

GEMS & JEWELLERY

TRADE TRENDS

April - September 2022



A report by

GJEPC
INDIA



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THE GEM & JEWELLERY EXPORT PROMOTION COUNCIL
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Preface

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We deeply acknowledge the cooperation extended by the panel experts of GJEPC for sharing their valuable inputs and opinion pertaining to the export/import trends of the

In continuation of the FY 2021-22 trends , gems and jewellery exports recorded a positive growth of 6.31% in the first half of the FY 2022-2023. The gems and jewellery exports growth rose decreasingly from 10.34 % in quarter 1 to 2.48 % in quarter 2 .

Gold jewellery , silver jewellery ,polished lab grown diamonds , and coloured gemstones also reported higher exports during April - September 2022 in comparison to same period last year .This is majorly on account of GJEPC's trade efforts and initiatives , upcoming festive and holiday season ,strong consumer demand for jewellery in key export destinations , resumption of major domestic and international trade shows -IIJS premiere 2022 , JCK , Singapore show ,Vicenza , pro-government policies for the sector and revived demand for gold jewellery products due to the India-UAE CEPA Agreement .

High global inflation , diminished supply of rough diamonds ,weakened business sentiment due to Russia -Ukraine war , decline in consumer demand and income in key export destinations such as USA ,Europe , UK , China ,Hong Kong , and rising interest rates are some of the factors that have led to decline in exports of cut and polished diamonds during H1 2022 .

The outlook for the industry for 2022-23 will be affected by factors such as fears of global economic recession ,economic downturn in major economies , rising price of raw materials , worsening of Russia -Ukraine war and possibility of spread of new covid-19 strains . However , upcoming trade shows – IIJS signature 2023 ,IIJS Tiritiya 2023 , Hong Kong Show 2023 ,Vicenza Winter 2023 , signing of India- UK FTA and other FTAs with countries (Canada ,Israel , EU) and continued government support in terms of policy resolutions may ensure that the sector remains resilient in an uncertain economic environment

Key highlights of G&J trade trends are mentioned here below: - I Gross Exports – September 2022

In September 2022, gross exports of G&J rose by 16.66 % y-o-y to US\$ 3.77 billion as compared to US\$ 3.23 billion registered during September 2021

II Gross Exports – April -September 2022

During April- September 2022, gross exports of G&J increased by 6.31 % y-o-y to US\$ 20.58 billion as compared to US\$ 19.36 billion registered in April - September 2021

III Commodity-wise exports

a. Cut and Polished Diamonds

Cut and polished diamond exports declined by (-) 1.27% to US\$ 12.21 billion during April -September 2022 as compared to US\$ 12.37 billion recorded in the same period last year

Key Growth Obstructors -

Rising global inflation, diminished supply of rough diamonds, persistent supply chain issues due to Russia -Ukraine War, economic slowdown in key export destinations – USA, UK, Europe, especially China and Hong Kong due to strict covid-19 norms and lockdowns
Growth Outlook - Export growth outlook of the diamond industry is clouded with uncertainty due to the geopolitical concerns, disruptions in global supply chain, economic downturn in major economies, diminished supply of rough diamonds and rising inflation that may reduce consumer demand for diamond jewellery

b. Lab-Grown Diamonds

Lab-grown diamond exports in H1 2022 continued its positive trajectory in the first half of the new financial year 2022-2023. Its exports rose by 60.55 % to US\$ 943.63 million in April-September 2022 as compared to US\$ 587.76 million registered in the same period last year.

c. Coloured Gemstones

Exports of coloured gemstones, after a subdued export performance in FY 2021-22, rose by 45.63 % to US\$ 209.27 million during April -September 2022 from US\$ 143.70 million witnessed in April -September 2021
Reasons for rise in exports of Coloured Gemstones/Issues - Increase in preference towards coloured gemstones jewellery worldwide, ease in procuring rough coloured gemstones, robust demand for all kinds of gemstones, namely ruby, sapphires and emeralds, resumption of key trade shows, i.e. Singapore show, Vicenza, IIJS Premiere 2022

d. Gold Jewellery

Gold jewellery exports recorded positive growth in H1 2022, growing by 17.62 % to US\$ 4956.38 million in comparison with US\$ 4213.95 million registered in April-September 2021.

Plain Gold Jewellery

Exports of plain gold jewellery after remaining subdued throughout FY2021-2022, have recorded a positive growth of 19.53 during April -September 2022.

Reasons for rise in exports of Plain Gold Jewellery – Revived demand in WANA region due to India -UAE CEPA Agreement, limited fluctuations in gold prices, positive consumer sentiment due to gems and jewellery shows - IIJS Premiere 2022, Singapore Show, Vicenza, and strong retail demand due to upcoming festivals and weddings season.

Studded Gold Jewellery

Exports of studded gold jewellery grew by 16.27 % to US\$ 2870.69 million during April -September 2022 from US\$ 2469.07 million in April -September 2021

Key Growth Drivers - Trade shows & initiatives – IIJS Premiere 2022, Vicenza Show, Singapore show, etc., strong consumer demand in key export destinations such as USA, UK and Singapore, Signing of the India -UK FTA, increased polished diamond inventory levels

e. Silver Jewellery

Silver jewellery exports rose by 34.27 % from US\$ 1746.11 million during April-September 2022 as compared to US\$ 1300.41 million recorded in the same period last year. The export growth is majorly driven from the

SEZ region, whose exports have remained higher than that of the DTA region throughout H1 2022.

Key Growth Drivers – Increase in silver physical demand, Global inflation in key economies, strong consumer demand in key export destinations -Hong Kong, Europe, among others, holiday and wedding season

Key Growth Drivers

Increase in silver physical demand, Global inflation in key economies, strong consumer demand in key export destinations -Hong Kong, Europe, among others, holiday and wedding season

e. Region-wise

Gross exports from all the regions, barring the Northern region, have recorded a positive growth during April -September 2022 in comparison to exports registered in the same period last year

g. SEZ wise

Exports from SEEPZ, Jaipur, Delhi, Chennai & Visakhapatnam SEZs have risen in April – September 2022 compared to April – September 2021. Overall, there is a growth of (+) 17.36% in exports to US\$ 3940.32 million in April – September 2022 from US\$ 3357.39 million recorded in April – September 2021

h. Imports of commodities

Gross imports of key rough gems and jewellery products such as gold bar, silver bar, and rough synthetic stones have registered negative growth, indicating a diminishing supply of raw materials for manufacturing of finished gems and jewellery commodities





1

Gem and Jewellery Gross Exports Trends In Value Terms

1. Gem and Jewellery Gross Exports Trends: In Value Terms

The gems and jewellery sector continues to record positive growth in the first half of the financial year 2022- 2023. Its exports grew by 6.31 % to US\$ 20.58 billion during April -September 2022 compared to US\$ 19.36 billion registered in the same period last year.

The positive growth is due to the robust consumer demand in key export destinations, optimistic consumer and business sentiments, upcoming festive and wedding season – Christmas, Thanksgiving, Chinese New year, resumption of major trade shows – Vicenza Oro Fall, IJS premiere 2022, Singapore show, JCK 2022, revived jewellery demand due to India -UAE CEPA agreement and continued government support in terms of pro- industry announcements which includes introduction of SOP for e-commerce policy, removal of scrap from SEZs, upcoming SEZ DESH Act, among others.

In terms of commodity, almost all key gems and jewellery products such as studded gold jewellery, plain gold jewellery, polished lab-grown diamonds, coloured gemstones and silver jewellery have witnessed positive growth in H1 2022. However, exports of cut and polished diamonds have declined in the same period, which can be majorly attributed to the rising global inflation, diminished supply of rough diamonds, economic slowdown in key economies such as USA, China, Europe and Hong Kong and persisting supply chain issues due to the Geopolitical conflict in Ukraine (Table -1 and Figure -1)

September 2022

Gross Exports of G&J rose by 16.66 % y-o-y to US\$ 3.77 billion as compared to US\$ 3.23 billion registered during September 2021

April – September 2022

Gross Exports of G&J increased by 6.31 % y-o-y to US\$ 20.58 billion as compared to US\$ 19.36 billion registered during April-September 2021

Table -1 Month-wise Gem and Jewellery Exports Trends (April-September 2022)

Months	Gross Exports (P)	Gross Exports (P)	% Growth /Decline
	2021-2022 (US\$bn)	2022-2023 (US\$bn)	(Y-o-Y)
April	3.45	3.43	-0.59
May	2.94	3.38	15.05
June	2.89	3.44	18.87
April to June (Q1)	9.28	10.24	10.34
July	3.45	3.18	-8.01
August	3.40	3.39	-0.24
September	3.23	3.77	16.66
July to September (Q2)	10.08	10.33	2.48
April to September	19.36	20.58	6.31

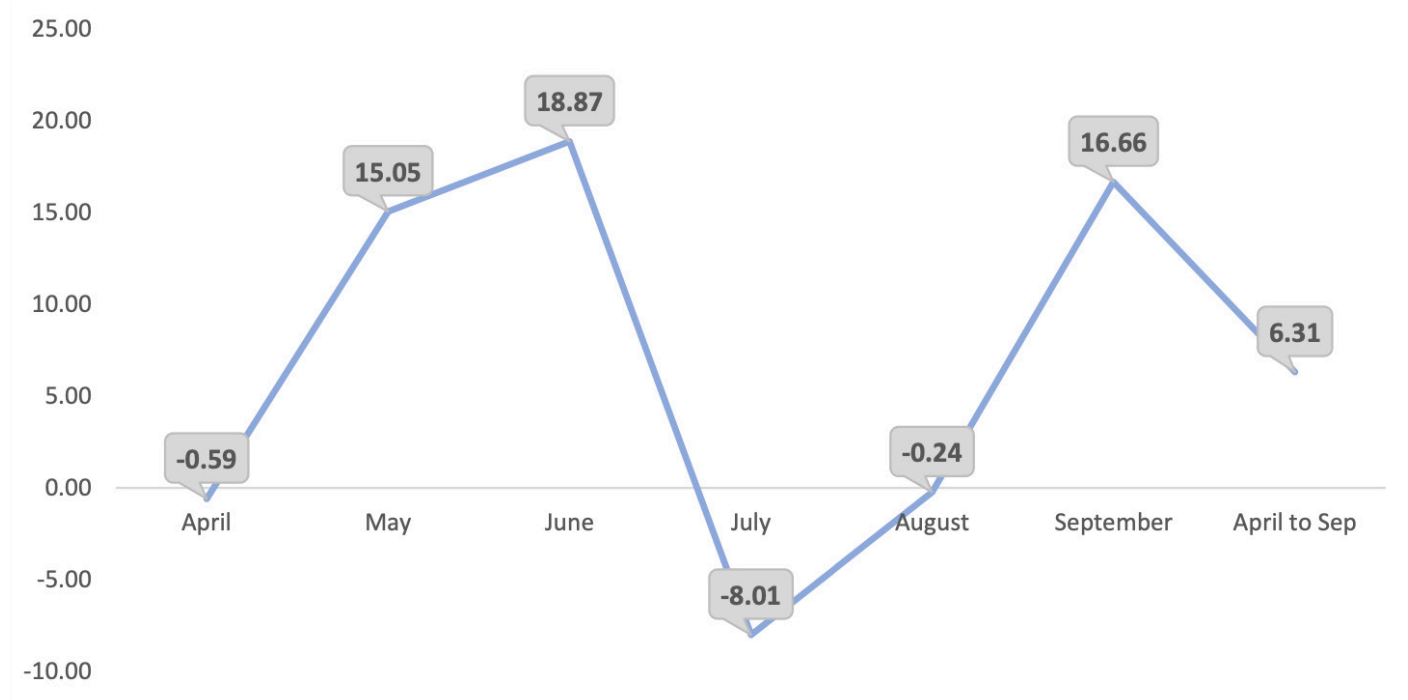
Q1 : 10.34 %



Q2 : 2.48 %

Source : GJEPC Analysis, Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs, Net Exports pertains to exclusive of return consignments

Figure - 1 Gem and Jewellery Exports Growth (in %) April – September 2022 over April- September 2021



Source: GJEPC Analysis

It is also apparent from the above table that gems and jewellery export growth rose, decreasingly from 10.34 % in quarter 1 to 2.48 % in quarter 2. Overall, gems and jewellery exports rose marginally by 0.87 % from US\$ 10.24 billion in Q1 2022 to US\$ 10.33 billion in Q2 2022

Various reasons of positive growth in exports are as follows:

- ◆ Resumption of key domestic and international trade shows – IIJS Premiere 2022, JCK 2022, Vicenza Fall 2022, Singapore Show 2022, among others
- ◆ Robust demand for gold jewellery products due to the India -UAE CEPA Agreement
- ◆ Continued government support in terms of resolution of key policy issues, namely – Sop for the new e-commerce policy for the gems and jewellery sector, removal of Scrap in SEZs, New SEZ DESH Act, extension of foreign trade policy 2015-20, TRQ notifications for India -UAE CEPA agreement, among others
- ◆ Strong domestic and international demand due to the upcoming holiday season – Christmas, Thanksgiving, Chinese New Year and wedding season
- ◆ Positive business sentiments due to signing of India -UK FTA by late 2022 and other agreements with major economies such as Israel, Canada, EU, among others



1.2 Gem and Jewellery Gross vis-a-vis Net Exports - April- September 2022

Gem and Jewellery gross exports rose by 6.31 % to US\$ 20580.11 million in April-September 2022, compared to US\$ 19539.01 million in April-September 2021. Net exports grew by 4.22 % to US\$ 16330.31 million during the same period as against US\$ 15669.66 million recorded in the same period last year. (Table -2)

Table 2 Gem and Jewellery Gross vis-a-vis Net Exports

Exports	April to September 2021	April to September 2022	% Growth /Decline
	(US\$ mn)	(US\$ mn)	(Y-o-Y)
Gross Exports	319359.01	20580.11	6.31
Return Consignment	3,689.35	4,249.80	15.19
Net Exports	15,669.66	16,330.31	4.22

Source : GJEPC Analysis, Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs, Net Exports pertains to exclusive of return consignments
Note: Kindly note Gold Jewellery includes Plain & Studded Jewellery

1.3 Gem and Jewellery Export Target FY 2022-2023

The Ministry of Commerce & Industries has set an export target of US\$ 45.70 billion for India's Gems and jewellery sector for the financial year 2022-2023. Gems and jewellery sector in April -September 2022 achieved around 45 % of its annual export target with exports amounting to US\$ 20.54 billion. (Table -3)

Table 3 - India's Export Target for 2022-2023 by Ministry of Commerce & Industry (MOC)

Annual Target FY 2022-2023 (US\$ bn)	Target Exports April -September 2022 (US\$ bn)	Actual Exports April -September 2022 (US\$ bn)	% of export target achieved as on April - September 2022
45.70	22.85	20.54	44.94

Source: GJEPC Analysis based on DGCI&S data





2

Gem and Jewellery Gross Exports Trends: Commodity-wise

2. Gem and Jewellery Gross Exports Trends: Commodity-wise

In H1 2022, gross exports of almost all key gems and jewellery commodities such as gold jewellery, silver jewellery, coloured gemstones, polished lab-grown diamonds and platinum jewellery have recorded a positive growth as compared to exports recorded in the same period last year.

However, cut and polished is the only commodity whose exports fell by (-) 1.27 % in the same period in comparison to April-September 2021. (Table -4)

Table -4 Gem and Jewellery Gross Exports: Commodity-wise

Commodities	April to September 2021	April to September 2022	% Growth /Decline
	(US\$ mn)	(US\$ mn)	(Y-o-Y)
Cut & Pol Diamonds	12372.82	12215.46	-1.27
Pol. Lab Grown Diamonds	587.76	943.63	60.55
Coloured Gemstones	143.70	209.27	45.63
Pol. Synthetic Stone	2.48	3.87	55.62
Worked Pearls	0.91	1.36	49.78
Gold Jewellery (Plain & Studded)	4213.95	4956.38	17.62
Plain Gold Jewellery	1744.87	2085.69	19.53
Studded Gold Jewellery	2469.08	2870.69	16.27
Silver Jewellery	1300.41	1746.11	34.27
Platinum Jewellery	13.60	19.50	43.32
Imitation Jewellery	37.69	29.75	-21.06
Articles of Gold, Silver & others	26.25	21.22	-19.15
Others	659.44	433.56	-34.25
Gross Exports	19359.01	20580.11	6.31
Return Consignment	3,689.35	4,249.80	15.19
Net Exports	15,669.66	16,330.31	4.22

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs.

Note: Kindly note Gold Jewellery includes Plain & Studded Jewellery

Specific Commodity-wise export trends are analysed in the following section

I DIAMOND

A. Natural Diamonds:

- Net exports of cut and polished diamonds have been witnessing a negative growth since the beginning of the financial year 2022-2023, with the exception of September when it recorded a positive growth of 19.82 %
- Overall, cut and polished diamond net exports declined by (-) 5.65 % to US\$ 8300.50 million during April -September 2022 from US\$ 8797.40 million recorded in April -September 2021.

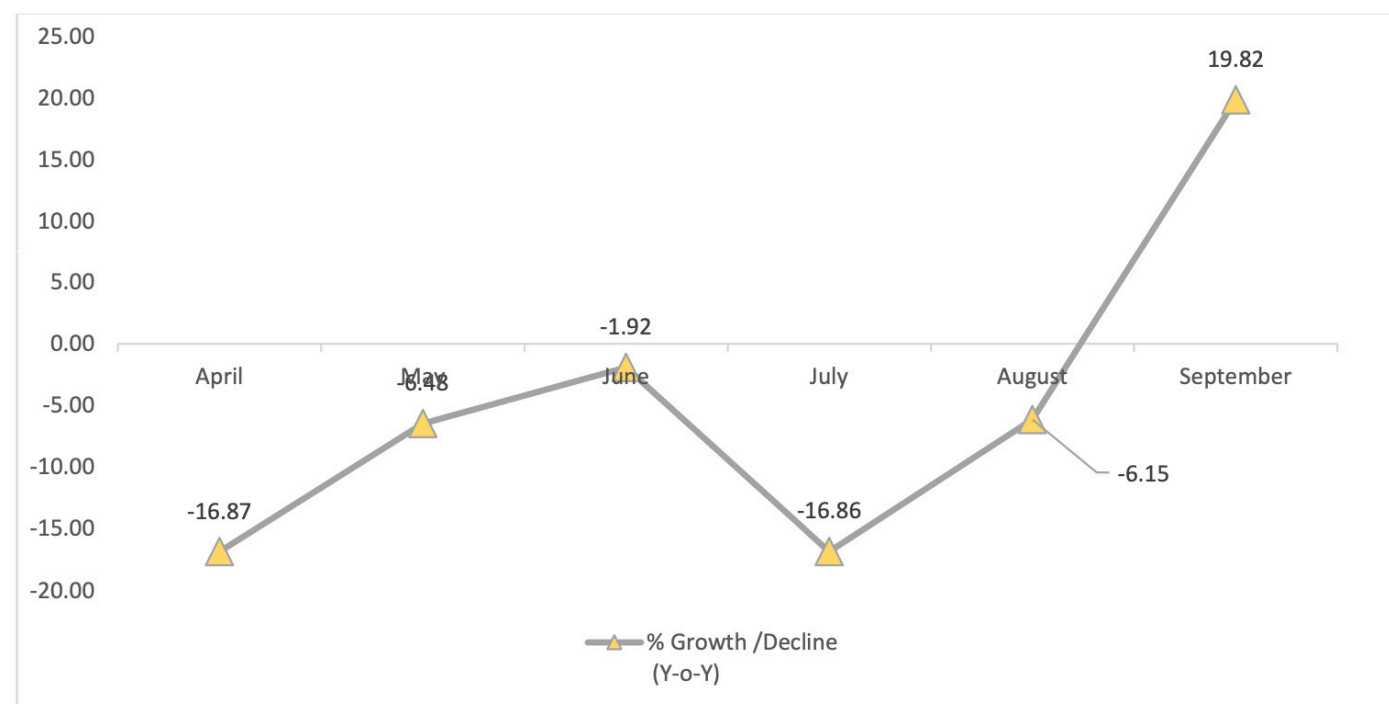
Table - 5 Cut and Polished Diamond net Exports April - September 2022

Months	Net Exports	Net Exports	% Growth /Decline
	2021- 2022 US\$mn	2022- 2023 US\$mn	(Y-o-Y)
April	1647.63	1369.68	-1.27
May	1462.42	1367.66	-6.48
June	1330.33	1304.78	-1.92
July	1660.89	1380.85	-16.86
August	1359.56	1276.00	-6.15
September	1336.58	1601.53	19.82
April - September	8797.40	8300.50	-5.65

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs



Figure: 2 Net Export growth of Cut and Polished Diamonds (%) April - September 2022



Source: GJEPC Analysis

Growth obstructors in export growth of CPD

Key factors for decline in export growth of cut and polished diamonds in recent times are as follows-

- Decline in consumer demand and income due to rising inflation
- Economic slowdown in key export destinations such as USA, UK, and Europe, among others
- Falling consumer and business confidence due to the Russia-Ukraine war and worries of a future recession
- Increase in price of raw material, i.e., rough diamonds, due to contracted supply of mined diamonds
- Zero covid-19 policy in China and Hong Kong led to reduced demand for diamond jewellery

Growth Outlook

Export growth outlook of the diamond industry is clouded with uncertainty due to geopolitical concerns, disruptions in global supply chain, economic downturn in major economies, diminished supply of rough diamonds and rising inflation that may reduce consumer demand for luxury products. However, upcoming festive season in domestic and international markets -Chinese New Year , Christmas, Valentine's Day, etc., gems and jewellery shows -IIJS Signature 2022, Vicenza, IGJS Dubai 2022, Hong Kong show, removal of covid-19 restrictions in China & Hong Kong are factors that could boost exports of cut and polished diamonds in the coming times

Major destinations for cut and polished diamonds – April - September 2022

Belgium, UAE, Thailand, Singapore, and Switzerland are the countries that have registered positive export growth during April -September 2022 as compared to April -September 2021. However, exports of cut and polished diamonds to USA, Hong Kong, Israel, Netherlands and Japan have declined in the same period. (Table 6)

Table 6 - Top 10 export destinations for cut and Polished Diamonds - April - September 2022

SR.no	Countries	April -September 2021	April -September 2022	% Growth /Decline
		(US\$ mn)	(US\$ mn)	(Y-o-Y)
1	USA	5,151.18	4,812.56	-6.57
2	Hongkong	3,489.84	2,691.35	-22.88
3	Belgium	589.64	1,028.51	74.43
4	UAE	971.89	988.36	1.69
5	Israel	710.02	681.80	-3.97
6	Thailand	380.49	584.54	53.63
7	Singapore	22.61	318.53	1309.08*
8	Netherland	305.30	210.18	-31.16
9	Switzerland	84.35	197.58	134.23
10	Japan	153.21	143.51	-6.33
11	Others	514.29	558.54	8.6
	Total	12,372.82	12,215.46	-1.27

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs . * The high 12,215.46 -1.27 export growth in Singapore is due to the Hong Kong show held in Singapore in the 27-30 th September 2022

B. Lab-grown diamonds:

Lab-grown diamond exports continued its positive trajectory in the first half of the new financial year 2022-2023. Its exports rose by 60.55 % to US\$ 943.63 million in April-September 2022 as compared to US\$ 587.76 million registered in the same period last year.

Growth Outlook

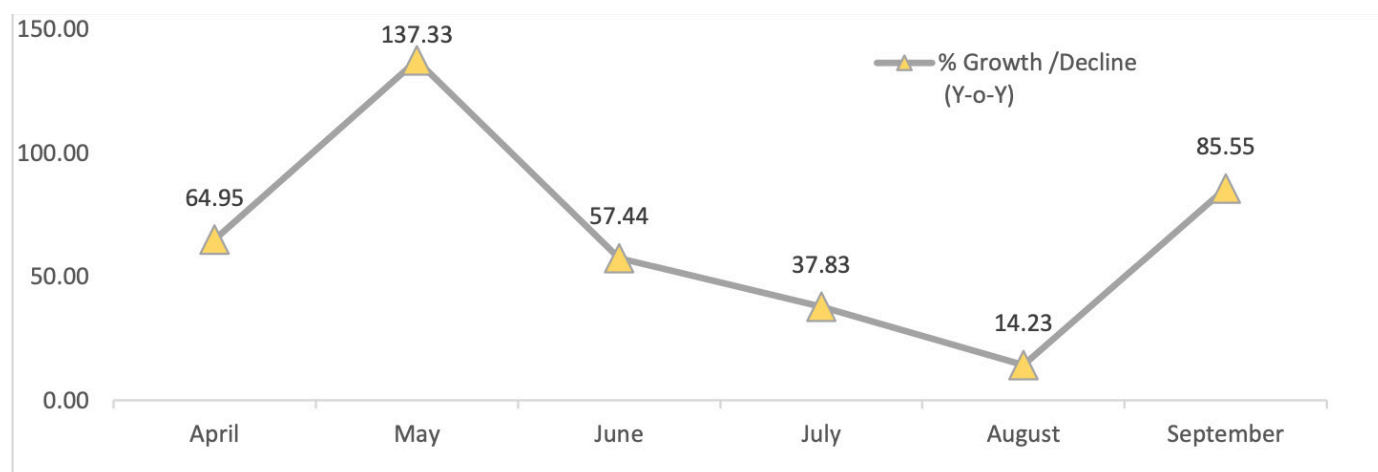
The positive export growth is majorly on account of increased consumer demand for lab-grown diamond jewellery, declined earnings of middle-income consumers on account of high inflation, steady demand in key export destinations, and expectation of future recession in major economies such as USA, UK, and Europe following the Russian invasion of Ukraine (Table- 7 and Figure -3)

Table -7 Lab-Grown Diamonds Gross Exports April - September 2022

Months	Gross Exports	Gross Exports (P)	% Growth /Decline
	2021- 2022 US\$mn	2022-2023 US\$mn	(Y-o-Y)
April	89.80	148.13	64.95
May	74.71	177.32	137.33
June	95.22	149.91	57.44
July	106.92	147.37	37.83
August	125.31	143.14	14.23
September	95.80	177.76	85.55
April - September	587.76	943.63	60.55

Source: GJEPC Analysis. Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs

Figure 3: Exports growth of Lab-grown Diamonds (%) (April - September 2022)



Major destinations for Polished Lab-grown diamonds – April - September 2022

Export of lab-grown diamond to all the key export markets such as USA, Hong Kong, UAE, Israel, and Singapore, among others, witnessed a positive growth during April -September 2022 as against April -September 2021. (Table 8)

Table 8 - Top 10 export destinations for Lab-grown diamonds – April - September 2022

SR.no	Countries	April -September 2021	April -September 2022	% Growth /Decline
		(US\$ mn)	(US\$ mn)	(Y-o-Y)
1	USA	397.69	605.15	52.17
2	Hongkong	86.26	132.96	54.13
3	U.A.E	52.75	108.02	104.78
4	Israel	13.99	24.14	72.54
5	Singapore	0.50	19.59	3782.39
6	Belgium	11.26	14.27	26.78
7	Australia	2.65	8.64	225.92
8	Thailand	3.42	6.06	77.26
9	United Kingdom	2.89	5.93	105.39
10	China P.Rp	1.58	5.06	220.9
11	Others	14.77	13.80	-6.58
	Total	587.76	943.63	60.55

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs



II GOLD JEWELLERY

Gold jewellery exports recorded positive growth in H1 2022 and grew by 17.62 % to US\$ 4956.38 million in comparison with US\$ 4213.95 million registered in April-September 2021. Within the gold jewellery segment, both studded and plain gold jewellery have recorded positive growths of 16.27 % and 19.53 %, respectively in the same period (Table - 9)

Table -9 Gold Jewellery gross exports - April - September 2022

Commodity	April -September 2021	April to September 2022 (P)	% Growth /Decline
	(US\$ mn)	(US\$ mn)	(Y-o-Y)
Gold Jewellery	4213.95	4956.38	17.62

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs

Brief explanation of the same for plain as well as studded gold jewellery exports is presented here below:

A. Plain Gold Jewellery

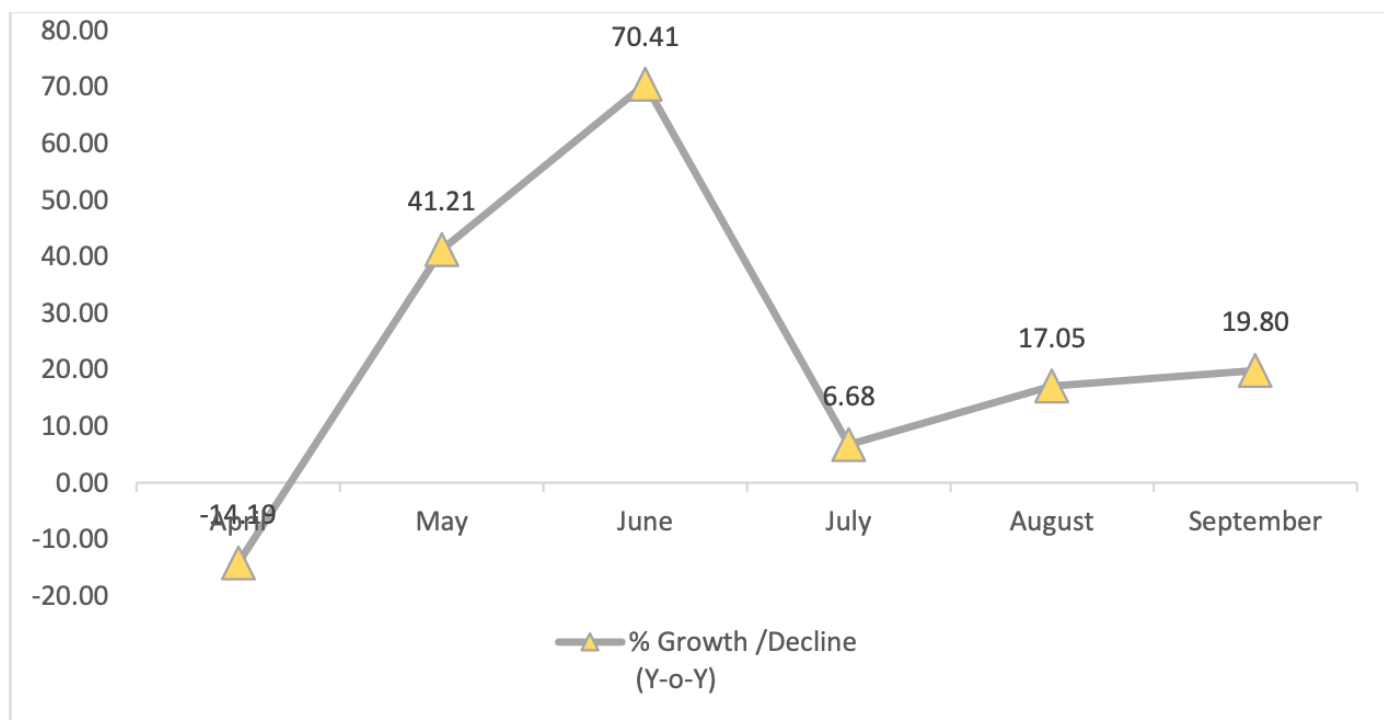
Exports of plain gold jewellery after remaining subdued throughout FY2021-2022, have recorded a positive growth during April -September 2022. Overall , exports of the commodity increased by 19.53 % from US\$ 1744.88 million in April -September 2021 to US\$ 2085.69 million in April -September 2022 (Table- 10 & Figure).

Table- 10 Plain Gold Jewellery Gross Exports - April - September 2022

Months	2021-2022	2022-2023 (P)	% Growth /Decline
	(US\$ mn)	(US\$ mn)	(Y-o-Y)
April	345.86	296.78	-14.19
May	210.11	296.70	41.21
June	239.26	407.71	70.41
July	331.66	353.82	6.68
August	352.25	412.32	17.05
September	265.74	318.36	19.80
April - September	1744.88	2085.69	19.53

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs

Figure - 4 Exports growth of Plain Gold Jewellery (%) (April - September 2022)



Source: GJEPC Analysis, Notes: (P) = Provisional, Gross exports means inclusive of return consignments

Reasons for the rise in exports of plain gold jewellery

- Revived demand in WANA region due to India -UAE CEPA Agreement
- Limited fluctuations in gold prices
- Positive consumer sentiment due to gems and jewellery shows - IJJS Premiere 2022, Singapore Show, Vicenza, etc
- Strong domestic retail demand due to upcoming festivals and wedding season.

B. Studded Gold Jewellery

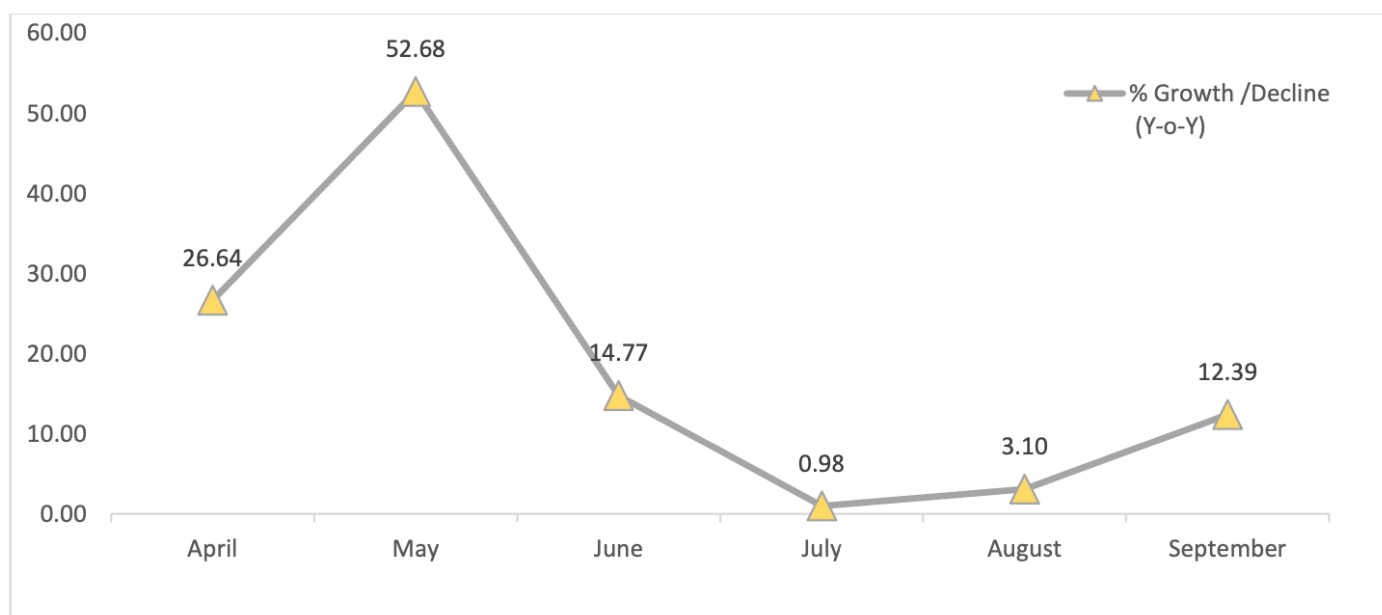
The export of studded gold jewellery, as witnessed in FY2021-2022, witnesses positive growth trajectory in April – September 2022 compared to exports recorded in the same period last year. Overall, exports of studded gold jewellery grew by 16.27 % to US\$ 2870.69 million during April - September 2022 as compared to US\$ 2469.07 million in April -September 2021. (Table -11 and Figure 5)

Table- 10 Plain Gold Jewellery Gross Exports - April - September 2022

Months	2021-2022	2022-2023 (P)	% Growth /Decline
	(US\$ mn)	(US\$ mn)	(Y-o-Y)
April	384.69	487.18	26.64
May	309.12	471.96	52.68
June	376.13	431.68	14.77
July	427.29	431.46	0.98
August	471.87	486.52	3.10
September	499.96	561.89	19.80
April – September	2469.07	2870.69	19.53

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs

Figure -5 Export growth of Studded Gold Jewellery (%) (April- September 2022)



Source: GJEPC Analysis

Growth drivers of recovery in exports growth of studded gold jewellery

- Trade shows & initiatives – IIJS Premiere 2022, Vicenza Show, Singapore show, etc
- Strong consumer demand in key export destinations such as USA, UK and Singapore
- The signing of the FTA agreement with UK, which is one of India's key export markets for studded gold jewellery, is expected to renew consumer sentiment towards the commodity further
- Increase in polished diamond inventory levels

Future Outlook

Elevated retail inflation, currency depreciation leading to costlier imports of raw material, hike in customs duty of gold and limited availability of supply of gold, rise in polished diamonds prices, and sluggish demand in USA due to high-interest rates may halt the recovery of the sector. However, the signing of the India-UK FTA in late 2022 and other FTAs with Canada, and Israel, among others, holiday season in the domestic and international market, and upcoming shows – IIJS Signature 2022, IGJS Dubai 2022, Hong Kong show, etc., and continued support of the government in resolution of key policy issues will boost the recovery of exports of the commodity.

Major destinations for Gold Jewellery – April - September 2022

Gold jewellery exports to USA, Singapore, UK, Malaysia, Qatar, Turkey, Australia and Canada have risen in April -September 2022 compared to exports recorded in the same period last year. Hong Kong and UAE are the only countries that registered negative growth in the same period compared to April -September 2021 (Table 12).

**Table 12 - Top 10 export destinations for Gold Jewellery (Plain + Studded)
April-September 2022**

Sr.no	Countries	2021-2022	2022-2023	% Growth /Decline
		(US\$ mn)	(US\$ mn)	(Y-o-Y)
1	UAE	1,683.80	1,631.11	-3.13
2	USA	1,331.13	1,616.94	21.47
3	Singapore	318.30	428.26	34.55
4	Hongkong	259.87	213.76	-17.74
5	United Kingdom	173.32	188.36	8.67
6	Malaysia	44.54	137.70	209.16
7	Qatar	37.54	108.23	188.32
8	Turkey	91.33	105.68	15.72
9	Australia	62.39	87.11	39.62
10	Canada	47.99	72.39	50.84
11	Others	163.75	366.83	124.01
	Total	4,213.95	4,956.38	17.62



III COLOURED GEMSTONES

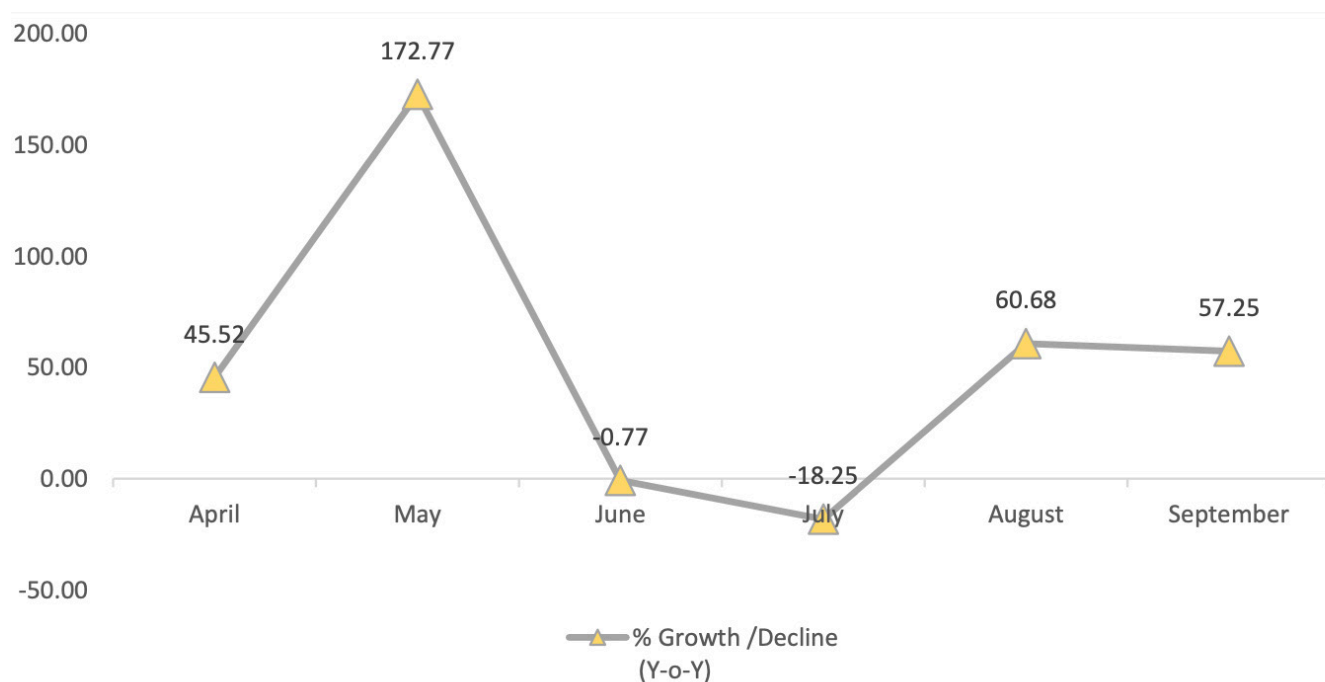
Coloured gemstone exports have been recording a positive growth in H1 2022 after the subdued growth of the commodity witnessed in the last financial year. Overall, exports of coloured gemstones rose by 45.63 % to US\$ 209.27 million during April -September 2022 from US\$ 143.70 million witnessed in April -September 2021. (Table 13 and Figure - 6)

Table - 13: Coloured Gemstone Gross Exports (April - September 2022)

Months	Gross Exports	Gross Exports	% Growth /Decline
	2021-2022 (US\$mn)	2022-2023 (US\$mn)	(Y-o-Y)
April	22.25	32.38	45.52
May	16.01	43.67	172.77
June	23.66	23.48	-0.77
July	26.16	21.39	-18.25
August	26.00	41.78	60.68
September	29.62	46.57	57.25
April - September	143.70	209.27	45.63

Source: GJEPC Analysis. Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs

Figure - 6 Export growth of coloured gemstones (%) (April - September 2022)



Source: GJEPC Analysis

Reasons for rise in the export of Coloured Gemstones

- Increase in preference towards coloured gemstones jewellery post-pandemic
- Ease in procuring of rough-coloured gemstones
- Robust demand for all kinds of gemstones, namely Ruby, Sapphires and Emeralds
- Resumption of key trade shows, i.e., Singapore show, Vicenza, IJJS Premiere 2022, coupled with rough gemstone sourcing shows

Growth Outlook

The export growth outlook for the commodity is cautiously optimistic due to a steady supply of raw materials, strong consumer demand in key export destinations such as USA, Thailand, and Singapore, among others, holiday and festive season and resumption of major trade shows – Hong Kong Show 2023, IJJS Signature 2023, Vicenza, etc. However, the rising price of raw materials, fear of economic recession in major economies, and some challenges in procurement of semi-precious coloured gemstones may restrict the growth of the sector.

Major destinations for Coloured Gemstones – April - September 2022

Among the top 10 export destinations, coloured gemstone exports to USA, Thailand, Singapore, Italy, Switzerland, Germany and UAE have recorded positive growth during April – September 2022 compared to April – September 2021. While exports to other destinations such as Hong Kong, Japan and France have declined during the stated time period. (Table 14)

Table 14- Top 10 export destinations – Coloured Gemstones – April - September 2022

SR.no	Countries	April –September 2021	April –September 2022	% Growth /Decline
		(US\$ mn)	(US\$ mn)	(Y-o-Y)
1	USA	42.43	59.28	39.7
2	Thailand	19.75	52.85	167.62
3	Hongkong	40.71	36.50	-10.35
4	Italy	6.86	10.01	45.93
5	Singapore	0.43	8.68	1918.4
6	Switzerland	0.84	7.86	835.39
7	Japan	7.51	7.24	-3.57
8	Germany	2.89	4.02	38.97
9	France	5.57	3.95	-29.17
10	UAE	1.84	3.81	107.06
11	Others	14.87	15.08	1.43
	Total	143.70	209.27	45.63

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Air cargo September 2022 are not included as yet to receive from the Customs

IV SYNTHETIC STONES

Gross exports of synthetic stones grew by 55.62 % to US\$ 3.87 million in April-September 2022 compared to US\$ 2.48 million registered in the same period last year. (Table 15)

Table 15 Synthetic Stones Gross Exports (April - September 2022)

Months	Gross Exports	Gross Exports	% Growth /Decline
	2021-2022 (US\$mn)	2022-2023 (US\$mn)	(Y-o-Y)
April	0.74	0.45	-39.14
May	0.05	0.48	807.35
June	0.46	0.97	107.56
July	0.10	0.81	713.76
August	0.85	0.71	-16.16
September	0.28	0.45	62.52
April - September	2.48	3.87	55.62

Source: GJEPC Analysis. Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Air cargo September 2022 are not included as yet to receive from the Customs

Reasons for the rise in exports of synthetic stones

- The rise in exports of synthetic stones is majorly on account of the robust consumer demand for all jewellery segments, especially stone jewellery, where the commodity is used as a raw material
- At present, no major issues are hindering the growth of the sector



V. SILVER JEWELLERY

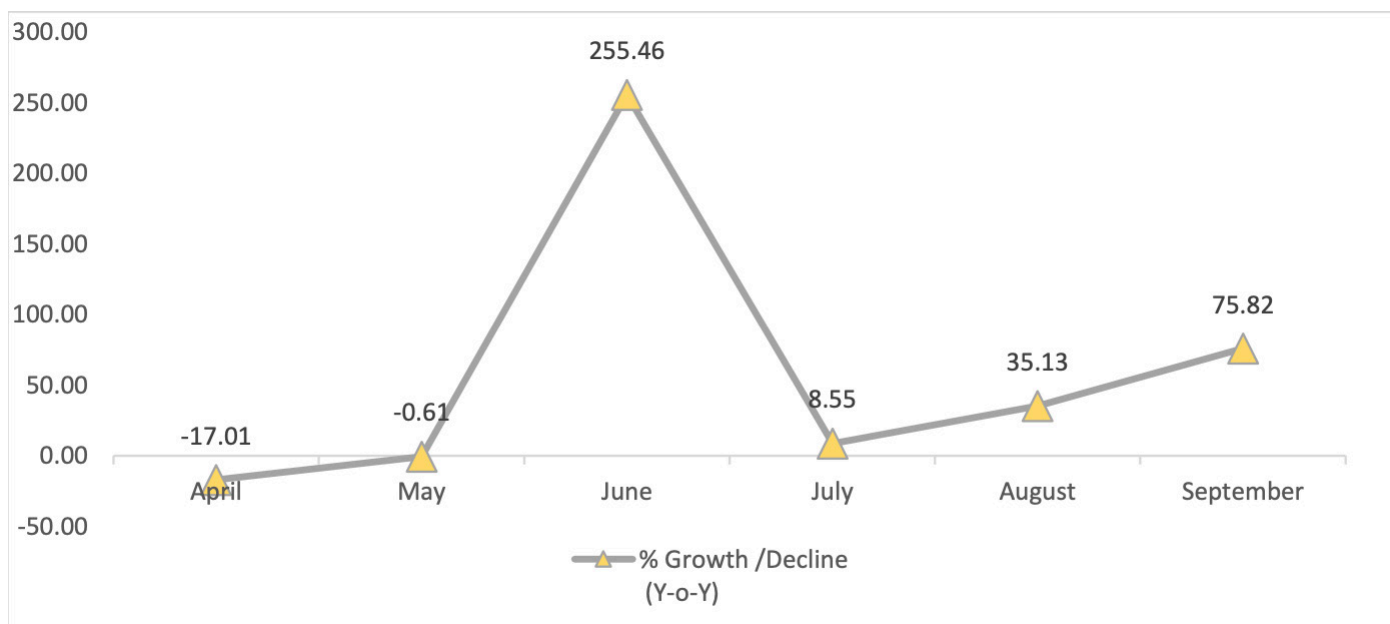
Silver jewellery exports rose by 34.27 % from US\$ 1746.11 million during April-September 2022 as compared to US\$ 1300.41 million recorded in the same period last year. (Table -16 and Figure - 7)

Table-16 Silver Jewellery Gross Exports (April - September 2022)

Months	Gross Exports	Gross Exports	% Growth /Decline
	2021-2022 (US\$mn)	2022-2023 (US\$mn)	(Y-o-Y)
April	303.60	251.95	-17.01
May	241.03	239.55	-0.61
June	92.26	327.96	255.46
July	221.57	240.51	8.55
August	223.42	301.91	35.13
September	218.53	384.22	75.82
April - September	1300.41	1746.11	34.27

Source: GJEPC Analysis. Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Air cargo September 2022 are not included as yet to receive from the Customs

Figure - 7 Export growth of Silver Jewellery (%) (April-September 2022)



Source: GJEPC Analysis

Key Points

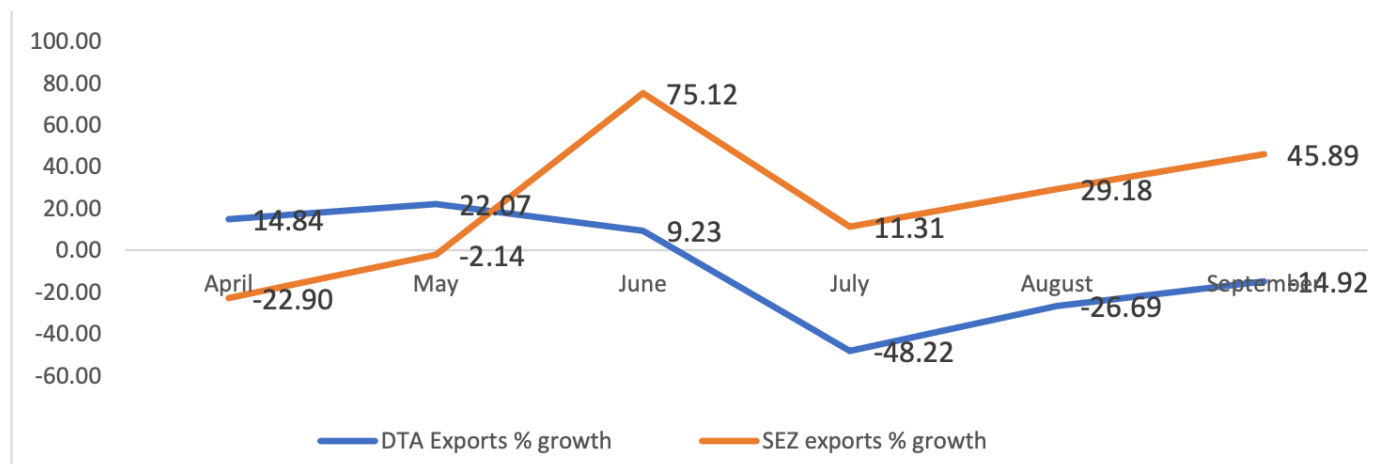
- Silver jewellery exports by SEZs have recorded higher exports than that of the DTA region throughout the first half of the FY2022-2023
- Silver jewellery exports from the SEZ region rose by 27.41 %, while exports from the DTA region fell by (-)7 % in H1 2022 (Table 17 and Figure 8)

Table 17 Silver jewellery gross exports from SEZ and DTA (April - September 2022)

Months	Gross Exports		Gross Exports		% Growth /Decline	
	2021-2022 (US\$mn)		2022-2023 (US\$mn)		(Y-o-Y)	
	DTA	SEZ	DTA	SEZ	DTA	SEZ
April	13.68	289.92	16.07	235.89	14.84	-22.90
May	11.75	229.28	15.07	224.48	22.07	-2.14
June	14.68	77.58	16.18	311.78	9.23	75.12
July	20.60	200.98	13.90	226.61	-48.22	11.31
August	21.76	201.66	17.18	284.73	-26.69	29.18
September	20.41	198.29	17.76	366.46	-14.92	45.89
April - September	102.88	1197.70	96.15	1649.95	-7	27.41

Source: GJEPC Analysis. Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs

Figure 8 - Silver jewellery export growth (%) from SEZ and DTA (April - September 2022)



Source: GJEPC Analysis. Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs

Growth drivers for recovery in export growth of Silver Jewellery

- Increase in silver physical demand
- Elevated inflationary pressures
- Strong consumer demand in key export destinations -Hong Kong, Europe, among others
- Festive and wedding season

Growth obstructors

- Lack of availability of rough raw materials -silver and gold for manufacturing of finished gems and jewellery products
- Duty drawback rates are not at par with the actual duty paid in line with international rates /charges
- No clear SOP for procuring metals by SEZ units from DTA units
- There is an expectation of a slowdown in November and December for silver and gold jewellery products due to sluggish demand in US, UK and other Scandinavian countries

Major destinations for Silver Jewellery – April - September 2022

Among the top 10 export destinations, Hong Kong, Spain, Italy and Canada have recorded positive growth in April -September 2022 compared to exports in the same period last year. However, silver jewellery exports to other markets such as USA, UK, Germany, UAE, Australia and Thailand have declined in the same period as compared to April -September 2021. (Table 18)

Table 18 - Top 10 export destinations – Silver jewellery – April - September 2022

SR.no	Countries	April –September 2021	April –September 2022	% Growth /Decline
		(US\$ mn)	(US\$ mn)	(Y-o-Y)
1	Hongkong	1,008.11	1,469.33	45.75
2	USA	174.28	163.33	-6.29
3	United Kingdom	34.86	33.43	-4.1
4	Germany	12.61	10.80	-14.39
5	Spain	6.25	8.47	35.51
6	UAE	9.30	6.95	-25.24
7	Italy	5.41	6.17	14.04
8	Australia	6.59	5.80	-12.07
9	Canada	3.38	5.73	69.19
10	Thailand	10.86	5.55	-48.92
11	Others	28.74	30.56	6.32
	Total	1,300.41	1,746.11	34.27

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs



3,4 & 5

Gem and Jewellery Gross Exports Trends: Region-wise and SEZ Wise

3. REGION-WISE GROSS EXPORTS

In April -September 2022, exports from almost all regions have recorded positive export growth in April - September 2022 over the exports recorded in April - September 2021, barring the Northern region. (Table-19).

Table - 19 Region-wise Gross Exports

Region	Gross Exports (April-September 2021)	Gross Exports (April-September 2022)	% Growth /Decline
	(US\$mn)	(US\$mn)	(Y-o-Y)
Western Region	15115.86	15365.07	1.65
Southern Region	563.89	777.79	37.93
Rajasthan Region	439.64	557.39	26.78
Gujarat Region	2197.97	2703.10	22.98
Northern Region	606.00	587.01	-3.13
Eastern Region	435.65	589.73	35.37
Total	19359.01	20580.11	6.31

Source: GJEPC Analysis, Notes: (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments. Figures from Chennai & Bangalore Aircargo September 2022 are not included as yet to receive from the Customs



4. SEZ-WISE GROSS EXPORTS

The SEZ exports have registered a positive growth during H1 2022. Overall , the total exports from SEZs rose by 17.36 % to 3940.32 million in April-September 2022 from US\$ 3357.39 million recorded in the same period last year. (Table -20)

Table 20 -SEZ Gross Exports April to September 2022

Months	Gross Exports	Gross Exports	% Growth /Decline
	2021-2022 (US\$mn)	2022-2023 (US\$mn)	(Y-o-Y)
April	634.11	598.06	-5.69
May	501.08	558.40	11.44
June	395.06	665.29	68.40
July	595.60	596.02	0.07
August	616.31	707.78	14.84
September	615.23	814.77	32.43
April - September	3357.39	3940.32	17.36

Source: GJEPC Analysis, Notes: (P) = Provisional, Net exports means exclusive of return consignments



5. COMMODITY-WISE IMPORTS

Gross imports of key rough gems and jewellery products such as gold bar, silver bar, and rough synthetic stones have registered negative growth, indicating a diminishing supply of raw materials for manufacturing finished gems and jewellery commodities. Overall, the imports of gems and jewellery commodities increased by 10.54 % to US\$ 13957.43 million in April -September 2022 as compared to US\$ 12626.96 million registered in the same period last year. (Table -21)

Table - 21 Commodity-wise Imports

Countries	April -September 2021	April -September 2022	% Growth /Decline
	(US\$ mn)	(US\$ mn)	(Y-o-Y)
Rough Diamonds	9104.19	9,421.45	3.48
Rough Lab-Grown Diamonds	132.94	719.59	32.89
Rough Coloured Gemstones	132.94	226.40	70.30
Rough Synthetic Stone	2.16	1.89	-12.66
Raw Pearls	2.50	5.89	135.46
Gold Bar	1197.06	1,004.56	-16.08
Silver Bar	35.75	26.46	-25.99
Platinum Bar	74.85	83.20	11.17
Sub Total	11,090.93	11,489.43	3.59
Imports of Cut & Pol. Diamonds	723.09	732.81	1.34
Pol. Lab-Grown Diamonds	19.13	56.30	194.28
Col. Gemstones	622.19	1,454.56	133.78
Pol. Synthetic Stone	4.97	4.26	-14.26
Pearls worked	1.34	5.16	284.31
Gold Jewellery	137.41	147.25	7.16
Silver Jewellery	19.53	62.24	218.66
Imitation Jewellery	2.85	0.86	-69.89
Others	5.52	4.56	-17.41
Sub Total	1,536.03	2,468.00	60.67
Total Imports	12,626.96	13,957.43	10.54

Source: GJEPC Analysis, (P) stands for provisional Notes. Figures from Bank of India, State Bank of India & UBI are not included as yet to receive from the Bank

Conclusions

The gems and jewellery exports increased by 6.31 % y-o-y to US\$ 20.58 billion as compared to US\$ 19.36 billion registered during April-September 2021. Key commodities like Plain gold jewellery, studded gold jewellery, silver jewellery, lab-grown diamonds, and coloured gemstones have also recorded positive export growth in April -September 2022. The export growth is majorly driven by strong orders due to the holiday and wedding season, key trade shows organised and participated by the GJEPC – IIJS Premiere 2022, JCK, Singapore show, Vicenza Fall 2022, etc., robust consumer demand in key export destinations, revived gold jewellery demand due to the India -UAE CEPA agreement, GJEPC's efforts and initiatives and continued support of the government

However, exports of cut and polished diamonds in the same period have declined due to the diminished supply of rough diamonds, subdued mining operations, economic downturn in major economies such as USA, UK, Hong Kong, etc., and rising inflation and interest rates that has led to reduced consumer demand and income for diamond jewellery.

The growth outlook of the gems and jewellery industry is clouded by fears of global economic recession, the slowdown in major economies, decline in consumer demand and income, worsening of the Russia-Ukraine war, unavailability of raw materials, i.e. gold, silver and rough diamonds and continuously rising inflation. However, upcoming holiday and weddings season, G&J Trade shows - IIJS Signature 2023, Vicenza, high inventory levels, Hong Kong show, etc., GJEPC's efforts and initiatives and pro-industry policies towards the sector may boost the recovery of the industry in the coming months

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The Gem & Jewellery Export Promotion Council is the apex body set up by the Ministry of Commerce, Government of India, driving India's export-led growth in the gem and jewellery sector, since 1966. The GJEPC has been continuously working for the development of the sector. The council's major focus areas include promoting Brand INDIA through participation in International Jewellery shows; facilitating better interaction on trade-related issues between the industry and the Government of India via various ministries, regulatory authorities, and agencies; spreading education by running training institutes that impart manufacturing skills, technical and design excellence training, working on innovation and infrastructure by providing MSMEs with affordable modern machines and tools at Common Facility Centres and setting up Jewellery Parks across the country.

For more information about GJEPC, visit <https://gjecp.org>.

