJEPC Statistics Dept. Analysis

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

Exports from SEEPZ , Surat , Jaipur & Kolkata SEZs have witnessed a rise in April – September 2021 as compared to April - September 2019. Overall, there is a decline of (-)34.47% in exports to US\$3357.39 million in April-September 2021 from US\$ 5123.49 million recorded in April-September 2019.

Top 10 Export Destinations for G&J products : April-September 2021 (p)

Rank	Countries	April to September 2019	April to September 2020	April to September 2021	% growth /decline 2019/2021
		US\$million	US\$million	US\$million	(y-o-y)
1	U.S.A	4,743.85	2,678.13	7,447.53	56.99
2	Hongkong	5,263.10	3,419.81	4,876.95	-7.34
3	U.A.E	5,063.94	697.46	2,410.68	-52.4
4	Belgium	996.79	412.77	814.73	-18.26
5	Israel	433.28	236.50	766.75	76.96
6	Thailand	343.39	171.79	434.34	26.49
7	Singapore	358.99	83.28	369.86	3.03
8	United Kingdom	245.73	119.48	334.64	36.18
9	Netherland	162.53	2.89	321.15	97.6
10	Japan	206.81	98.40	171.32	-17.16
11	Others	240.11	96.67	1,036.53	331.69
Total		18,058.52	8,017.17	18,984.49	5.13

Source : GJEPC Statistics Dept. Analysis

Figs from Aircargo Delhi April – September 2021 are not included as yet to receive from the customs.

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



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

Growth Drivers

- **Cut and Polished Diamonds (20.24% 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 (51.65% 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 (139.96% 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 (-63.38%)** – 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 (-19.59%)** - 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

- Export growth over September 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...

World Economic Outlook by International Monetary Fund (IMF)

World Economic Outlook by International Monetary Fund (IMF)

1. According to the flagship report of IMF - '**World Economic Outlook**' released on 12th October 2021, the global economy is projected to expand by (+) 5.9 % in 2021. The downward revision for 2021 is majorly attributed to supply disruptions in advanced economies and worsening pandemic dynamics in low income developing countries . The forecast is offset by stronger near term prospects along some commodity exporting emerging market and developing countries

2. Projected Growth in Advanced Economies is (+) 5.2 % and EMDEs (+) 6.4 % in 2021

Advanced Economies are projected to expand by (+)5.2 % in 2021 which includes the USA (+ 6 %), Japan (+2.4 %), the United Kingdom (+ 6.8 %), Germany (+3.1 %), France (+6.3 %), Italy (+ 5.8 %), and Spain (+ 5.7 %). The group of **emerging markets and developing economies (EMDEs)** is projected to expand by +6.4 % in 2021.

3. India is expected to record a growth of 9.5 % in 2021 and 8.5 % in 2022 .

4. Projected Growth in Global Trade is (+) 9.7 % in 2021 and (+) 6.7 % in 2022

Global trade volumes are projected to expand by 9.7 per cent in 2021, before moderating to 6.7 % in 2022. The trade recovery masks a subdued outlook for tourism dependent economies and cross border services . Travel restrictions and lingering fear of covid-19 are going to impact cross border tourist activity until virus transmission declines . The countries where tourism and travel account for a larger share of GDP are projected to suffer larger declines in activity compared to pre -covid 19 forecasts .

Overview of the World Economic Outlook Projections (% change)

Particulars	2020	Projections	
		2021f	2022f
World Output	-3.1	5.9	4.9
Advanced Economies	-4.5	5.2	4.5
USA	-3.4	6	5.2
Euro Area	-6.3	5	4.3
Germany	-4.6	3.1	4.6
France	-8	6.3	3.9
Italy	-8.9	5.8	4.2
Spain	-10.8	5.7	6.4
Japan	-4.6	2.4	3.2
UK	-9.8	6.8	5
Canada	-5.3	5.7	4.9
Other Advanced Economies*	-1.9	4.6	3.7
Emerging Market and Developing Economies	-2.1	6.4	5.1
Emerging and Developing Asia	-0.8	7.2	6.3
China	2.3	8	5.6
India**	-7.3	9.5	8.5
ASEAN-5***	-3.4	2.9	5.8
Emerging and Developing Europe	-2	6	3.6
Russia	-3	4.7	2.9
Latin America and the Caribbean	-7	6.3	3
Brazil	-4.1	5.2	1.5
Mexico	-8.3	6.2	4
Middle East and Central Asia	-2.8	4.1	4.1
Saudi Arabia	-4.1	2.8	4.8
Sub-Saharan Africa	-1.7	3.7	3.8
Nigeria	-1.8	2.6	2.7
South Africa	-6.4	5	2.2
World Trade Volume# (Goods & Services)	-8.2	9.7	6.7

Source: IMF, *Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries **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. *** Indonesia, Malaysia, Philippines, Thailand, Vietnam. # Simple average of growth rates for export and import volumes (goods and services) f = forecast

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Thanks