

# Gem & Jewellery Trade Trends

Monthly Brief Update  
April -February 2020



**THE GEM & JEWELLERY EXPORT PROMOTION COUNCIL**  
**SPONSORED BY MINISTRY OF COMMERCE & INDUSTRY**  
**GOVERNMENT OF INDIA**

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## **Gem and Jewellery Trade Trends: Brief Update**

### **April-Feb 2020: Key Highlights**

Gem and Jewellery exports have been recording a decelerating trends since the beginning of the financial year 2019-2020 on account of various domestic as well as global challenges including rise in import duty on precious stones viz. polished diamonds and coloured gem stones, tightening of lending terms by banks, stringent customs inspection procedures, sluggish import demand and withdrawal of GSP benefit by USA among others. This all has resulted G&J exports to degrow on an average by 5.5% per month till November 2019.

While, since the month of December 2019 challenges for the sector have grown further due to outbreak of Covid -19 in China which has eventually disrupted almost all the economic activities at the global level. The severe impact of the pandemic on the G&J exports from the country was apparently visible in Feb 2020 in terms of decline in its exports by (-) 19.38% which is significantly very high as compared to exports degrowth registered in Jan 2020 and Dec 2019 i.e. (-)9.17 % and (-)1.89%.

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

In Feb 2020, Gem and Jewellery Gross Exports declined by (-)19.37% y-o-y to US\$ US\$2.97 billion as compared to US\$3.69 registered during the same month previous year

During April-Feb 2020, G&J grows exports Decline by (-)7.08% y-o-y to US\$ US\$33.63 billion as compared to US\$36.19 billion registered during the same month previous year.

CPD and CGS have recorded a negative exports growth of (-) 19.38% and 16.79 % during April-Feb 2020. While, silver jewellery and lab grown diamond have witnessed a significant growth during the said period.

Exports to major export destinations viz. UK, USA, Singapore, HK have recorded a decline

Gem and Jewellery Exports to hit by US\$1.7 billion by March 2020

To mitigate the impact, buyers/importers which were procuring G&J products from the severely impacted countries can be contacted. GJEPC is making aggressive efforts towards this direction.

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

### Feb 2020

Decline by (-)19.37% y-o-y to US\$ US\$2.97 billion as compared to US\$3.69 registered during the same month previous year.

### April-Feb 2020

Decline by (-)7.08% y-o-y to US\$ US\$33.63 billion as compared to US\$36.19 billion registered during the same month previous year.

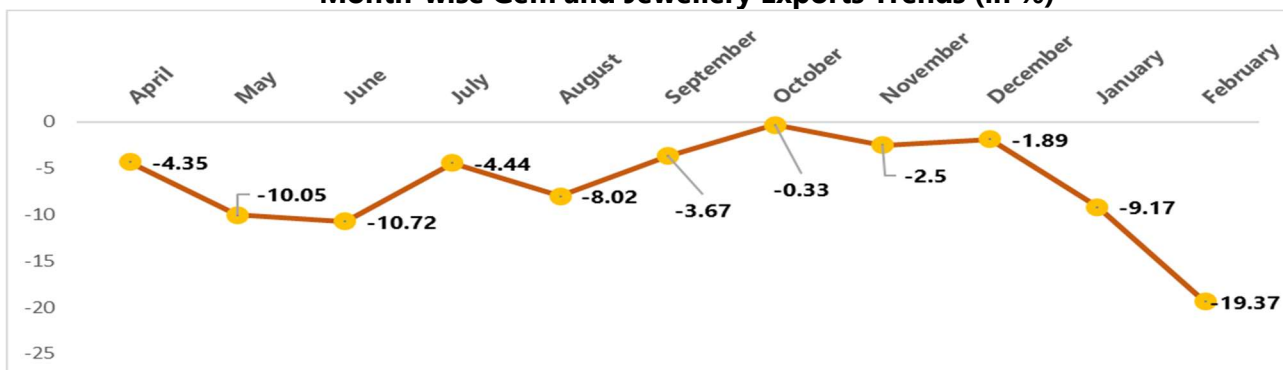
### Month-wise Gem and Jewellery Exports Trends (US\$bn) April-Feb 2020

Months	Gross Exports FY2019	Gross Exports FY2020	% Growth /Decline (Y-o-Y)
April	3.13	3.00	-4.35
May	3.73	3.36	-10.05
June	3.46	3.09	-10.72
July	3.19	3.05	-4.44
August	3.31	3.05	-8.02
September	3.55	3.42	-3.67
October	3.62	3.61	-0.33
November	2.75	2.68	-2.5
December	2.49	2.44	-1.89
January	3.27	2.97	-9.17
February	3.69	2.97	-19.37
<b>April to February</b>	<b>36.19</b>	<b>33.63</b>	<b>-7.08</b>

➤ Source: GJEPC

Decline in exports of gem and jewellery is attributed to domestic as well as global challenges in terms of rise in import duties on precious metals and cut and polished diamonds, lack of ease of doing business, tightening of lending terms by banks and reduced import demand in advanced nations among others. Recently, disruption of supply chain due to outbreak of corona virus in China has adversely impacted gem and jewellery exports suppressing exports growth to (-)19.37% in the month of Feb 2020.

### Month-wise Gem and Jewellery Exports Trends (in %)



Source : Statistics Division, GJEPC Analysis

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

**April-Feb 2020**

**Cut and Polished Diamonds exports fell by (-) 19.38% y-o-y** to US\$17.6 billion from US\$21.9 billion recorded during the same period last year. While, exports of lab grown diamonds have risen significantly over 100% to around US\$300 million which is majorly attributed to switching of customers' preferences to the said product category.

Rise in import duty on cut & polished diamonds from mere 2.5% to 5% and then to 7.5% in a short span of eight months; global recessionary trends, destocking of diamonds by many suppliers to create liquidity, lack of liquidity amongst the Traders as banks have tightened the terms of lending, imposition of 3% IGST on re-import of goods exported through consignment/exhibition/export promotion tour (now resolved), customs procedural issues and now the global health emergency are the major factors which have adversely affected polished diamonds exports from the country

**Coloured Gemstone exports registered a decline of (-)16.79 % y-o-y** to US\$307.25 million from US\$369.23 million during the same period last year.

Colour Gemstones are being widely used in Jewellery resulting decrease in exports of loose coloured gemstones; Indian exporters are not able to accept large orders due to inconsistent supply of rough colored gemstones; Lack of technology to manufacture calibrated stones in large quantities, Decline in exports to Hong Kong, UAE & USA as exports of Lab grown polished diamonds are rising in these countries. All these reasons have adversely impacted exports of CGS from the country.

### Commodity wise Exports - April - February 2020(In US \$ million)

Commodities	April 2018 - February 2019	April 2019 - February 2020	% Growth/decline (Y-o-Y)
Cut & Pol Diamonds	21953.38	17699.40	-19.38
Pol. Lab Grown Syn. Diamonds	195.44	393.21	101.19
Coloured Gemstones	369.23	307.25	-16.79
Gold Jewellery	10720.07	11412.25	6.46
Silver Jewellery	764.70	1459.39	90.84
Platinum Jewellery	8.43	9.69	14.95
Imitation Jewellery	61.21	55.92	-8.64
Articles of Gold, Silver & others	84.01	388.91	362.93
Gold Medallions & Coins	813.03	814.33	0.16
Exports of Rough-Diamonds	1155.51	1031.92	-10.70
Others	67.02	57.72	-13.88
<b>Gross Exports</b>	<b>36192.03</b>	<b>33629.99</b>	<b>-7.08</b>
Return Consignment	7517.18	6184.10	-17.73
<b>Net Exports</b>	<b>28674.86</b>	<b>27445.89</b>	<b>-4.29</b>

Source: GJEPC Trade DataBank

**Silver jewellery Exports recorded a rise of over 90% during April- Feb 2020** to US\$1459 million as compared to US\$765 million registered in same period last year.

This is due to silver jewellery is relatively cheaper to afford when gold jewellery products are becoming expensive; more varieties & designs are available in Silver Jewellery; laser finished products are in demand and SEZ units are getting good orders from European market exports of silver jewellery has witnessed a significant rise during this year.

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

Among the top 10 export destination , Gem and Jewellery exports to UK has witnessed the highest fall of (-)34.86% followed by Hong Kong (-) 17.34%, USA (-)8.73%, Singapore (-)7.84% , Israel (-)4.62% and UAE (-)1.59% during April-Feb 2020 as compared to April-Feb 2019.

While, gem and jewellery exports to Belgium, Turkey, Thailand and Japan have shown a rise during the stated time period.

#### Gem and Jewellery Exports to Top 10 Exports Destinations (US\$milion)

Rank	Countries	Apr-Feb 2019	Apr-Feb 2020	% growth (y-o-y)
1	United Arab Emirates	9,405.76	9,255.98	-1.59
2	United States Of America	9,536.77	8,704.47	-8.73
3	Hongkong	10,348.52	8,554.29	-17.34
4	Belgium	1,675.83	1,789.78	6.80
5	Israel	926.59	883.80	-4.62
6	Turkey	288.69	627.38	117.32
7	Thailand	544.24	594.54	9.24
8	Singapore	615.36	567.12	-7.84
9	United Kingdom	650.83	423.96	-34.86
10	Japan	368.29	369.88	0.43

Source : GJEPC Trade Data Bank

### 4 Gem and Jewellery Gross Exports Trends : Region-wise

Gem and Jewellery exports to the major regions including Asia, North America and European Union have registered a decline of (-)14.60%, (-)8.69% and (-)5.69% during April-Feb 2020. While, exports to Middle East, CIS and Latin American Countries have recorded a decline in the said period of time. .

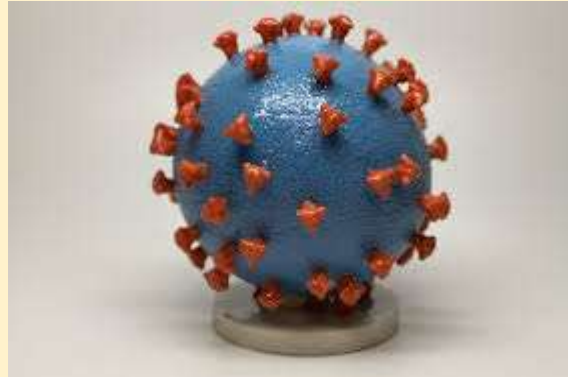
#### Region-wise Gem and Jewellery Exports (US\$milion)

Regions	Apr-Feb 2019	Apr-Feb 2020	% Growth
Middle East	10,814.21	10,983.65	1.57
Asia	12,186.06	10,407.44	-14.60
North America	9,605.19	8,770.91	-8.69
Europe Union 27	3,032.01	2,859.58	-5.69
Europe-Others	234.98	239.64	1.98
East Asia (Oceania)	228.02	193.06	-15.33
Africa	161.68	151.58	-6.25
CIS Countries	9.93	15.29	53.92
Latin America	5.83	6.99	19.93
Others	1.36	1.84	35.56
<b>Totals</b>	<b>36,279.28</b>	<b>33,629.99</b>	<b>-7.30</b>

Source : GJEPC Trade Data Bank



## Impact of Covid-19 on Gem and Jewellery Exports



### Gem and Jewellery Exports to hit by US\$2.57 billion till March 2020

Gem and Jewellery exports due to domestic policy and procedural challenges and sluggish import demand for the said products have been recording an average monthly export growth of 5.53%. Accordingly, this was expected that G&J exports would decline to US\$37.55 billion during the 2019-2020 as compared to US\$39.75 billion recorded during the FY2018-2019.

However, outbreak of Corona virus and declaration of it as a global health emergency has deeply cut its import demand in the world market and now exports of Gem and Jewellery from the country is estimated to fell by 12% till March 2020 supressing its exports to US\$34.98 billion in value terms during the FY2019-2020.

Particulars	Amount
India's G&J exports FY 2018-2019	US\$39.75 billion
Decline during April-Nov 2019	(-)5.53%
Pre COVID -19 Estimated exports if decline by 5.5%	US\$37.55 billion
Post COVID-19 Exports to decline by 12%	US\$34.98 billion
Additional loss due to COVID -19	US\$2.57 billion

GJEPC Assessment

### How to Mitigate its Impact ?

At this juncture GJEPC is of the opinion to explore the possibilities of identifying the buyers/importers which were procuring the various gem and jewellery products from the countries significantly affected by Covid-19 say Hong Kong, China, Italy etc.

## 5 Gem and Jewellery Import Trends : In value Terms

### Feb 2020

Growth by 27.05 % y-o-y to US\$ 2.70 billion as compared to US\$ 2.12 billion registered during the same month previous year.

### April-Feb 2020

Decline by (-) 3.30 % y-o-y to US\$ 23.05 billion as compared to US\$ 23.84 billion registered during the same period previous year.

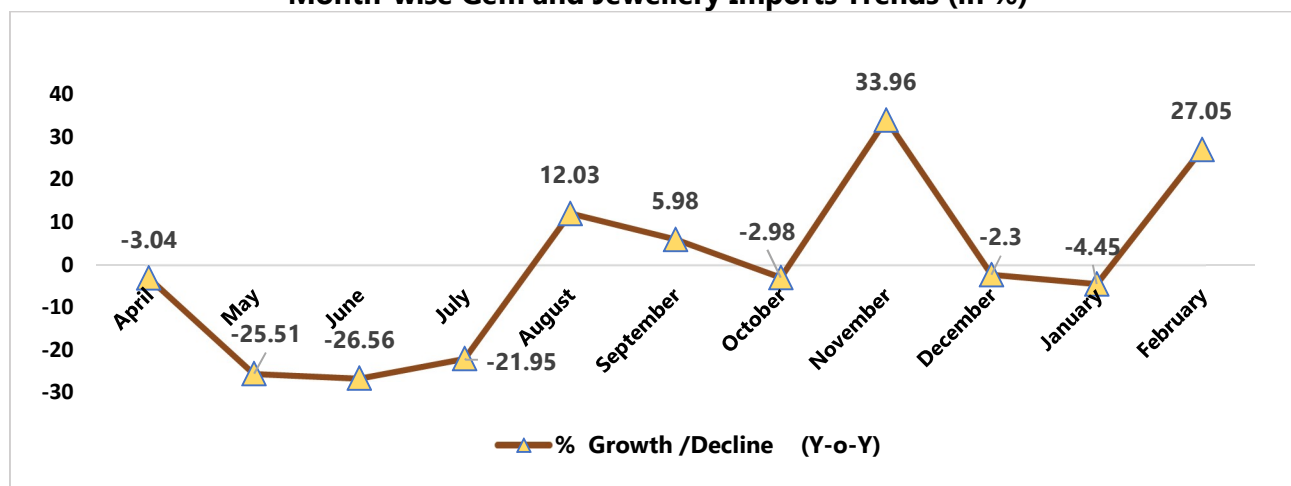
### Month-wise Gem and Jewellery Import Trends (US\$bn) April-Feb 2020

Months	Imports FY2019	Imports FY2020	% Growth /Decline (Y-o-Y)
April	2.43	2.36	-3.04
May	2.63	1.96	-25.51
June	2.66	1.95	-26.56
July	2.72	2.13	-21.95
August	1.63	1.83	12.03
September	2.01	2.13	5.98
October	1.81	1.76	-2.98
November	1.64	2.20	33.96
December	2.46	2.41	-2.3
January	1.70	1.63	-4.45
February	2.12	2.70	27.05
<b>April to February</b>	<b>23.84</b>	<b>23.05</b>	<b>-3.30</b>

➤ Source: GJEPC

Imports of gem and jewellery commodities majorly of rough nature have registered a positive growth of 27.05% during the month of Feb 2020 as compared to Feb 2019 but the during the overall period of April-Feb 2020 as compared to the same period last year imports of G & J commodities have shown a decline of (-) 3.30%.

### Month-wise Gem and Jewellery Imports Trends (in %)



Source : Statistics Division, GJEPC Analysis



## 6 Gem and Jewellery Import Trends : Commodity-wise

### April-Feb 2020

**Rough Diamonds imports fell by (-) 13.43 % y-o-y to US\$ 12.3 billion from US\$ 14.3 billion** recorded during the same period last year. While the imports of Rough Lab Grown Diamonds have risen significantly to US \$ 318.60 million which may be because of switching of customer preferences to the said product category.

**Rough Coloured Gemstones imports fell by (-) 30.34 % y-o-y to US\$ 238.50 million from US\$ 342.36 million** recorded during the same period last year.

### Commodity wise Imports - April - February 2020(In US \$ million)

Commodities	April 2018 - February 2019	April 2019 - February 2020	% growth/decline (y-o-y)
Rough Diamonds	14310.72	12388.94	-13.43
Rough Lab Grown Diamonds	123.66	318.60	157.64
Rough Coloured Gemstones	342.36	238.50	-30.34
Gold Bar	6953.92	7472.74	7.46
Silver Bar	36.46	36.09	-1.01
Platinum Bar	59.72	144.96	142.73
Cut & Pol. Diamonds	1217.36	1473.45	21.04
Pol. Lab Grown Diamonds	85.88	92.51	7.72
Col. Gemstones	340.06	513.64	51.04
Gold Jewellery	262.91	266.48	1.36
Others	106.32	106.02	-0.28
<b>Gross Imports</b>	<b>23839.37</b>	<b>23051.93</b>	<b>-3.30</b>

Source: GJEPC

**Gold Bar imports have risen by over 7% y-o-y to US\$ 7472.74 million from US\$ 6953.92 million** recorded during the same period last year.

**Silver Bar imports fell by (-) 1.01% y-o-y to US\$ 36.09 million from US\$ 36.46 million** recorded during the same period last year.

**Platinum Bar, Cut & Pol. Diamonds, Pol. Lab Grown Diamonds, Coloured Gemstones & Gold Jewellery** have recorded a positive growth of 142.73 %, 21.04 %, 7.72 %, 51.04% & 1.36% respectively.

## 7 Gem and Jewellery Import Trends : Country-wise

Among the top 10 import sources, Gem & Jewellery imports from Israel has witnessed the highest fall of (-) 39.28 % followed by Belgium(-) 32.23 %, USA(-) 18.06%, UAE (-) 16.50% and South Africa (-) 4.39% during April-Feb 2020 as compared to April-Feb 2019.

While, Botswana has witnessed the highest growth of around 728.14% in imports of gem & jewellery products followed by Russia (97.71%), Canada ( 60.31%) , Hong Kong(23.23%) & Switzerland (8.39%).

### Gem & Jewellery Imports from Top 10 Source Countries (US\$milion)

Rank	Countries	Apr-Feb 2019	Apr-Feb 2020	% Growth (Y-o-Y)
1	Switzerland	5,581.46	6,049.88	8.39
2	U.A.E	5,825.47	4,863.98	-16.50
3	Belgium	5,488.20	3,719.24	-32.23
4	Hongkong	1,682.64	2,073.44	23.23
5	Russia	630.92	1,247.41	97.71
6	South Africa	899.14	859.71	-4.39
7	Canada	488.64	783.33	60.31
8	U.S.A	748.61	613.40	-18.06
9	Israel	694.27	421.55	-39.28
10	Botswana	48.44	401.15	728.14

Source : GJEPC Trade Data Bank

## 8 Gem and Jewellery Import Trends : Region-wise

Gem & Jewellery imports from major regions including CIS countries, Africa, East Asia(Oceania), Latin America, Asia, North America & Europe-Others have registered growth of 97.73 %, 64.03% , 50.41%, 23.47%,17.28%,12.9% & 8.39% respectively during April-Feb 2020 as compared to the same period last year. While, imports from regions such as Europe Union 27, Middle East have witnessed decline of (-) 32.51 % & (-) 19% respectively in the said period of time.

### Region-wise Gem and Jewellery Imports (US\$milion)

Regions	Apr-Feb 2019	Apr-Feb 2020	% Growth (y-o-y)
Europe-Others	5,581.73	6,049.95	8.39
Middle East	6,543.63	5,300.49	-19
Europe Union 27	5,896.33	3,979.16	-32.51
Asia	2,061.57	2,421.92	17.48
Africa	1,239.45	2,033.12	64.03
North America	1,237.27	1,396.82	12.9
CIS Countries	630.92	1,247.53	97.73
Others	1,006.17	554.98	-44.84
East Asia (Oceania)	33.67	50.64	50.41
Latin America	14.03	17.32	23.47
Totals	24,244.78	23,051.93	-4.92

Source : GJEPC Trade Data Bank

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**30<sup>th</sup> March 2020**

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