



GEM & JEWELLERY TRADE TRENDS Half-Yearly (H1) REPORT - FY- 2025-2026 (Apr '25 - Sep '25)

Shining Through Challenges: period of stabilization and recovery

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INDEX

Sr.no	Topic	Page No
1	Gem and Jewellery Trade Trends: Key Highlights	2
2	Gem and Jewellery Gross Exports Trends in Value Terms	3
3	Gem and Jewellery Gross Exports Trends: Commodity-wise	11
4	Diamonds	13
5	Gold Jewellery	20
6	Coloured Gemstones	25
7	Silver Jewellery	27
8	Platinum Jewellery	29
9	Synthetic Stones, Pearls, Imitation Jewellery, and Others	32
10	Imitation Jewellery	33
11	Worked Pearls	35
12	Miscellaneous 'Others' Category	35
13	Regions, SEZ - Exports	35
14	Commodity-wise Imports	38
15	Growth Potential/ Outlook	40

Executive Summary

The first half (H1) of FY2025-26, covering the period April to September, marked a definitive period of stabilization and recovery for India's gem and jewellery sector. The industry successfully transitioned from a contracting Q1 (April–June) to a robustly expansive Q2 (July–September). The overall positive performance for H1, therefore, reflects the critical turnaround achieved in the second quarter, demonstrating the resilience and adaptive capacity of the industry in the face of fluctuating international demand, inventory corrections, and persistent commodity price pressures.

1. Key Highlights of G&J Trade Trends

I. Gross Exports – April–September 2025 (H1)

The sector achieved cumulative Gross Exports of **US\$ 14.10 billion** for H1 FY2025-26, registering a modest Year-on-Year (Y-o-Y) growth of **+3.66%** compared to the same period in FY2024-25.

II. Gross Exports – Q2 (Jul-Sep 2025)

The July–September quarter provided the necessary impetus for H1 growth. Q2 recorded a phenomenal **+12.11%** Y-o-Y growth in Gross Exports, totalling **US\$ 7.48 billion**, successfully reversing the Q1 contraction of **-4.50%**.

III. Net Exports Surge

Net Exports (Gross Exports less Return Consignment) grew substantially faster than gross exports during H1, rising by **+7.04%** to reach **US\$ 11.64 billion**. This higher growth rate confirms improved trade efficiency, aided by a significant decline in Return Consignments, which fell by **-9.89%** Y-o-Y.

IV. Commodity-wise exports (H1 FY2025-26)

Gold Jewellery was the main engine of H1 growth, surging **+21.97%** to **US\$ 5.795 billion**. Plain Gold Jewellery spearheaded this increase with an exceptional **+46.74%** Y-o-Y growth, driven by elevated gold prices and strong demand under favourable trade agreements.

Crucially, the diamond segment, despite cumulative H1 value declines, showed signs of recovery in Q2:

- Cut and Polished Diamonds (CPD) exports, despite a cumulative H1 decline of -9.57%, registered positive Q2 growth of **+5.33%**.
- Polished Lab-Grown Diamonds (LGD) exports also stabilized, achieving **+3.24%** growth in Q2.

V. Regional Diversification and SEZ Performance

Export performance demonstrated significant regional divergence. The diamond-centric Western Region experienced a modest decline of **-6.04%** (H1). In contrast, manufacturing hubs specializing in other commodities saw robust expansion: Rajasthan soared by **+82.14%**, the Northern Region grew by **+32.40%**, and Ahmedabad SEZ registered exponential growth of **+136.13%**.

2. Gem and Jewellery Gross Exports Trends in Value Terms

2.1. Gem and Jewellery Exports Trends in Value Terms – FY2025-26 H1 Performance

The overall trajectory of gem and jewellery exports in the first half of the fiscal year showcased pronounced month-to-month volatility, culminating in a net positive outcome driven entirely by the second quarter's strength. The initial quarter (April–June) saw exports contract by -4.50% overall, following a strong start in April 2025 (+13.39%), which was swiftly undercut by Y-o-Y declines in May (-14.83%) and June (-11.00%).

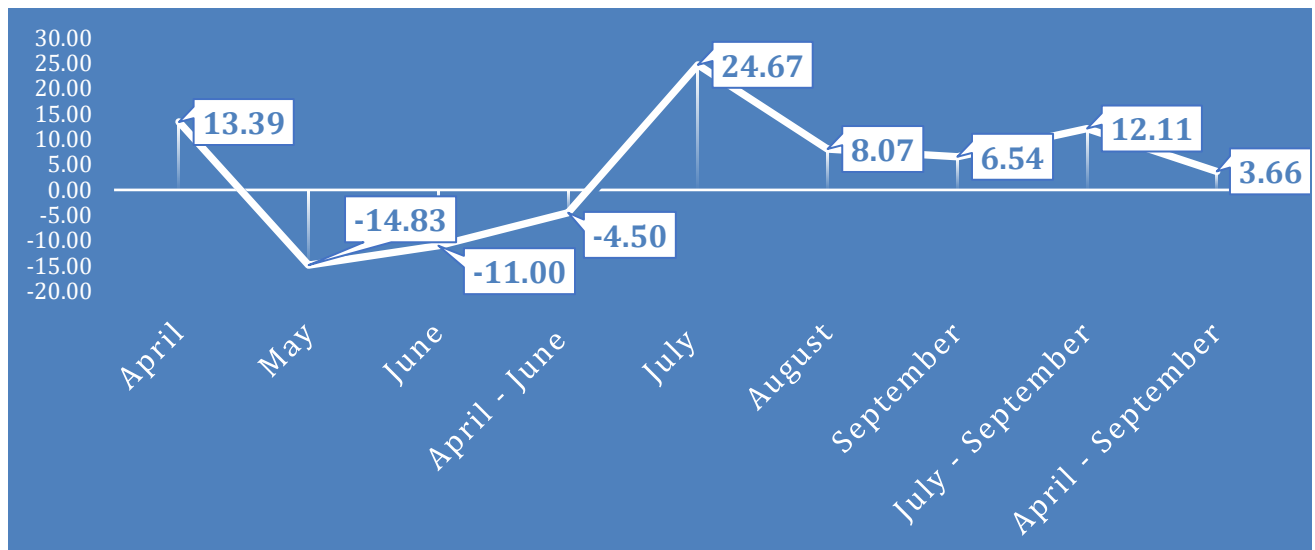
The profound turnaround in Q2 was essential for achieving positive H1 results. Q2 witnessed a strong, sustained recovery, starting with July's phenomenal increase of **+24.67%**. Momentum continued through August, posting **+8.07%**, and concluded with solid September growth of **+6.54%** Y-o-Y.

The shift from Q1 contraction to Q2 expansion suggests that the global inventory destocking phase by international retailers, which suppressed demand early in the year, concluded abruptly. The substantial rebound starting in July indicates a sudden and immediate need for stock replenishment globally, possibly in anticipation of holiday seasons. This normalization of the supply chain confirms the fundamental resilience of underlying consumer demand, though highly susceptible to market corrections and inventory cycles.

Table 1: Gross Exports of Gem and Jewellery – April-September 2025 (P)

Month	2024 US\$ Bn	2025 US\$ Bn	% Change (Y-o-Y)
April	2.2681	2.5717	13.39
May	2.6885	2.2898	-14.83
June	1.9653	1.7492	-11.00
April - June (Q1)	6.9219	6.6107	-4.50
July	1.8781	2.3414	24.67
August	2.0625	2.2289	8.07
September	2.7354	2.9143	6.54
July - September (Q2)	6.6760	7.4846	12.11
April - September (H1)	13.5980	14.0953	3.66

Source: GJEPC Analysis



Reasons for Modest +3.66% Gross Export Growth in H1 FY2025-26

India's gem and jewellery sector achieved gross exports of US\$ 14.095 billion in H1 FY2025-26 compared to US\$ 13.598 billion in the corresponding period of FY2024-25, registering a modest Year-on-Year growth of +3.66% (absolute increase of US\$ 497 million). This moderate growth rate masks a dramatic underlying story of structural transformation, quarterly volatility, and offsetting commodity dynamics that shaped the sector's performance during April-September 2025.

1. Offsetting Commodity Performance: Growth Engines vs. Declining Segments

The modest overall growth is fundamentally the result of powerful opposing forces within the sector's commodity portfolio. High-growth commodities compensated for severe contractions in traditional core segments.

Positive Contributors (+7.68% contribution from Gold Jewellery alone)

2. Gold Jewellery: The Primary Growth Engine:

- Gold jewellery exports surged +21.97% to US\$ 5,795.12 million, contributing an extraordinary +7.68 percentage points to overall sector growth.
- This single commodity category added US\$ 1,043.67 million in absolute export value, more than doubling the sector's total growth figure.
- The gold jewellery surge was driven by elevated international gold prices (up 58% year-to-date, reaching over \$4,000/oz by October 2025) and strategic benefits from the India-UAE CEPA trade agreement, which enabled duty-concessional gold bar imports at 1% tariff.
- Plain Gold Jewellery led the charge with +46.74% growth, supported by an 87.76% surge in gold bar imports.

3. Silver Jewellery: Affordable Luxury Alternative:

- Silver jewellery exports grew +17.43% to US\$ 596.41 million, contributing +0.65 percentage points to overall growth.
- This growth was entirely driven by explosive Q2 performance (+37.84%), with August recording exceptional +61.34% year-on-year growth.
- Silver prices hit decade-high levels (up nearly 56% in 2025, reaching Rs. 134,089 per kilogram), making silver an attractive alternative as gold prices exceeded Rs. 95,000 per 10 grams.
- Silver bar imports surged +108%, fully supporting the export expansion.

4. Platinum Jewellery: Strong Demand Despite Supply Concerns:

- Platinum jewellery exports increased +25.37% to US\$ 106.54 million, contributing +0.16 percentage points to growth.
- Global platinum jewellery demand surged 50% year-on-year in Q1 2025, driven by platinum's compelling price advantage over gold (approximately \$1,450/oz vs. over \$3,800/oz for gold).

5. Smaller Categories: Niche Growth:

- Polished Synthetic Stones: +32.06% (Q2: +342.07%)
- Worked Pearls: +29.62%
- Articles of Gold, Silver & Others: +29.41%
- Others Category: Explosive +179.98%

1. Negative Contributors:

1.1 Cut & Polished Diamonds: The Major Drag: -

- CPD exports declined -9.57% to US\$ 6,249.63 million, subtracting -4.87 percentage points from overall sector growth.
- As the largest export category (44.34% share), this contraction severely constrained overall performance.
- The decline was driven by catastrophic Q1 contraction of -22.73%, though Q2 showed recovery with +5.33% growth.
- US tariff uncertainty dominated market sentiment: reciprocal tariffs announced April 2, 2025, escalated from 10% to 25% by August 7, then doubled to 50% effective August 27, 2025.
- Direct US exports fell 50% in value terms during April-August 2025, with the US share of India's polished diamond exports dropping from 37% in FY25 to 23% in the first four months of FY26.
- Weak Chinese demand persisted, with China's diamond market having contracted 57% from RMB 100 billion in 2021 to RMB 43 billion in 2024.
- Global inventory destocking by US and Chinese retailers during Q1 suppressed demand.

1.2 Polished Lab-Grown Diamonds: Parallel Decline: -

- LGD exports fell -7.99% to US\$ 586.63 million, subtracting -0.37 percentage points from growth.
- The segment faced severe price erosion (LGD prices 30-40% lower than mined diamonds) and intensifying competition from expanded global manufacturing

capacity.

- Q1 contraction of -19.15% was followed by modest Q2 recovery of +3.24%.

Net Effect: The diamond segments combined -5.24 percentage point drag nearly offset the gold jewellery sector's +7.68 percentage point contribution, resulting in the modest overall growth rate.

2. Dramatic Quarterly Volatility: Q1 Contraction Reversed by Q2 Expansion

The +3.66% annual growth conceals extreme quarterly divergence that defined the sector's trajectory.

Q1 (April-June 2025): -4.50% Contraction

- Despite a strong April start (+13.39%), exports collapsed in May (-14.83%) and June (-11.00%).
- **The Q1 contraction was driven by:**
 - Global inventory destocking by international retailers in the US and China
 - US tariff announcement on April 2, 2025, freezing trading activity as dealers awaited policy clarity
 - CPD's severe -22.73% quarterly decline dragging down overall performance
 - Early-quarter rush shipments to beat tariff deadlines, followed by sharp demand drops

Q2 (July-September 2025): +12.11% Expansion

- Q2 delivered a phenomenal turnaround, recording US\$ 7.485 billion in exports.
- **The recovery was broad-based:**
 - July: +24.67% (exceptional rebound)
 - August: +8.07% (sustained momentum)
 - September: +6.54% (solid consolidation)
- **The Q2 surge reflected:**
 - Completion of global inventory destocking, triggering sudden restocking demand for holiday seasons
 - CPD recovery to +5.33% quarterly growth after normalized pipeline demand
 - Silver jewellery explosion (+37.84% in Q2)
 - Platinum jewellery acceleration (+36.05% in Q2)

Critical Insight: Without the Q2 recovery, H1 would have registered negative growth. The Q2 expansion entirely drove the positive annual outcome, demonstrating the

sector's resilience and adaptive capacity but also its vulnerability to inventory cycles and market timing.

3. Structural Diversification Away from Diamond Dependence:

The modest growth reflects a fundamental transformation in the sector's composition, reducing its historical over-reliance on diamonds.

3.1. Sector Composition Shift: -

- Gold jewellery's share increased to 41.11% of total exports, approaching parity with CPD's 44.34% share.
- Combined diamond segments (CPD + LGD) fell from 55.5% to 48.5% of total exports (estimated).
- Precious metals jewellery (gold, silver, platinum) now represents approximately 46% of exports, up from 40% in the prior year.

3.2. Strategic Implications: -

- The sector successfully hedged against diamond market volatility by expanding gold, silver, and platinum jewellery manufacturing.
- This diversification provided a crucial buffer that prevented overall negative growth despite the severe diamond segment contraction.
- The transition demonstrates the industry's adaptive manufacturing capacity and ability to respond to changing commodity price dynamics.

4. Improved Trade Efficiency: Net Exports Growing Faster than Gross Exports

While gross exports grew +3.66%, net exports (gross exports minus return consignments) grew substantially faster at +7.04%, reaching US\$ 11.635 billion.

• Enhanced Efficiency Indicators

- Return consignments declined -9.89% year-on-year, reflecting:
 - Reduced rejection rates globally
 - Improved quality control and better matching of goods to buyer specifications
 - Enhanced trade efficiency in the CPD segment, where returns fell - 13.44%
- The faster net export growth confirms that the sector is not merely expanding volume but improving trade quality and buyer satisfaction.

5. Regional Diversification:

- **Declining Regions:**
 - Western Region (Mumbai SEEPZ): -6.04% decline to US\$ 9,275.10 million
 - The traditional diamond-processing centre suffered from the CPD segment's contraction
- **Growth Regions:**
 - Rajasthan Region: +82.14% to US\$ 1,219.27 million (gold and gemstone manufacturing)
 - Northern Region: +32.40% to US\$ 911.02 million
 - Eastern Region: +24.87% to US\$ 843.46 million
 - Ahmedabad SEZ: +136.13% (exceptional expansion)
- **Strategic Significance**
 - The simultaneous contraction in Western Region and explosive growth in other regions prevented a larger overall decline.
 - Regional diversification provides structural resilience against commodity-specific crises.
 - The expansion of Jaipur, New Delhi, and Ahmedabad manufacturing capacity for gold and silver jewellery directly enabled the sector's positive H1 outcome.

6. Raw Material Import Dynamics Supporting Growth:

Gross imports increased +6.74% to US\$ 10.590 billion, confirming manufacturers' confidence in future demand and their strategic restocking.

- **Key Import Trends-**
 - Gold Bar: +87.76% (exceptional growth supporting Plain Gold Jewellery exports)
 - Silver Bar: +108.06% (fully supporting silver jewellery expansion)
 - Rough Diamonds: +5.25% (cautious restocking, anticipating normalized demand)
 - Rough Lab-Grown Diamonds: +4.78% (conservative replenishment)
 - Platinum Bar: -79.50% (critical supply chain vulnerability)

The strong import growth in gold and silver bars directly enabled the precious metals jewellery export surge, while moderate diamond rough imports suggest manufacturers' cautious optimism about market normalization.

7. Market Normalization After Inventory Correction

The +3.66% growth represents the stabilization phase following a prolonged inventory correction cycle.

7.1. Inventory Cycle Dynamics:

- H1 FY2024-25 saw excessive inventory accumulation by US and Chinese retailers
- FY2025-26 Q1 witnessed the painful destocking phase, causing -4.50% contraction
- Q2 marked the completion of destocking and immediate restocking demand
- The shift from Q1 contraction to Q2 expansion suggests the market has absorbed inventory shocks and returned to normalized demand patterns

7.2. Forward Outlook:

- The strong Q2 performance provides a foundation for cautiously optimistic H2 projections
- **Future growth depends on:**
 - Continued expansion of non-diamond jewellery segments
 - Resolution of US tariff uncertainty for diamond trade
 - Securing platinum raw material supply to sustain export momentum
 - Maintaining the efficiency of regional manufacturing clusters

Why Only +3.66%?

The modest +3.66% gross export growth in H1 FY2025-26 resulted from:

1. **Offsetting Forces:** Gold jewellery's exceptional growth (+7.68 percentage point contribution) was largely neutralized by diamond segments' decline (-5.24 percentage point drag).
2. **Quarterly Volatility:** A devastating Q1 contraction (-4.50%) was followed by a strong Q2 recovery (+12.11%), with the year-long growth entirely dependent on Q2 performance.
3. **Structural Transformation:** The sector successfully diversified away from diamond dependence, with precious metals jewellery rising to 46% of exports, providing resilience but still in transition.
4. **External Shocks:** US tariff escalation (ultimately reaching 50% on diamonds), weak Chinese demand, and global inventory corrections created severe headwinds.
5. **Regional Compensation:** Explosive growth in Rajasthan (+82.14%), Northern Region (+32.40%), and Ahmedabad SEZ (+136.13%) partially offset the Western

Region's -6.04% decline.

6. **Trade Efficiency Gains:** Net exports grew faster (+7.04%) than gross exports due to improved quality and reduced return consignments.

The +3.66% figure thus represents not weak performance but rather a remarkable achievement of stabilization in the face of severe commodity-specific headwinds, demonstrating the sector's resilience, adaptive capacity, and successful strategic diversification during a period of profound market transition.

2.2. Gem and Jewellery Gross vis-a-vis Net Exports

Analysis of H1 trade shows that Net Exports (US\$ 11.635 billion) grew by **+7.04%**, substantially faster than Gross Exports (+3.66%).

This superior performance in net exports is directly attributed to a reduction in Return Consignments, which declined by **-9.89%** Y-o-Y. This reflects enhanced trade efficiency and reduced rejection rates globally. Breaking down the returns, the highly valuable Cut and Polished Diamond (CPD) consignments saw a notable reduction in returns (-13.44%). This suggests that the market volatility and uncertainty previously associated with diamond shipments have decreased, and the risk profile for this core commodity has improved. However, it is necessary to monitor the 'Others' category, where returns surprisingly increased by +14.06%, indicating that while core diamond trade stabilized, risk or volatility remains elevated in miscellaneous, non-core commodities.

Table 2: Gross vs Net Exports (Cumulative April - September 2025)

Exports	April-Sept 2024 (US\$ Billion)	April-Sept 2025 (p) (US\$ Billion)	% Growth/ Decline
Gross Exports	13.598	14.095	3.66
Return Consignment	2.730	2.460	-9.89
Net Exports	10.868	11.635	7.04

Source: GJEPC Analysis

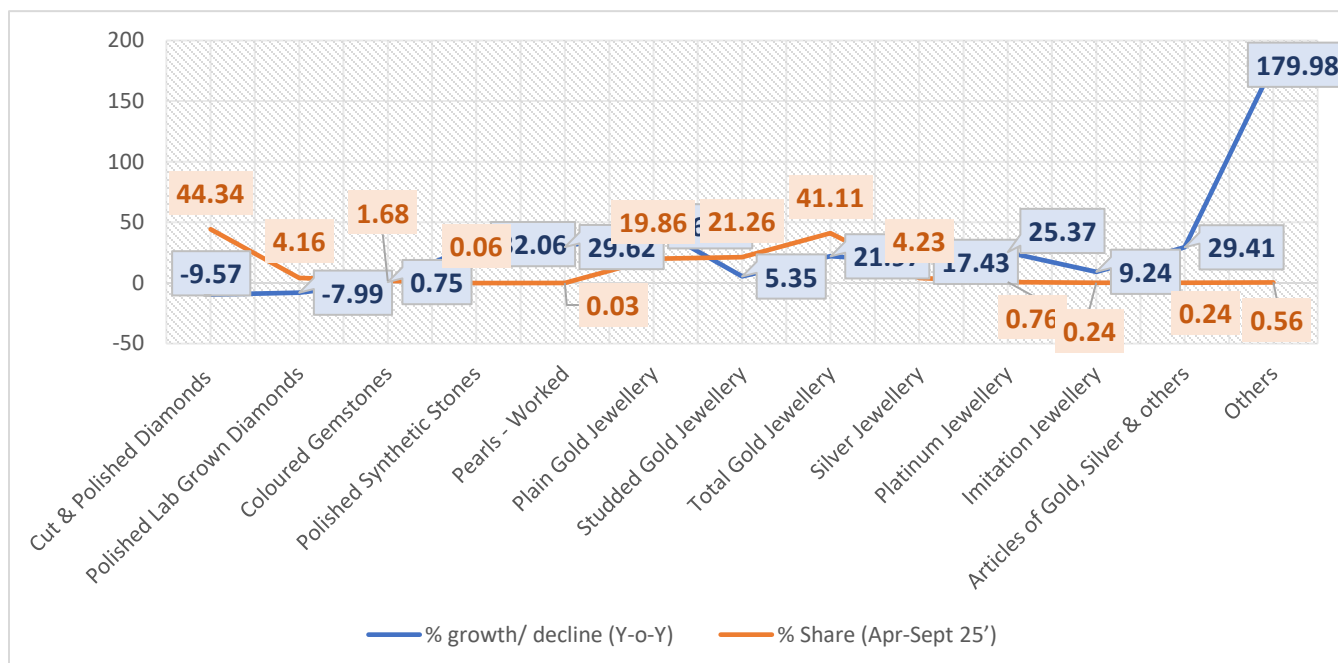
3. Gem and Jewellery Gross Exports Trends: Commodity-wise

The H1 performance shows a clear trend of growth acceleration driven by precious metals and jewellery, counterbalancing the stabilization phase in the diamond segment. Total Gold Jewellery expanded by +21.97%, Silver Jewellery grew by +17.43%, and Platinum Jewellery surged by +25.37%. These commodities acted as the principal engines for the overall sector's positive H1 growth. Conversely, the diamond segments—Cut and Polished Diamonds (-9.57%) and Polished Lab Grown Diamonds (-7.99%)—experienced cumulative H1 value declines, despite achieving positive growth rates in Q2.

Table 3: Commodity-wise Exports of Gem and Jewellery– April-September 2025 (P) vs April-September 2024

Commodities	Apr – Sept 2024 (US\$ mn)	Apr – Sept 2025 (P) (US\$ mn)	% Growth/ Decline (Y-o-Y)	% Share (Apr-Sept 25')
Cut & Polished Diamonds	6,911.40	6,249.63	-9.57	44.34
Polished Lab Grown Diamonds	637.60	586.63	-7.99	4.16
Coloured Gemstones	234.89	236.66	0.75	1.68
Polished Synthetic Stones	6.11	8.06	32.06	0.06
Pearls - Worked	3.00	3.89	29.62	0.03
Plain Gold Jewellery	1,907.33	2,798.78	46.74	19.86
Studded Gold Jewellery	2,844.12	2,996.34	5.35	21.26
Total Gold Jewellery	4,751.45	5,795.12	21.97	41.11
Silver Jewellery	507.90	596.41	17.43	4.23
Platinum Jewellery	84.98	106.54	25.37	0.76
Imitation Jewellery	30.58	33.41	9.24	0.24

Articles of Gold, Silver & others	26.63	34.46	29.41	0.24
Others	28.06	78.57	179.98	0.56
GROSS EXPORTS	13,597.05	14,095.30	3.66	100.00
Source: GJEPC Analysis				



4. Diamonds

4.1. Cut and Polished Diamonds (CPD)

Cut and Polished Diamonds (CPD) remained the largest export category, contributing 44.34% of H1 gross exports. Cumulative exports for H1 FY2025-26 reached **US\$ 6,249.63 million**, reflecting a Y-o-Y decline of **-9.57%**. This cumulative performance was highly influenced by the steep contraction of -22.73% experienced during Q1 (April-June).

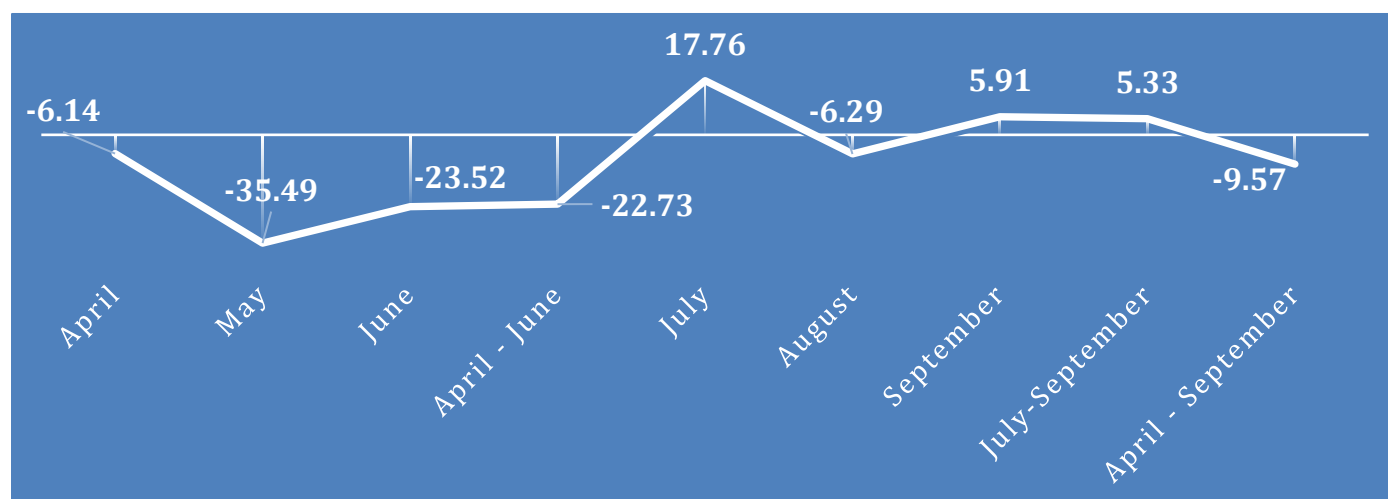
The critical development in Q2 was the segment's ability to achieve positive quarterly growth of **+5.33%**, totalling **US\$ 3,412.24 million**. This demand-driven rebound suggests that the prolonged period of inventory destocking in major consumer markets like the US and China has largely subsided. Buyers are now re-engaging to replenish pipeline stock, confirming that while the diamond market is structurally

changing, underlying demand for finished goods is stabilizing. Monthly volatility persisted, with strong July (+17.76%) and September (+5.91%) growth framing a slightly negative August (-6.29%).

Table 4: Cut and Polished Diamond Gross Exports April – September 2025 (P)

Month	Gross Exports 2024 (US\$ mn)	Gross Exports 2025(p) (US\$ mn)	% Growth/Decline (Y-o-Y)
April	1,181.38	1,108.80	-6.14
May	1,472.08	949.70	-35.49
June	1,018.40	778.89	-23.52
April - June (Q1)	3,671.85	2,837.39	-22.73
July	910.13	1,071.73	17.76
August	1,037.71	972.47	-6.29
September	1,291.71	1,368.04	5.91
July-September (Q2)	3,239.54	3,412.24	5.33
April - September (H1)	6,911.40	6,249.63	-9.57

Source: GJEPC Analysis



➤ **Reasons for Decline in H1 (April-Sept 2025):**

1. US Tariff Uncertainty and Trade Disruptions

- The US announced reciprocal tariffs on Indian goods on April 2, 2025, implementing a 10% baseline tariff initially, with threats of 26-27% duties on Indian diamonds specifically. This created historic market uncertainty and froze trading activity as dealers awaited policy clarity.
- By August 7, 2025, tariffs escalated to 25%, then doubled to 50% effective August 27, 2025, rendering supply chains virtually suspended. The diamond industry operates on single-digit margins, making these tariff levels devastating.
- Indian manufacturers rushed shipments to the US ahead of tariff deadlines (April 5, April 9, August 7, August 27), creating artificial export spikes followed by sharp drops.
- Direct exports to the US fell 50% in value terms during April-August 2025, from US\$ 2.20 billion to US\$ 1.08 billion year-over-year. The US share of India's polished diamond exports dropped from 37% in FY25 to 23% in the first four months of FY26.

2. Inventory Destocking Phase in Global Markets

- The US and China experienced prolonged inventory destocking by international retailers during Q1 (April-June 2025), suppressing demand. US wholesalers struggled to find desired goods and were cautious about buying from India due to possible tariffs.
- Indian inventory levels remained steady but at historically low levels, with manufacturers reducing costs, production, and prices in response to weak overseas demand.

3. Weak Chinese Diamond Demand

- India's export decline in H1 (April-Sept 2025) was primarily driven by persistently weak Chinese diamond demand, falling market share for diamonds, muted consumer appetite due to high gold prices and low confidence, and subdued buying at key trade events.

4. Production Cuts and Supply Shortages

- Production cuts by mining companies led to shortages in certain categories, particularly rough diamonds for 5-10 carat boxes which traded at rare

premiums of 3-7% at De Beers sights.

- De Beers Q1 2025 consolidated sales fell 44% year-over-year to \$520 million, with the miner predicting cautious demand. Q2 2025 sales increased 14% but production plummeted 36% to 4.1 million carats due to "stock rebalancing initiatives".
- Rough diamond imports to India declined 33% year-to-date through April 2025, falling 35% in the first half of 2025 to \$1.69 billion.

5. Price Pressure and Market Sentiment

- Diamond prices dropped in slow market conditions during early 2025. Small diamond prices (0.30-1.19 ct rounds) softened throughout the summer, with the 1 ct RAPI declining 0.3% in June, 0.50 ct declining 2.3%.
- By August-September 2025, round prices under 1 ct remained weak: 0.30 ct RAPI fell 3.8%, 0.50 ct fell 3.9%, and 1 ct fell 1.1%.
- Market sentiment was extremely low, with India's diamond trading at a standstill as the industry relies on the US as its largest export market

➤ Reasons for Q2 Recovery (July-September 2025)

1. Completion of Inventory Destocking:

- The global inventory destocking phase concluded abruptly by July 2025, triggering a sudden need for stock replenishment in anticipation of holiday seasons.
- US retail demand remained steady throughout Q2, with independent jewellers showing solid consumer sales and actively seeking memo goods.

2. Strong Demand for Specific Categories

- Large fancy shapes (2 ct and larger) in elongated Ovals, Marquises, and Emeralds performed exceptionally well, trading at significant premiums. Long Cushions traded at 20-25% premiums over square Cushions.
- Steady demand for round diamonds 2 ct and larger in F-I, VS-SI2 categories.
- Specific oversized (1.35-1.49 ct, 1.80-1.99 ct, 2.50-2.99 ct) commanded strong premiums in the US market.

3. Strategic Inventory Positioning

- US dealers with pre-tariff inventory gained significant market power and pricing advantages. Indian suppliers with US offices benefited from tariff-free inventory already positioned in the US market.

- Sought-after diamonds became scarce as pre-tariff goods began running out by late June 2025.

4. Positive Trading at Major Shows

- JCK Las Vegas (June 2025) showed mixed but positive results, with the luxury segment strong and retailers buying high-end jewellery. Exhibitors with pre-tariff inventory had significant advantages.
- There was solid trading in larger, higher-quality diamonds at JCK, especially fancy shapes, though large retailers postponed orders until tariffs became clearer.

4.2. Polished Lab-Grown Diamonds (LGD)

Polished Lab-Grown Diamonds (LGD) exports totalled **US\$ 586.63 million** in H1, registering a Y-o-Y decline of **-7.99%**.

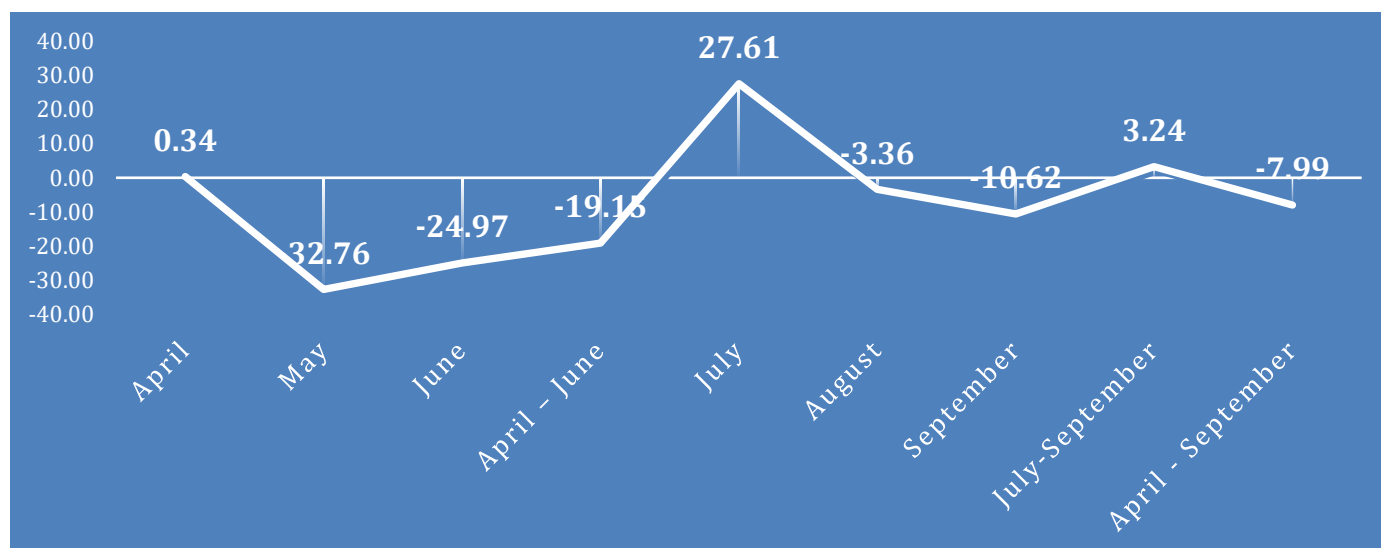
Despite the cumulative decline, LGD mirrored CPD's Q2 recovery, achieving quarterly growth of **+3.24%** (US\$ 327.99 million), pulling back from the Q1 drop of -19.15%. This stabilization confirms that LGDs continue to be integrated into the global jewellery market. However, the moderate positive growth in value, coupled with high global competition, suggests that persistent price erosion is a fundamental structural challenge facing the LGD segment.

Table 5: Pol. Lab-Grown Diamonds Gross Exports April – September 2025 (P)

Month	Gross Exports 2024 (US\$ mn)	Gross Exports 2025(p) (US\$ mn)	% Growth/Decline (Y-o-Y)
April	110.55	110.93	0.34
May	120.32	80.90	-32.76
June	89.04	66.81	-24.97
April – June (Q1)	319.91	258.64	-19.15
July	95.94	122.43	27.61

August	101.31	97.91	-3.36
September	120.43	107.64	-10.62
July-September (Q2)	317.69	327.99	3.24
April - September (H1)	637.60	586.63	-7.99

Source: GJEPC Analysis



- **Reasons for Decline in H1 (April-September 2025)**

1. Severe Price Erosion and Competition

- Lab-grown diamond prices continued their downward trajectory throughout 2025, with prices over 80% lower than mined diamonds.

Retail Price Comparisons (2025):

Carat Size	Natural Diamond Price (USD)	Lab-Grown Diamond Price (USD)	Price Difference
1 Carat	\$4,000 - \$9,000	\$800 - \$2,000	80-83% lower
2 Carat	\$15,000 - \$30,000	\$1,750 - \$3,000	85-90% lower
3 Carat	\$25,000+	\$4,000 - \$5,000	80-84% lower

Carat Size	Natural Diamond Price (USD)	Lab-Grown Diamond Price (USD)	Price Difference
Note: Price ranges compiled from diamond industry retail analysis (Diamonds.pro, James Allen, 2025). Prices reflect comparable quality stones across categories.			

- The market faced intense competition as the number of manufacturers increased globally, leading to price wars and market saturation. Another reason of this dramatic price reduction is attributed to massive oversupply from increased production in China and India, technological improvements in CVD (Chemical Vapor Deposition) production, and economies of scale reducing manufacturing costs.
- Despite stable or increasing trade volumes, persistent price erosion diminished the value captured per unit, impacting overall margin structures for manufacturers.

2. Market Shift and Retailer Strategy Changes

- By mid-2025, retailers began shifting back from synthetics to natural diamonds as synthetic margins fell. This trend was observed particularly at the JCK Las Vegas show in June 2025.

3. Parallel Destocking Phase

- The LGD segment mirrored CPD's Q1 contraction, experiencing the same global inventory destocking and tariff uncertainty challenges.
- India removed import tax on lab-grown diamond seeds in early 2025, but this policy change had limited immediate impact on polished LGD exports.

4. Competition from Domestic Manufacturing

- Domestic finished polished LGD imports plummeted 52.09% as India successfully substituted foreign finished LGD goods with locally manufactured products.
- Rough lab-grown diamond imports grew only 4.78%, indicating cautious restocking.

- **Reasons for Q2 Recovery**

- 1. Stabilization and Normalization**

- The LGD segment achieved modest Q2 growth of +3.24%, confirming that lab-grown diamonds continue to be integrated into the global jewellery market despite price pressures. Also demand stabilization in key markets (US, China) and inventory restocking has a key role to play in Q2 recovery.
- Improvements in detection technology and certification improved market confidence.

- 2. Growing Acceptance in Specific Segments**

- Lab-grown diamonds gained particular traction in fashion jewellery segments, with retailers like Signet reporting expanded use, with 14% penetration in Q2 2025 being double the prior year.
- The convenience and affordability continued to attract millennials and Gen Z consumers seeking ethical and sustainable options.

5. Gold Jewellery

5.1. Total Gold Jewellery Performance (H1 trends and drivers)

Total Gold Jewellery (Plain and Studded) was the dominant growth vector, expanding by **+21.97%** to **US\$ 5,795.12 million** in H1. This robust performance validates the industry's ability to capitalize on elevated international gold prices and leverage market access provided by free trade agreements, notably the India-UAE CEPA.

- **Reasons for Growth**

- 1. Elevated International Gold Prices**

- Gold prices experienced an extraordinary rally in 2025, breaking past the US\$4,000/oz milestone in early October and surging 58% year-to-date—the largest increase in 45 years.
- Domestically, gold prices in India rose 66% year-to-date, amplified by rupee weakness. Gold reached over Rs. 113,129 per 10 grams by September 2025, compared to Rs. 90,380-98,210 in April 2025.
- The gold price surge translated directly into higher export values despite

potential volume constraints, as manufacturers capitalized on gold's status as a strong asset.

2. India-UAE CEPA Trade Agreement Benefits

- The Comprehensive Economic Partnership Agreement (CEPA) with the UAE, in force since May 2022, provided a crucial advantage through the Tariff Rate Quota (TRQ) mechanism, allowing UAE-origin gold imports at just 1% duty.
- India's unwrought gold imports from the UAE surged 126.76% in FY2024, reaching US\$ 7.64 billion.
- This preferential access enabled Indian manufacturers to efficiently source gold bars, which surged by +87.76% in H1 FY2025-26, supporting the exceptional Plain Gold Jewellery export growth.

3. Strong Demand Under Favourable Trade Environment

- The India-UAE CEPA accelerated bilateral trade, with gold jewellery exports to the UAE benefiting from tariff-free access and simplified procedures.
- Indian manufacturers leveraged their production scale and cost efficiency while UAE-based retailers provided access to affluent consumers and global re-export channels.

4. High Gold Prices Driving Value Growth

- While high gold prices (averaging over Rs. 95,000 per 10 grams in 2025) forced middle-class consumers to scale back purchase quantities, the export market capitalized on value appreciation.
- Plain Gold Jewellery manufacturers efficiently converted highly valued raw materials into finished goods for export, sustaining high momentum with Q1 growth of +59.56% and Q2 growth of +34.68%.

5. Strategic Market Positioning

- Studded Gold Jewellery achieved positive growth (+5.35%) despite the significant decline in its primary component, CPD (-9.57%), demonstrating structural adaptation.
- Manufacturers shifted toward more affordable, lower-carat, or lighter-weight studded pieces, or increased usage of non-diamond stones like coloured gemstones and synthetic stones in gold settings.
- This strategic pivot allowed Studded Gold Jewellery to benefit from high underlying gold prices while mitigating effects of subdued diamond demand.

6. Alternative Market Development

- As gold prices soared, some retailers reported consumers shifting to "trading old gold for new designs" rather than purchasing entirely new pieces.
- Despite short-term deterrents from high prices, Indian buyers continued to view gold as a safe-haven asset, especially during economic and geopolitical instability.

5.2. Plain Gold Jewellery (PGJ)

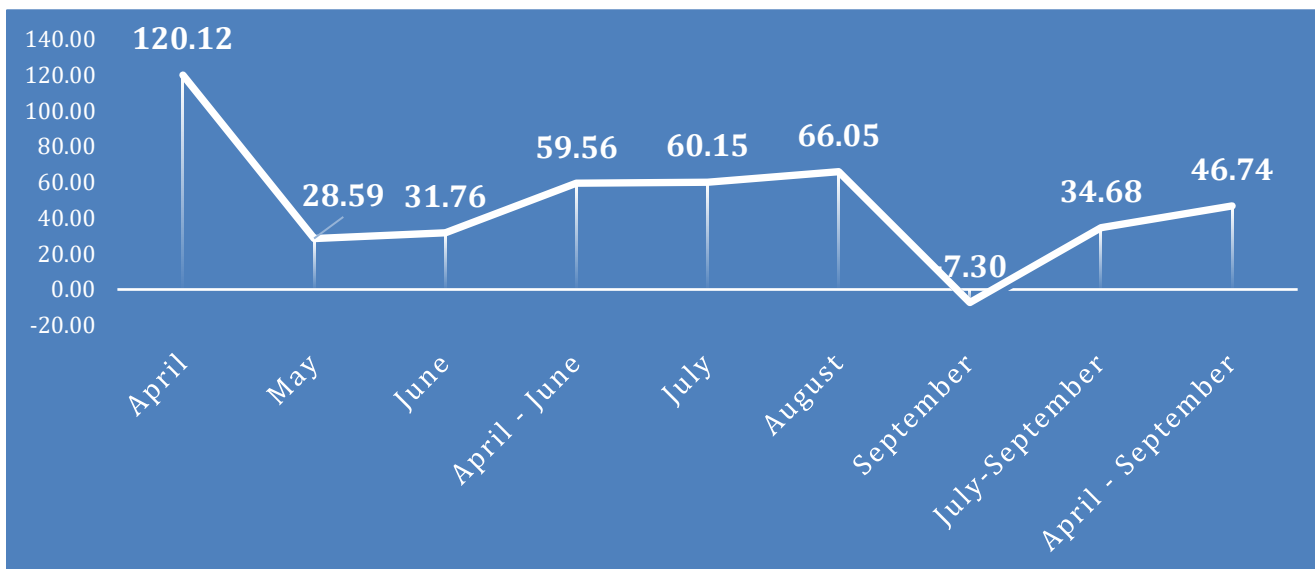
Plain Gold Jewellery (PGJ) exports demonstrated exceptional performance, reaching **US\$ 2,798.78 million**, representing a Y-o-Y growth of **+46.74%**. PGJ sustained high momentum, growing by +59.56% in Q1 and maintaining strong Q2 growth of **+34.68%** (US\$ 1,324.30 million).

The extraordinary growth rate is directly correlated with the market's reliance on Gold Bar imports, which surged by +87.76% in H1. This indicates that manufacturers are efficiently converting highly valued raw materials into finished goods for export, capitalizing on gold's status as a strong asset and mitigating the impact of high international prices through strategic export mechanisms. While the majority of Q2 months saw significant expansion, September registered a mild negative trend of - 7.30%, suggesting possible pre-Q3 order completion or buyer caution.

Table 8: Plain Gold Jewellery Gross Exports - April – September 2025 (P)

Month	Gross Exports 2024 (US\$ mn)	Gross Exports 2025(p) (US\$ mn)	% Growth/Decline (Y-o-Y)
April	303.14	667.29	120.12
May	346.19	445.17	28.59
June	274.76	362.02	31.76
April - June (Q1)	924.10	1,474.48	59.56
July	304.79	488.11	60.15
August	282.50	469.10	66.05

September	395.99	367.09	-7.30
July-September (Q2)	983.27	1,324.30	34.68
April - September (H1)	1,907.37	2,798.78	46.74
Source: GJEPC Analysis			



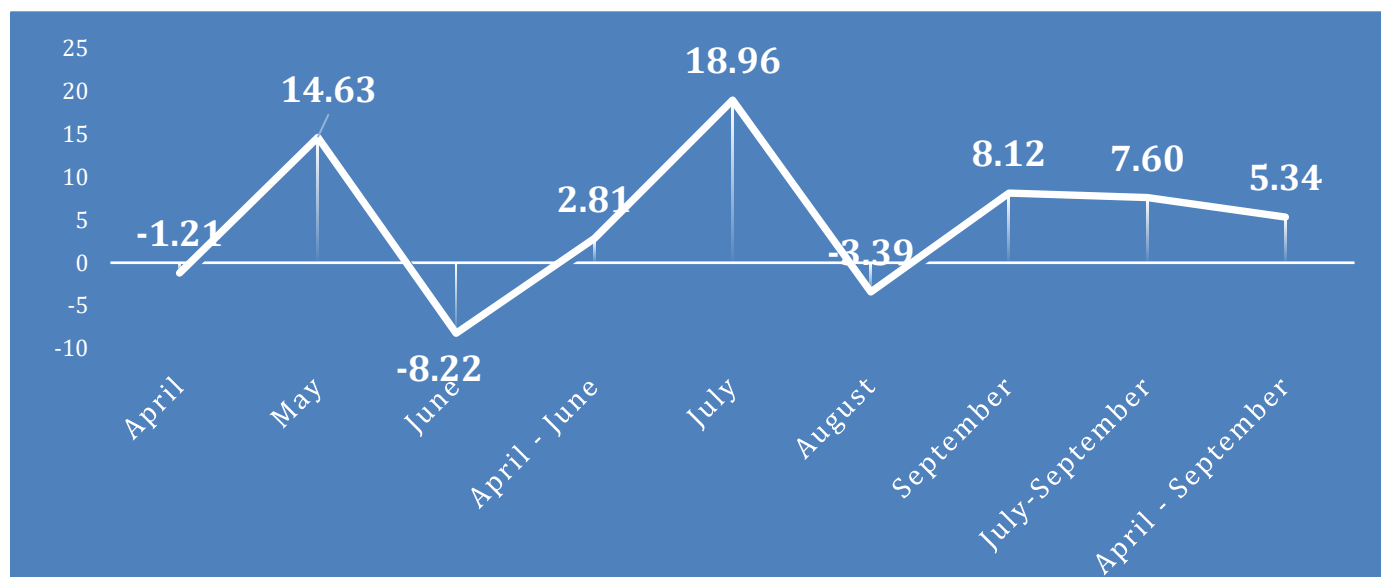
5.3. Studded Gold Jewellery (SGJ)

Studded Gold Jewellery (SGJ) maintained crucial positive H1 growth of **+5.34%**, totalling **US\$ 2,996.34 million**. SGJ accelerated from **+2.81%** growth in Q1 to **+7.60%** in Q2 (US\$ 1,619.21 million).

The ability of the SGJ segment to expand despite the significant decline in its primary component, CPD (-9.57% H1), demonstrates structural adaptation within the manufacturing base. This positive growth suggests a market shift toward more affordable, lower-carat, or lighter-weight studded pieces, or increased usage of non-diamond stones like coloured gemstones and synthetic stones in gold settings. This strategic pivot allows SGJ to benefit from the high underlying gold price while mitigating the effects of subdued demand in the high-value diamond segment. Unlike PGJ, SGJ showed strong recovery late in the quarter, with September growth reaching +8.12%.

Table 9: Studded Gold Jewellery Gross Exports - April – September 2025 (P)

Month	Gross Exports 2024 (US\$ mn)	Gross Exports 2025(p) (US\$ mn)	% Growth/Decline (Y-o-Y)
April	462.19	456.58	-1.21
May	504.67	578.50	14.63
June	372.66	342.04	-8.22
April - June (Q1)	1,339.53	1,377.13	2.81
July	394.41	469.20	18.96
August	440.01	425.10	-3.39
September	670.46	724.91	8.12
July-September (Q2)	1,504.88	1,619.21	7.60
April - September (H1)	2,844.40	2,996.34	5.34
Source: GJEPC Analysis			



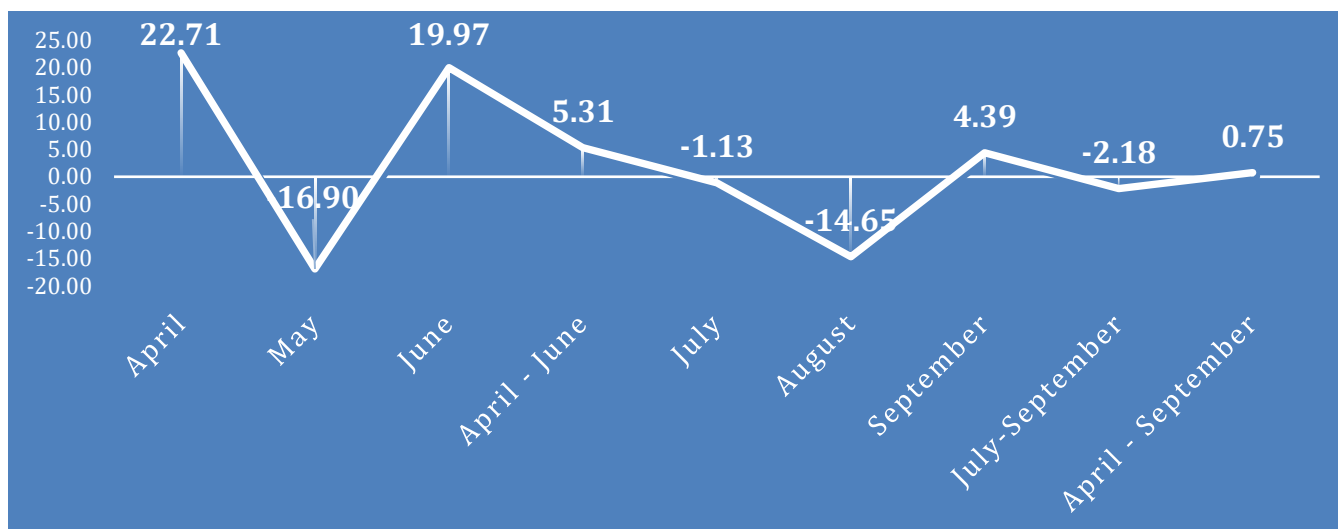
6. Coloured Gemstones (CGS)

Coloured Gemstone (CGS) exports recorded marginal H1 Y-o-Y growth of **+0.75%**, reaching **US\$ 236.66 million**. While Q1 saw modest growth (**+5.31%**), the segment experienced a slight contraction in Q2 of **-2.18%** (US\$ 139.90 million).

The Q2 decline, driven by negative growth in July (-1.13%) and August (-14.65%), coincided with a significant decline in imports of Rough Coloured Gemstones (-20.18% H1). This suggests reduced manufacturing activity or conservative raw material acquisition by processing centres, potentially due to seasonal factors or existing rough stock levels.

Table 10: Coloured Gemstone Gross Exports April – September 2025 (P)

Month	Gross Exports 2024 (US\$ mn)	Gross Exports 2025(p) (US\$ mn)	% Growth/Decline (Y-o-Y)
April	24.84	30.48	22.71
May	38.38	31.90	-16.90
June	28.66	34.38	19.97
April - June (Q1)	91.88	96.76	5.31
July	22.57	22.31	-1.13
August	42.78	36.51	-14.65
September	77.66	81.07	4.39
July-September (Q2)	143.01	139.90	-2.18
April - September (H1)	234.89	236.66	0.75
Source: GJEPC Analysis			



- **Reasons for Modest Performance**

1. Supply Chain Disruption

- Rough coloured gemstone imports declined -20.18% in H1 FY2025-26, suggesting reduced manufacturing activity or conservative raw material acquisition.
- The Q2 decline, driven by negative growth in July (-1.13%) and August (-14.65%), coincided with this significant drop in rough imports.

2. Future Growth Potential

a) Long-term Market Outlook

- The global coloured gemstone market is projected to grow from USD 1.9 billion in 2025 to USD 5.7 billion by 2035, exhibiting a strong CAGR of 11.3%.
- Growth is fuelled by rising consumer interest in luxury and bespoke jewellery, increased disposable incomes, and growing awareness of coloured gemstones as valuable investment assets.

b) Emerging Trends

- Consumers are increasingly opting for unique and personalized jewellery pieces featuring coloured gemstones as alternatives to traditional diamonds.
- Blockchain technology adoption for traceability and authenticity is enhancing consumer trust and transparency.
- Colour is moving "from the periphery to centre stage" in both fine and high jewellery, with major houses showcasing magnificent emeralds, vivid blue sapphires, vibrant garnets, and neon tourmalines.

7. Silver Jewellery

Silver Jewellery demonstrated a remarkable market rebound, achieving a strong overall H1 growth of **+17.30%**, reaching **US\$ 596.41 million**. This achievement was entirely dependent on the explosive Q2 performance.

The segment faced a Q1 contraction of -6.80%. This downturn was overwhelmingly reversed by Q2 (July–September) growth, which surged by **+37.84%** (US\$ 378.34 million). This sharp acceleration signals strong replenishment from international buyers and demand shift towards silver and diamonds as affordable luxury alternatives to maintain festive traditions as compared to expensive gold. Q2 growth was sustained and robust, peaking in August with a +61.34% Y-o-Y increase. This expansion is fully supported by the raw material supply chain, as Silver Bar imports grew by over 108% in H1.

Table 11: Silver Jewellery Gross Exports April – September 2025 (P)

Month	Gross Exports 2024 (US\$ mn)	Gross Exports 2025(p) (US\$ mn)	% Growth/Decline (Y-o-Y)
April	46.43	52.52	13.11
May	135.85	88.26	-35.04
June	51.69	77.30	49.54
April - June (Q1)	233.97	218.07	-6.80
July	54.47	77.06	41.46
August	89.04	143.66	61.34
September	130.97	157.62	20.35
July-September (Q2)	274.48	378.34	37.84
April - September (H1)	508.46	596.41	17.30
Source: GJEPC Analysis			

- **Reasons for Growth**

1. Silver Price Rally and Value Appreciation

- Silver emerged as the standout commodity performer in 2025, with prices soaring nearly 56% in calendar year 2025, reaching close to \$44/oz internationally and Rs. 134,089 per kilogram domestically—the highest return in a decade.
- The last comparable silver rally occurred in 2020 when prices surged 44%. By September 2025, silver prices hit approximately Rs. 135,267 per kilogram.
- Market analysts expected silver prices to rise steadily through 2025-2026 due to industrial demand and investment interest, with some predicting silver could outpace gold.

2. Affordable Luxury Alternative Amid High Gold Prices

- With gold prices exceeding Rs. 95,000 per 10 grams, consumers actively sought affordable luxury alternatives.
- The sharp Q2 acceleration (August posting +61.34% year-over-year growth) signalled strong re-engagement from international buyers seeking cost-effective options.

3. Robust Raw Material Supply

- Silver bar imports surged over +108% in H1 FY2025-26, fully supporting the exceptional export expansion.
- The dramatic increase in raw material availability eliminated supply constraints and enabled manufacturers to fulfil growing international orders.

4. Industrial and Investment Demand

- Silver's rally was supported by demand from both industrial/ornamental uses and investment interest.
- The collapse in global supplies combined with surging demand created favourable market conditions.

5. Youth and Fashion Market Appeal

- Silver jewellery witnessed a significant increase in demand, particularly among the younger generation seeking affordable and sustainable options.
- Industry insiders noted "2024 was an excellent year for the jewellery industry, with customers showing a strong preference for affordable and sustainable options".

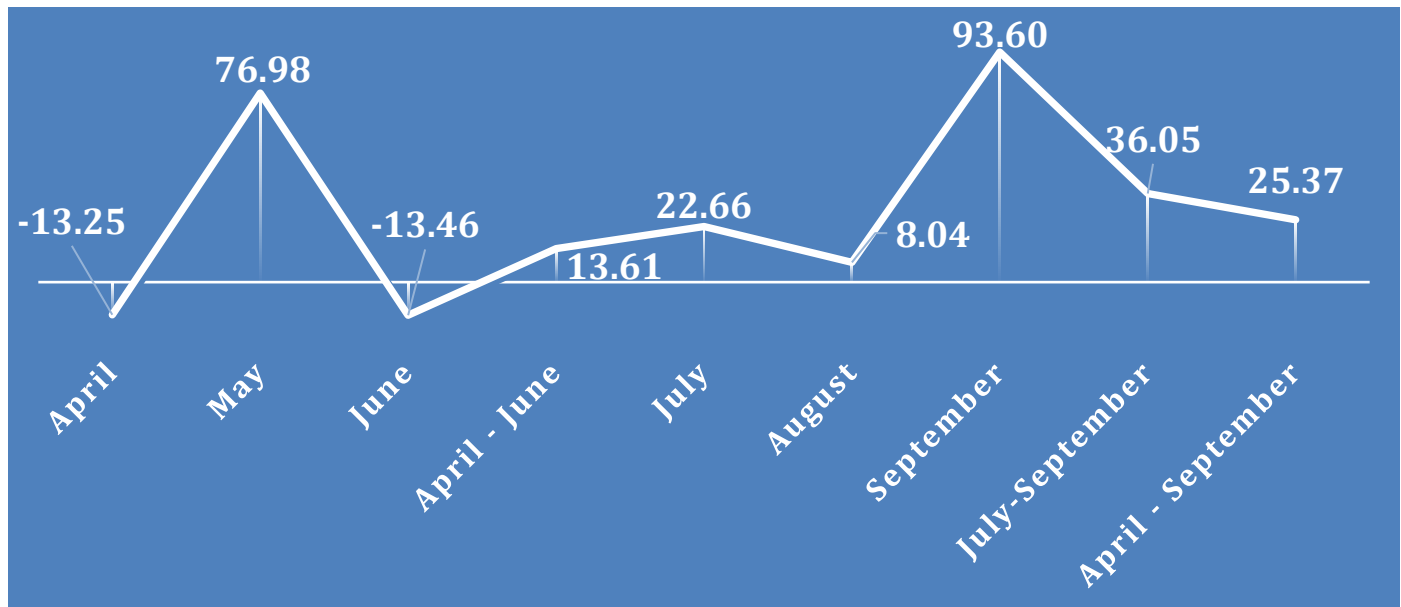
8. Platinum Jewellery

Platinum Jewellery demonstrated consistently robust growth throughout H1, increasing by a strong **+25.37%** to reach **US\$ 106.54 million**. Q1 growth was +13.61%, accelerating significantly in Q2 to **+36.05%** (US\$ 60.59 million), peaking in September with an exceptional Y-o-Y increase of +93.60%.¹

The sustained high export growth in Platinum Jewellery, however, stands in stark contradiction to the performance of its raw material supply chain. Imports of Platinum Bar, the essential feedstock, suffered a catastrophic collapse of **-79.5%** in H1. This profound discrepancy suggests that current export volumes are likely sustained by an aggressive drawdown of existing domestic raw material inventories. If this critical raw material deficit persists into H2, the current exceptional export growth rate is unsustainable and poses a very high risk of a sharp correction in future export figures for this segment.

Table 12: Platinum Jewellery Gross Exports April – September 2025 (P)

Month	Gross Exports 2024 (US\$ mn)	Gross Exports 2025(p) (US\$ mn)	% Growth/Decline (Y-o-Y)
April	13.42	11.64	-13.25
May	12.08	21.37	76.98
June	14.95	12.94	-13.46
April - June (Q1)	40.45	45.96	13.61
July	16.67	20.44	22.66
August	16.13	17.43	8.04
September	11.73	22.71	93.60
July-September (Q2)	44.53	60.59	36.05
April - September (H1)	84.98	106.54	25.37
Source: GJEPC Analysis			



- **Reasons for Growth**

1. Global Platinum Jewellery Market Resurgence

- The global platinum jewellery market experienced a strong resurgence in 2025, with platinum jewellery fabrication surging 50% year-on-year in Q1 2025.
- Platinum jewellery demand reached 1.2 million ounces in the first half of 2025—the highest level since 2015.
- In China specifically, Q1 2025 platinum fabrication surged 50% year-on-year, with March output more than doubling compared to the previous year.

2. Price Advantage Over Gold

- The dramatic rise in gold prices (over \$3,800/oz by September 2025) created a compelling value proposition for platinum at approximately \$1,450/oz.
- This widening price differential led to 26% increase in fabrication in China, 17% growth in Europe, and 11% increase in North America.
- High gold prices and weak diamond demand prompted many jewellers globally to pivot toward platinum.

3. Superior Material Properties

- Consumers are increasingly appreciated platinum's greater durability, scratch resistance, hypoallergenic qualities, natural white colour (no rhodium plating needed), and higher density providing a premium feel.
- Platinum's association with authenticity, durability, and emotional connection

are appealing to consumers seeking meaningful, high-quality pieces at accessible price points.

4. Strong Bridal and Mass Market Demand

- Europe's platinum jewellery fabrication grew by a record 8% to 343koz (10.7t), driven by bridal and mass market segments responding well to the price advantage.
- North American demand increased 11%, supported by the bridal segment and precautionary stocking by retailers ahead of potential tariff changes.

5. Catastrophic Raw Material Deficit (Critical Supply Chain Concern)

- Despite exceptional export growth, platinum bar imports collapsed by - 79.5% in H1 FY2025-26.
- This severe raw material deficit suggests current export volumes are sustained by aggressive drawdown of existing domestic inventories rather than fresh production.

Global Platinum Jewellery Market - 2025 Overview

Metric/Region	Volume/Growth Rate	Key Drivers/Notes	Price/Value Context
Global H1 2025	1.2 million ounces	Highest level since 2015; strong rebound	Gold: \$3,800+/oz vs Platinum: \$1,450/oz
Full Year 2025 Forecast	2.23 million ounces	11% growth driven by China demand surge	Sustained price differential vs gold
India Q1 Growth	+7% average	Steady growth despite high gold prices	Despite record gold prices
Europe Q1 Fabrication	343 koz (10.7t)	Record 8% growth: bridal/mass market demand	Gold: \$3,800/oz differential
North America Q1	+11% increase	Retail stocking ahead of tariff changes	Bridal demand remains stable
UAE Q1 Retail Sales	+25% YoY	Regional expansion (136 stores across GCC)	Price-competitive positioning

Sources: Platinum Guild International, WPIC, Discovery Alert (2025)

9. Synthetic Stones, Pearls, Imitation Jewellery, and Others

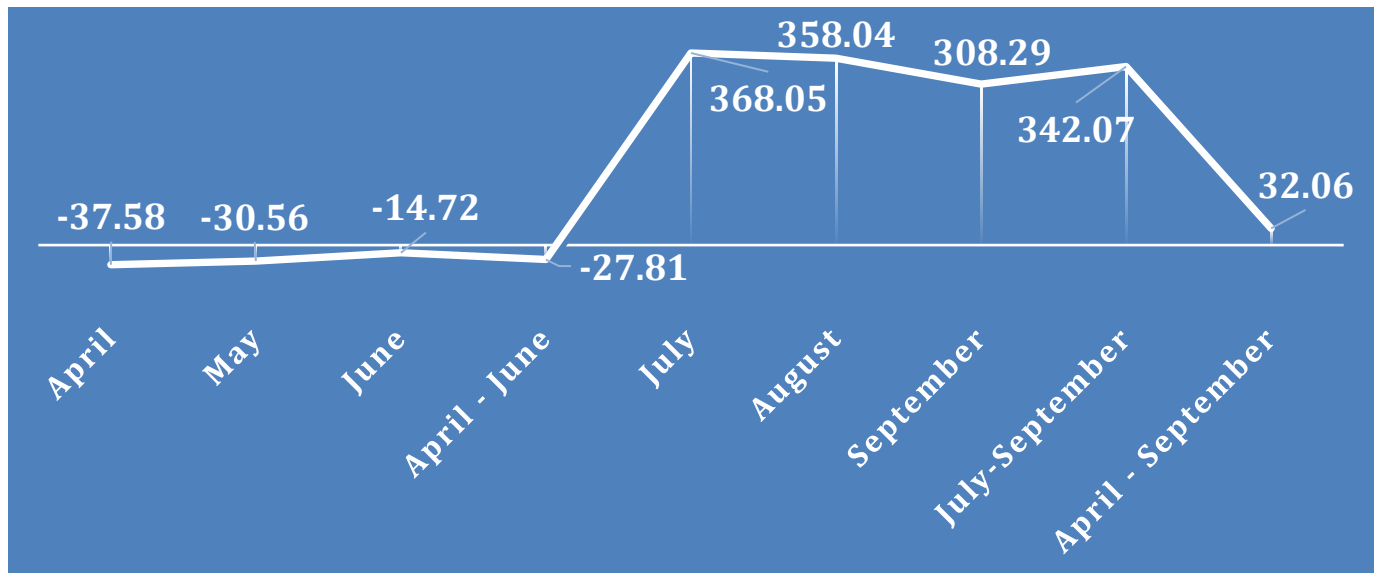
Polished Synthetic Stones, Worked Pearls, and miscellaneous jewellery articles achieved rapid growth in H1, confirming an accelerating trend toward affordable and substitute luxury products.

Polished Synthetic Stones saw exports rise by **+32.06%** H1. This performance was driven by an astonishing Q2 Y-o-Y increase of **+342.07%**. This massive growth confirms a rapid expansion in market demand for affordable, technologically manufactured stone alternatives, mirroring global economic pressures and shifting consumer spending habits.

Table 13: Polished Synthetic Stones Gross Exports April – September 2025 (P)

Month	Gross Exports 2024 (US\$ mn)	Gross Exports 2025(p) (US\$ mn)	% Growth/Decline (Y-o-Y)
April	1.55	0.96	-37.58
May	2.00	1.39	-30.56
June	1.57	1.34	-14.72
April - June (Q1)	5.12	3.69	-27.81
July	0.31	1.46	368.05
August	0.30	1.36	358.04
September	0.38	1.55	308.29
July-September (Q2)	0.99	4.37	342.07
April - September (H1)	6.11	8.06	32.06

Source: GJEPC Analysis



- **Reasons for Explosive Growth**

1. Affordable Luxury and Substitute Product Demand

- The massive Q2 surge confirms rapid expansion in market demand for affordable, technologically manufactured stone alternatives.
- Global economic pressures and shifting consumer spending habits drove consumers toward synthetic alternatives.

2. Price Advantage

- With natural diamond and gemstone prices under pressure or remaining elevated, synthetic stones offered compelling value propositions for fashion and costume jewellery segments.

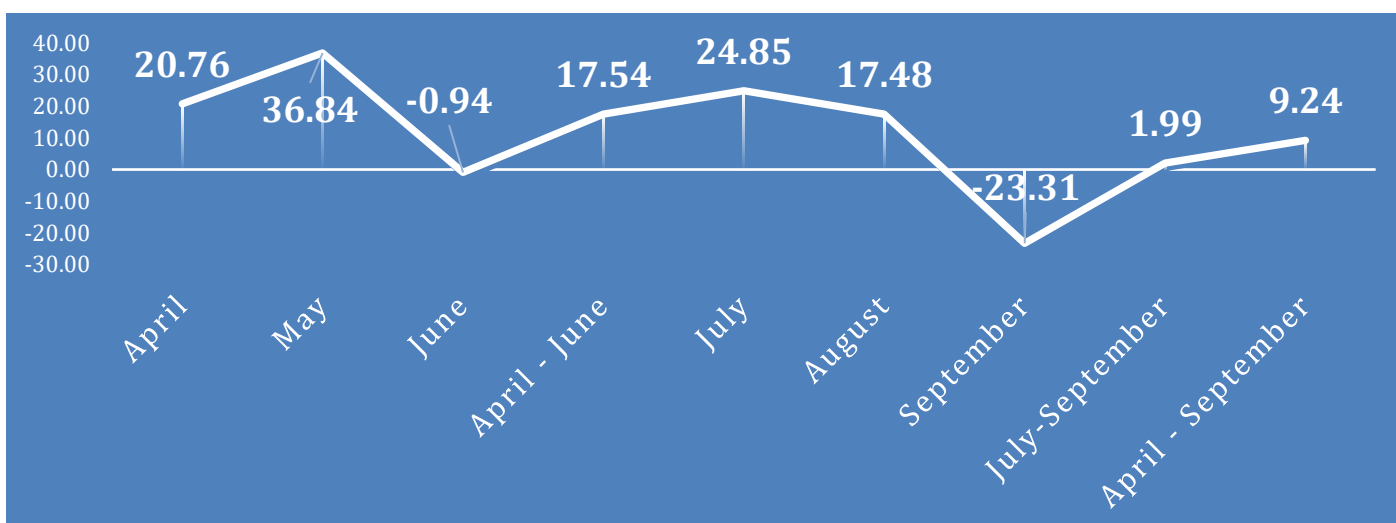
3. Integration into Jewellery Manufacturing

- Manufacturers increasingly incorporated synthetic stones into studded gold jewellery and other products to maintain margins while keeping consumer prices competitive.
- The trend of using synthetic stones in gold settings as alternatives to diamonds or coloured gemstones accelerated.

10. Imitation Jewellery grew by a moderate **+9.24%** H1, though Q2 growth was negligible (+1.99%), indicating that most of this growth occurred earlier in the fiscal year.

Months	Gross Exports	Gross Exports	% Growth/ decline (Y-O-Y)
	2024	2025	
	US \$mn	US\$ mn	
April	4.02	4.86	20.76
May	4.67	6.38	36.84
June	5.57	5.52	-0.94
April - June	14.26	16.76	17.54
July	4.58	5.72	24.85
August	4.71	5.53	17.48
September	7.03	5.39	-23.31
July-September	16.32	16.64	1.99
April - September	30.58	33.41	9.24

Source: GJEPC Analysis



Reasons for Growth

1. Rising Cost of Precious Metals

- With gold and silver prices at elevated levels, consumers gravitated toward inexpensive imitation jewellery crafted from low-cost metals and gems.
- The increasing costs of gold and other precious materials drove demand for affordable fashion alternatives.

2. Fashion-Conscious Demographics

- Growing demand from the working population and fashion-conscious youth, particularly in emerging markets.
- Jewellery personalization and customization trends supported product demand.

3. E-commerce Growth

- The rise in e-commerce and online retailing provided plethora of choices at competitive prices, boosting imitation jewellery sales.
- Integration of advanced technologies like augmented reality for virtual try-ons enhanced the online shopping experience.

4. Market Expansion

- The global imitation jewellery market is projected to grow from USD 17.95 billion in 2024 to USD 38.70 billion by 2035, at a CAGR of 7.23%

11. Worked Pearls exports grew significantly by **+29.62%** in H1.

Reasons for Growth

1. Rising Demand for Affordable Luxury

- Pearls, particularly faux pearls in imitation jewellery, emerged as popular choices offering sophisticated and timeless appeal without the expense of real pearls.
- Faux pearls provided a touch of luxury accessible to a broader audience, complementing both modern and classic styles.

2. Fashion Trends

- Pearl jewellery experienced a strong revival in 2025, with contemporary designs like layered faux pearl necklaces gaining popularity.
- The adaptability of pearls and growing consumer interest in sustainable and affordable luxury drove demand.

12. Miscellaneous 'Others' Category exhibited explosive growth, surging by **+179.98%** in H1.

13. Regions, SEZ - Exports

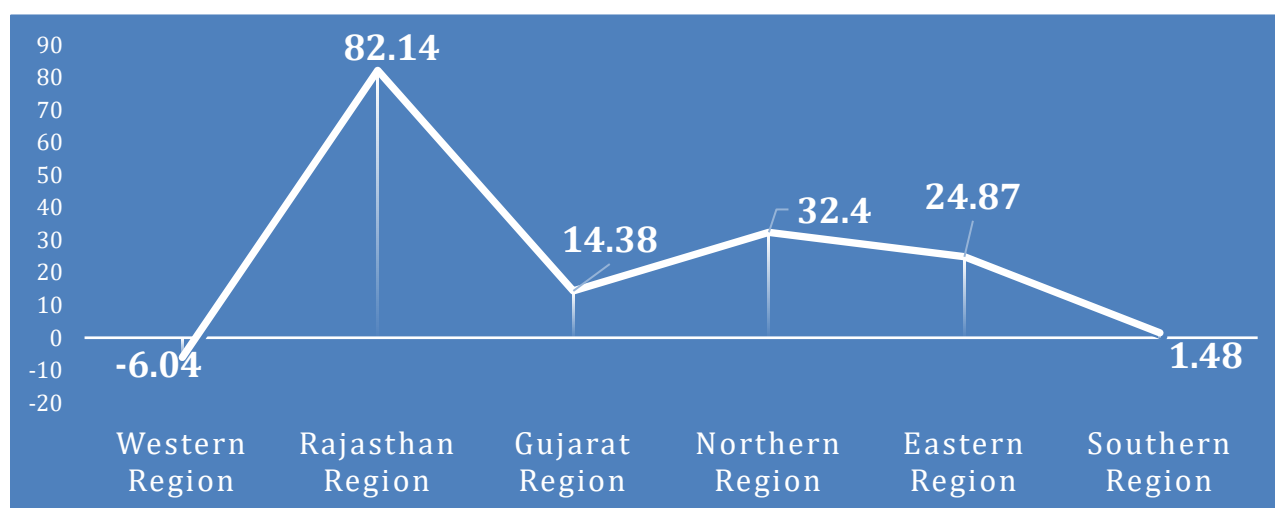
13.1. Region-wise Gross Exports

H1 export performance highlighted a significant decentralization of growth drivers. The Western Region declined by **-6.04%**. In contrast, regions specializing in other commodities saw robust and multi-fold expansion:

- Rajasthan Region: Explosive growth of **+82.14%** (US\$ 1,219.27 million).
- Northern Region: Strong growth of **+32.40%** (US\$ 911.02 million).
- Eastern Region: Significant growth of **+24.87%** (US\$ 843.46 million).

Table 14: Region-wise Gross Exports April to September 2025 (P)

Region	Gross Exports (April - September 2024) (US\$ Million)	Gross Exports (April - September 2025) (US\$ Million)	% of Growth / Decline
Western Region	9,871.42	9,275.10	-6.04
Rajasthan Region	669.40	1,219.27	82.14
Gujarat Region	990.32	1,132.75	14.38
Northern Region	688.07	911.02	32.40
Eastern Region	675.45	843.46	24.87
Southern Region	703.28	713.70	1.48
Totals	13,597.95	14,095.30	3.66
Source: GJEPC Analysis			



13.2. SEZ-wise Gross Exports

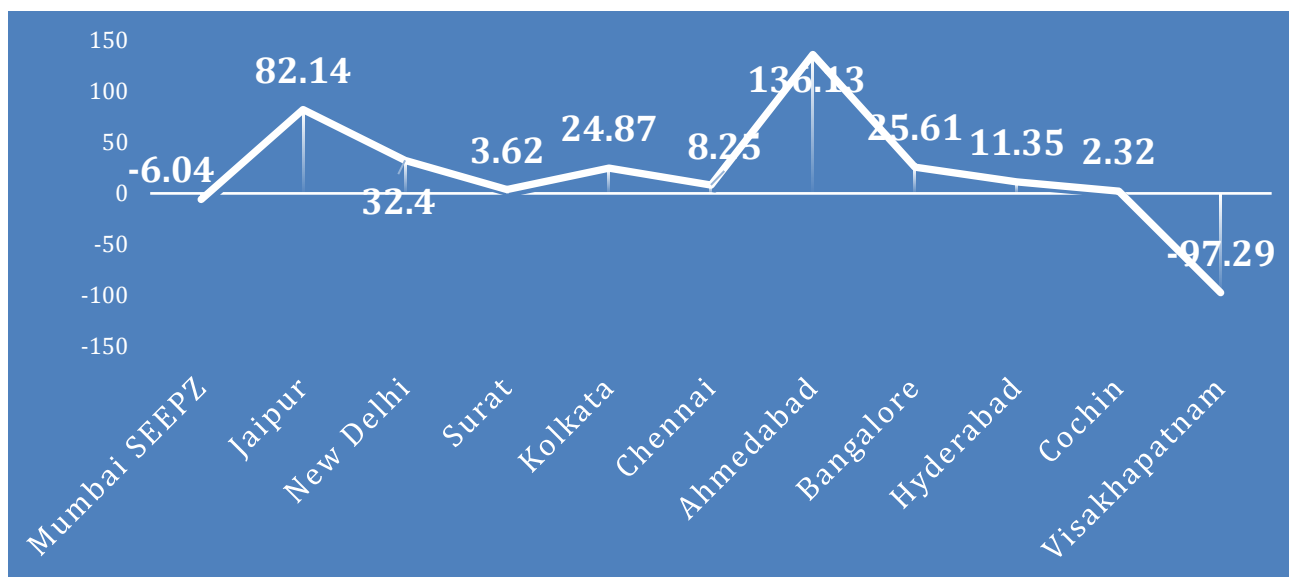
SEZ performance reinforces regional trends, confirming the effectiveness of specialized infrastructure. Jaipur SEZ (+82.14%) and New Delhi SEZ (+32.40%) achieved strong growth, while Ahmedabad SEZ recorded an explosive Y-o-Y increase of **+136.13%**.

Conversely, exports from the Visakhapatnam SEZ collapsed by **-97.29%**, falling to just US\$ 1.63 million in H1.

Table 15: SEZ Gross Exports April to September 2025 (P)

SEZ	April - September 2025 (US\$ Million)	% of Growth / Decline
Mumbai SEEPZ	9,275.10	-6.04
Jaipur	1,219.27	82.14
New Delhi	911.02	32.40
Surat	942.76	3.62
Kolkata	843.46	24.87
Chennai	387.93	8.25
Ahmedabad	189.99	136.13
Bangalore	124.80	25.61
Hyderabad	116.08	11.35
Cochin	83.26	2.32
Visakhapatnam	1.63	-97.29
Total	14,095.30	3.66

Source: GJEPC Analysis



14. Commodity-wise Imports

Gross Imports for H1 increased by **+6.74%**, totalling **US\$ 10,589.98 million**. This growth in raw material sourcing suggests manufacturers are confidently restocking and expanding capacity in preparation for future demand.

14.1. Imports of Raw Materials for Manufacturing

Gold Bar imports surged by a massive **+87.76%**, confirming the high demand for raw gold material needed to sustain the exceptional export growth observed in Plain Gold Jewellery.

Rough Diamonds imports saw modest growth of **+5.25%**. This moderate replenishment suggests that while the industry is not rushing into aggressive stocking, it is cautiously rebuilding inventory, anticipating a normalized demand environment in the second half of the year.

Rough Lab Grown Diamonds imports grew by **+4.78%**. This, combined with the sharp decline in finished Polished LGD imports (**-52.09%**), confirms the domestic industry's successful substitution of foreign finished LGD goods with locally manufactured products.

The import of **Platinum Bar** is the major raw material concern, collapsing by a critical **-79.5%**, and poses significant supply chain vulnerability for the sector.

Table 16: Key Commodity-wise Gross Imports April – September 2025 (P)

Commodities	April - September 2024 (US\$ Mill)	April - September 2025 (US\$ Mill)	% growth /decline (Y-o-Y)
Rough Diamonds	5,763.53	6,066.23	5.25
Rough Lab Grown Diamonds	458.46	480.37	4.78
Rough Coloured Gemstones	213.97	170.79	-20.18
Gold Bar	1,327.49	2,492.53	87.76
Silver Bar	40.21	83.66	108.06
Platinum Bar	546.26	111.97	-79.50
Sub - Total (Raw Materials)	8,359.64	9,412.18	12.59
Cut & Pol. Diamonds (Finished)	633.27	570.33	-9.94
Lab Grown Diamonds (Finished)	51.83	24.83	-52.09
Gold Jewellery (Finished)	740.30	358.31	-51.60
Silver Jewellery (Finished)	33.2	85.66	158.01
Pol. Col. Gemstones	67.58	85.47	26.47
Pol. Synthetic Stone	5.08	3.31	-34.84
Pearls worked	3.8	4.42	16.32
Imitation Jewellery	1.26	2.14	69.84
Sub – Total (Finished)	1536.32	1134.47	-26.16
Others	25.04	43.32	72.98
Gross Imports (Total)	9,921.02	10,589.98	6.74

Source: GJEPC Analysis

15. Growth Potential/Outlook

The strong Q2 performance provides a cautiously optimistic outlook for H2 FY2025-26. The diamond segment stabilization, coupled with sustained high growth in gold and other precious metals, suggests that the market has absorbed the majority of previous inventory shocks.

1. Strong Global Demand: Indian jewellery is admired for its craftsmanship, design, and cultural richness. Demand is growing in key markets such as the United States, United Arab Emirates, Hong Kong, and Europe, especially for gold, diamond, and coloured gemstone jewellery.

2. Expanding Domestic Market: India's growing middle class, increasing disposable income, and cultural affinity for jewellery—especially during weddings and festivals—are boosting domestic consumption. The shift towards lightweight, daily-wear, and branded jewellery is attracting younger buyers and urban consumers.

3. Government Support: The Government of India is actively supporting the sector through:

- Free Trade Agreements (FTAs) like the India-UAE CEPA, which reduce tariffs and open new markets
- Development of Jewellery Parks and Common Facility Centres (CFCs) to provide modern infrastructure and tools
- Skill development programs to train artisans and improve product quality

4. The Gem & Jewellery Export Promotion Council (GJEPC) Role: GJEPC plays a central role in driving growth and innovation:

- It regularly promotes Brand India by organizing and participating in international trade shows & through its own events like IJS, BSM, SAJEX, etc.
- It supports exporters by facilitating policy advocacy, resolving trade issues, hand-holding first-time exporters through its EDP program and provides regular market intelligence
- GJEPC facilitates training institutes to enhance skills and technical knowledge
- It helps MSMEs access modern machinery through CFCs and promotes innovation and sustainability
- GJEPC also publishes regular research reports and trade data, helping businesses make informed decisions

5. Innovation and Sustainability: The industry is embracing lab-grown diamonds, eco-friendly practices, and digital platforms to meet changing consumer preferences. These innovations are helping Indian jewellery stay competitive and relevant in global markets.

6. Export Infrastructure: Exports from Special Economic Zones (SEZs) like Jaipur, Kolkata, and New Delhi have shown strong growth. Improved logistics, digital systems, and trade facilitation are making exports faster and more efficient.

16. Conclusion

The Indian Gem and Jewellery sector achieved positive H1 FY2025-26 growth, propelled by a strong rebound in Q2 that reversed earlier contractions. This achievement underscores the resilience of the sector and the successful diversification away from reliance on the natural diamond segment.

The industry continues evolving with innovation, infrastructure development, and strategic branding initiatives, reinforcing India's position as the global hub for high-quality and culturally rich jewellery. The positive momentum in Q2 provides a strong foundation for sustained growth in the remaining quarters of FY2025-26.

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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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