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INDIA

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# Gem & Jewellery Trade Trends

## Monthly Report

April-November 2020

**Statistics Department**  
**GJEPC Data Analytics Unit**

**THE GEM & JEWELLERY EXPORT PROMOTION COUNCIL**

Sponsored by Ministry of Commerce & Industry, Government of India  
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## **Gem and Jewellery Monthly Trade Trends**

### **April-November 2020**

#### **Preface**

*Gem and Jewellery exports from India have witnessed a swift recovery during April-November 2020. Key commodities like cut and polished diamonds, silver jewellery, lab grown diamonds have recorded even positive growth in November 2020, majorly on account of the government support; GJEPC virtual trade development initiatives like VBSMs, India Global Connect; revival of customers' /business sentiments and festive time in national and international markets, among others. However, there are certain key gem and jewellery commodities viz. gold jewellery, coloured gemstones etc. exports of which are in high negative export growth trajectory. It is because of the ongoing pandemic situation and domestic challenges including tedious customs procedures, imposition of import duty on cut and polished diamonds, coloured gemstones, lack of adequate finance facilities, non-availability of rough material etc. The GJEPC believes that the gem and jewellery sector which has shown resilience during this acute crisis can further stabilize strongly if the domestic level challenges of the manufacturers/exporters get addressed by the Government. While, if the current pace continues gem and jewellery exports are expected to be at around US\$20 billion to US\$22 billion.*

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

## Gem and Jewellery Trade Trends: Monthly Report

### April-November 2020: Key Highlights

The Month of November 2020, amid all odds has witnessed a decent recovery in exports and domestic demand for gem and jewellery products; majorly attributed to revival of market sentiments, impulsive purchases during festive time, government constant support and GJEPC business-oriented events among others.

This is apparent from the data that exports of gem and jewellery have been falling continuously at the declining rate as (-)68%, (-)47%, (-)42%, (-) 26.5% and (-)19.02% in the month of May, June, August, September, and October 2020, respectively. Now, in the month of Nov 2020, the rate of negative export growth is recorded minimum at (-)4.23% y-o-y which is very much close to the export growth of (-)3% y-o-y registered in November 2019.

In the month of April-2020 exports growth was recorded at its lowest at (-)98.79%, but due to the prompt representations from GJEPC and strong /continuous support from the Government who in response to that took proactive measures with announcement of relaxations and other measures, the gem and jewellery exports have started recovering.

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

In November 2020, gross exports of gem and jewellery declined by (-)4.23% y-o-y to US\$2.51 billion as compared to US\$2.62 billion registered during the same month previous year.

During April-November 2020, gross exports of G&J declined by (-)44.36% y-o-y to US\$13.98 billion as compared to US\$25.12 billion registered during the same month previous year.

**Commodity-wise exports: Cut and Polished Diamonds** - In November 2020, net exports of cut and polished diamonds have witnessed a sharp recovery of 92% to US\$1192.18 million as compared to US\$620 million recorded in the same period last year.

**Key Growth Drivers:** Thanksgiving Day, Festive time, Govt measures, GJEPC events/activities VBSMs which have helped trade commercially and also morally in terms of reviving their spirits of resuming work, Recovery in market sentiments etc.

**Issues:** Rise in import duty from 2.5% to 7.5%, procedural bottlenecks of customs on account of variation in dimension and on account of variation in valuation etc.

**Growth Outlook:** Due to forthcoming Chines New Year, Christmas time, improvement in Indian retail sector, expectation of launch of Covid -Vaccine in the market, growth outlook of CPD exports is expected to be positive and steady.

**Lab Grown Diamonds :** Exports of lab grown diamonds have been consistently rising for the last six months and during the complete period of April-November 2020 its exports have witnessed a rise of 54% growth.

**Gold Jewellery** - Gross exports of gold jewellery have registered a significant decline of (-) 70.5% y-o-y to US\$2472.62 million during April-November 2020 as compared to US\$8400.57 million registered during the same period, previous financial year.

**I Plain Gold Jewellery** - After recording a sharp decline of (-) 99% in April 2020, exports of plain gold jewellery do not seem to be recovering much and still falling by over (-)70%.

**Reasons of fall in exports of Plain Gold Jewellery/Issues - A. International challenges** - Weak demand of G&J products from Middle east countries, logistics Issues as International flights are not operational, weak consumer sentiments etc. **B. Domestic challenges** - Intermittent non-availability of duty-free gold on loan for exports from nominated agencies/banks, High Collaterals and margin money for gold loan mandated by banks, Non availability of export credit from banks for small exporters, Blockage of capital due to bank guarantee etc.

**II Studded Gold Jewellery** - November 2020 is the first month after the outbreak of covid-19 when exports of studded gold jewellery have witnessed a marginal but positive export growth of 0.88%.

**Reasons of recovery of studded jewellery exports** - Enhanced liquidity in the system by USA Govt. which resulted in improved purchasing power of the consumers, festive time etc.

**Coloured Gemstone** - During April- November 2020, Coloured Gemstones exports declined by (-)55.89% y-o-y to US\$ 100.8 million as compared to US\$ 228.6 million registered during the same period previous year.

**Reasons of fall in exports of Coloured Gemstones/Issues: A. Challenges in International Market** - Physical shows which are important to find the buyers for CGS are not happening, International flights are not operational, hence buyers are even not coming to India and deals are not happening, supply of rough CGS is disrupted etc. **B. Challenges in domestic market** - Import duty of 0.5% on rough CGS, business is shifting to other countries, customs procedures etc.

**Silver Jewellery** - Exports of silver jewellery have increased by 61% to US\$1400 million during April-Nov 2020 as compared to US\$870 million during the same period previous year . This is majorly attributed to significant rise of silver studded jewellery from the country. This is observed that exports of silver jewellery is rising from SEZ , while its exports are falling from DTA.

**Reasons of falling silver jewellery exports from DTA:** Duty drawback for silver jewellery is not announced, High commission, Freight etc. charges of nominated agencies.

**Region-wise** except the Gujarat Region all the regions are still in negative zone due to the ongoing business crisis at the domestic and global level.

**Exports from SEZs have been showing green shoots** for the last 3 months majorly on account of rise in demand in key exports markets especially in USA during the thanksgiving and Christmas time.

**During April-November 2020, imports of almost all the commodities** of rough nature viz. rough diamonds, rough coloured gem stones , rough synthetic stones, gold bar, silver bar and platinum bar have witnessed a negative growth indicating towards the declined manufacturing activities in the domestic economy.

**1.**

**Gem and Jewellery Gross Exports Trends  
In Value Terms**



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

The Month of November 2020, amid all odds has witnessed a decent recovery in exports and domestic demand for gem and jewellery products; majorly attributed to revival of market sentiments, impulsive purchases during festive time, government constant support and GJEPC business-oriented events among others.

In the month of April-2020 exports growth was recorded at its lowest at (-)98.79%, but due to the prompt representations from GJEPC and strong /continuous support from the Government who in response to that took proactive measures with announcement of relaxations and other measures, the gem and jewellery exports have started recovering **(Table-1)**.

This is apparent from the data that exports of gem and jewellery have been falling continuously at the declining rate as (-)68%, (-)47%, (-)42%, (-) 26.5% and (-)19.02% in the month of May, June, August, September, and October 2020, respectively. Now, in the month of Nov 2020, the rate of negative export growth is recorded minimum at (-)4.23% y-o-y which is very much close to the export growth of (-)3% y-o-y registered in November 2019. This is a clear indication of recovery of exports.

### November 2020

Gross Exports declined by (-)4.23% y-o-y to US\$2.51 billion as compared to US\$2.62 billion registered during the same month previous year.

### April-November 2020

Gross Exports declined by (-)44.36% y-o-y to US\$13.98 billion as compared to US\$25.12 billion registered during the same month previous year.

**Table -1 Month-wise Gem and Jewellery Exports Trends (US\$bn)  
April-November 2020**

Months	Gross Exports	Gross Exports (P)	% Growth /Decline (Y-o-Y)
	2019 US\$bn	2020 US\$bn	
January	3.27	2.97	-9.17
February	3.69	2.97	-19.37
March	3.44	1.97	-42.81
April	2.99	0.04	-98.79
May	3.30	1.06	-67.79
June	3.09	1.65	-46.66
July	3.05	1.51	-50.41
August	3.05	1.78	-41.65
September	3.42	2.51	-26.45
October	3.61	2.92	-19.02
November	2.62	2.51	-4.23
<b>April to Nov</b>	<b>25.12</b>	<b>13.98</b>	<b>-44.36</b>

**Q1: (-) 71% decline**



**Q2: (-) 39% decline**



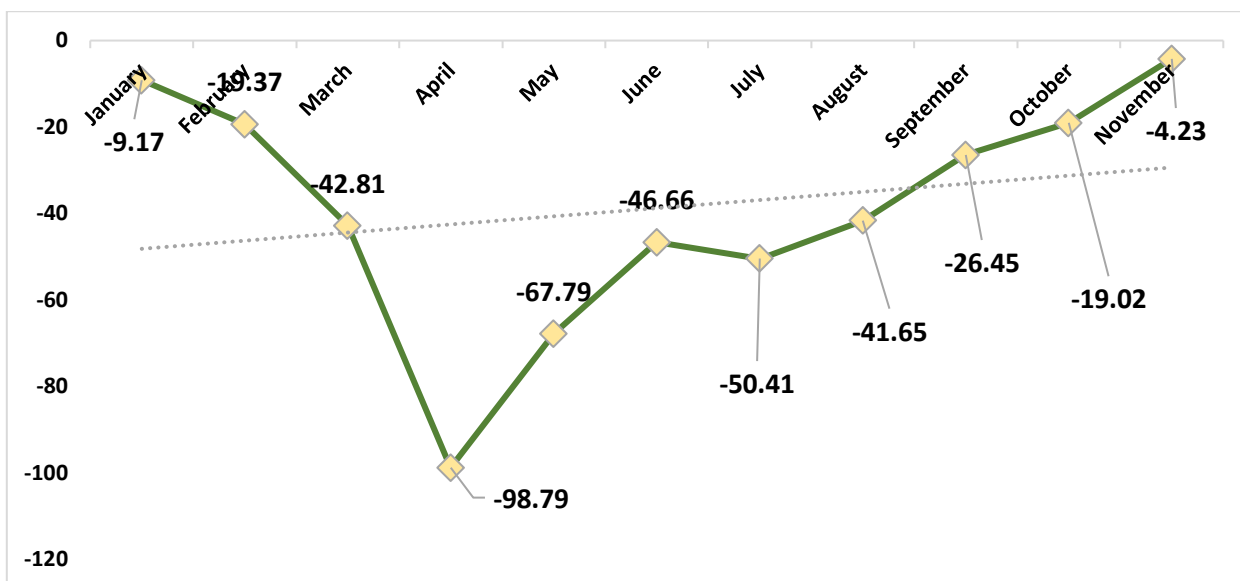
**Oct-Nov 2020: (-) 13%**

Source: GJEPC Analysis ,

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

Month-wise sharp decline and recovery in exports of gem and jewellery over the last 7-8 months are apparently visible here below as 'V' Shape export growth curve

Figure -1 Gem and Jewellery Exports – 'V' Shaped Recovery (January to November 2020)



Source: GJEPC Analysis

Various reasons of recovery in exports are as follows:

- ✓ Govt measures
- ✓ GJEPC events/activities VBSMs which have helped trade commercially and also morally in terms of reviving their spirits of resuming work.
- ✓ Recovery in market sentiments
- ✓ Customers are moving back to the markets
- ✓ Festive time
- ✓ Impulsive purchases after severe lockdown

## 2. Gem and Jewellery Gross vis-a-vis Net Exports - April-November 2020

Gem and Jewellery gross exports have declined by (-)44.35% to US\$13.98 billion as compared to US\$25.12 billion during April-Nov 2019. While net exports declined by (-)43.74% to US\$11.45 billion during April-Nov 2020 as against US\$20.35 billion in the same period last year.

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

Exports	April to November 2019	April to November 2020 (P)	% of growth/decline
	(US\$ in Million)	(US\$ in Million)	
Gross Exports	25123.71	13981.97	-44.35
Return Consignment	4,764.63	2,527.53	-46.95
Net Exports	20359.08	11454.44	-43.74

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



**2.**

**Gem and Jewellery Gross Exports Trends:  
Commodity-wise**



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

This is apparent from the below **table-3** that gross exports of almost all gem and jewellery commodities including cut and polished diamonds, coloured gemstones, polished synthetic stones, gold jewellery, imitation jewellery and articles of gold, silver and others have witnessed a negative growth during April-November 2020. However, exports of a few commodities viz. lab grown diamonds, silver jewellery and platinum jewellery have recorded the positive growth during the said period of time.

A snapshot of commodity wise gross exports is depicted here below:

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

Commodities	Gross Exports April - November 2019	Gross Exports April - November 2020 (P)	% Growth/decline
	(US\$mn)	(US\$mn)	(Y-o-Y)
Cut & Pol Diamonds	13,412.50	8,951.54	-33.26
Pol. Lab Grown Syn. Diamonds	276.05	423.88	53.55
Coloured Gemstones	228.66	100.87	-55.89
Pol. Synthetic Stone	0.71	0.62	-13.28
Gold Jewellery	8,400.57	2,472.62	-70.57
Silver Jewellery	869.62	1,400.13	61
Platinum Jewellery	5.90	6.37	8.02
Imitation Jewellery	41.86	28.15	-32.75
Articles of Gold, Silver & others	337.30	71.70	-78.74
Others	1,550.55	526.10	-66.07
<b>Gross Exports</b>	<b>25123.71</b>	<b>13981.97</b>	<b>-44.35</b>
Return Consignment	4,764.63	2,527.53	-46.95
<b>Net Exports</b>	<b>20,359.08</b>	<b>11,454.44</b>	<b>-43.74</b>

Source: GJEPC Analysis

Notes: (P) = Provisional, Gross exports means inclusive of return consignments & Net Exports means exclusive of return consignments

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

# I DIAMONDS

## A. Natural Diamonds

- In the month of November 2020, net exports of cut and polished diamonds have witnessed a sharp recovery of 92% to US\$1192.18 million as compared to US\$620 million recorded in the same period last year (**Table-4 and Figure 2**).
- However, overall net exports of CPD during April to November 2020 declined by around (-) 30% to US\$6483.05 million as compared to US\$8928.7 million registered during the same period previous year.
- This is to take a note that from September to November 2020 exports have observed to be up by 7.6 % to US\$3.65 billion from US\$3.39 billion during Sept-Nov 2019.

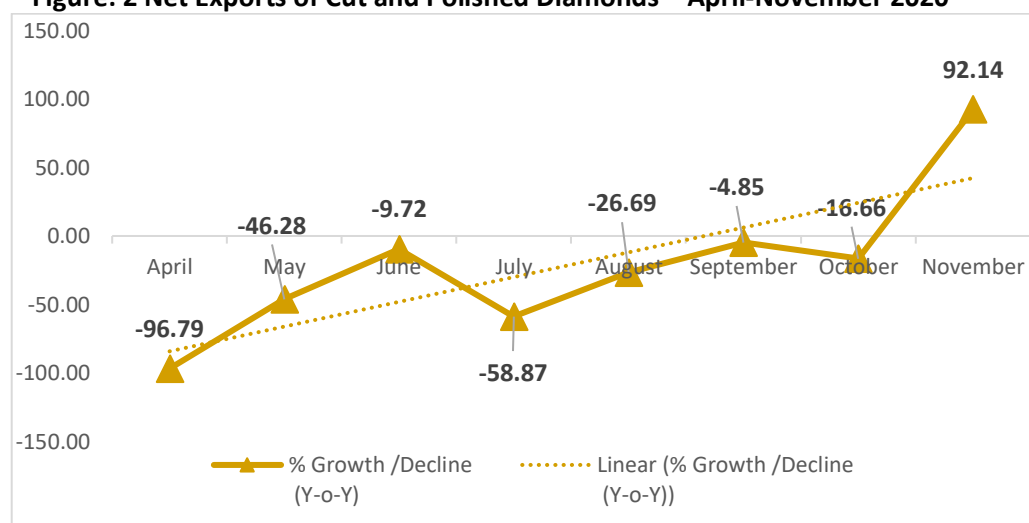
**Table -4 Cut and Polished Diamonds Net Exports: April-November 2020**

Months	Net Exports	Net Exports (P)	% Growth /Decline (Y-o-Y)
	April-Nov 2019	April-Nov 2020	
April	1075.70	34.50	-96.79
May	1410.58	757.79	-46.28
June	847.90	765.47	-9.72
July	1047.02	430.64	-58.87
August	1156.40	847.71	-26.69
September	1234.35	1174.44	-4.85
October	1536.23	1280.32	-16.66
November	620.48	1192.18	92.14
<b>April to November</b>	<b>8928.66</b>	<b>6483.05</b>	<b>-29.72</b>

Source: GJEPC Analysis

Notes: (P) = Provisional, Net Exports means exclusive of return consignments

**Figure: 2 Net Exports of Cut and Polished Diamonds – April-November 2020**



## Growth Drivers of recovery in export growth of CPD

Key growth drivers of high export growth of cut and polished diamonds in recent times are as follows-

- ✓ Thanksgiving Day spending rose by nearly 22% with a 37% jump in online sales in the USA
- ✓ Indian online retailers have recorded growth of 40% during Diwali
- ✓ Steady demand from Hong Kong and China
- ✓ Voluntary reduction of imports of rough diamonds during lockdown resulted in managing the inventory of rough diamonds
- ✓ Bank debt in India has gone down by 26%
- ✓ Vaccine is round the corner and hence consumer sentiments are reviving back
- ✓ Indian demand has improved substantially from Dhanteras. Demand for Weddings season is picking up.

*In all, festive and holiday season in India's key export markets – USA, China and within the country have resulted spur in demand for gem and jewellery products in the last month.*

*This can also be understood with the fact that, normally every year during Diwali the diamond providing factories remain close for 3-4 weeks. But this year due to heavy demand from the USA and China factories resumed after 1 week of holiday.*

*Furthermore, it has been observed that all factories are fully operational and working with full strength of employees*

## Issues faced by the diamond sector and suggestions

- ✓ Rise in import duty on polished diamonds from 2.5% to 7.5% has led to Increase in procurement cost of polished diamonds which are used in making final jewellery products; assortment shifted to overseas branches by Indian diamantaires.
- ✓ Procedural bottlenecks of Customs in imports/exports of diamonds at PCCCC, Mumbai
- ✓ Difficulty faced in relation to Cut and Polished Diamond (CPD) exported – on account of variation in dimension(s)
- ✓ Difficulty faced in relation to import of RD – on account of variation in valuation

## Growth Outlook

- ✓ There is a substantial rise in exports of diamonds in the recent times and it is expected that due to the forthcoming Chinese New Year and Christmas in the US , growth trend is expected to be steady in the coming months.
- ✓ Furthermore, as Covid vaccine, travel movement, Improvement in Indian retail sector and support from the Ministry of Finance and Commerce are expected, therefore stability in Indian Diamond industry is expected , going ahead.

## B. Lab-grown diamonds

Exports of lab grown diamonds have been consistently rising for the last six months and during the complete period of April-November 2020 its exports have witnessed a rise of 54% growth to US\$424 million as compared to US\$276.05 million registered during the same period previous year (**Table-5 and Figure -3**).

**Table -5 Lab Grown Diamonds Gross Exports - April-November 2020**

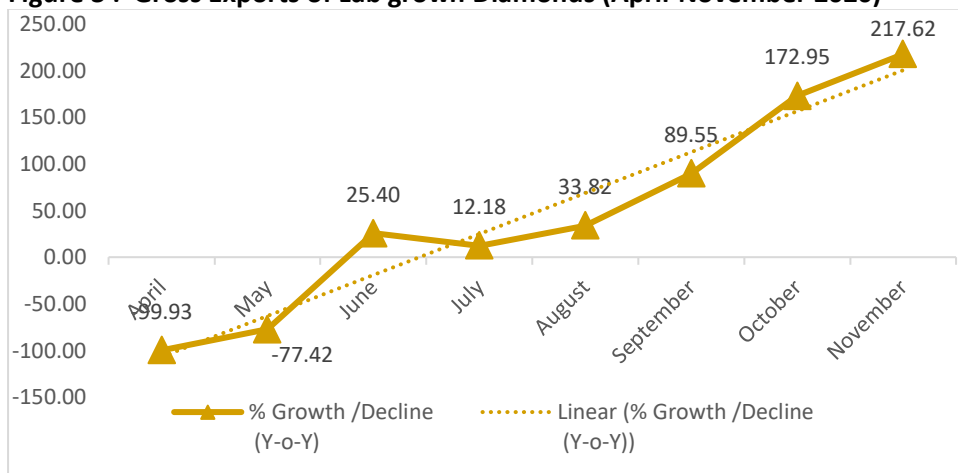
Months	Grose Exports		% Growth /Decline (Y-o-Y)
	FY2019 US\$mn	FY2020 US\$mn	
April	22.18	0.02	-99.93
May	40.39	9.12	-77.42
June	23.80	29.85	25.40
July	34.55	38.75	12.18
August	37.37	50.01	33.82
September	42.04	79.69	89.55
October	53.92	147.17	172.95
November	21.80	69.25	217.62
<b>April to November</b>	<b>276.05</b>	<b>423.86</b>	<b>53.55</b>

Source: GJEPC Analysis ,

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

Lab grown diamond is a new product category which is introduced to the consumer in the recent time. The reason of growing export growth of lab grown diamonds in the last 2 years is majorly attributed to rising awareness and acceptance of the commodity by the consumers in the USA. Furthermore, this is a general phenomenon that new product always shows exponential growth in the initial 5 Years and after that its sales gets stabilised. This is the reason of the high export growth of 54% in case of lab grown diamonds and it has the potential to grow further in the next few years (**Table-5 and Figure 3**).

**Figure 3 : Gross Exports of Lab grown Diamonds (April-November 2020)**



## II GOLD JEWELLERY

According to the recent data, gross exports of gold jewellery have registered a significant decline of (-) 70.5% y-o-y to US\$2472.62 million during April-November 2020 as compared to US\$8400.57 million registered during the same period, previous financial year.

**Table -5 Gold Jewellery gross exports - April-November 2020**

Commodities	Gross Exports April - November 2019	Gross Exports (P) April - November 2020	% Growth/decline
	(US\$m)	(US\$m)	(Y-o-Y)
Gold Jewellery	8,400.57	2,472.62	-70.57

Source: GJEPC Analysis ,

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

While going in more details, it is observed that exports of plain gold jewellery have declined relatively more than the exports of studded gold jewellery during the said period of April-Nov 2020.

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

### A. Plain Gold Jewellery

After recording a sharp decline of (-) 99% in April 2020, exports of plain gold jewellery do not seem to be recovering much and still falling by over (-)70%. Overall, gross exports of plain gold jewellery have fallen from US\$6069.33 million in April-November 2019 to US\$1036.67 million in April-Nov 2020 recording a high negative growth of around (-)83% **(Table-6 & Figure- 4)**.

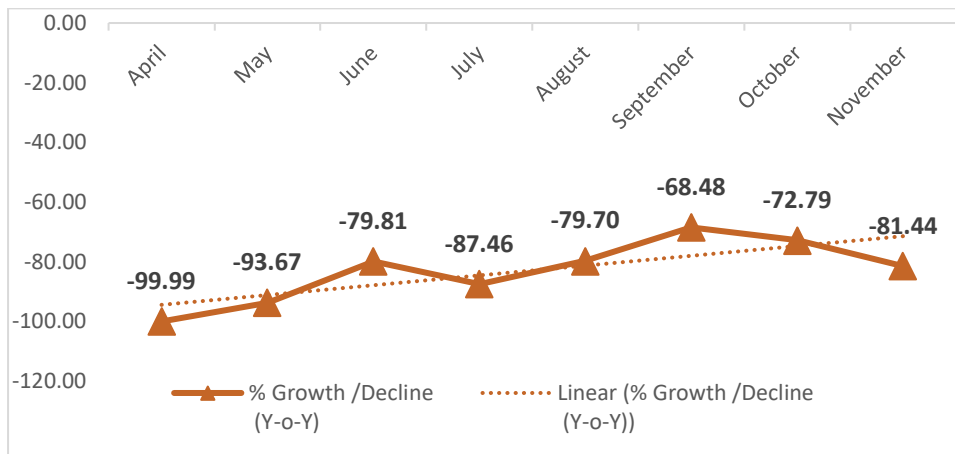
**Table- 6 Plain Gold Jewellery Gross Exports - April-November 2020**

Months	Grose Exports	Grose Exports (p)	% Growth /Decline (Y-o-Y)
	FY2019 US\$m	FY2020 US\$m	
April	729.66	0.06	-99.99
May	785.84	49.77	-93.67
June	756.33	152.69	-79.81
July	789.15	98.96	-87.46
August	743.58	150.94	-79.70
September	720.34	227.07	-68.48
October	815.71	221.95	-72.79
November	728.73	135.23	-81.44
<b>April to November</b>	<b>6069.33</b>	<b>1036.67</b>	<b>-82.92</b>

Source: GJEPC Analysis ,

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

**Figure - 4 Gross Exports of Plain Gold Jewellery (April-November 2020)**



Source: GJEPC Analysis ,

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

## Reasons of fall in exports of Plain Gold Jewellery/Issues

### Challenges in international markets

- ✓ Dubai & Singapore are India's key export markets for plain gold jewellery, while due to the absence of tourists in these countries import demand of gold jewellery from India has dropped down significantly amid the ongoing Covid-19 pandemic.
- ✓ Logistics issues, as no direct international flights are operational from VTZ port which accept VAL cargo. Furthermore, logistics cost has gone up as international flight operations have not resumed in full capacities
- ✓ Weak consumer sentiments in overseas market have not created enough demand for plain gold jewellery from India.
- ✓ Due to Covid, online business has grown by leaps and bounds, however non-availability of e-commerce mechanism in India has hampered its exports.
- ✓ None of the major exhibitions like JCK, Las Vegas, Hong Kong Jewellery fair could happen which resulted in decline in exports to US and China.

### Challenges in domestic market

- ✓ Intermittent non-availability of duty-free gold on loan for exports from nominated agencies/banks
- ✓ High Collaterals and margin money for gold loan mandated by banks
- ✓ Non availability of export credit from banks for small exporters
- ✓ Blockage of capital due to bank guarantee till realisation of sale proceeds and duty drawback not commensurate to the import duty of gold/ silver, exports of gold jewellery by small exporters went down drastically
- ✓ Need permission for gold karatage below 8KT.

## B. Studded Gold Jewellery

November 2020 is the first month after the outbreak of covid-19 when exports of studded gold jewellery have witnessed a marginal but positive export growth of 0.88%. In value terms exports of studded jewellery are registered at US\$358 million in Nov 2020 as compared to US\$355 million in same period previous FY2019-2020.

Overall, exports of studded gold jewellery declined by (-)38% to US\$1436 million during April-Nov 2020 as compared to US\$2304.6 million during the same period last FY2020.

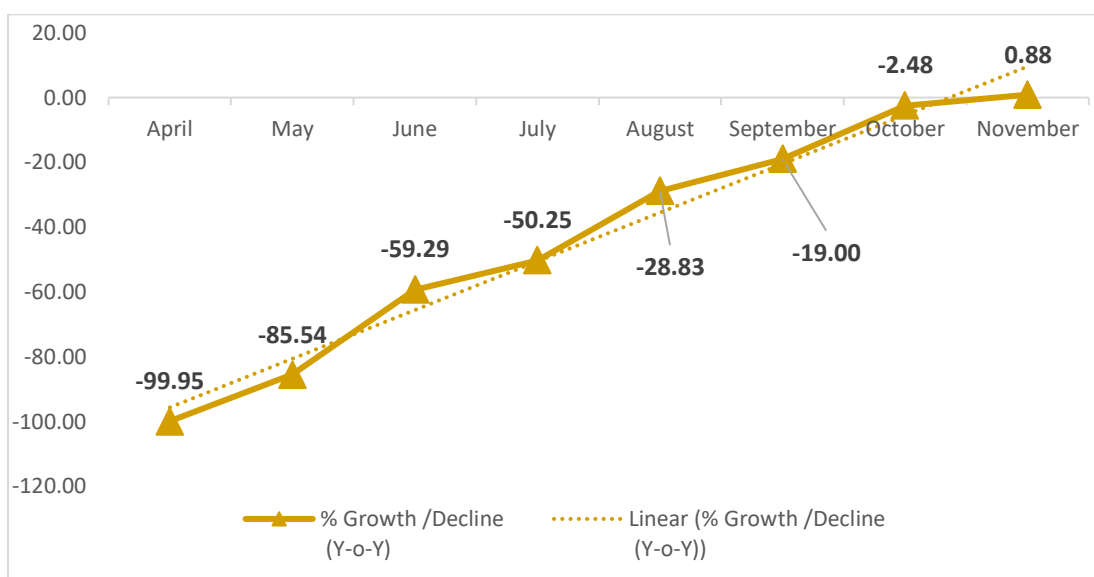
**Table – 7 Studded Gold Jewellery Gross Exports - April-November 2020**

Months	Grose Exports	Grose Exports (p)	% Growth /Decline (Y-o-Y)
	FY2020 US\$mn	FY2021 US\$mn	
April	263.31	0.14	-99.95
May	236.60	34.21	-85.54
June	207.21	84.36	-59.29
July	265.93	132.31	-50.25
August	246.13	175.16	-28.83
September	367.29	297.51	-19.00
October	362.69	353.68	-2.48
November	355.46	358.57	0.88
<b>April to November</b>	<b>2304.61</b>	<b>1435.95</b>	<b>-37.69</b>

Source: GJEPC Analysis ,

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

**Figure -5 Gross Exports of Studded Gold Jewellery (April-November 2020)**





### Reasons of recovery of studded jewellery exports are as follows:

- ✓ The USA Government has enhanced the liquidity in its system so as provide economical support. This resulted in increased purchasing power of the consumers and so as the import demand of the varied products including gem and jewellery.
- ✓ However, in coming months trend is not expected to be so positive as it would depend upon another package which may/may not be announced by the Federal Reserve in USA. Brexit is another reason which can further disrupted the consumer/business sentiments for making the new purchases.

## III COLOURED GEMSTONES

During April- November 2020, month-wise exports of coloured gemstones have witnessed a recovery as after declining by (-)97.3% in April 2020 its declining growth rate seems to be arrested to (-)22.6% in November 2020 (**Table-8 and Figure 6**). However, exports of the commodity have significantly declined by (-)55.89% y-o-y to US\$ 100.8 million as compared to US\$ 228.6 million registered during the same period previous year.

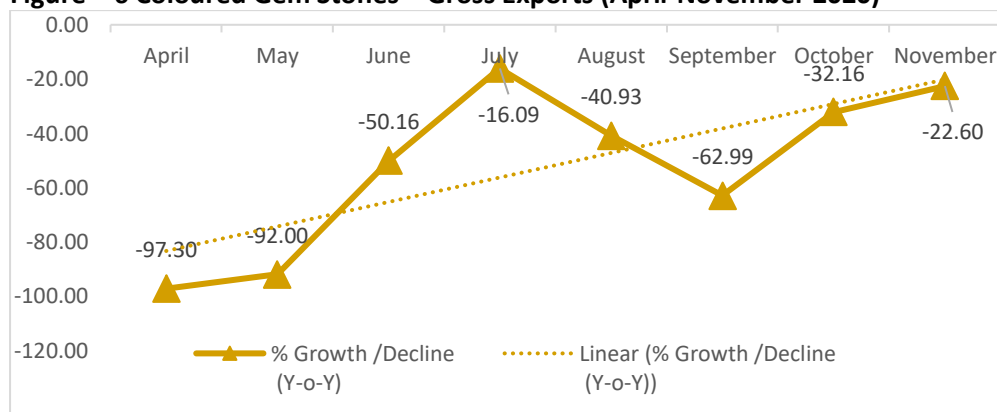
**Table – 8 : Coloured Gemstone Gross Exports (April-November 2020)**

Months	Gross Exports		% Growth /Decline (Y-o-Y)
	FY2019 US\$m	FY2020 US\$m	
April	20.17	0.54	-97.30
May	41.05	3.28	-92.00
June	24.82	12.37	-50.16
July	18.30	15.36	-16.09
August	26.74	15.79	-40.93
September	47.71	17.65	-62.99
October	28.64	19.43	-32.16
November	21.23	16.43	-22.60
<b>April to November</b>	<b>228.66</b>	<b>100.87</b>	<b>-55.89</b>

Source: GJEPC Analysis ,

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

**Figure – 6 Coloured Gem Stones – Gross Exports (April-November 2020)**



## **Reasons of fall in exports of Coloured Gemstones/Issues**

### **Challenges in International Market**

- ✓ For selling coloured gemstones, physical shows are important which are not happening presently and hence exporters are neither able to meet buyers from US and EU market nor can take/place orders.
- ✓ International flights are not operational, hence buyers of CGS from different countries including China are not coming and any commercial deals are also not happening.
- ✓ Supply of rough coloured gemstones which is the key intermediate commodity for making polished CGS is still disrupted. This is resulting in non-availability of raw material in the country and so as its production and exports.
- ✓ The demand has taken a hit due to COVID pandemic which will take some time to recover

### **Challenges in domestic market**

- ✓ Import duty of 0.5% on rough coloured gemstones is an additional burden on the CGS manufacturers/traders in India. Processing of rough stones gives a yield of only 10% and further 0.5% import duty means reducing the export competitiveness of the Coloured gemstones in the international market. Trade believes that it is important to remove import duty on rough coloured gemstones to become no.1 exports of CGS in the world market
- ✓ Due to import duty levied on coloured gemstones some businesses have shifted to countries like China and Thailand
- ✓ The problems are still the same in the newly rolled out faceless customs procedure as the shipments are still examined and valued many times. This has resulted in increased dwell time, hassles , approvals and appraisals for Indian manufacturers/traders.

### **Suggestions**

- Remove import duty of 0.5% on rough coloured gem stones.
- Exploring online/ e-marketplace model for reaching out to the buyers.
- Increasing Ease of doing business in exporting and re-importing of coloured gemstones on consignment basis as presently the Customs procedures are discouraging our exporters to send goods on consignment basis which has potential to generate business.

### **Growth Outlook**

Presently there is no problem pertaining to availability of workers and production functions are also smooth. If, the above challenges as narrated are addressed by the Govt. exports of coloured gemstones from the country can very well recover.

## IV SYNTHETIC STONES

During April- November 2020, gross exports of synthetic stones declined by (-)13.28% y-o-y to US\$ 0.62 million as compared to US\$0.71 million registered during the same period, previous year.

**Table-9 Synthetic Stones Gross Exports (April-November 2020)**

Months	FY2020	FY2021	% Growth/decline (Y-o-Y)
	(US\$mn)	(US\$mn)	
April to November (P)	0.71	0.62	-13.28

Source: GJEPC Analysis ,

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

### Reasons of fall in exports of Synthetic Stones/Issues

- ✓ Due to Corona, the major trading markets remained completely closed till September 2020 and even manufacturing activity could not happen much. All the key domestic areas of producing synthetic stones including Chennai, Hyderabad Tiruchirappalli and Jaipur markets were also not functional.
- ✓ Currently in the local market, there is a shortage of quality grade stones due to import limitations which is resulting in lack of availability of the rough material for further processing.

### Suggestions

Production/exports of synthetic stones are minuscule or of low value. We should see how we can enhance production of the commodity to encourage Make in India initiative for the generation of employment and output in the said sector. It is the time to set up a cluster / CFC for synthetic Stones.

## V SILVER JEWELLERY

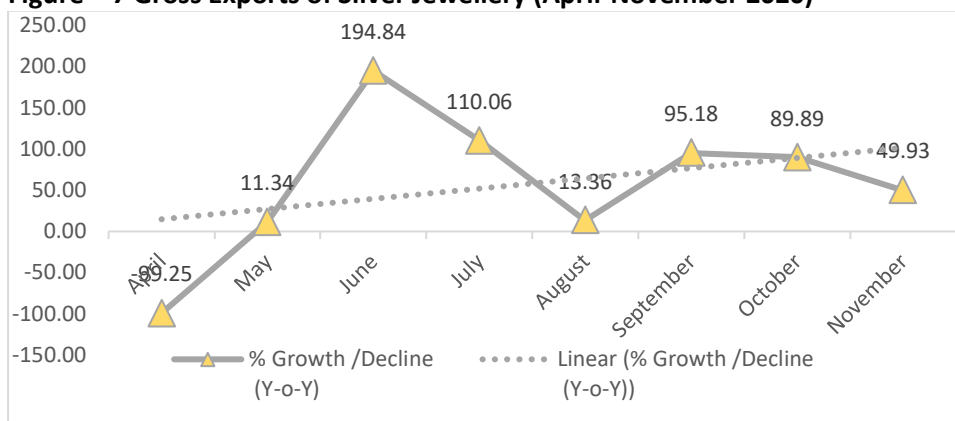
Exports of silver jewellery have increased by 61% to US\$1400 million during April-Nov 2020 as compared to US\$870 million during the same period previous year (**Table-10 & Figure 7**). This is majorly attributed to significant rise of silver studded jewellery from the country.

**Table-10 Silver Jewellery Gross Exports (April-November 2020)**

Months	Grose Exports	Grose Exports (P)	% Growth /Decline (Y-o-Y)
	FY2019 US\$mn	FY2020 US\$mn	
April	88.82	0.66	-99.25
May	76.31	84.97	11.34
June	81.05	238.96	194.84
July	89.67	188.36	110.06
August	106.08	120.25	13.36
September	118.73	231.74	95.18
October	180.06	341.91	89.89
November	128.91	193.28	49.93
<b>April to November</b>	<b>869.62</b>	<b>1400.13</b>	<b>61.00</b>

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

**Figure – 7 Gross Exports of Silver Jewellery (April-November 2020)**



**Key Points**

- ✓ This is observed that exports of silver jewellery is rising from SEZ , while its exports are falling from DTA. As this is apparent from the below table that silver jewellery exports growth fell by (-)23 % while SEZ has shown export growth of (+) 75.35% making overall export growth of silver jewellery positive.
- ✓ The commodity exporting from sez is majorly the diamond studded silver jewellery.

**Table-11 Silver jewellery exports from SEZ and DTA (April-November 2020)**

Silver Jewellery Exports	April to November 2019	April to November 2020	% Growth (y-o-y)
	US\$ Million	US\$ Million	
DTA	127.27	98.38	-22.7
SEZ	742.35	1301.75	75.36
Total	869.62	1400.13	61

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

**Reasons of falling silver jewellery exports from DTA are as follows :**

- ✓ Duty drawback for silver jewellery is not announced and exporters are suffering heavy losses. As per the 12.5% duty rate around 7000- 7500 Rs. per kg gets due, of which exporters get the refund of partial duty amount which is Rs. 4150. Non-payment of remaining amount makes India’s exports of silver jewellery from DTA relatively less competitive in the international market which is approximately costlier by Rs. 3000. Hence, full duty needs to be refunded back.
- ✓ Commission, Freight etc. charges of nominated agencies viz. MMTC adds to more cost in export prices of silver jewellery.
- ✓ In SEZ direct import of precious metal viz silver bar is possible which is not in case of DTAs.
- ✓ Freight for exporting the silver jewellery from Air cargo/courier is as same as for exporting the gold jewellery and diamonds which is not correct as the intrinsic value of silver jewellery is relatively very low as compare to gold jewellery and diamonds so freight should be different for silver than that of gold jewellery or diamonds.

**3, 4 &5**

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



### 3. REGION-WISE NET EXPORTS

Region-wise except the Gujarat Region all the regions are still in negative zone due to the ongoing business crisis at the domestic and global level (**Table-12**).

**Table – 12 Region wise Net Exports**

Regions	Net Exports (April to November 2019)	Net Exports (April to November 2020) (P)	% of Growth / Decline
	US\$ Million	US\$ Million	
Western Region	11992.84	7781.14	-35.12
Southern Region	387.81	158.76	-59.06
Rajasthan Region	390.46	305.72	-21.7
Gujarat Region	1439.31	2289.29	59.05
Northern Region	1344.70	758.40	-43.6
Eastern Region	408.22	161.14	-60.53
Total	15963.34	11454.44	-28.25

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

### 4. SEZ-WISE NET EXPORTS

Exports from SEZs have been showing green shoots for the last 3 months majorly on account of rise in demand in key exports markets especially in USA during the thanksgiving and Christmas time.

**Table 13 -SEZ Net Exports April to November 2020**

Months	Net Exports (April to November 2019)	Net Exports (April to November 2020) (P)	% Growth / Decline
	US\$ Million	US\$ Million	
April	294.71		-100
May	284.37	113.25	-60.17
June	241.81	305.99	26.54
July	287.92	298.03	3.51
August	312.99	284.04	-9.25
September	384.06	494.19	28.67
October	489.77	695.15	41.93
November	420.60	500.40	18.97
Total	2716.23	2691.04	-0.93

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

## 5. COMMODITY-WISE IMPORTS

During April-November 2020, imports of almost all the commodities of rough nature viz. rough diamonds, rough coloured gem stones , rough synthetic stones, gold bar, silver bar and platinum bar have witnessed a negative growth indicating towards the declined manufacturing activities in the domestic economy.

Snapshot of Commodity-wise imports is depicted here below:

**Table – 14 Commodity wise Imports – April – November 2020**

Commodities	April - November 2019	April - November 2020 (P)	% Growth/decline
	(US\$mn)	(US\$mn)	(Y-o-Y)
Rough Diamonds	8,553.96	5,015.85	-41.36
Rgh Lab Grown Diamonds	205.01	301.77	47.2
Rough Coloured Gemstones	167.86	67.74	-59.65
Rough Synthetic Stone	2.89	0.68	-76.52
Raw Pearls	9.83	0.30	-96.91
Gold Bar	5,301.71	475.94	-91.02
Silver Bar	25.51	20.17	-20.94
Platinum Bar	96.83	72.99	-24.62
<b>Sub Total</b>	<b>14363.59</b>	<b>5955.44</b>	<b>-58.54</b>
Imports of Cut & Pol. Diamonds	911.68	1,303.58	42.99
Pol. Lab Grown Diamonds	64.49	22.88	-64.52
Col. Gemstones	396.78	211.35	-46.73
Pol. Synthetic Stone	9.05	0.61	-93.21
Pearls worked	4.82	1.09	-77.45
Gold Jewellery	192.62	139.11	-27.78
Silver Jewellery	40.05	13.27	-66.87
Imitation Jewellery	0.89	1.13	27.27
Others	6.50	13.64	109.72
<b>Sub Total</b>	<b>1626.88</b>	<b>1706.66</b>	<b>4.9</b>
<b>Total Imports</b>	<b>15,990.47</b>	<b>7,662.09</b>	<b>-52.08</b>

Source : GJEPC Analysis , (P) stands for provisional

## **Conclusions**

Gem and Jewellery exports from India have witnessed a swift recovery during April-November 2020. Key commodities like cut and polished diamonds, silver jewellery, lab grown diamonds have recorded even positive growth in November 2020, majorly on account of the government support; GJEPC virtual trade development initiatives like VBSMs, India Global Connect; revival of customers' /business sentiments and festive time in national and international markets, among others. However, there are certain key gem and jewellery commodities viz. gold jewellery, coloured gemstones etc. exports of which are in high negative export growth trajectory. It is because of the ongoing pandemic situation and domestic challenges including tedious customs procedures, imposition of import duty on cut and polished diamonds, coloured gemstones, lack of adequate finance facilities, non-availability of rough material etc. The GJEPC believes that the gem and jewellery sector which has shown resilience during this acute crisis can further stabilize strongly if the domestic level challenges of the manufacturers/exporters get addressed by the Government. While, if the current pace remains the same gem and jewellery exports are expected to be at around US\$20 billion to US\$22 billion.



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