



Gem and Jewellery Trade Update

April 2021

*FDI Inflows in Indian G&J Sector
FY 2021 – Key Feature*

GJEPC Statistics Department (Data and Analytics Unit)



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Gem and Jewellery Trade Update : April 2021

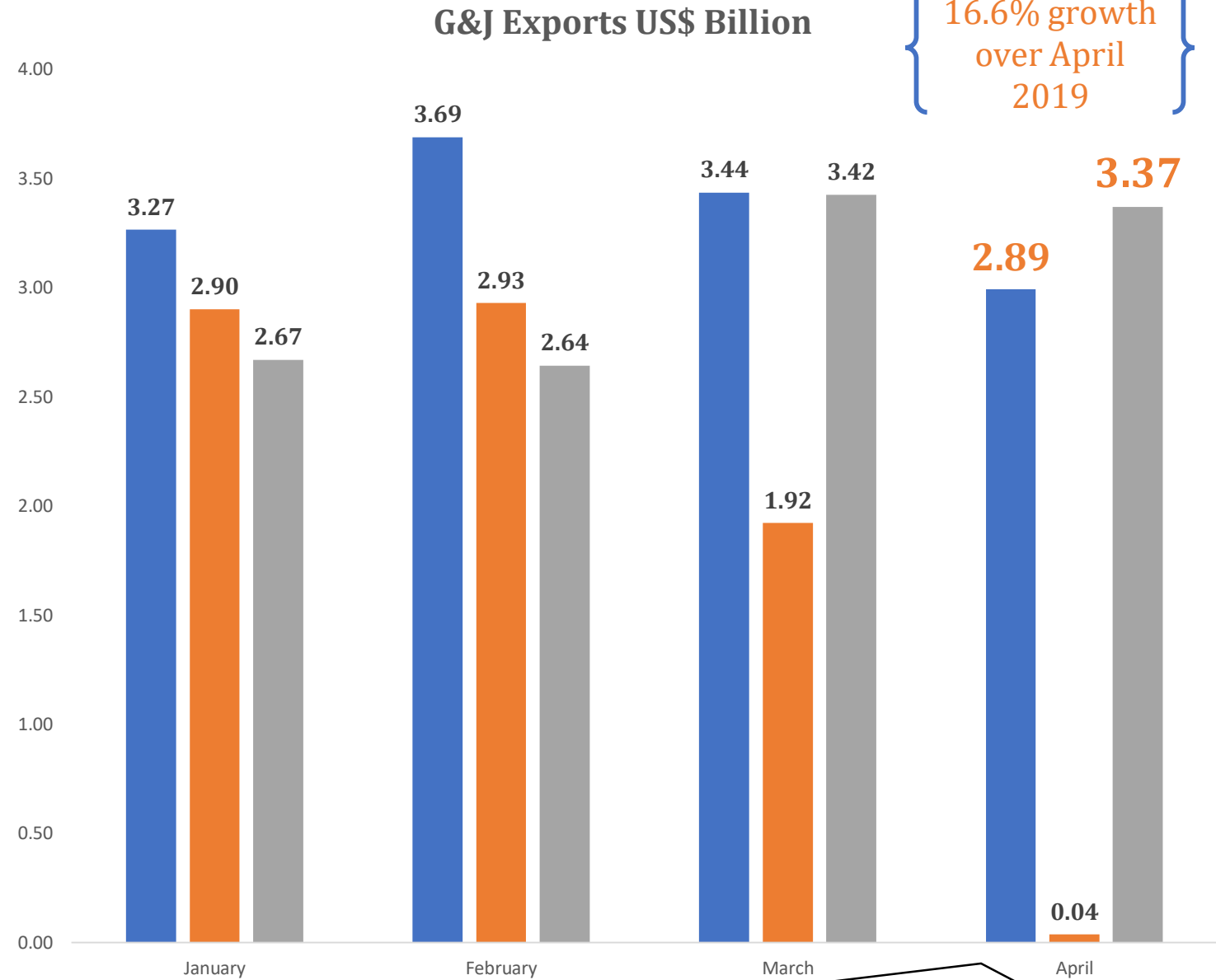
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Key Highlights

- ➔ During April 2021, G&J exports increased by 16.6 % to US\$ 3.37 billion as compared to pre-covid levels of exports of US\$ 2.89 billion registered in April 2019 reflecting that the exports are intact amid second wave of Covid-19
- ➔ During April 2021, Cut and Polished Diamonds (37.78%) , Coloured Gemstones (8.46%) , Silver Jewellery (250.7%) , Platinum jewellery (125.72%) , Studded gold Jewellery (33.88%) and polished lab grown diamonds (307.44%) witnessed a positive export growth while the exports of plain gold jewellery (-59.8 %) recorded a negative export growth rate .
- ➔ Imports of rough diamonds, rough lab grown diamonds and silver bar registered a positive import growth in April 2021 as compared to import levels registered in April 2019.
- ➔ Net exports from all the regions have recovered as exports recorded in April 2021 are even more than the exports recorded in April 2019 i.e. pre-covid level
- ➔ Exports from SEZ have witnessed a rise from almost all the SEZs in April 2021 as compared to April 2019. Overall, there is a decline of (-)18.42% in exports to US\$629.72 million from US\$771.92 million in April 2019.
- ➔ The Total FDI Equity inflows in Indian G&J Sector declined by (-) 26.7 % to US\$13.82 million in 2020-21 as compared to US\$ 18.87 million recorded in 2019-20.

Gem & Jewellery Gross Exports January to April 2021

Months	Gross Exports	Gross Exports	Gross Exports
	2018-2019	2019-2020	2020-2021
	US\$ Billion	US\$ Billion	US\$ Billion
January	3.27	2.90	2.67
February	3.69	2.93	2.64
March	3.44	1.92	3.42
Jan to March	10.39	7.75	8.74
Months	2019-2020	2020-2021	2021-2022
April	2.89	0.04	3.37
Jan to April	13.38	7.79	12.11



Source : GJEPC Analysis

Notes: (p) = Provisional,

Gross exports means inclusive of return consignments

Figs from Aircargo Delhi January to April 2021 are not available and hence not included.

G&J exports stood at US\$3.37 billion in April 2021; higher than the pre-covid level of exports US\$ 2.89 billion recorded in April 2019 - indicating exports are intact amid Covid-19 II Wave

Gem & Jewellery Imports January to April 2021

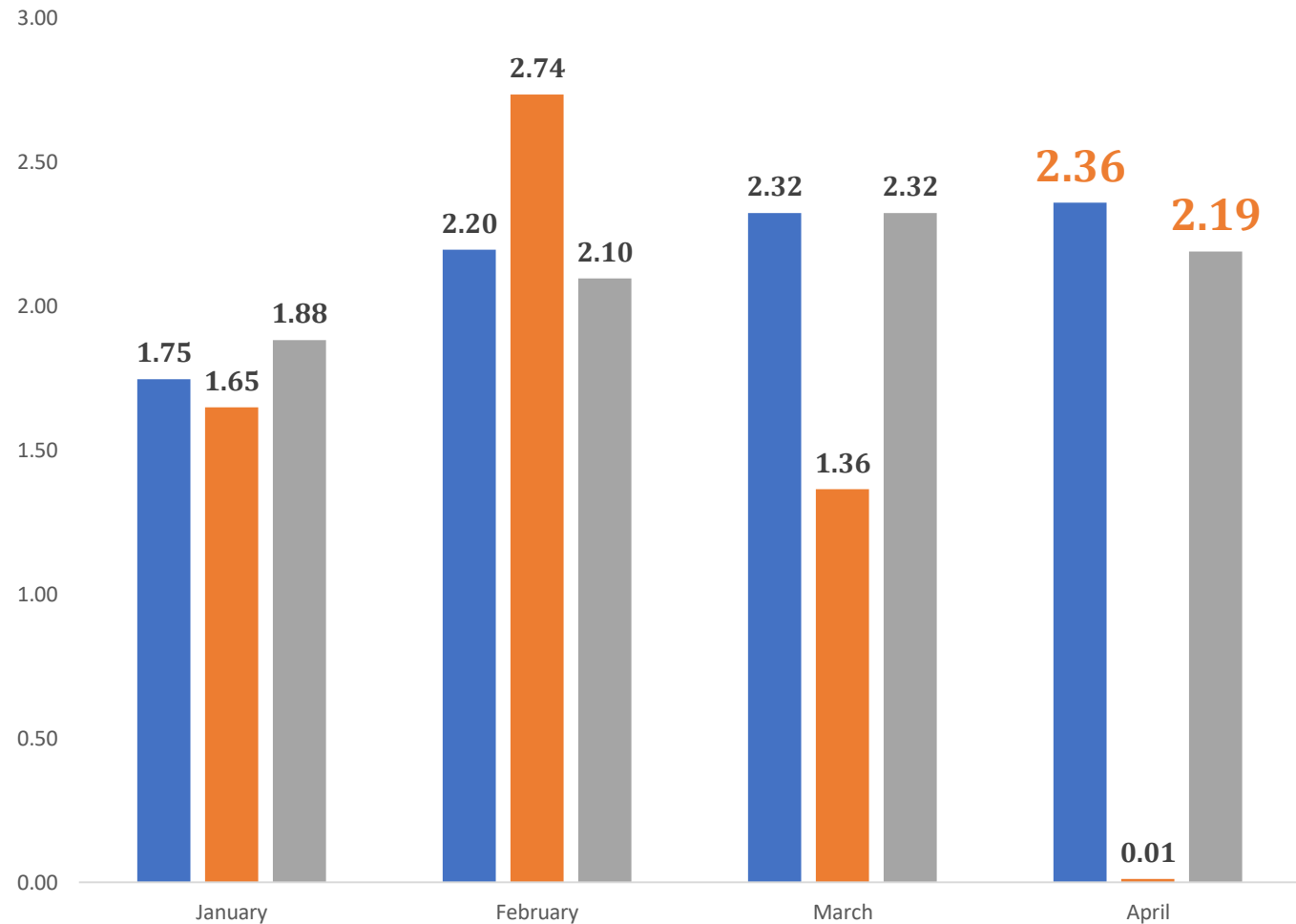
Months	Gross Imports	Gross Imports	Gross Imports
	2018-2019	2019-2020	2020-2021
	US\$ Billion	US\$ Billion	US\$ Billion
January	1.75	1.65	1.88
February	2.20	2.74	2.10
March	2.32	1.36	2.32
Jan to March	6.27	5.75	6.30
Months	FY2019-2020	FY2020-2021	FY2021-2022
April	2.36	0.01	2.19
Jan to April	8.63	5.76	8.49

Source : GJEPC Analysis

Notes: (p) = Provisional.

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

G&J Imports (US\$ Billion)



G&J imports stood at US\$2.19 billion in April 2021; at par with the pre-covid level of imports US\$ 2.36 billion recorded in April 2019, indicating continued production activities in G&J sector.

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

Commodities	April 2019	April-2020	April 2021 (P)	% Growth/Decline 2019/2021
	(US\$mn)	(US\$mn)	(US\$mn)	(Y-o-Y)
Cut & Pol Diamonds	1,633.41	34.50	2,250.45	37.78
Pol. Lab Grown Syn. Diamonds	22.17	0.02	90.35	307.44
Coloured Gemstones	20.28	0.54	21.99	8.46
Pol. Synthetic Stone	0.01	0.00	0.05	386.7
Gold Jewellery	963.89	0.20	630.96	-34.54
Plain Gold Jewellery	703.60	0.06	282.48	-59.8
Studded Gold Jewellery	260.29	0.14	348.48	33.88
Silver Jewellery	85.71	0.66	300.60	250.7
Platinum Jewellery	0.85	0.00	1.92	125.72
Imitation Jewellery	1.09	0.05	2.84	160.15
Articles of Gold, Silver & others	21.06	0.12	2.42	-88.53
Others	140.64	0.01	68.08	-51.59
Gross Exports	2889.12	36.11	3369.65	16.63
Return Consignment	580.98	0.00	573.43	-1.30
Net Exports	2,308.14	36.11	2,796.22	21.15

April 2021 exports growth in comparison with April 2019 :

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

- Cut & Polished Diamonds(+37.78%)
- Polished LGD (+307.44%)
- Coloured Gemstones (+8.46%)
- Studded gold jewellery (+33.88%)
- Silver Jewellery (+ 250.70%)
- Platinum Jewellery (+125.72)

Exports growth declined of :

Plain Gold Jewellery (-59.8%)

Commodity-wise G&J Imports - April 2021



Imports of commodities - rough diamonds, rough lab grown diamonds, silver bar have witnessed a positive import growth in April 2021 over April 2019.

Products	April 2019	April 2021 (p)	% growth/decline w.r.t 2019
	US\$ Mill	US\$ Mill	US\$ Mill
Rough Diamonds	1,435.50	1,696.67	18.19
Rgh Lab Grown Diamonds	25.82	80.12	210.27
Rough Coloured Gemstones	23.34	22.05	-5.5
Rough Synthetic Stone	0.12	0.08	-33.24
Raw Pearls	1.21	0.10	-91.36
Gold Bar	600.04	131.12	-78.15
Silver Bar	2.12	3.98	87.81
Platinum Bar	5.84	3.66	-37.28
Sub - Total	2093.99	1937.79	-7.46
Imports of CPD	77.06	140.56	82.41
Pol. Lab Grown Diamonds	7.47	4.94	-33.85
Col. Gemstones	60.97	57.55	-5.6
Pol. Synthetic Stone	0.75	0.30	-59.57
Pearls worked	0.04	0.18	309.21
Gold Jewellery	27.92	35.55	27.34
Silver Jewellery	5.12	2.59	-49.3
Imitation Jewellery	0.11	0.32	205.63
Others	0.60	13.07	2061.68
Sub - Total	180.03	255.07	41.68
Gross Imports	2,274.02	2,192.86	-3.57

Notes: (p) - Provisional, * figs for Gold Bar from MMTC, SBI, OBI & Bank of India April 2021 are not included as not available

GJEPC Region-wise Growth/Decline in Net Exports

Region	Net Exports (April 2019)	Net Exports (April 2020)	Net Exports (April 2021)	% of Growth / Decline 2019/2021 (Y-o-Y)
	US\$ Million	US\$ Million	US\$ Million	
Western Region	1473.51	0.00	2032.37	37.93
Southern Region	75.35	0.00	153.14	103.23
Rajasthan Region	38.41	1.61	60.18	56.66
Gujarat Region	137.35	34.50	457.27	232.92
Northern Region	34.53	0.00	15.28	-55.75
Eastern Region	71.77	0.00	76.42	6.47
Total	1830.93	36.11	2794.66	52.64

Source : GJEPC Statistics Dept. Analysis

Net exports pertains to exclusive of return consignments and Cochin SEZ & Hyderabad SEZ

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

Net exports from all the regions have recovered as exports recorded in April 2021 are even more than the exports recorded in April 2019 i.e. pre-covid level.

Gem & Jewellery Port-wise Net Exports : SEZ



SEZs	April 2019 US\$ Million	April 2020 US\$ Million	April 2021 US\$ Million	% of Growth / Decline 2021 w.r.t 2019 (Y-o-Y)
Seepz	149.34	NIL	237.11	58.77
Surat SEZ	91.95	NIL	295.69	221.59
Jaipur SEZ	12.86	NIL	18.84	46.53
Delhi SEZ	34.54	NIL	15.28	-55.75
Kolkata SEZ	5.01	NIL	9.82	96.02
Visakhapatnam SEZ	0.56	NIL	1.14	103.4
Hyderabad SEZ	3.47	NIL	0.00	-100
Chennai SEZ	0.46	NIL	0.07	-84.45
Cochin SEZ	473.74	NIL	51.76	-89.07
Total	771.92	NIL	629.72	-18.42

Source : GJEPC Statistics Dept. Analysis

Net exports pertain to exclusive of return consignments

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

Exports from SEZ have witnessed a rise from almost all the SEZs in April 2021 as compared to April 2019. Overall, there is a decline of (-)18.42% in exports to US\$629.72 million from US\$771.92 million in April 2019.



Key Featured Slides...

**FDI Inflows in Indian Gems and Jewellery
Sector**

2020 -2021

FDI Inflows in Indian Gem and Jewellery Sector - Financial Year 2020-2021

1. Total FDI Equity inflows in India rose by 19.32 % to US\$ 59.6 billion in financial year 2020-2021

According to the DPPIIT Data, the total FDI equity inflows in India increased by 19.32 % to US\$ 59.6 billion in 2020-2021 from US\$ 49.97 billion recorded in 2019-20. Overall ,the total FDI equity inflows in India doubled from US\$ 29.7 billion in 2014-15 to US\$ 59.6 billion in 2020-2021

2. Total FDI Equity inflows in Indian G&J Sector declined by (-) 26.7 % to US\$13.82 million in 2020-2021 as compared to US\$ 18.87 million registered in 2019-20 . The Total FDI Equity Inflows in Indian G&J Sector in India declined from US\$ 263.1 million in FY 2015 to US\$ 13.82 million in FY 2021

Growth of Total FDI equity inflows and FDI inflows in G& J Sector

Year	Total FDI Equity inflows (US \$ million)	% change in FDI Equity inflows	FDI Inflows in Gems and Jewellery (US\$ million)	FDI inflows in G&J sector % change
2014-15	29737	--	263.16	--
2015-16	40001	34.51%	75.57	-71.28
2016-17	43478	8.60%	123.91	39%
2017-18	44857	3.17%	233.03	88%
2018-19	44366	-1.09%	29.01	-87.50%
2019-20	49977	12.60%	18.87	-34.50%
2020-21	59636	19.32 %	13.82	-26.7 %

Source: GJEPC Analysis based on DPIIT Database

3. Share of G&J Sector in Total FDI Equity Inflows in India have declined to 0.02%

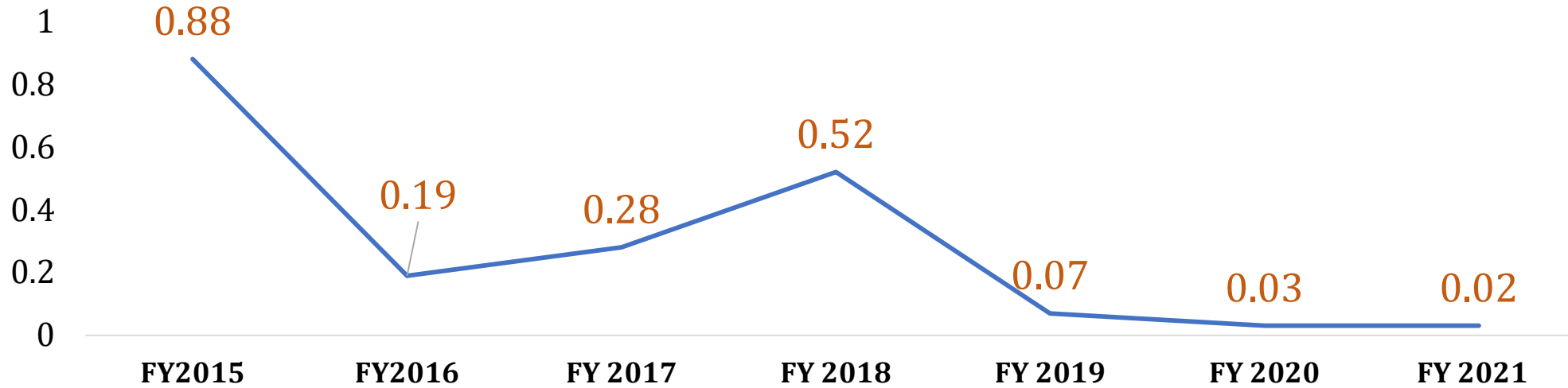
The Share of FDI in the Gems and Jewellery sector has been declining since 2014-15 and has contracted from 0.88 % in 2014-15 to 0.02 % in 2020-2021 . The FDI in the G&J sector is recorded at US\$ 13.82 million in 2020-2021 , comprising only 0.02% of India's total FDI of US\$ 59.6 billion .

FDI Equity Inflow in Gem & Jewellery sector: 2015- 2021

Years	FDI Equity Inflows in India (US \$ million)	FDI Equity Inflows in G & J Sector* (US \$ million)	% share of FDI total inflows in G & J Sector
2014- 2015	29737	263.16	0.88%
2015- 2016	40001	75.57	0.19%
2016- 2017	43478	123.91	0.28%
2017- 2018	44857	233.03	0.52%
2018- 2019	44366	29.01	0.07%
2019- 2020	49977	18.87	0.03%
2020- 21	59636	13.82	0.02%

Source: GJEPC Analysis based on DPIIT Data Updated up to March 2021, * Data pertains to Diamonds and Gold Ornaments

% share of total FDI inflows in Indian G&J sector



Source: GJEPC Analysis based on DPIIT Database

4. FDI Policy in Gems and Jewellery Sector

According to IBEF¹, the government of India allows 100 % FDI in the gems and jewellery sector through the automatic route. Additionally, the Government of India has also allowed 100 % FDI through the automatic route for Mining and Exploration of metal and non-metal ores including diamond, gold, silver, and precious ores but excluding titanium bearing minerals and their ores as per the FDI Consolidated Policy 2020 by the Department for Promotion of Industry and Internal Trade (DPIIT).

Sector/Activity	% of Equity/FDI Cap	Entry Route
Mining and Exploration of metal and non-metal ores including diamond, gold, silver and precious ores but excluding titanium bearing minerals and its ores; subject to the Mines and Minerals (Development & Regulation) Act, 1957	100 %	Automatic

General Routes of Entry for FDI

According to the consolidated FDI policy 2020 by DPIIT , Investments can be made by non- residents in the equity shares/ fully, compulsorily, and mandatorily convertible debentures/ fully, compulsorily, and mandatorily convertible preference shares of an Indian company through the Automatic route or the Government route.

1. Automatic Route – The non -resident investor or the Indian company does not require any prior approval from the Government of India for the Investment.
2. Government Route – Under this entry route, the investment by a person resident outside India requires prior Government approval and foreign investment under this route shall be in accordance with the conditions stipulated by the Government in its approval. Proposals for foreign investment under Government Route, are considered by respective Administrative Ministry/Department.

Suggestions for attracting FDI in Gems and Jewellery Sector

- More awareness regarding the FDI policy in the gems and jewellery sector
- Special Economic zones are a perfect hub to attract FDI in the gems and jewellery sector as they offer superior technology, infrastructure, and supportive policy measures for the manufacturing of gems and jewellery commodities
- There is a need for B2B meetings and deliberations between key countries for attracting investment in the sector
- Marketing of India's Gems and Jewellery sector in the international markets
- Government support for Brand India Initiative for the gems and jewellery sector

Note - 1 <https://www.ibef.org/pages/32843>

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Thanks