

Gem & Jewellery Trade Trends

Half Yearly Report

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THE GEM & JEWELLERY EXPORT PROMOTION COUNCIL

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Gem and Jewellery Trade Trends

April - September 2021

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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.

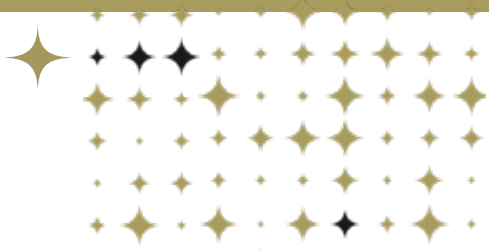
Preface

Gems and jewellery exports during the first half of financial year 2021-22 are higher than the pre-covid level of exports in 2019 as witnessed in Q1 2021. Exports of key commodities like cut and polished diamonds, silver jewellery, studded gold jewellery and lab grown diamonds during same period have also exceeded the pre-covid export levels registered in April - September 2019.

Increased disposable income of consumers, pent-up demand, economic and fiscal stimulus announcements by major economies, recovery of US and China jewellery retail sales, organization of trade shows & exhibitions by GJEPC and pro-industry announcements are the major drivers of positive growth

Plain gold jewellery and coloured gemstones exports during April - September 2021 have not yet revived back to pre-covid level witnessed in April -September 2019. This is majorly on account of declined manufacturing activities, operational bottlenecks pertaining to faceless IT assessment and mandatory hallmarking, and pandemic induced restrictions in key export destinations

However, we believe that the forthcoming festive season in domestic and international markets, organisation of various trade shows and continued government support would further enhance exports of the gems and jewellery sector in the coming months .



Gem and Jewellery Trade Trends: Half Yearly Report

April-September 2021: Key Highlights

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

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

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

In September 2021, gross exports of G&J decreased by (-) 4.03 % y-o-y to US\$ 3.16 billion as compared to US\$ 3.29 billion registered during September 2019 .

During April- September 2021, gross exports of G&J increased by 5.13 % y-o-y to US\$ 18.98 billion as compared to US\$ 18.06 billion registered in April - September 2019

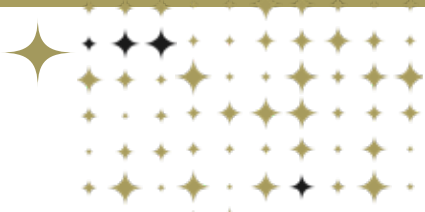
Commodity-wise exports: Cut and Polished Diamonds :

Net exports of cut and polished diamonds have registered a positive growth of 29.91 % y-o-y to US\$ 8795.86 million during April- September 2021 as compared to US\$ 6770.70 million registered during April - September 2019

Key Growth Drivers: Strong consumer demand in the USA, UK and several European countries ,Sustained consumer interest in diamond jewellery , Recovery of USA and China 's diamond retail market

Growth Outlook: The growth outlook of the diamond sector is positive with the upcoming festive season , organization of domestic and international shows & exhibitions , recovery of jewellery retail sales to pre-pandemic levels in USA and China .

Lab Grown Diamonds : Lab grown diamonds exports have recorded a positive growth of 193.43 % during April -September 2021 in comparison with pre-covid level of exports in April -September 2019



Coloured Gemstone - Coloured gemstones exports continued its declining trajectory as witnessed during Q1 2021 and declined by (-) 19.59 % to US\$ 143.34 million during April - September 2021 as compared to US\$ 178.26 million in April - September 2020

Reasons for fall in exports of Coloured Gemstones/Issues: Import duty of 0.5 % on rough coloured gemstones delay in custom clearance of goods due to faceless IT assessment scheme ,Cancellation of major trade shows

Gold Jewellery - Gross exports of gold jewellery have registered a decline of (-) 32.34 % y-o-y to US\$ 3971.02 million during April- September 2021 as compared to US\$ 5869.50 million registered during April - September 2020

I Plain Gold Jewellery - Plain gold jewellery exports have not revived back to its pre-covid levels recording a negative growth of (-) 63.38 % in April - September 2021 as compared to April - September 2020 .

Reasons of fall in exports of Plain Gold Jewellery - Decline in domestic manufacturing , shortage of labour , Issues surrounding Hallmarking Unique Identification Number (HUID) , Non-revival of demand in key export markets due to pandemic induced restrictions

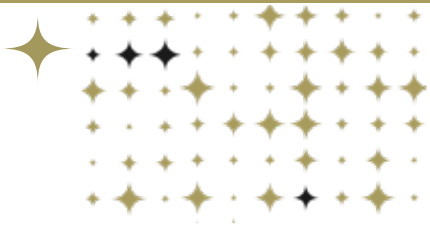
II Studded Gold Jewellery - Studded gold jewellery continued its positive trajectory as recorded in Q1 2021 and grew by 51.65 % to US\$ 2401.36 million during April - September 2021 from US\$ 1583.48 million recorded during April - September 2020 .

Key Growth Drivers - Recovery in retail sales in key export destinations such as US and UK , increase in consumer spending on luxury products especially studded gold jewellery due to announcement of economic stimulus by USA , China ,UK and other European economies

Silver Jewellery - Exports of silver jewellery rose by 139.95 % to US\$ 1280.23 million during April-September 2021 as compared to US\$ 533.53 million during April - September 2020 . The exports of silver jewellery from the SEZ region are higher than that of the DTA region

Key Growth Drivers - Increase in Online sales , Shift in preferences of consumers in international markets the exports of silver jewellery studded with precious metals (diamonds) from the SEZs ,increasing trends towards silver jewellery

Growth Obstructors : Decline in sales of silver jewellery from the foreign visitors , duty drawback rate is lower than the actual duty , etc



Region-wise - Gross exports from all the regions ,barring the Northern and Southern region, have recovered as exports recorded in April - September 2021 are even more than the exports recorded during pre-covid level in April - September 2019 .

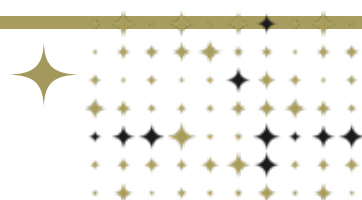
SEZ wise - Exports from SEEPZ, Surat, Jaipur & Kolkata SEZs have witnessed a rise in April - September 2021 as compared to April - September 2019

During April- September 2021, Imports of commodities - rough diamonds, rough lab grown diamonds, silver bar have witnessed a positive import growth in April - September 2021 over April - September 2019. It indicates towards the continued manufacturing activities in diamonds sector. While, gold bar for export purpose has witnessed a steep decline reflecting contracted production and exports of gold jewellery and especially of the plain gold jewellery.



1

Gem and Jewellery Gross Exports Trends In Value Terms



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

Gems and Jewellery exports rose by 5.13 % during April -September 2021 exceeding the pre-covid level of exports in April -September 2019 majorly on account of strong retail jewellery sales in China and USA, announcement of economic /fiscal stimulus by major economies, higher consumer spending on luxury goods and jewellery, domestic and international trade shows (IJS Premiere 2021, JCK show,) and continued pro-government policies of the government pertaining to the gems and jewellery sector. The allowance of property transfer at SEZ, announcement of gems and jewellery shopping festival, allocation of Rs. 200 crores and Rs. 70 crores for up-gradation of SEEPZ infrastructure and Mega CFC project, Mandatory hallmarking and e-commerce policy are some of the positive developments for the gems and jewellery sector

Cut and Polished diamonds, Studded gold jewellery, lab-grown diamonds, and silver jewellery have registered positive export growth, as witnessed in Q1 2021, during April -September 2021 in comparison with April -September 2019. Plain gold jewellery and coloured gemstones exports in the same period remained below the pre-covid level of exports in April -September 2019.(Table-1 & Figure-1)

September 2021

Gross Exports declined by (-) 4.03 % y-o-y to US\$ 3.16 billion as compared to US\$ 3.29 billion registered during September 2019

April-September 2021

Gross Exports Increased by 5.13% y-o-y to US\$ 18.98 billion as compared to US\$ 18.06 billion registered during April-September 2019

Table -1 Month-wise Gem and Jewellery Exports Trends (April-September 2021)

Months	Gross Exports	Gross Exports (P)	Gross Exports (P)	% Growth /Decline
	2019-20 US\$bn	2020-21 US\$bn	2021-22 US\$bn	(Y-o-Y) w.r.t pre-covid level 2019/2021
January	3.27	2.97	2.65	-18.93
February	3.69	2.97	2.66	-28.06
March	3.44	1.97	3.46	0.52
April	2.89	0.04	3.39	17.22
May	3.21	1.04	2.89	-9.86
June	2.89	1.43	2.83	-1.84
April - June (Q1)	8.99	2.51	9.11	1.33
July	2.86	1.37	3.38	18.01
August	2.92	1.7	3.33	14.21
September	3.29	2.44	3.16	-4.03
July - September (Q2)	9.07	5.51	9.87	8.82
April to September	18.06	8.02	18.98	5.13

Source: GJEPC Analysis,

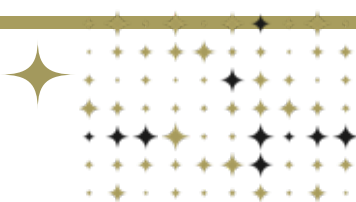
Q1: 1.33 %



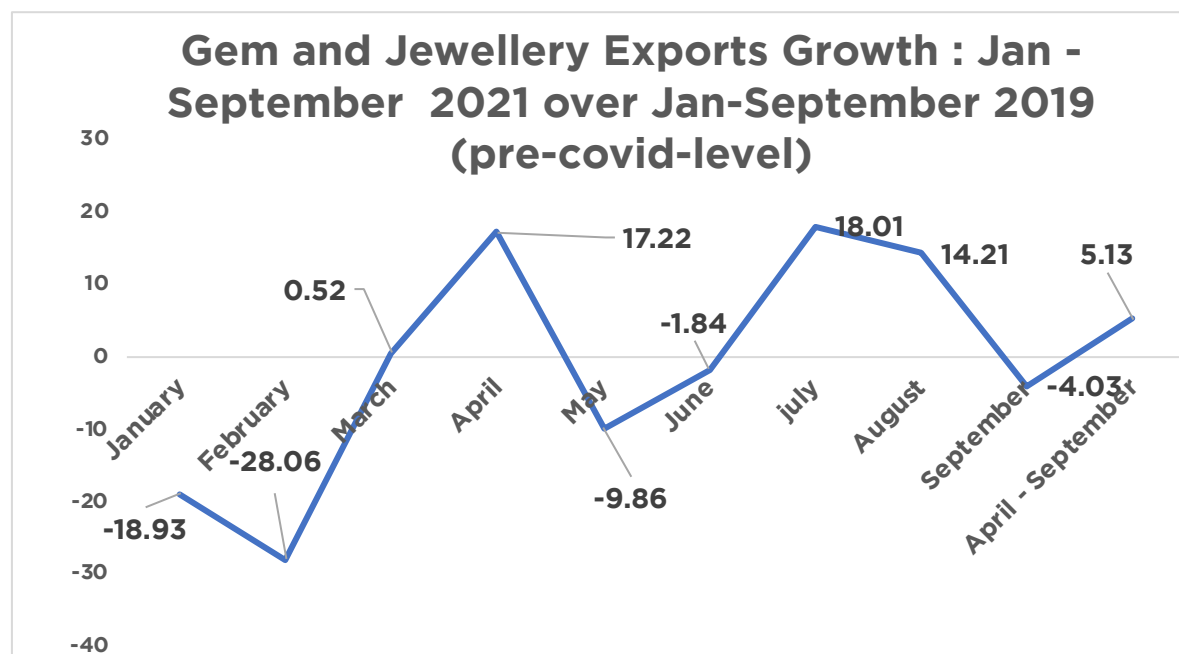
Q2: 8.82 %

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

Figs from Air cargo Delhi January to April-September 2021 are not available and hence not included.



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



Source: GJEPC Analysis

Various reasons of recovery in exports are as follows:

- ✓ Global economic recovery in key economies
- ✓ Domestic and International Shows - IIJS Premiere 2021 and JCK
- ✓ Strong jewellery retail sales in USA, Europe, and China
- ✓ Increased consumer spending, pent up savings, and disposable income due to announcement of fiscal stimulus by major economies
- ✓ The growth outlook is positive with upcoming festive seasons in domestic and international markets and trade shows & exhibitions as markets continue to open amid a reduction in covid-19 cases

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

Gem and Jewellery gross exports have increased by 5.13 % to US\$ 18.98 billion in April -September 2021 as compared to US\$ 18.06 billion during April- September 2019. While net exports have increased by around 6.5 % to US\$ 15.28 billion during April -September 2021 as against US\$ 14.33 billion in April -September 2019. (Table -2)

2

Gem and Jewellery Gross Exports Trends: Commodity-wise



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

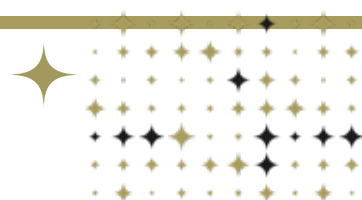
Exports of key commodities like Cut and Polished Diamonds (20.24%), Studded Gold Jewellery (51.65%), Lab Grown diamonds (193.43%) and Silver Jewellery (139.95%) during April -September 2021 have exceeded the pre-covid level of exports registered in April -September 2019. Negative export growths of plain gold jewellery (-) 63.38% and coloured gemstones (19.59%) have persisted during April -September 2021 in comparison with April-September 2019. (Table -4)

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

Commodities	April September 2019	-April September 2020	-April September 2021 (P)	% growth/ decline w.r.t pre-covid level 2019/2021
	(US\$mn)	(US\$mn)	(US\$mn)	(Y-o-Y)
Cut & Pol Diamonds	10,289.10	5,501.34	12,372.04	20.24
Pol. Lab-Grown Syn. Diamonds	200.31	207.43	587.75	193.43
Coloured Gemstones	178.26	64.84	143.34	-19.59
Pol. Synthetic Stone	0.66	0.30	0.39	-40.91
Gold Jewellery	5,869.50	1,089.44	3,971.02	-32.34
Plain Gold Jewellery	4,286.02	394.51	1,569.65	-63.38
Studded Gold Jewellery	1,583.48	694.93	2,401.36	51.65
Silver Jewellery	533.53	854.17	1,280.23	139.95
Platinum Jewellery	3.75	3.36	15.22	305.87
Imitation Jewellery	9.30	8.47	20.73	122.9
Articles of Gold, Silver & others	254.01	63.47	23.64	-90.69
Others	720.10	224.35	570.13	-20.83
Gross Exports	18058.52	8017.17	18984.49	5.13
Return Consignment	3,703.24	1,532.81	3,696.44	-0.18
Net Exports	14,355.28	6,484.36	15,288.05	6.50

Source: GJEPC Analysis

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



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

I DIAMONDS

A. Natural Diamonds

- In continuation of the Q1 2021 trends, net exports of cut and polished diamonds have exceeded the pre-covid level of exports during April -September 2021
- Cut and polished diamonds exports have recorded a positive growth of 8.3 % of US\$ 1336.39 million in the month of September 2021 as compared to pre-covid level of US\$ 1234.02 million registered in September 2019. (Table-5 and Figure 2).
- Overall, cut, and polished diamonds exports grew by around 30 % from US\$ 6770.70 million in April -September 2019 to US\$ 8795.86 million registered in April -September 2021.

Table – 5 Cut and Polished Diamond Net Exports April – September 2021

Months	Net Exports	Net Exports	Net Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	1075.40	34.50	1647.33	53.18
May	1410.52	757.79	1462.33	3.67
June	847.62	765.45	1330.16	56.93
July	1047.00	430.64	1660.42	58.59
August	1156.14	847.62	1359.23	17.57
September	1234.02	1174.37	1336.39	8.30
April – September	6770.70	4010.37	8795.86	29.91

Source: GJEPC Analysis

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

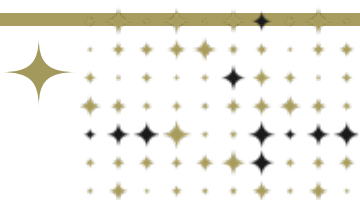
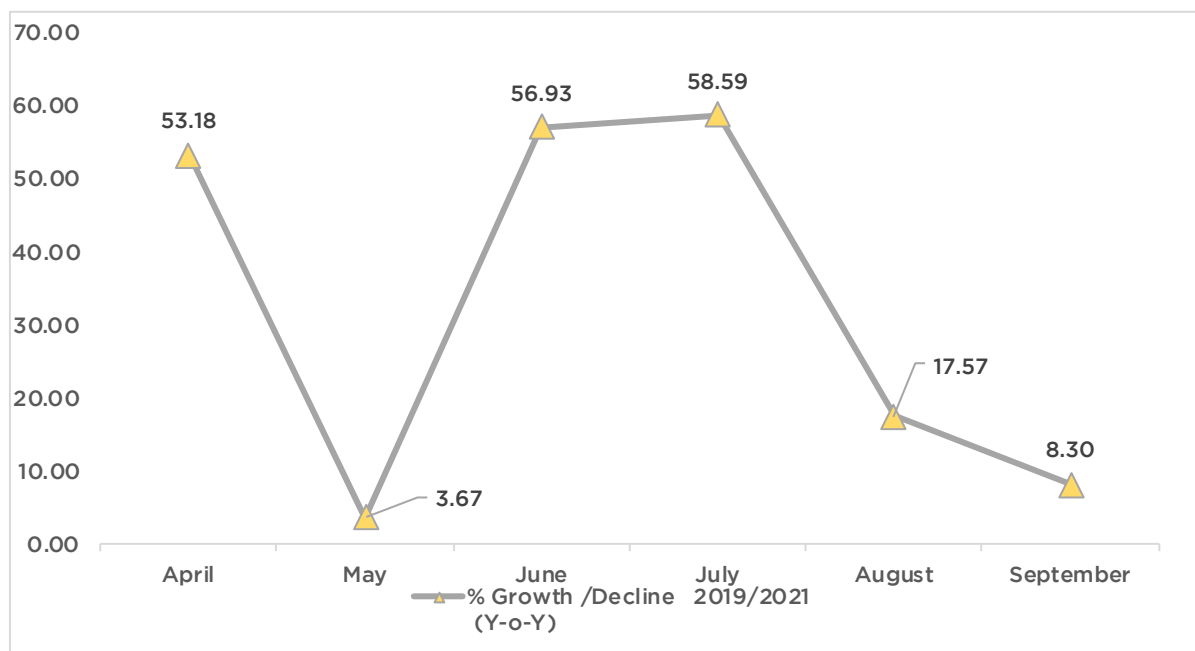


Figure: 2 Export growth of Cut and Polished Diamonds (%) April – September 2021 w.r.t pre-covid-level



Source: GJEPC Analysis

Growth Drivers of recovery in export growth of CPD

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

- ✓ Strong consumer demand in the USA, UK and several European countries
- ✓ Sustained consumer interest in diamond jewellery
- ✓ Recovery of USA and China 's diamond retail market to pre-pandemic level
- ✓ Rising domestic luxury consumption on account of pandemic related lockdowns, travel restrictions
- ✓ Announcement of economic and fiscal stimulus by key economies such USA, UK and China have boosted consumer spending on diamond jewellery

Growth Outlook

The growth outlook of the diamond sector is positive with the upcoming festive season, organization of domestic and international shows & exhibitions, recovery of jewellery retail sales to pre-pandemic levels in USA and China.

Major destinations for Cut and polished diamonds – April -September 2021

Cut and Polished diamonds exports to almost all major destinations (USA, UAE, Israel, Thailand, Netherland, South Africa and UK) have witnessed a rise during April -September 2021 as against April -September 2019. Japan has registered the highest fall in cut and polished diamonds exports (-19.84 %) followed by Belgium (-12.08%) and Hong Kong (-10.21 %) in the same period in comparison to April -September 2019 (Table 6)

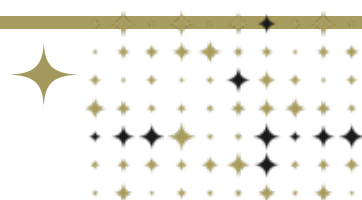


Table 6 - Top 10 export destinations for Cut and Polished Diamonds – April -September 2021

Sr.No.	Countries	April to Sep 2019	April to Sep 2020	April to Sep 2021	% of Growth / Decline w.r.t pre-covid level 2019/2021
		US\$ Million	US\$ Million	US\$ Million	(Y-o-Y)
1	U.S.A	3,672.61	2008.03	5150.94	40.25
2	Hongkong	3,886.66	2226.07	3489.64	-10.21
3	U.A.E	565.16	265.95	971.70	71.93
4	Israel	406.82	228.61	710.02	74.53
5	Belgium	670.62	312.13	589.64	-12.08
6	Thailand	304.97	147.97	380.49	24.76
7	Netherland	117.40	0.15	305.30	160.05
8	Japan	191.14	86.38	153.21	-19.84
9	South Africa	22.78	31.4	115.09	405.21
10	United Kingdom	53.92	30.62	92.22	71.04
	Others	397.02	164.03	413.78	4.22
	TOTAL	10,289.10	5501.34	12372.04	20.24

Source: GJEPC Analysis Figs from Air cargo Delhi April & September 2021 are not available, hence not included

B. Lab-grown diamonds

The lab-grown diamonds are the fastest-growing jewels in the gems and jewellery segment and have been recording strong export growth since the beginning of the new financial year 2021-22. Overall, the exports of lab-grown diamonds rose by 193.43 % to US\$ 587.75 million during April -September 2021 as compared to pre-covid level of exports of US\$ 200.32 million in April -September 2019

The commodity is preferred by the younger generation as they are sustainable and relatively less expensive as compared to mining natural diamonds. Australia and Europe are growing markets for lab-grown diamonds. Thus, the exports of the commodity, coupled with the above factors, is said to expand further in the coming future . (Table- 7 and Figure -3)



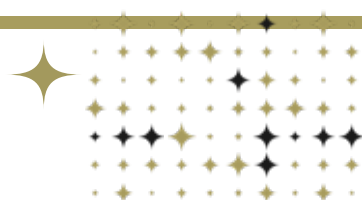


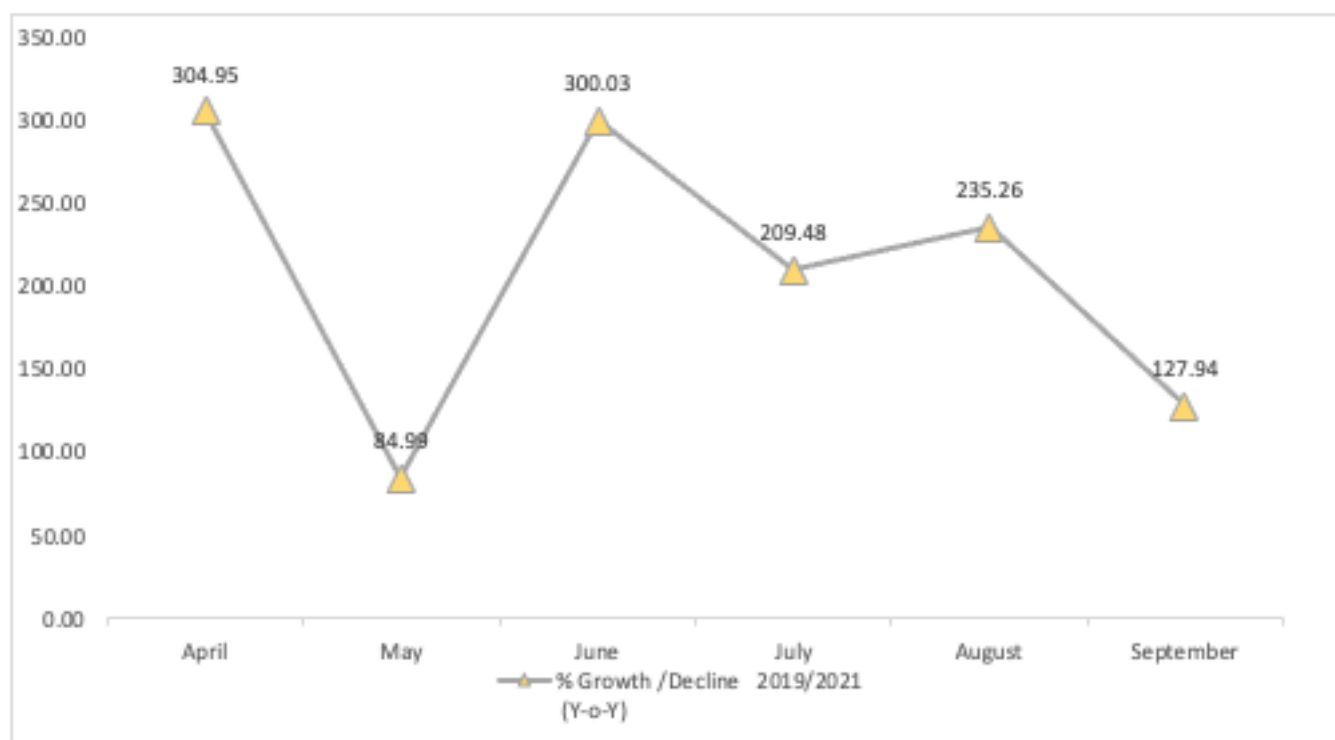
Table -7 Lab-Grown Diamonds Gross Exports April – September 2021

Months	Gross Exports	Gross Exports	Gross Exports (P)	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	22.18	0.02	89.80	304.95
May	40.39	9.12	74.71	84.99
June	23.80	29.85	95.22	300.03
July	34.55	38.75	106.92	209.48
August	37.37	50.00	125.30	235.26
September	42.03	79.69	95.80	127.94
April – September	200.32	207.43	587.75	193.43

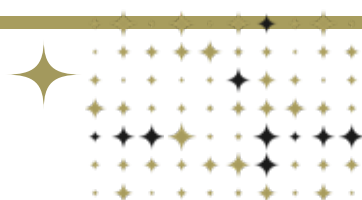
Source: GJEPC Analysis,

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

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



Source: GJEPC Analysis



Major destinations for Polished Lab-grown diamonds - April -September 2021

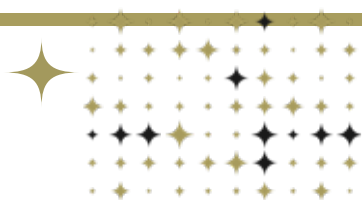
The exports of lab-grown diamonds to all major export destinations, barring Hong Kong, during April -September 2021 has exceeded the pre-covid level of exports in April -September 2019. Polished lab-grown diamonds exports to Hong Kong has registered a marginal decline of (-) 1.34 % in the same period in comparison to April -September 2019. (Table 8)

Table 8 - Top 10 export destinations for Lab-grown diamonds - April -September 2021

Sr.No.	Countries	April to Sep 2019	April to Sep 2020	April to Sep 2021	% of Growth / Decline w.r.t pre-covid level 2019/2021
		US\$ Million	US\$ Million	US\$ Million	(Y-o-Y)
1	U.S.A	86.44	104.19	397.69	360.08
2	Hongkong	87.43	56.9	86.26	-1.34
3	U.A.E	12.31	25.73	52.75	328.51
4	Israel	1.1	2.02	13.99	1171.82
5	Belgium	3.1	7.92	11.25	262.9
6	Netherland	0.68	0	7.97	1072.06
7	Thailand	1.02	0.97	3.42	235.29
8	U.K	1.99	3.62	2.88	44.72
9	Australia	0.09	0.75	2.65	2844.44
10	Canada	0.01	0.51	2.64	26300
	Others	6.14	4.82	6.25	1.79
	TOTAL	200.31	207.43	587.75	193.43

Source: GJEPC Analysis Figs from Air cargo Delhi April & September 2021 are not available, hence not included





II GOLD JEWELLERY

The total gold jewellery exports (Plain and Studded) during April -September 2021 continued to remain below the pre-covid level of exports registered in April -September 2019.

Gold jewellery exports plunged by (-) 32.34 % to US\$ 3971.02 million during April -September 2021 as compared to US\$ 5869.50 million registered in April -September 2019. (Table - 9)

Table -9 Gold Jewellery gross exports - April - September 2021

Commodity	April to September 2019	April to September 2020	April to September 2021 (P)	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	(US\$ in Million)	(US\$ in Million)	(US\$ in Million)	
Gold Jewellery	5,869.50	1,089.44	3,971.02	-32.34

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

The plain gold jewellery exports have remained in the negative trajectory while studded gold jewellery exports continue to record a positive growth during April -September 2021 in comparison with the pre-covid level of exports in April -September 2019

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

A. Plain Gold Jewellery

Plain gold jewellery is one of the few key commodities whose exports have not recovered back to the pre-covid level of exports registering a negative growth of (-) 57.32 % in September 2021 in comparison with September 2019. Overall, gross exports of plain gold jewellery have declined to US\$ 1569.65 million during April -September 2021 as compared to 4286.72 million in April -September 2019 exhibiting a negative growth of (-) 63.38 % (Table- 10 & Figure- 4).

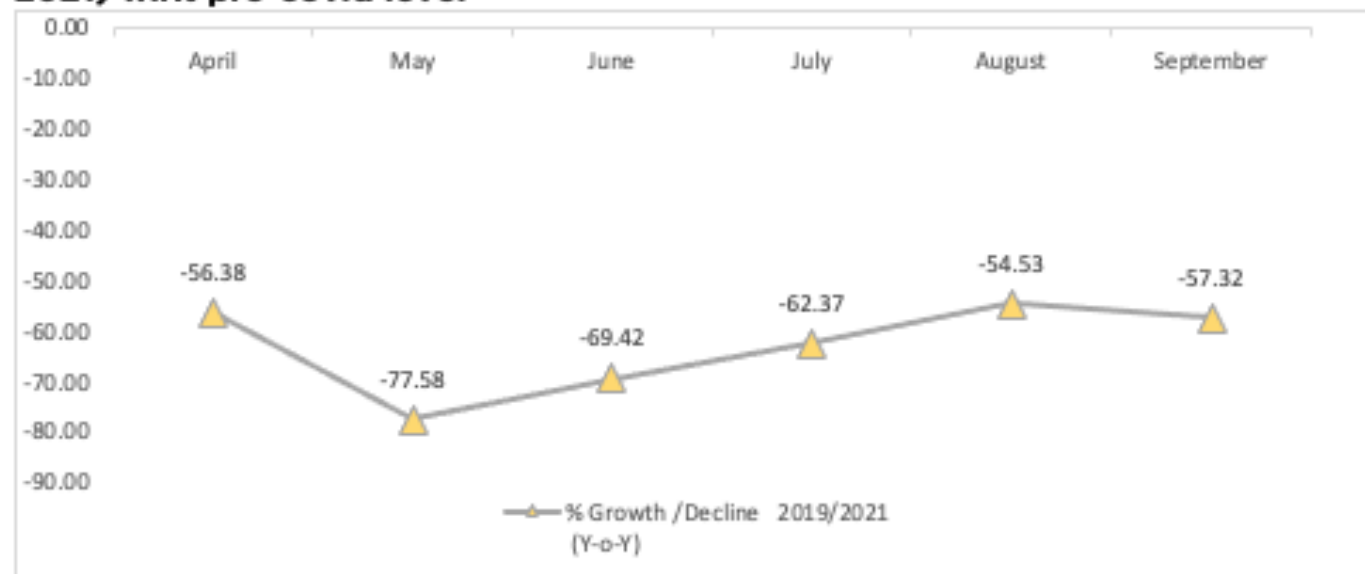


Table- 10 Plain Gold Jewellery Gross Exports - April - September 2021

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	695.77	0.06	303.51	-56.38
May	794.66	27.22	178.19	-77.58
June	723.55	30.62	221.28	-69.42
July	744.09	61.79	280.02	-62.37
August	702.29	95.99	319.32	-54.53
September	626.38	178.84	267.34	-57.32
April - September	4286.72	394.51	1569.65	-63.38

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

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



Source: GJEPC Analysis,

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



Reasons for fall in exports of plain gold jewellery

- ✦ The manufacturing of gold jewellery is still below the pre-covid level
- ✦ There is a shortage of labour on account of the migration of gold artisans and karigars
- ✦ Cancellation of trade shows in key countries
- ✦ Issues surrounding Hallmarking Unique Identification Number (HUID)
- ✦ Non-revival of demand in key export markets (Middle East region) due to pandemic induced travel restrictions

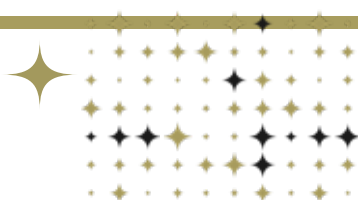
B. Studded Gold Jewellery

Exports of studded gold jewellery recorded a positive growth of 40.31 % in the month of September 2021 with an export value of US\$ 501.62 million as compared to US\$ 357.51 recorded in September 2019. Overall, export of studded gold jewellery increased by 51.65 % to US\$ 2401.36 million in April -September 2021 as compared to US\$ 1582.78 million registered in April -September 2019. (Table -11 and Figure 5)

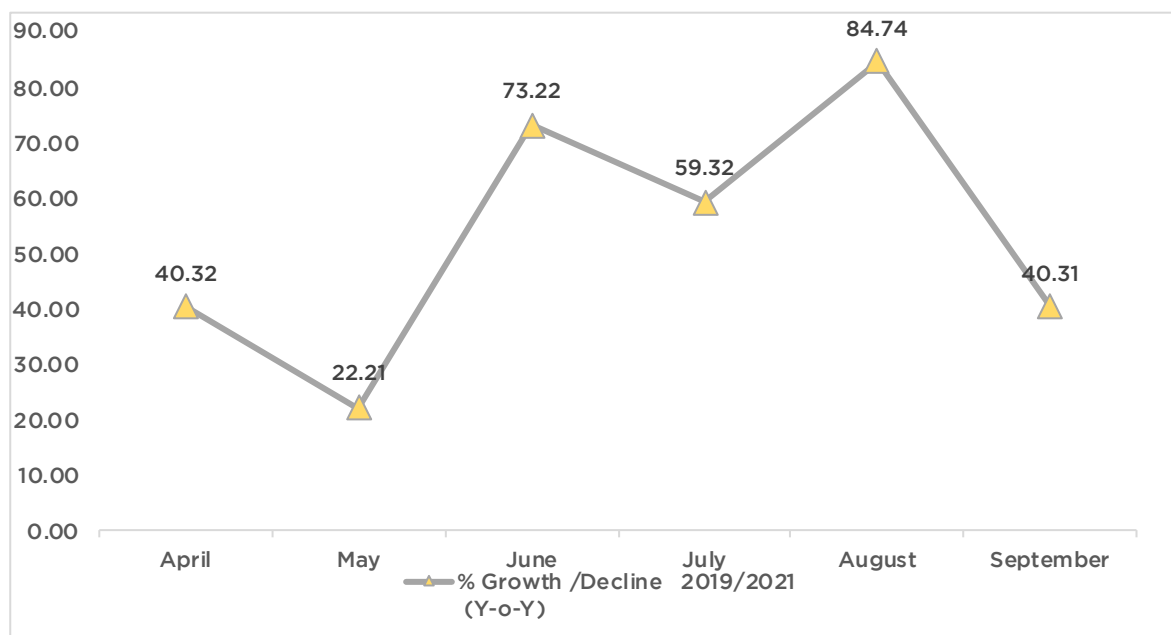
Table - 11 Studded Gold Jewellery Gross Exports - April - September 2021

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	268.13	0.14	376.23	40.32
May	248.68	30.01	303.92	22.21
June	200.17	78.94	346.73	73.22
July	260.23	127.66	414.60	59.32
August	248.06	161.00	458.25	84.74
September	357.51	297.51	501.62	40.31
April - September	1582.78	695.26	2401.36	51.65

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



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



Source: GJEPC Analysis

Growth drivers of recovery in exports growth of studded gold jewellery

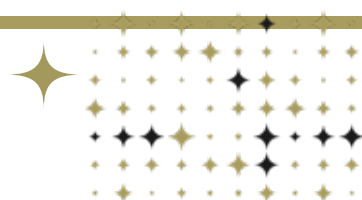
- ✓ Recovery in retail sales in key export destinations such as US and UK
- ✓ The economic stimulus packages announced by USA, EU and other key economies has led to an increase in consumer spending on luxury products especially studded gold jewellery

Future Outlook

The future outlook of gold jewellery remains optimistic in the wake of higher vaccinations, easing of lockdown economic activity, revived gold retail demand and implementation of mandatory hallmarking that will improve transparency and boost gold demand during the festival. However, discovery of new covid-19 variants in advanced economies and third wave of Covid-19 in India could hinder growth of the sector.

Major destinations for Gold Jewellery – April-September 2021

USA, Singapore, UK, Australia, Malaysia, France, Canada & Belgium have recorded a rise in gold jewellery exports during April -September 2021 as compared to pre-covid level of exports in April -September 2019. However, gold jewellery exports to UAE has declined significantly by (-) 72.28 % to US\$ 1161.66 million in April -September 2021 as compared to US\$ 4189.96 million in April -September 2019. Hong Kong is other key export destination that recorded negative export growth of (-) 53.05 % in same period as against April -September 2019. (Table 12)



**Table 12 - Top 10 export destination for Gold Jewellery
(Plain + Studded) - April -September 2021**

Sr.No.	Countries	April to Sep 2019	April to Sep 2020	April to Sep 2021	% of Growth / Decline w.r.t pre-covid level 2019/2021
		US\$ Million	US\$ Million	US\$ Million	(Y-o-Y)
1	U.S.A	790.03	450.04	1654.28	109.39
2	U.A.E	4,189.96	285.18	1161.66	-72.28
3	Singapore	206.67	59.12	314.63	52.24
4	Hongkong	475.24	321.32	223.13	-53.05
5	United Kingdom	144.81	57.59	164.46	13.57
6	Australia	48.42	27.01	61.45	26.91
7	Malaysia	38.86	18.59	44.52	14.57
8	France	22.24	21.04	40.62	82.64
9	Canada	28.94	15.96	36.63	26.57
10	Belgium	22.42	20.06	31.22	39.25
	Others	232.14	127.25	238.40	2.7
	TOTAL	6,199.73	1403.16	3971	-35.95

Source: GJEPC Analysis Figs from Air cargo Delhi April & September 2021 are not available, hence not included

III COLOURED GEMSTONES

Coloured Gemstones exports have recorded a negative growth during April -September 2021 in comparison with April -September 2019 indicating that the exports have yet to revive back to their pre-covid level. During April -September 2021, exports of coloured gemstones have declined by (-) 19.59 % to US\$ 143.34 million as compared to US\$ 178.26 million recorded in April - September 2019. (Table 13 and Figure - 6)

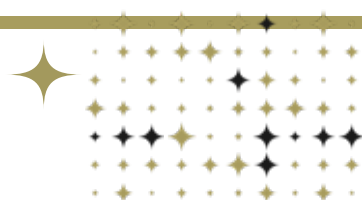
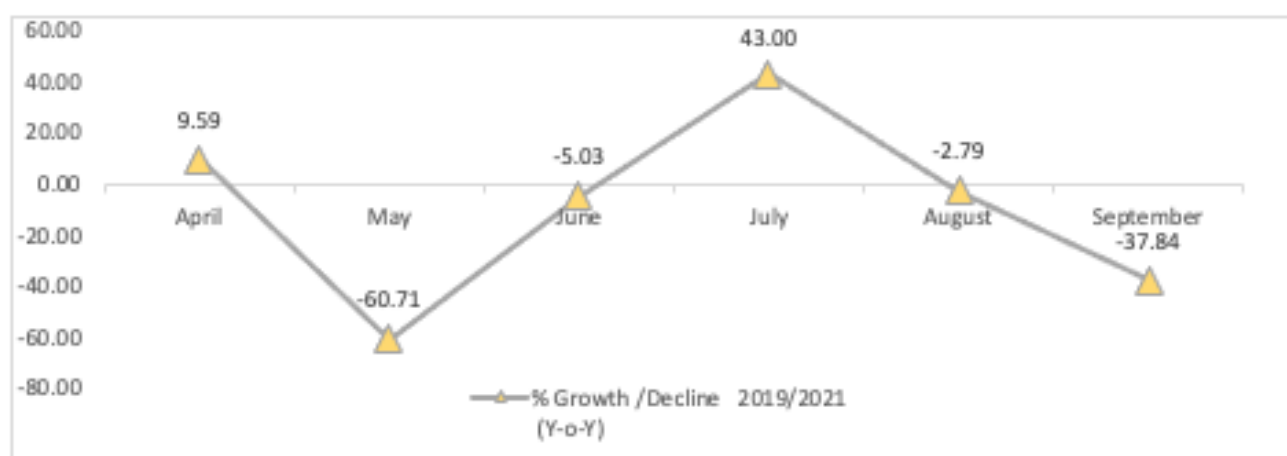


Table - 13: Coloured Gemstone Gross Exports (April - September 2021)

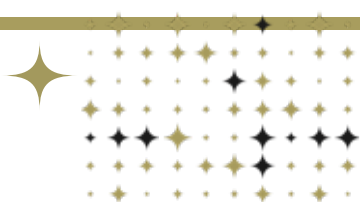
Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	20.28	0.54	22.22	9.59
May	40.68	3.26	15.99	-60.71
June	24.80	12.36	23.55	-5.03
July	18.23	15.34	26.07	43.00
August	26.67	15.79	25.93	-2.79
September	47.60	17.56	29.58	-37.84
April - September	178.26	64.84	143.34	-19.59

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

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



Source: GJEPC Analysis



Reasons for fall of export of Coloured Gemstones

- ✓ The import duty of 0.5 % on rough coloured gemstones is one of the primary reasons for the negative export growth of the coloured gemstones which is leading to reduction in export competitiveness of the product in the international markets.
- ✓ Faceless IT assessment scheme is leading to delay in custom clearance of goods
- ✓ Some countries such as Sri Lanka have imposed restrictions on import of rough coloured gemstones which is affecting availability of raw materials.
- ✓ Major trade shows in Hong Kong and USA for sourcing rough gemstones have been postponed

Growth Outlook

Although the coloured gemstones have recorded a negative trajectory during April -September, there is substantial demand for Coloured Gems & Meenakari Jewellery in major countries especially Dubai. The organization of India Rough Gemstone Sourcing Shows (IRGSS), less restrictions on domestic manufacturing and availability of rough coloured gemstones in comparison to previous months, direct purchase of coloured gemstones by importers from Indian manufacturers (as trade shows are not happening which are key platforms for buying and selling coloured gemstones) may result in bounce-back of coloured gemstones from the country in coming months

Major destinations for Coloured Gemstones - April -September 2021

Among the top 10 export destinations, Coloured Gemstones to Hong Kong has witnessed the highest fall of (-) 50.43 % followed by UK (-) 19.21 %, Belgium (-)15.47 %, UAE (-) 8.46 % and Thailand (-) 6.4 % during April- September 2021 as compared to April-September 2019. USA, Japan, Italy, France and Germany recorded positive export growths in April -September 2021 as compared to pre-covid level of exports in April -September 2019 (Table 14)



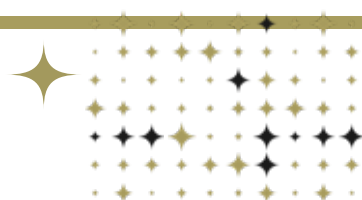


Table 14 Top 10 export destinations – Coloured Gemstones – April -September 2021

Sr.No.	Countries	April to Sep 2019	April to Sep 2020	April to Sep 2021	% of Growth / Decline w.r.t pre-covid level 2019/2021
		US\$ Million	US\$ Million	US\$ Million	(Y-o-Y)
1	U.S.A	42.02	13.78	42.27	0.59
2	Hongkong	82.13	22.27	40.71	-50.43
3	Thailand	21.09	9.79	19.74	-6.4
4	Japan	3.67	4.71	7.49	104.09
5	Italy	4.18	1.39	6.85	63.88
6	France	2.44	0.68	5.57	128.28
7	United Kingdom	4.53	2.77	3.66	-19.21
8	Germany	2.27	2	2.89	27.31
9	Belgium	2.65	0.73	2.24	-15.47
10	U.A.E	2.01	2.99	1.84	-8.46
	Others	11.27	3.73	10.08	-10.56
	TOTAL	178.26	64.84	143.34	-19.59

Source: GJEPC Analysis Figs from Air cargo Delhi April & September 2021 are not available, hence not included

IV SYNTHETIC STONES

During April -September 2021, the gross exports of synthetic stones declined by around (-) 41 % to US\$ 0.39 million as compared to US\$ 0.66 million registered in April -September 2019. (Table 15)

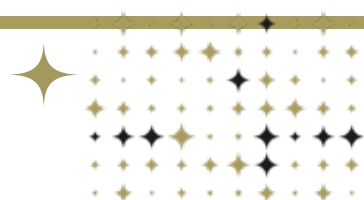


Table-15 Synthetic Stones Gross Exports (April – September 2021)

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	0.01	0.00	0.05	420.43
May	0.00	0.01	0.05	978.35
June	0.02	0.02	0.07	175.89
July	0.02	0.04	0.04	74.88
August	0.60	0.12	0.08	-86.15
September	0.00	0.10	0.09	18285.17
April - September	0.66	0.30	0.39	-40.91

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

Reasons for fall in exports of synthetic stones

- ✓ The negative export growth is driven by shutting down of major manufacturing centres of synthetic stones for last 4-5 months that has led to supply disruptions
- ✓ Lack of availability of local Indian produced goods for exports due to closing down of key supplier of synthetic stones
- ✓ The volume of synthetic stones is negligible as India is not a key manufacturer of synthetic cut and polished stones

V. SILVER JEWELLERY

Silver jewellery exports in the month of September 2021, in continuation of the trend witnessed in Q1 2021, exceeded the pre-covid level of exports in September 2019 registering a growth of 85.53 %. Overall, silver jewellery exports grew by 139.95% during April -September 2021 to US\$ 1280.23 million as against US\$ 533.52 million in April -September 2019. (Table -16 and Figure – 7)

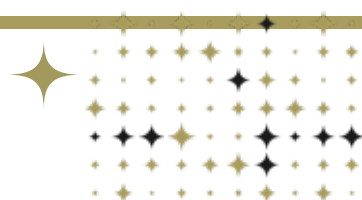
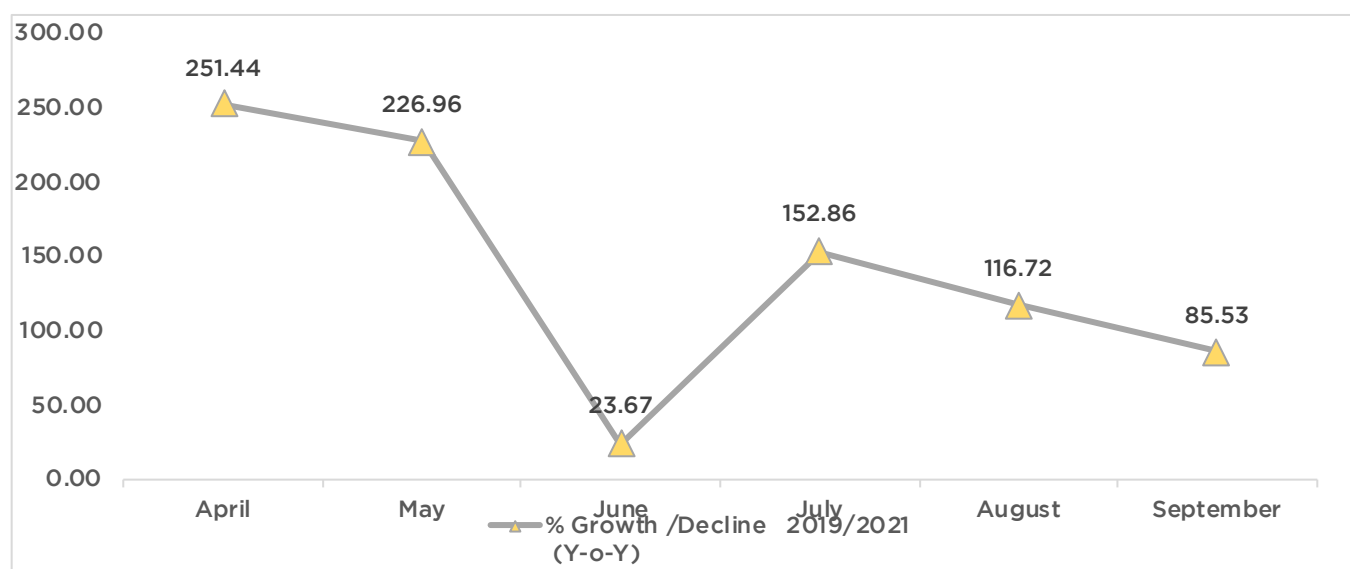


Table-16 Silver Jewellery Gross Exports (April – September 2021)

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	2019/2021 (Y-O-Y)
April	85.71	0.66	301.23	251.44
May	73.09	84.72	238.96	226.96
June	72.07	237.23	89.13	23.67
July	86.02	186.31	217.50	152.86
August	100.92	117.68	218.71	116.72
September	115.72	227.57	214.70	85.53
April - September	533.52	854.17	1280.23	139.95

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

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



Source: GJEPC Analysis

Key Points

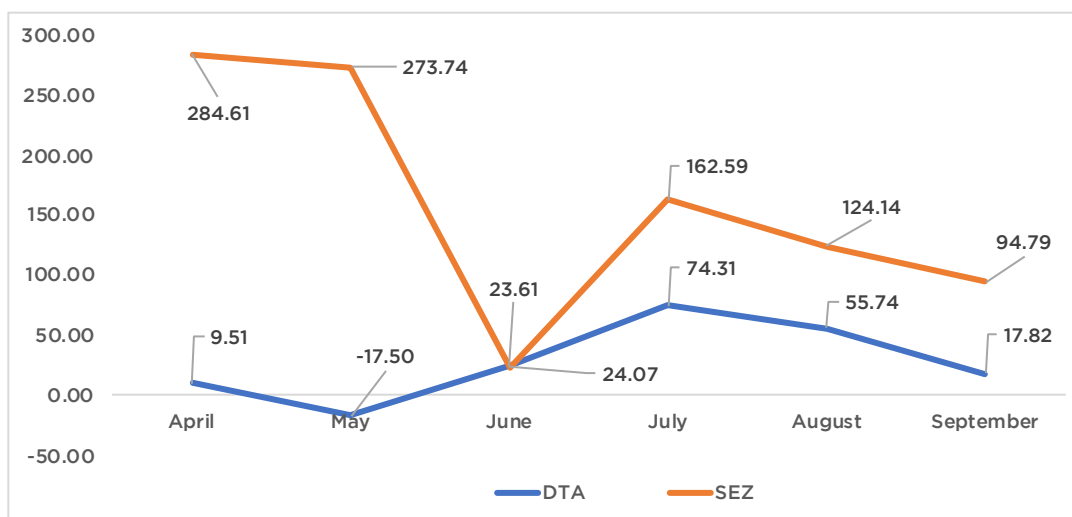
- ✓ The exports of silver jewellery by SEZs are higher as compared to DTA region during April -September 2021 as compared to pre-covid level of exports in April -September 2019. Overall, silver jewellery exports growth through SEZs and DTA has witnessed positive growths of 156.03 % and 25.55 % respectively during April -September 2021 as compared to April -September 2019.
- ✓ The SEZs units majorly export diamond-studded silver jewellery. (Table 17 & Figure 8)

Table-17 Silver jewellery gross exports from SEZ and DTA (April – September 2021)

Months	Gross Exports		Gross Exports		Gross Exports		% Growth/ decline w.r.t pre-covid level 2019/2021 (Y- O-Y)	
	2019 - 2020 US\$mn		2020 - 2021 US\$mn		2021 - 2022 US\$mn			
	DTA	SEZ	DTA	SEZ	DTA	SEZ	DTA	SEZ
April	10.33	75.38	0.66	---	11.32	289.92	9.51	284.61
May	11.74	61.35	3.47	81.25	9.68	229.28	-17.50	273.74
June	9.31	62.76	7.21	230.02	11.55	77.58	24.07	23.61
July	9.48	76.54	9.95	176.36	16.53	200.98	74.31	162.59
August	10.95	89.97	8.37	109.30	17.05	201.66	55.74	124.14
September	13.92	101.80	18.68	208.89	16.40	198.29	17.82	94.79
April - September	65.73	467.79	48.34	805.83	82.53	1197.70	25.55	156.03

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

Figure 8 - Silver jewellery export growth (%) from SEZ and DTA (April – September 2021)



Source: GJEPC Analysis

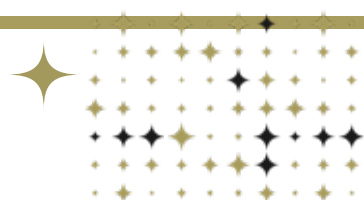


Table-2 Gem and Jewellery Gross vis-a-vis Net Exports

Exports	April to September 2019	April to September 2020	April to September 2021 (P)	% growth/ decline w.r.t pre-covid level 2019/2021
	(US\$ Million) In	(US\$ Million) In	(US\$ Million) In	
Gross Exports	18058.52	8017.17	18984.49	5.13
Return Consignment	3,703.24	1,532.81	3,696.44	-0.18
Net Exports	14,355.28	6,484.36	15,288.05	6.50

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

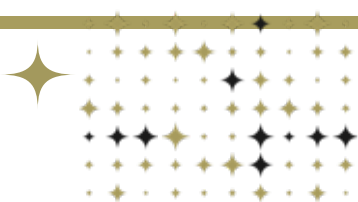
1.3 Gem and Jewellery Export Target FY 2021-22

The Ministry of Commerce & Industries has set an export target of US\$ 41.66 billion for India's Gems and jewellery sector for the financial year 2021 -22. The gems and jewellery exports of US\$ 18.98 billion during April-September 2021 have been recorded as against the target set of US\$ 20.83 billion for the same period. Gems and Jewellery sector during April - September 2021 has achieved 45.56 % of the annual export target of US\$ 41.66 billion (Table -3)

Table 3 - India's Export Target for 2021-22 by Ministry of Commerce & Industry (MOC)

Annual Target FY 2021-22 (US\$ mn)	Target Exports US\$ million April-September 2021	Actual Exports US\$ million April-September 2021	% of total targets achieved as on April-September 2021
41665	20832.72	18984.49	45.56%

Source: GJEPC Analysis



Growth drivers for recovery in export growth of Silver Jewellery

- ✓ Online sales of silver jewellery have risen significantly during the pandemic
- ✓ Shift in preferences of consumers in international markets from expensive precious metals gold base jewellery to relatively lower-priced other precious metal bases i.e., silver.
- ✓ Recently, the exports of silver jewellery studded with precious metals (diamonds) from the SEZs has increased significantly besides silver jewellery studded with semi-precious stones
- ✓ There's a growing trend towards opting for silver jewellery (weddings, functions, and other social events) due to the pandemic and massive increase in gold prices. Buyers have started looking at silver as an investment

Growth obstructors

- ✓ The silver jewellery exporters from the DTA region are facing challenges pertaining to the nonavailability of precious metals i.e., gold and duty drawback rates are not at par with the actual duty paid
- ✓ The sales of silver jewellery from foreign visitors has declined due to pandemic induced travel restrictions

Major destinations for Silver Jewellery - April -September 2021

Silver jewellery exports to almost all major export destinations have exceeded the pre-covid level of exports in April -September 2021 as against April -September 2019. Exports to Hong Kong, USA, UK, Germany, Thailand, Spain, Australia, and Denmark have witnessed a rise during the stated period while UAE and Italy have registered negative export growth in comparison to April -September 2019. (Table 18)



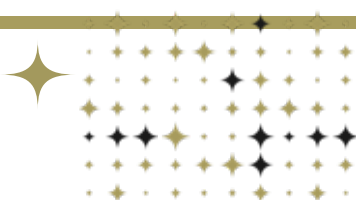


Table 18 - Top 10 export destinations – Coloured Gemstones – April -September 2021

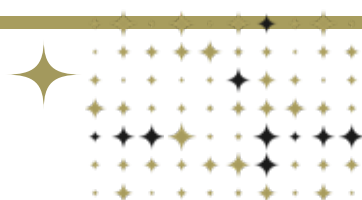
Sr.No.	Countries	April to Sep 2019	April to Sep 2020	April to Sep 2021	% of Growth / Decline 2019/2021
		US\$ Million	US\$ Million	US\$ Million	(Y-o-Y)
1	Hongkong	316.75	725.17	1007.90	218.2
2	U.S.A	131.89	80.33	164.33	24.6
3	United Kingdom	25.80	16.03	33.67	30.5
4	Germany	8.23	6.68	10.68	29.77
5	Thailand	5.49	2.76	10.26	86.89
6	U.A.E	23.76	8.81	9.12	-61.62
7	Spain	3.62	2.18	5.82	60.77
8	Australia	5.13	2.71	5.47	6.63
9	Denmark	2.96	3.01	4.25	43.58
10	Italy	10.78	1.3	3.37	-68.74
11	Others	26.80	5.19	25.36	-5.37
	Total	561.21	854.17	1280.23	128.12

Source: GJEPC Analysis Figs from Air cargo Delhi April & September 2021 are not available, hence not included



3,4,& 5

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



5. REGION-WISE GROSS EXPORTS

Exports from all the regions, barring the Northern and Southern region, have recovered as exports recorded in April - September 2021 exceed the pre-covid level of exports recorded in April - September 2019. Gujarat region has witnessed a significant increase in its exports (118.58%) during April-September 2021 followed by Eastern region (32.33%), Western region (20.33%) and Rajasthan (15.06%) in comparison to April -September 2019 (Table-19).

Table - 19 Region wise Gross Exports

Region	Gross Exports (April - September 2019)	Gross Exports (April - September 2020)	Gross Exports (April - September 2021)	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	US\$ Million	US\$ Million	US\$ Million	
Western Region	12562.04	5818.85	15115.86	20.33
Southern Region	3614.73	130.04	692.42	-80.84
Rajasthan Region	382.11	199.01	439.64	15.06
Gujarat Region	1005.56	1735.54	2197.97	118.58
Northern Region	164.87	56.57	102.95	-37.56
Eastern Region	329.21	77.17	435.65	32.33
Total	18058.52	8017.17	18984.48	5.13

Source: GJEPC Statistics Dept. Analysis. Net exports pertain to exclusive of return consignments Figs from Air cargo Delhi April -September 2021 are not included as yet to receive from the customs.

6. SEZ-WISE GROSS EXPORTS

The exports of SEZs in September 2021 remain below the pre-covid level of exports in September 2019 exhibiting a negative growth rate of (-) 29 %. However, it is apparent from the below table that negative export growth of gems and jewellery from the SEZs have witnessed a decline in the following months and recorded growth rates of (-) 35.5 %, (-) 29.83 % and (-) 29.25 % in the months of July, August, and September 2021 respectively. Overall, the gross exports from SEZs declined by (-) 34.47 % from US\$ 5123.49 million in April - September 2019 to US\$ 3357.39 million in April -September 2021. (Table -20)

Table 20 - SEZ Gross Exports April to September 2021

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	2019 - 2020 US\$mn	2020 - 2021 US\$mn	2021 - 2022 US\$mn	
April	778.09	0.00	634.11	-18.50
May	865.78	137.26	501.08	-42.12
June	808.42	309.16	395.06	-51.13
July	923.41	306.22	595.60	-35.50
August	878.25	288.91	616.31	-29.83
September	869.55	498.92	615.23	-29.25
April - September	5123.49	1540.46	3357.39	-34.47

Source: GJEPC Analysis, Notes: (P) = Provisional, Net exports means exclusive of return consignments In April 2020 due to complete lockdown, exports from SEZs were not recorded

7. COMMODITY-WISE IMPORTS

The positive import growth of rough lab-grown diamonds (261.91 %), silver bar (89.5%) and rough diamonds (39.37%) in April -September 2021 in comparison to April -September 2019 reflects sustained demand for cut and polished diamonds and continued manufacturing activities in diamonds and silver sector which is in line with export demand of the said commodities.

The gold bar for export purposes has registered negative import growth of (-) 69.94 % as witnessed in Q1 2021, reflecting contracted production and exports of gold jewellery and especially plain gold jewellery.

Overall, the imports of gems and jewellery commodities rose marginally by 3.71 % to US\$ 12,675.1 million during April - September 2021 million as against US\$ 12221.92 million in April - September 2019. (Table -21)



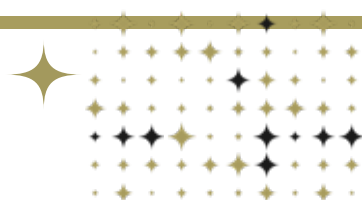
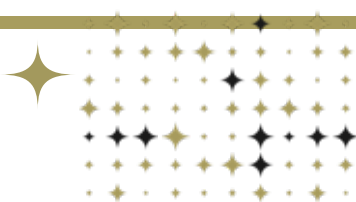


Table - 21 Commodity wise Imports

Commodities	April - September 2019	April - September 2020	April - September 2021 (P)	% Growth/ decline w.r.t pre-covid level 2019/2021 (Y-O-Y)
	(US\$mn)	(US\$ mn)	(US\$mn)	(Y-o-Y)
Rough Diamonds	6,527.30	2557.56	9,097.10	39.37
Rgh Lab-Grown Diamonds	149.62	187.73	541.48	261.91
Rough Coloured Gemstones	128.29	26.54	132.94	3.63
Rough Synthetic Stone	2.32	0.45	2.16	-6.89
Raw Pearls	8.63	0.28	2.50	-71.03
Gold Bar	4,154.97	297.59	1,248.99	-69.94
Silver Bar	18.86	13.03	35.75	89.50
Platinum Bar	73.24	66.41	74.85	2.19
Sub Total	11,063.24	3149.60	11,135.77	0.66
Imports of Cut & Pol. Diamonds	628.70	950.36	723.09	15.01
Pol. Lab-Grown Diamonds	45.28	17.79	19.13	-57.75
Col. Gemstones	288.46	131.65	622.35	115.75
Pol. Synthetic Stone	5.99	0.59	4.97	-17.12
Pearls worked	3.75	0.59	1.34	-64.24
Gold Jewellery	150.57	67.15	137.44	-8.72
Silver Jewellery	30.32	8.19	22.65	-25.31
Imitation Jewellery	0.63	0.58	2.85	352.55
Others	4.97	2.48	5.52	10.93
Sub Total	1,158.69	1,179.39	1,539.33	32.85
Total Imports	12221.92	4328.98	12,675.10	3.71

Source: GJEPC Analysis, (P) stands for provisional Notes: (p) = Provisional Figs for Gold Bar from MMTC April to September 2021 and Figs for Gold Bar from BOI September 2021 are not included as not available.



Conclusions

The gems and jewellery exports during April -September 2021, in continuation of the export trend in Q1 2021 have exceeded the pre-covid level of exports in April -September 2019. Cut and polished diamonds, silver jewellery, platinum jewellery, studded gold jewellery and silver jewellery have recorded positive export growth in comparison to pre-covid level of exports. Exports growth is majorly attributed to the renewed consumer sentiments and disposable income due to announcement of fiscal stimulus by major economies especially in USA, China and Europe, recovery in jewellery retail sales, organization of trade shows and pro-government measures by the government to boost up the recovery from the economic and health effects of the Covid-19 pandemic.

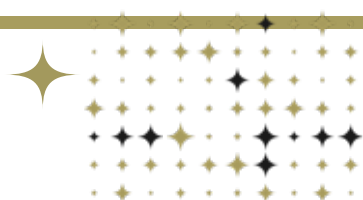
Plain gold jewellery and Coloured Gemstones have registered negative export growth rates during the same period majorly on account of decline in production activities, cancellation of key trade shows, Hallmarking issues, pandemic induced restrictions in key export markets and shortage of labour.

The growth outlook of the gems and jewellery sector remains positive with the forthcoming festive season in domestic and international market, upcoming trade shows and exhibitions and supportive measures by the government that would further boost India's exports of gems and jewellery. However, tapering off of government stimulus, elevated Covid-19 infections and new variants and ongoing supply chain challenges in the form of shortages of labor and goods and other operational issues are some of the key factors that could hinder growth in the sector

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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October 2021