



Gem & Jewellery Trade Trends

Quarterly Report April - June 2021

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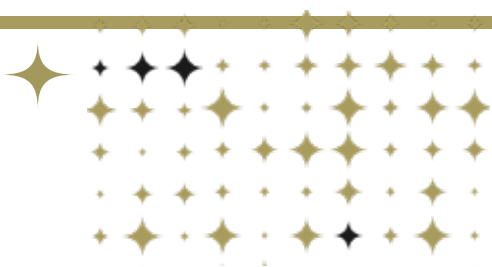
THE GEM & JEWELLERY EXPORT PROMOTION COUNCIL

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Gem and Jewellery Trade Trends

April - June 2021

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We deeply acknowledge the
cooperation extended by the panel
experts of GJEPC for sharing their
valuable inputs and opinion

Preface

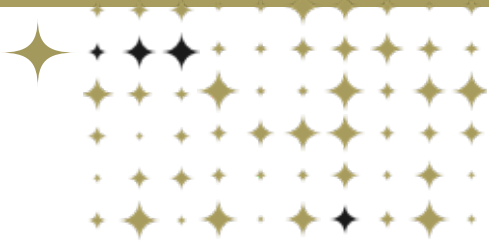
Gems and Jewellery exports rose by 2.93 % during the first quarter (April -June) of financial year 2021-22 in comparison with pre-covid level of exports reflecting that the exports from the country are still intact amid second wave of covid-19. Key commodities like cut and polished diamonds , silver jewellery , studded gold jewellery and lab grown diamonds also recorded positive export growth during same period as compared to export levels in April -June 2019.

Revived import demand in major markets i.e., USA, fulfilment of export orders received by numerous Indian exhibitors during the VBSMs conducted by the Council , participation of Indian exporters in trade shows through their Hong Kong office, pro-industry announcements and GJEPC efforts resulted in revival of exports of the sector.

However, exports of plain gold jewellery and coloured have registered a negative growth in April -June 2021 as compared to April - June 2019 majorly on account of second wave of covid-19, non-availability of rough gemstones, labour shortage , high collaterals, and margin money for the gold loan, etc .

We are hopeful that with the support provided by the Government and GJEPC's continued efforts by way of organising various trade shows and resolving day-to-day challenges of trade members, exports would bounce back in the coming months.

Furthermore, GJEPC is organising one of its key trade shows in the month of August 2021 in Dubai which would further enhance morale of the Indian manufactures and traders and boost their export business.



Gem and Jewellery Trade Trends: Quarterly Report

April-June 2021: Key Highlights

Key highlights of Global and Domestic Macroeconomic trends are mentioned here below:-

Disclaimer : Please take a note, exports/imports performance for the month of June 2021 and April - June 2021 is compared with the exports/imports performance in June 2019 and April -June 2019 to respectively to understand the extent of recovery/loss over the pre-covid -19 levels.

In June 2021 , gross exports of G&J decreased by (-) 0.78 % y-o-y to US\$ 2.86 billion as compared to US\$ 35.37 billion registered during June 2019.

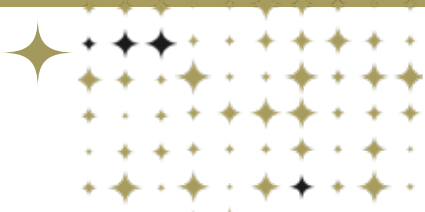
During April- June 2021, gross exports of G&J increased by 2.93% y-o-y to US \$ 9.18 billion as compared to US\$ 8.92 billion registered in April - June 2019.

Commodity-wise exports: Cut and Polished Diamonds - In June 2021, net exports of cut and polished diamonds have registered a significant growth of 60.55% y-o-y to US\$ 1360.85 million during April-June 2021 as compared to US\$847.62 million registered during April - June 2019

Key Growth Drivers: Recovery of demand in key export destinations USA, China, and Europe , Re-stocking and increase in the inventory levels

Growth Outlook: The growth outlook for the diamonds is quite positive with steady domestic and international demand , strong retail demand

Lab Grown Diamonds : Lab grown diamonds exports during April - June 2021 have exceeded the pre-covid level of exports during April - June 2019 by 202.29 %



Key highlights of G&J trade trends are mentioned here below:-

Coloured Gemstone - During April - June 2021, Coloured Gemstones exports registered a negative growth of (-) 29.1 % to US\$ 60.7 million from US\$ 85.61 million in April - June 2019.

Reasons for fall in exports of Coloured Gemstones/Issues: Lack of export orders, physical shows, events and buyer seller meets, non-availability of rough coloured gemstones from major key sourcing partner

Gold Jewellery - Gross exports of gold jewellery have registered a decline of (-) 39.56 % y-o-y to US\$ 1734.2 million during April- June 2021 as compared to US\$ 2869.22 million registered during April - June 2019

I Plain Gold Jewellery - Plain gold jewellery is one of the few commodities whose exports have not revived back to its pre-covid levels in 2019 recording a negative growth of (-) 71.33 % in April - June 2021 as compared to April - June 2019.

Reasons of fall in exports of Plain Gold Jewellery - Lack of sales to tourists in major destinations such as Singapore, Malaysia, and Dubai, non-availability of the precious metal i.e., gold, high collaterals, and margin money for the gold loan, etc.

II Studded Gold Jewellery - Exports of studded gold jewellery increased by 60.46 % to US\$ 1109.87 million during April - June 2021 from US \$ 691.7 million recorded during April - June 2019.

Key Growth Drivers - Reviving demand in key export markets especially in USA, HK.

Silver Jewellery - Exports of silver jewellery rose by 155.05 % to US\$ 627.42 million during April-June 2021 as compared to US\$ 246 million during April - June 2019. The exports of silver jewellery have been rising from the SEZ region while its exports are falling from the DTA.

Growth Obstructors : Difficulty in procuring supplies of precious metals especially silver within SEZs, lack of physical export orders, duty drawback rate is lower than the actual duty, non-payment of advance by SEZs for the import of metals from foreign countries as per RBI norms, etc.

Key Growth Drivers - Revival of demand and latest preferences of the consumers towards studded silver jewellery



Region-wise - 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 during pre-covid level in April - June 2019 .

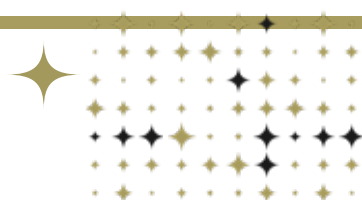
Exports from SEZs during April - June 2021 have not revived back to its pre-covid level of exports in April -June 2019 .

During April- June 2021, Rough diamonds, rough lab grown diamonds and silver bar registered positive import growths of 36.26 % , 278.33 % and 115.45 % respectively as compared to import levels registered in April - June 2019 reflecting continued manufacturing activities in diamonds sector.



1

Gem and Jewellery Gross Exports Trends In Value Terms



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

The exports of gems and jewellery commodities increased by 2.93 % during April - June 2021 exceeding the pre-covid level of exports in April -June 2019 indicating that the exports have remained intact amid second wave of covid-19.

The exports growth is majorly attributed to continued domestic manufacturing activities in India, revival of demand in key international markets, considerable support of the government to the gem and jewellery sector in terms of providing solutions to its various issues and GJEPC efforts and initiatives.

Reduction in import duties on various rough gem and jewellery commodities viz. gold bars, silver bars, palladium, gold and silver findings, etc. revamped gold monetization scheme and extension of Interest Equalisation Scheme (IES) for Pre and Post shipment Rupee Export Credit for three months among others are some of the pro-industry announcements by the government.

Key gems and jewellery commodities including cut and polished diamonds, studded gold jewellery, lab-grown diamonds, and silver jewellery during April - June 2021 have also registered positive export growth rates in comparison with pre-covid level of exports in April -June 2019 .Plain gold jewellery and coloured gemstones exhibited negative export growth in the same period in comparison with pre-covid level of exports in April -June 2019 . (Table -1 and Figure -1)

June 2021

Gross Exports declined by (-) 0.78 % y-o-y to US\$ 2.86 billion as compared to US\$ 2.88 billion registered during June 2019

April-June 2021

Gross Exports Increased by 2.93 % y-o-y to US\$ 9.18 billion as compared to US\$ 8.92 billion registered during April -June 2019

Table -1 Month-wise Gem and Jewellery Exports Trends (US \$ bn) April-June 2021

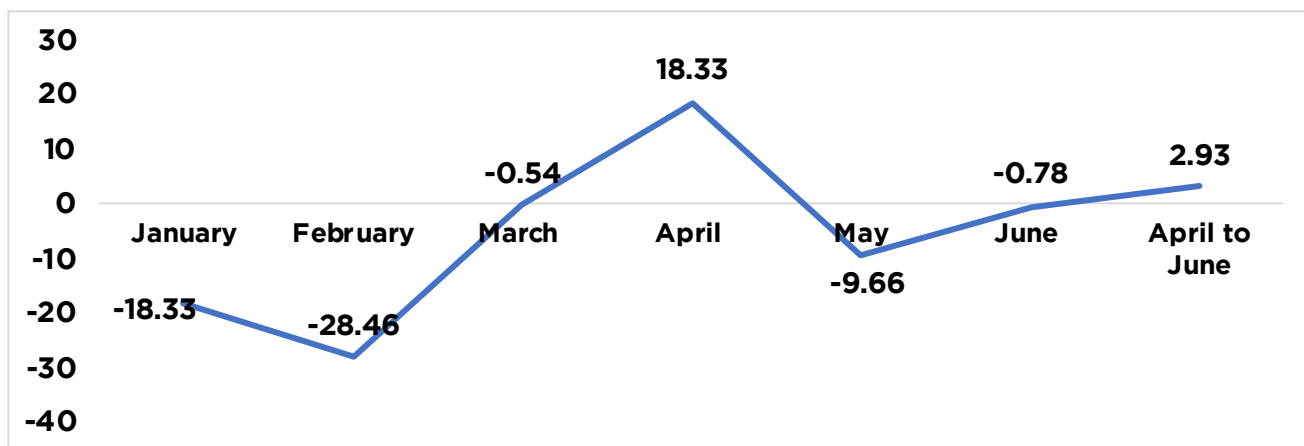
Months	Gross Exports	Gross Exports (P)	Gross Exports (P)	% Growth /Decline (Y-o-Y) w.r.t pre-covid level 2019/2021
	2019-20 US\$bn	2020-21 US\$bn	2021-22 US\$bn	
January	3.27	2.96	2.67	-18.33
February	3.69	2.97	2.64	-28.46
March	3.44	1.97	3.42	-0.54
April	2.89	0.04	3.42	18.33
May	3.21	1.04	2.90	-9.66
June	2.88	1.43	2.86	-0.78
April to June	8.92	2.50	9.18	2.93

Notes: (P) = Provisional, Gross exports means inclusive of return consignments
Figs from Air cargo Delhi January to April-June 2021 are not available and hence not included.

Source: GJEPC Analysis



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



Source: GJEPC Analysis

Various reasons of recovery in exports are as follows:

- ✓ Opening of the markets
- ✓ Fulfilment of export orders received by numerous Indian exhibitors during the VBSMs conducted by the Council
- ✓ Revived import demand in key international markets such as USA, Europe, and the Middle East
- Pro-Government measures to support the sector
- ✓ GJEPC events/activities VBSMs
- ✓ The short-term export growth outlook is progressive with the presumption that
- ✓ Covid-19 third wave would not outbreak within/outside the country

1.2 Gem and Jewellery Gross vis-a-vis Net Exports - April- June 2021

Gem and Jewellery gross exports have increased by 2.93 % to US\$ 9.18 billion in April -June 2021 as compared to US\$ 8.92 billion during April- June 2019. While net exports have increased by around 6.3 % to US\$ 7.4 billion during April -June 2021 as against US\$ 6.96 billion in April -June 2019. (Table -2)

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

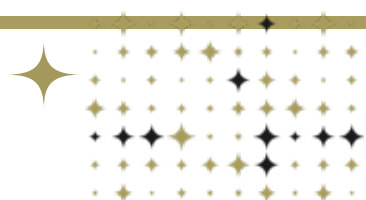
Exports	April to June 2019	April to June 2020	April June 2021 (P)	% growth/ decline w.r.t pre-covid level 2019/2021
	(US\$ Million) in	(US\$ Million) in	(US\$ Million) in	
Gross Exports	8920.83	2504.58	9182.38	2.93
Return Consignment	1,953.25	263.40	1,775.35	-9.11
Net Exports	6,967.58	2,241.18	7,407.03	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, Figs from Air cargo Delhi April & June 2021 are not available, hence not included

2

Gem and Jewellery Gross Exports Trends: Commodity-wise



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

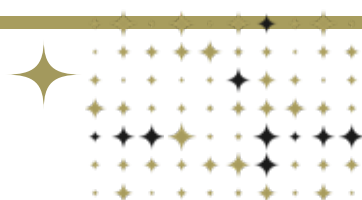
This is apparent from the table below that the exports of almost all gems and jewellery commodities including cut and polished diamonds (20.34 %), lab-grown diamonds (202.29 %), studded gold jewellery (60.46 %), and silver jewellery (155.04 %) in April – June 2021 have exceeded the pre-covid level of exports registered in April – June 2019. However, exports of a few commodities viz. plain gold jewellery and coloured gemstones have recorded the negative growths of (-) 71.33 % and (-) 29.1 % respectively in the same period in comparison with April – June 2019. (Table -3)

Table -3 Gem and Jewellery Gross Exports: Commodity-wise

Commodities	April June 2019	- April - June 2020	April- June 2021 (P)	% growth/ decline w.r.t pre-covid level 2019/2021
	(US\$m)	(US\$m)	(US\$m)	(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
Gross Exports	8920.83	2504.58	9182.38	2.93
Return Consignment	1,953.25	263.40	1,775.35	-9.11
Net Exports	6,967.58	2,241.18	7,407.03	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, Figs from Air cargo Delhi April & June 2021 are not available, hence not included



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

I DIAMONDS

A. Natural Diamonds

- The exports of CPD have exceeded the pre-covid level of exports during the first quarter of 2021.
- In the month of June 2021, net exports of cut and polished diamonds have witnessed a sharp recovery of around 60 % to US\$ 1360.85 million as compared to pre-covid level exports of US\$ 847.62 million recorded in June 2019. (Table-4 and Figure 2).
- Overall net exports of CPD during April to June 2021 increased by 35.7 % to US\$ 4523.64 million as compared to US\$ 3333.53 million registered during April – June 2019

Table – 4 Cut and Polished Diamond Net Exports April–June 2021

Months	Net Exports	Net Exports	Net Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	1075.39	34.50	1683.42	56.54
May	1410.52	757.78	1479.37	4.88
June	847.62	765.46	1360.85	60.55
April - June	3333.53	1557.74	4523.64	35.70

Source: GJEPC Analysis

Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figs from Air cargo Delhi April & June 2021 are not available hence not included

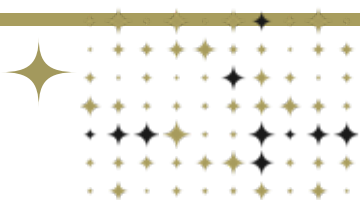
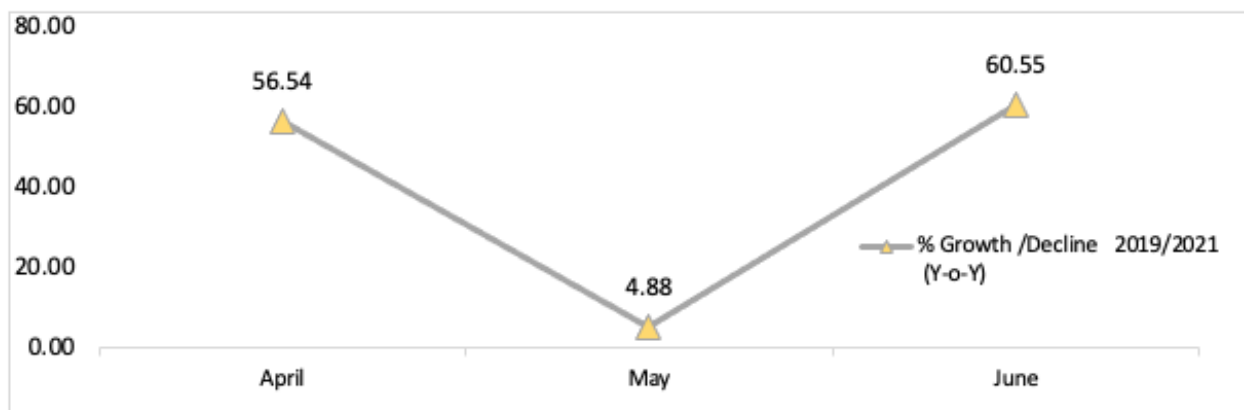


Figure: 2 Export growth of Cut and Polished Diamonds (%) April – June 2021 w.r.t pre-covid-level



Source: GJEPC Analysis

Growth Drivers of recovery in export growth of CPD

Key growth drivers of positive export growth of cut and polished diamonds in recent times were as follows-

- ✓ Improved demand for manufacturing studded jewellery products
- ✓ Re-stocking and increase in the inventory levels
- ✓ Recovery of demand in India's key export destinations like USA, China, and Europe
- ✓ Continued domestic manufacturing activities
- ✓ Positive jewellery retail sales in the US and China
- ✓ Restrictions on overseas travel and lower spending on hospitality have shifted the spending trend towards diamond jewellery.

Growth Outlook

The diamond sector is currently witnessing a healthy balance between demand and supply. The future growth outlook of the diamond industry is positive and steady and is expected to grow further in the coming months with the opening of markets, revival of demand in key export markets especially USA and China .

B. Lab-grown diamonds

Lab-grown diamond has witnessed a significant positive export growth of 302.94 % in June 2021 exceeding the pre-covid level of exports in June 2019. Overall, the exports of lab-grown diamonds have recorded a positive growth of 202.29 % in April – June 2021 to US\$ 261.05 million as compared to US\$ 86.36 million registered in April – June 2019 (Table- 5 and Figure -3).

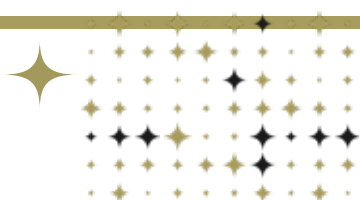


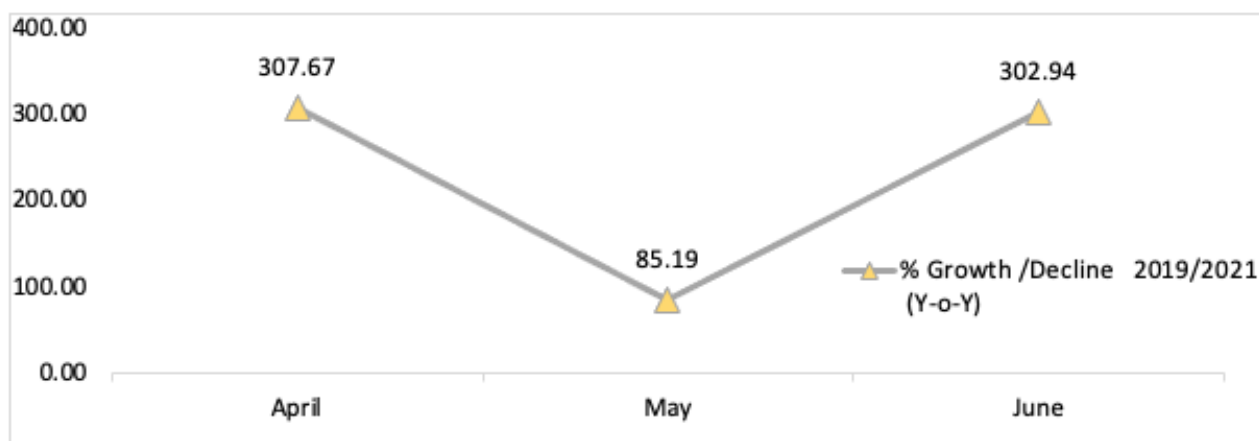
Table -5 Lab-Grown Diamonds Gross Exports April -June 2021

Months	Gross Exports	Gross Exports	Gross Exports (P)	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	22.16	0.02	90.34	307.67
May	40.39	9.12	74.80	85.19
June	23.80	29.85	95.90	302.94
April - June	86.36	38.99	261.05	202.29

Source: GJEPC Analysis

Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figs from Air cargo Delhi April & June 2021 are not available, hence not included

Figure 3: Exports growth of Lab-grown Diamonds (%) (April -June 2021) w.r.t pre-covid-level



Source: GJEPC Analysis





II GOLD JEWELLERY

According to recent data, the total gold jewellery exports (Plain and studded) declined by (-) 39.56 % to US\$ 1,734.2 million during April – June 2021 as compared to US\$ 2,869.22 million registered in April – June 2019 (Table – 6)

Table -6 Gold Jewellery gross exports - April-June 2021

Commodity	April to June 2019	April to June 2020	April to June 2021 (P)	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	(US\$ in Million)	(US\$ in Million)	(US\$ in Million)	
Gold Jewellery	2,869.22	172.08	1,734.20	-39.56

Source: GJEPC Analysis

Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figs from Air cargo Delhi April & June 2021 are not available, hence not included

It has been observed that plain gold jewellery has recorded a positive export growth while studded gold jewellery has witnessed negative growth during April -June 2021 in comparison with pre-covid level of exports in April – June 2019

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

A. Plain Gold Jewellery

The plain gold jewellery exports have not revived back to the pre-covid level of exports and have witnessed a negative growth of (-) 73.71 % in June 2021 as compared to June 2019. Overall, gross exports of plain gold jewellery have fallen from US\$ 2177.52 million in April-June 2019 to US\$ 624.32 million in April- June 2021 exhibiting a negative growth of around (-) 71 %. (Table-7 & Figure- 4).

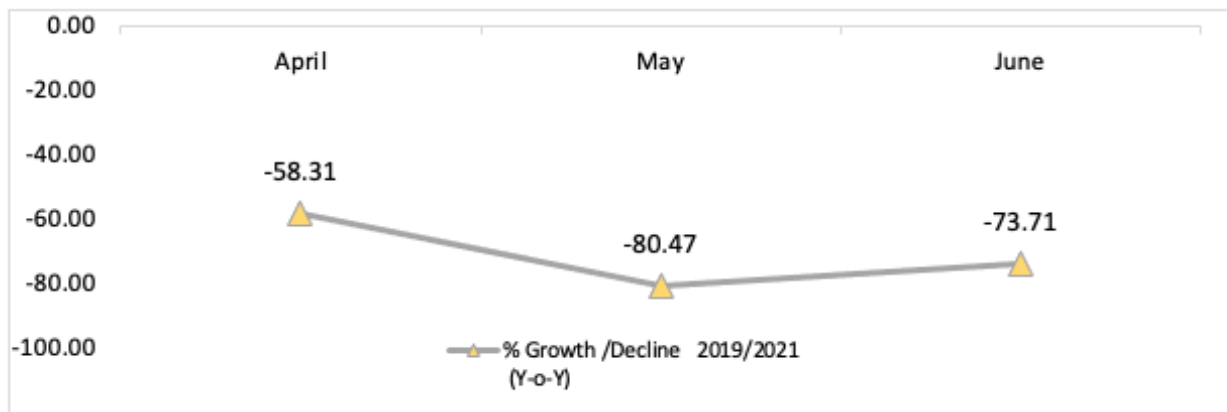
Table- 7 Plain Gold Jewellery Gross Exports - April-June 2021

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	677.52	0.06	282.48	-58.31
May	776.45	27.22	151.63	-80.47
June	723.54	30.62	190.22	-73.71
April - June	2177.52	57.90	624.32	-71.33

Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figs from Air cargo Delhi April & June 2021 are not available, hence not included

Source: GJEPC Analysis

Figure - 4 Exports growth of Plain Gold Jewellery (%) (April-June 2021) w.r.t pre-covid level



Source: GJEPC Analysis

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

Reasons for fall in exports of plain gold jewellery

- ✦ Demand in India's key export markets for the product has still not revived fully
- ✦ Lack of sales to tourists in major destinations such as Singapore, Malaysia, and Dubai
- ✦ 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.
- ✦ Non-availability of duty-free gold on loan for exports from nominated agencies/banks
- ✦ High collaterals and margin money for the gold loan
- ✦ Second Covid wave and subsequent lockdowns triggered yet another exodus of goldsmiths and artisans leading to labour shortage.

Future Outlook

The future outlook of plain gold jewellery remains cautiously optimistic and will depend on the severity of new covid-19 variants in Europe and the Middle East regions.

B. Studded Gold Jewellery

The studded gold jewellery has been recording positive export growth since April 2021 registering a growth of 89.75 % in June 2021 as compared to pre-covid level of exports in June 2019. In value terms exports of studded jewellery are registered at US\$379.84 million in June 2021 as compared to US\$ 200.18 million in June 2019. Overall, export of studded gold jewellery increased by 60.46 % to US\$ 1109.87 million in April -June 2021 as compared to US\$ 691.7 million registered in April -June 2019. (Table -8 and Figure 5)

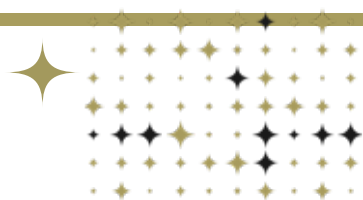


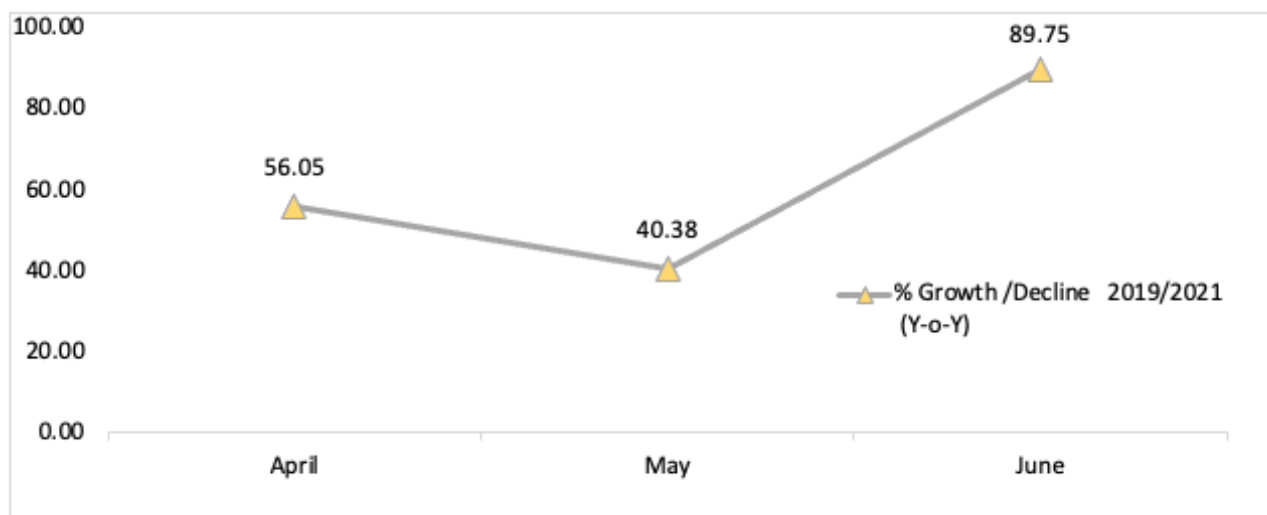
Table - 8 Studded Gold Jewellery Gross Exports - April-June 2021

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	255.48	0.15	398.69	56.05
May	236.04	33.87	331.35	40.38
June	200.18	80.17	379.84	89.75
April - June	691.70	114.19	1109.87	60.46

Source: GJEPC Analysis

Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figs from Air cargo Delhi April & June 2021 are not available, hence not included

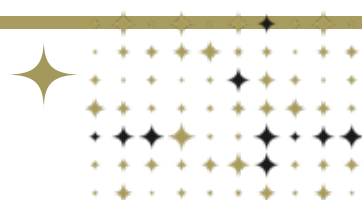
Figure - 5 Export growth of Studded Gold Jewellery (%) (April-June 2021) w.r.t pre-covid level



Source: GJEPC Analysis

Growth drivers of recovery in exports growth of studded gold jewellery

- ✓ Reviving retail demand in key export markets like the USA, Hong Kong, etc.
- ✓ Recovery of import demand and consumption in key markets



III COLOURED GEMSTONES

Coloured gemstones is one of the few key gems and jewellery commodity whose exports has not revived back to pre-covid level of exports in 2019. During April -June 2021, exports of coloured gemstones have declined by (-) 29.10 % to US\$ 60.7 million as compared to US\$ 85.61 million recorded in April - June 2019. (Table 9 and Figure - 6)

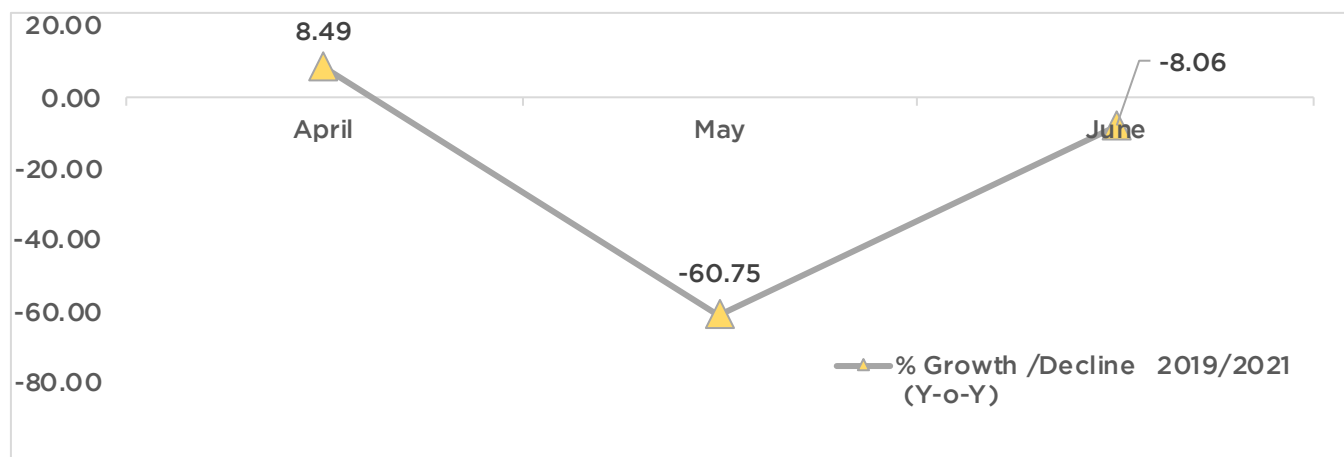
Table - 9: Coloured Gemstone Gross Exports (April- June 2021)

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	20.27	0.55	21.99	8.49
May	40.54	3.26	15.91	-60.75
June	24.8	12.36	22.80	-8.06
April - June	85.61	16.17	60.70	-29.10

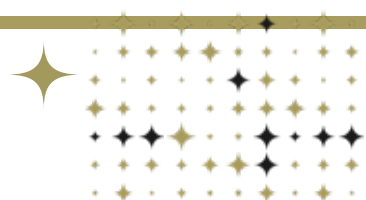
Source: GJEPC Analysis

Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figs from Air cargo Delhi April & June 2021 are not available, hence not included

Figure - 6 Export growth of coloured gemstones (%) (April-June 2021) w.r.t pre-covid level



Source: GJEPC Analysis



Reasons for fall of export of Coloured Gemstones

- ✓ Lack of export orders
- ✓ Non-availability of rough coloured gemstones from major key sourcing partners like Brazil and Africa due to the restriction of activities amid Covid-19
- ✓ Lack of physical shows

Growth Outlook

The export scenario of coloured gemstones has not witnessed any significant change during April - June 2021 with a lack of physical shows and non-availability of rough gemstones inhibiting the growth of the commodity.

IV SYNTHETIC STONES

During April- June 2021, gross exports of synthetic stones have increased by 463.91 % y-o-y to US\$ 0.17 million as compared to US\$0.03 million registered during April -June 2019. (Table 10)

Table-10 Synthetic Stones Gross Exports (April- June 2021)

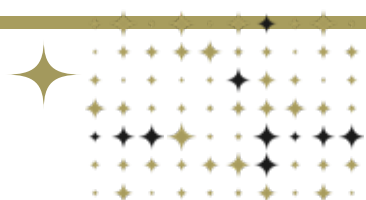
Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	0.02	0.00	0.05	155.50
May	0.00	0.01	0.05	966.26
June	0.02	0.02	0.07	250.00
April - June	0.03	0.03	0.17	463.91

Source: GJEPC Analysis

Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figs from Air cargo Delhi April & June 2021 are not available, hence not included

Growth drivers for recovery in export growth of polished synthetic stones

The volume of our synthetic stones is very low and thus a very small amount of additional exports makes a significant change in export growth of the said commodity. The polished synthetic stones are majorly consumed in the local market



Growth obstructors/Issues

- ✓ Some of the manufacturing canters of synthetic stones are not functioning for the last 4-5 months
- ✓ A key supplier of quality synthetic stones has shut down
- ✓ The above reasons imply that for a period of time local Indian produced goods will not be available for exports

Suggestions

India is not a major manufacturer of synthetic cut and polished stones. We have suggested the government to increase import duty on cut and polished synthetic stones to enhance the domestic manufacturing of the said commodity.

V. SILVER JEWELLERY

In the month of June 2021, silver jewellery exports have exceeded the pre-covid level of exports in June 2019 with a positive growth of 22.54 %. The export growth is majorly driven from the SEZ region. During April - June 2021, exports of silver jewellery have increased by 155.04 % to US\$ 627.42 million as compared to pre-covid level of exports of US\$ 246 million in April - June 2019 (Table -11 and Figure - 7)

Table-11 Silver Jewellery Gross Exports (April-June 2021)

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	93.265	0.66	300.60	222.31
May	80.655	84.72	238.49	195.69
June	72.08	237.23	88.33	22.54
April - June	246.00	322.61	627.42	155.05

Source: GJEPC Analysis

Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figs from Air cargo Delhi April & June 2021 are not available, hence not included

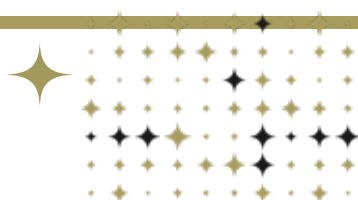
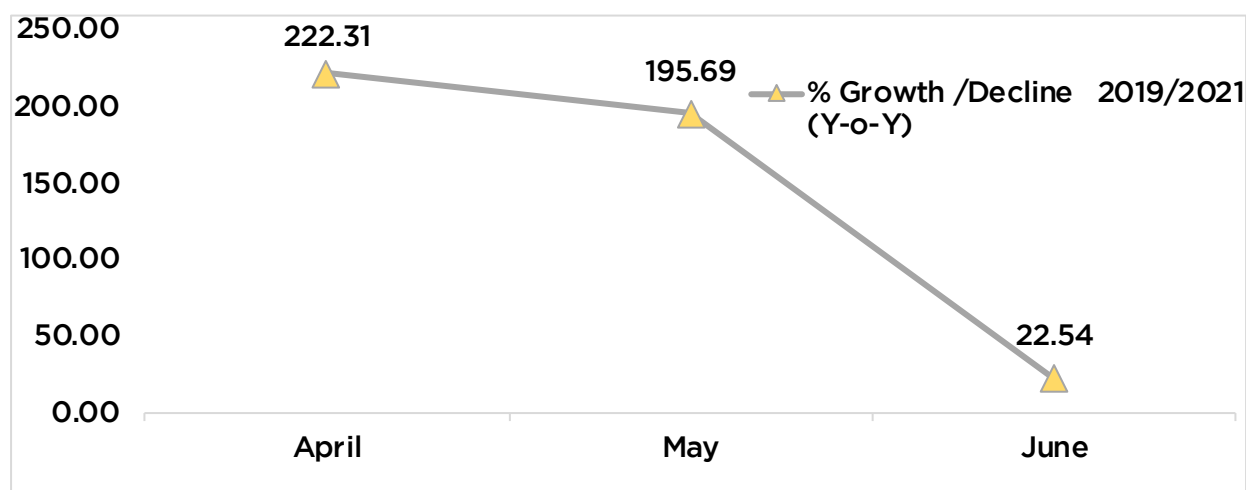


Figure - 7 Export growth of Silver Jewellery (%) (April-June 2021) w.r.t pre-covid level



Source: GJEPC Analysis

Key Points

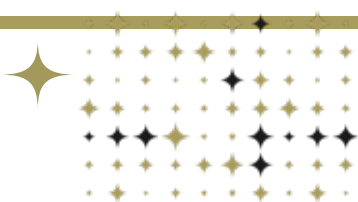
- ✓ It is observed that the exports of silver jewellery are falling from the DTA while its exports are rising from the SEZ region. The silver jewellery exports fell by (-) 34.89 % during April -June 2021 while SEZs has shown export growth of 199.15 % during same period in comparison with April - June 2019 making overall export growth of silver jewellery positive
- ✓ The SEZs units majorly export diamond-studded silver jewellery. (Table 12)

Table-12 Silver jewellery gross exports from SEZ and DTA (April-June 2021)

Months	Gross Exports		Gross Exports		Gross Exports		% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)	
	2019 - 2020 US\$mn		2020 - 2021 US\$mn		2021 - 2022 US\$mn			
	DTA	SEZ	DTA	SEZ	DTA	SEZ	DTA	SEZ
April	13.44	75.38	0.66	---	10.68	289.92	-20.51	284.61
May	15.34	61.35	3.71	81.25	9.21	229.28	-39.95	273.74
June	18.28	62.76	8.94	230.02	10.75	77.58	-41.22	23.61
April - June	47.06	199.49	13.32	311.27	30.64	596.78	-34.89	199.15

Source: GJEPC Analysis

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



Growth drivers for recovery in export growth of Silver Jewellery

- ✓ Shift in consumer preferences towards silver jewellery post-pandemic
- ✓ Revived international demand

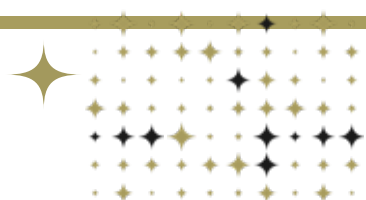
Growth obstructors

- ✓ Silver jewellery exporters mainly operating in DTA are facing the same challenges as faced by the exporters of plain gold jewellery products.
- ✓ Difficulty in procuring supplies of precious metals especially silver within SEZs
- ✓ The exports from DTA units have been declining mainly due to a lack of physical export orders.
- ✓ The duty drawback rate is lower than the actual duty for both silver and gold jewellery which is making it difficult for units to compete with foreign countries.
- ✓ As per RBI rules, SEZs cannot give advance payments for the import of metals from foreign countries



3,4,& 5

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



5. REGION-WISE NET EXPORTS

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., pre-covid level. The net exports of the Gujarat region have increased significantly by 170.79 % to US\$ 1053.78 million in April-June 2021 from US\$ 389.15 million registered in April - June 2019. (Table-13).

Table - 13 Region wise Net Exports

Region	Net Exports (April - June 2019)	Net Exports (April - June 2020)	Net Exports (April - June 2021)	% Growth/ decline w.r.t pre-covid level 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
Total	5419.40	2218.74	7353.38	35.69

Source: GJEPC Statistics Dept. Analysis

Net exports pertain to exclusive of return consignments and Cochin SEZ & Hyderabad SEZ
Figs from Air cargo Delhi April-June 2021 are not included as yet to receive from the customs.

6. SEZ-WISE NET EXPORTS

The net exports of SEZs in June 2021 have not revived back to their pre-covid level of exports registered in June 2019 recording a negative growth of (-) 52.43 %. Overall, the net exports from SEZs declined by (-) 38.37 % from US\$ 2431.69 million in April - June 2019 to US\$ 1498.71 million in April -June 2021. (Table -14)

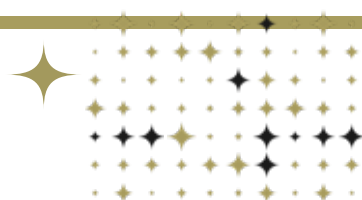


Table 14 -SEZ Net Exports April to June 2021

Months	Net Exports	Net Exports	Net Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	771.92	0.00	629.72	-18.42
May	857.02	135.70	487.10	-43.16
June	802.75	305.99	381.88	-52.43
April - June	2431.69	441.69	1498.71	-38.37

Source: GJEPC Statistics Dept. Analysis

Notes: (P) = Provisional, Net exports means exclusive of return consignments and Cochin and Hyderabad SEZs

7. COMMODITY-WISE IMPORTS

Rough diamonds, rough lab-grown diamonds, and silver bar have registered positive import growths of 36.26 %, 278.33 %, and 115.45 % respectively in April - June 2021 as compared to import levels registered in April - June 2019 which indicates continued production activities pertaining to making polished diamonds, lab-grown diamonds, and silver jewellery amid the second wave of covid-19 in India. Gold bar for export purposes has witnessed a steep decline of (-) 81.05 % during the same period as compared to April - June 2019 reflecting contracted production and exports of gold jewellery and especially of the plain gold jewellery. Overall, the imports of gems and jewellery commodities rose marginally by 2.41 % to US\$ 6155.04 during April - June 2021 million as compared to US\$ 6010.53 million in April - June 2019. (Table -15)

Table - 15 Commodity wise Imports

Commodities	April - June 2019	April - June 2021 (P)	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	(US\$mn)	(US\$mn)	(Y-o-Y)
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
Sub Total	5,467.66	5,411.78	-1.02
Imports of Cut & Pol. Diamonds	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
Sub Total	542.87	743.62	36.98
Total Imports	6,010.53	6,155.40	2.41

Source: GJEPC Analysis, (P) stands for provisional

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



Conclusions

The gems and jewellery sector have witnessed a significant recovery in the first quarter of the financial year 2021-22. The gems and jewellery exports levels during April- June 2021 remained intact amid the second wave of covid-19 and were higher than the pre-covid levels of exports registered in April -June 2019. Almost all of the major key commodities like cut and polished diamonds, silver jewellery, platinum jewellery, studded gold jewellery and polished lab-grown diamonds have recorded positive export growth in same period in comparison with pre-covid levels. Plain gold jewellery and Coloured Gemstones have recorded a negative export growth rate during the same period due to lack of export orders, second wave of covid-19, pandemic induced travel restrictions on key markets, and shortage of labour.

The recovery of exports is driven by the opening up of key international markets such as USA, Europe, and China, a variety of pro-industry announcements by the government, resurgent demand, and GJEPC efforts in terms of organizing trade shows and resolving day-to-day issues of trade members.

The council is also organizing one of its key trade shows in the month of August 2021 in Dubai that would further enhance the morale of Indian manufacturers/traders and their export business. The gradual opening of the markets, removal of entry restrictions, forthcoming festive season, and supportive measures by the government would lead to a rise in India's exports of gem and jewellery 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.

About GJEPC

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>.

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