



# **Unleashing The Export Potential Of Indian Gem & Jewellery Sector**

w.r.t

Export Targets, Export Strategy and  
Achievements in FY2021-2022



**August 2022**



आज़ादी का  
अमृत महोत्सव  
बी. वी. आर. सुब्रह्मण्यम  
B V R Subrahmanyam



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New delhi - 110011

D.O No. K-11020/338/2021-E&MDA

9th June, 2022

1. At the outset, let me congratulate you and the members of the GJEPC for the excellent achievement on merchandise exports of US\$ 38,939 million in FY 2021-22 in your sector. Your contribution was instrumental in India achieving exports of US\$ 419 Billion in 2021-22, which is a record in itself, showing a growth of 44% from 2020-21 and 34% from 2019-20. This stellar export performance is a result of the close collaboration and partnership between GJEPC working in harmony with the D/o Commerce, MEA, and other Ministries of Government of India, State Governments, and other stakeholders. Indeed, the key role of GJEPC in export promotion, identifying new markets, developing market intelligence, and overcoming disruptions in supply chains is commendable, in the backdrop of an adverse global scenario.
2. For this year's target setting exercise, D/o Commerce, like last year, has held extensive consultations with your EPCs, Boards, Indian Missions, and other stakeholders like Industry Associations/ Bodies, etc. After considering all suggestions received and the learnings from last year, the department has set a merchandise export target of US\$ 45,705 million for GJEPC. The detailed breakup of the target across countries is enclosed. I am certain that this target is eminently doable if all stakeholders work together in harmony as a team.
3. In this endeavour, the department is committed to facilitating exporters by providing a conducive enabling environment. At the same time, the role of GJEPC is critical in aggressively promoting exports, assisting and handholding exporters, especially SME units, identifying challenges and addressing them with necessary interventions, and exploring new markets while consolidating existing ones.
4. I look forward to your regular feedback on the progress achieved. At our level, there will be monthly monitoring by country/ region across Commodities and feedback will be shared with you, at regular intervals. I am sure that with your continuous support and effort, we will not only be able to meet the targets but even surpass them in the future, putting us in striking distance of achieving exports of US\$ 2 Trillion, contributing 25% of the GDP, before 2030.

Encl: as above

Yours sincerely,

[B.V.R Subrahmanyam]

**Shri Colin Shah,**  
Chairman  
Gem & Jewellery Export Promotion Council (GJEPC)  
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## Message

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The financial year 2021-2022 tested the macro-economic resilience and strength of the economies worldwide amid Covid-19 pandemic. Swift recovery and growth of the Indian economy in terms of GDP, Industrial and exports witnessed the fact of our country being successful in defeating the global health crisis and its repercussions thereof. We congratulate the Government of India for this remarkable success. India's merchandise exports at US\$417.18 billion in the FY2021-2022 have recorded at the historically high level and we are glad that the gem and jewellery sector with annual exports of US\$ 38.93 billion has contributed a tenth of the country's overall US\$400 billion export target and achieved 93 % of the annual export target of US\$ 41.67 billion. I express my deep gratitude to Hon'ble Minister of Commerce and Industry , Shri Piyush Goyal for providing support to the sector through the difficult times that helped the industry not just revive but perform exponentially during the last years.

**Mr. Colin Shah, Chairman, GJEPC**

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The FY2021-2022 witnessed key developments in the gem and jewellery sector characterised with the pro-active initiatives undertaken by the GJEPC and strong support of the Government of India which enabled the Council to achieve its target over the 90%. This includes signing of key trade agreements with UAE and Australia , positive announcements in the Union Budget 2022-23 , introduction of RoTDEP scheme for the entire G&J sector and resumption of prominent physical shows -IIJS Premiere 2021, IIJS Signature 2022 , IGJS Dubai 2021 ,among others. I am heartfelt thankful to the Government and Trade for extending its cooperation and enabling the sector to achieve its target and hope for the similar partnership going forward for having another great financial year.

**Mr. Vipul Shah ,Vice -Chairman,GJEPC**

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I would like to express my gratitude to the MoC&I and Trade for their continuous support, interactions and efforts towards resolving the issues of the sector, undertaking various initiatives like Jewellery Park , Mega CFC and earmarking the landmark international economic deals - India UAE CEPA , India -Australia ECTA among others. We strongly believe that these efforts have enabled the sector to revive back to its pre-covid level of exports in financial year 2021-2022 and is expected to create favourable results in terms of unleashing its huge untapped export potential of US\$31 billion and generating employment opportunities thereof .

**Mr. Sabyasachi Ray,Executive Director , GJEPC**

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## EXECUTIVE SUMMARY



The gem and jewellery sector has gradually attained a significant position as a powerful economic force in Indian economy accompanied with tremendous growth over the last two decades. Exports of gem and jewellery products which were only at US\$3 billion in 1990s rose to US\$24.8 billion during the first decade of reforms and US\$39.7 billion during the second decade of reforms. However, in this light of the vast untapped export potential of US\$31 billion and further attaining the export target of US\$41.67 billion in 2021-2022 fixed by the Government of India for the GJEPC the Council with the support of Government of India undertook various strategic measures.

With the backdrop of unleashing the untapped export potential as well as achieving the high export target of US\$41.67 billion the GJEPC, had formulated a comprehensive strategy in synch with the Government's approach of **'Make in India' and 'Cluster Development'**. This comprised of **I. Country-wise export plan and strategy, II. Commodity-wise export plan and strategy, III. Cluster Development plan and strategy and IV. Impetus to Thrust Areas**

**Country-wise export plan and strategy** was two-pronged as a) Market Sustainability and b) Market Penetration whereby based on the imports of gem and jewellery by top 15 countries and India's share in the country's imports existing and potential export markets for various commodities were identified and efforts made thereof. Short Term, Mid Term and Long-Term plans were prepared and executed in collaboration with the Government and Trade for existing and potential export markets. This includes organising trade shows, VBSMs, India Global Connect (IGC) and opening of Dubai office among others.

**Commodity-wise export plan and strategy** included addressal of issues and concerns of the exporters of various commodities including reduction in duty on cut and polished diamonds, non-availability of raw material – gold, raw materials to be allowed personally carried by foreign miners /traders like Thailand etc.

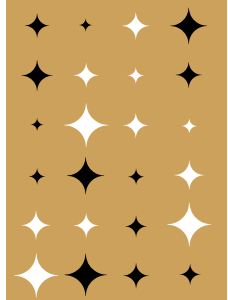
**Pertaining to Cluster Development plan and strategy** the GJEPC believes it is imperative to create a robust eco-system across various clusters (Mega, Large, Medium, Micro) and for that development in various dimensions like infrastructure, skilling, technology and digitization is required and hence various initiatives have been planned and commenced by the GJEPC. This includes setting up of Jewellery Park, Mega CFC and Special Notified Zone (SNZ), Opening of offices in overseas markets and creating Digital Library and Diamond portal among others.

Special Economic Zones (SEZs) and Lab Grown Diamonds have identified as thrust areas of exports which providing impetus to these areas can take India's exports of gem and jewellery to the next level.

As a result of undertaking the above measures, the exports of Gem and Jewellery sector has witnessed a robust growth of around 55% over the 2020-2021 and 11% over the pre-covid level of exports to around US\$39.26 billion. We are glad that with this, around 93 % of the annual export target of US\$41.67 billion has also been achieved by the GJEPC.

Going forward, the government has set an export target of US\$ 45.70 billion for India's gems and jewellery sector for the financial year 2022-23. The GJEPC is continuously striving towards achieving the next level of exports by focusing upon the same strategic areas viz. Market Sustainability and Market Penetration, Commodity Development, Cluster Development and Focus on the export thrust areas. While the Council is expecting the support of the Government in terms of resolving major concerns of the exporters including, permitting sale of rough diamonds at SNZ, streamlining space transfer policy, and availability of precious metals among others.

The Council believes that dedicated efforts of the GJEPC with the support of the Government of India and trade will surely enable the sector to achieve export target of US\$45.7 billion for the FY2022-2023 and unleash its exports thereof.



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# BACKDROP





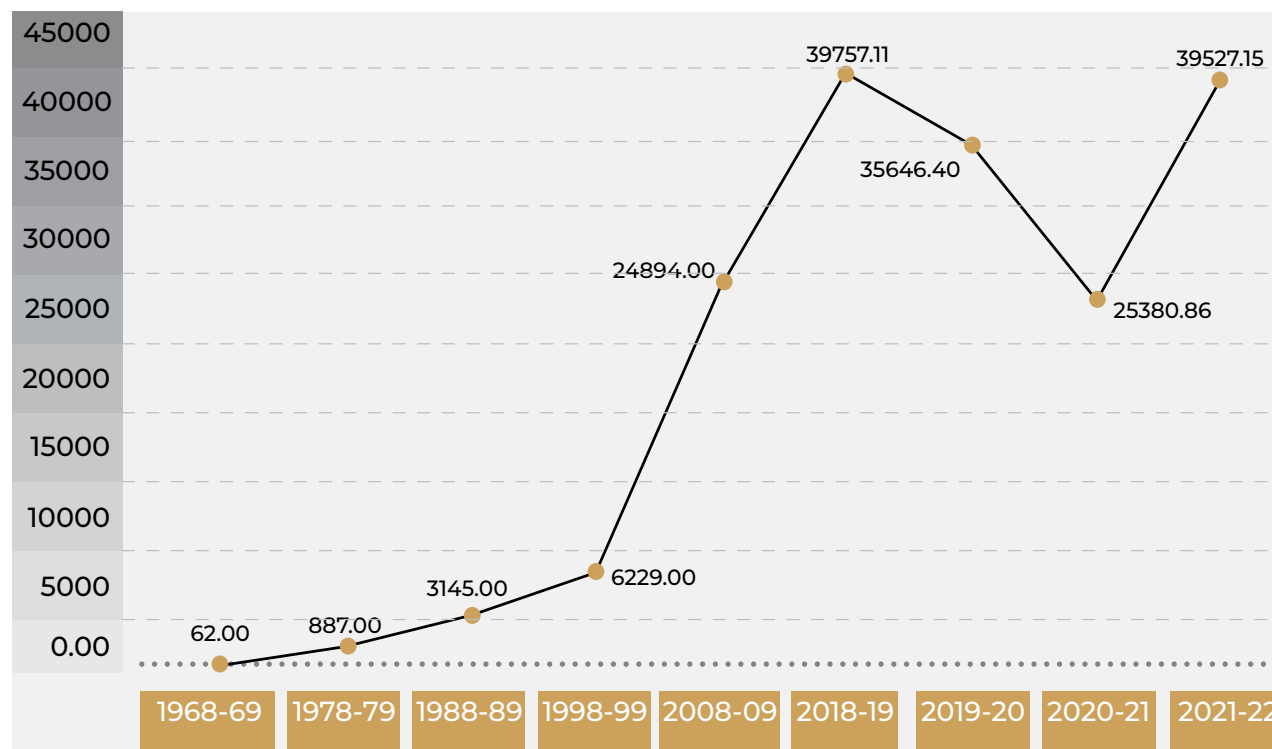
# 01. BACKDROP

The gem and jewellery sector being an employment and export-oriented sector has gradually attained a significant position as a powerful economic force in Indian economy and especially after the 1960s when the Government of India started adopting the partial liberalization policy for boosting exports from the country and further in 1991 when macro-economic reforms characterized with Liberalisation, Privatisation and Globalisation were undertaken to integrate deeply with the world economy. This is due to changes in the ideology of the GoI during the different periods coupled with various policy reforms thereof in terms of announcing export incentive schemes viz. Replenishment License, Advance License, introducing Diamond Dollar Account Scheme, Market Development Scheme, Duty Exemption/Remission Scheme, and Setting-up of SEZ among others.

All these measures resulted in tremendous growth in gem and jewellery exports. It is evident from the below figure that exports of gem and jewellery products which were only at US\$62 million in 1969-70 rose to US\$887 million in 1979-80 and further to US\$6.23 billion in following decades. A magnificent surge was witnessed over the first and second decade of economic reforms as gem and jewellery exports posted a four-fold rise from US\$6.3 billion in 1999-2000 to US\$24.89 billion in 2009-2010 reflecting the effect of liberalized trade policy measures. During the last decade also an additional export of US\$ 14.63 billion have been earmarked which took India's gem and jewellery exports to the level of US\$ 39.52 billion in 2021-22. (Figure 1)

**Figure 1 - Gem and Jewellery Exports:**

Magnificent surge, Stagnation and Nosedive over the last 6 decades



Source: GJEPC Despite reaching an average level of US\$36 billion of exports, owing to the following mentioned reasons it has been realized that there is a need to formulate a concrete export strategy for the entire gem and jewellery sector which can help the sector to achieve the next level of growth and development:

- Vast export potential of US\$31 billion is still untapped and requires strategic measures to unleash the same.
- Exports of gems and jewellery have been noted to be stagnated at US\$36 billion (average) for the last 8 years which is crucial to break.
- Due to the global spread of covid-19 pandemic, exports from the sector nosedived in 2020-2021 to the historically low level of US\$26 billion and it was crucial to put the sector in swift recovery mode so as to prevent the situation of unemployment and loss of income and foreign exchange in the sector as well as economy.
- Being highly employment and export-oriented, the sector is considered to play an instrumental role in making a significant contribution towards the Government's ambitious initiatives i.e., Make in India and a high export target of US\$400 billion for 2021-2022.



Against this backdrop, this study focuses upon the strategic measures that the GJEPC has planned and executed with the support of the Government and Trade to achieve the above-stated objectives, especially achieving the export target of US\$41.66 billion which has been given by the Government for the entire gem and jewellery sector. Furthermore, the study also highlights the deterrents which have been the stumbling blocks to attaining the targets for the present FY2021-2022 as well as may adversely impact the export performance in the next FY2022-2023.

### **The study covers the following components:**

- Indian Gem and Jewellery Sector – An Overview
- Global Gem and Jewellery Exports and India's Position - 2020
- Export Potential of the Indian Gem and Jewellery Sector
  - a) Total untapped export potential
  - b) Commodities-wise untapped export potential
  - c) Country-wise untapped export potential
- India's Export Targets and Achievement – 2021-2022
- Export Strategy for Achieving Exports Targets
- Initiatives commenced by the GJEPC and Current Status
- Gems and Jewellery Export performance: (April 2021- March 2022)
- Gem and Jewellery Target Exports & Actual Exports - 2021-22
- Gems and Jewellery Export Targets – 2022-23 & Way forward





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## **INDIAN GEM AND JEWELLERY SECTOR AN OVERVIEW**



## 02. INDIAN GEM AND JEWELLERY SECTOR - AN OVERVIEW



Indian gem and jewellery present scenario and contribution to Indian economy can be well understood in terms of its share in the economy's output, employment, exports, and value addition. According to the NCAER study, Cluster Mapping of Gem and Jewellery Sector, 2020 value of output within the gem and jewellery sector is Rs. 322.2 thousand crores and gross value addition is Rs 95.7 thousand crores which implies that within the sector there is value addition of 29.7%. The indirect impact of the sector on the economy has been calculated by using the Input-Output Table (IO) and output and employment multiplier were computed by the NCAER to arrive at the quantification of interlinkages among the sectors.

The model suggests that the G&J sector has strong backward linkages with other sectors of the economy, with the value of its output multiplier being 4.0308. This means that with a unit increase in demand generated in the G&J sector, a total output equivalent to 4.0308 units is produced in the economy, owing to the interlinkages, and hence, the spill-over effect is generated in the economy. (Refer Table 1) The employment multiplier, as per the IO model, is 3.9105. It means that with one new job created in the G&J sector, a total of 3.9105 jobs are created in the economy. Hence, the total share (direct as well as indirect) of the G&J sector in employment is 2.5%.

**Table-1 Indian Gem and Jewellery Sector Economic Parameters – Snapshot**

S.NO.	PARAMETERS	UNIT	AMOUNT /%
(i)	Total Output of economy	(In Rs. crores)	3,08,51,305
(ii)	Gem & Jewellery Output	(In Rs. crores)	3,22,208
(iii)	Gross Value Added of the economy	(In Rs. crores)	15482715
(iv)	G&J Gross Value Added	(In Rs. crores)	95733
(v)	Value Addition within the G&J sector	In %	29.7%
(vi)	Output Multiplier	With 1 Rs. Increase in G&J output, Economy Value of Output rises by Rs.4.0308 due to backward & forward linkages with other sectors	4.0308
(vii)	Employment Multiplier	With one new job created in the G&J sector, a total of 3.9105 jobs are created in the economy	3.9105
(viii)	No. of Units		989372
(ix)	No. of Clusters based on no. of units		390
(x)	No. of Workers		4288925
(xi)	No. of clusters based on no. of workers		341
(xii)	Exports – 2021-22	In US\$billion	39.09
(xiii)	Share in India's Merchandise Exports*	In %	9.32 %
(xiv)	Share in Global exports of gem & jewellery	In 3.5 %, 7 <sup>th</sup> rank -2020	
(xv)	Untapped Export Potential	In US\$ 31 billion -2020	
(xvi)	Skill gap	In%	20.48
(xvii)	Technology gap	In%	75.85
(xix)	FDI inflows in Gem and Jewellery Sector	2000-2022 (Till March 22)	US\$ 1213.05 million

Source: Cluster Mapping of Gem and Jewellery Sector, NCAER 2020, computations are based on the National Account Statistics 2019, SUT 2015-2016 and estimations based on primary survey of G&J units in 2019.

NCAER survey data reveals that, in 2019, there were a total of 9.89 lakh units and 42.89 lakh workers in the G&J sector in India. Since the geographical area of a district can be very vast, the threshold was restricted to at least 1000 Gems & Jewellery units and a minimum of 2000 workers to be considered as



✦ ✦ ✦ a micro cluster. A total of 390 districts are identified as clusters based on the number of units working in Gems and Jewellery sector and 341 clusters were found when classified based on the number of workers engaged in Gems & Jewellery sector

✦ ✦ ✦ The sector contributes significantly to India's merchandise exports. The sector, with total exports of around US\$39 billion, constitutes for 9.32 % share in India's merchandise exports in 2021-22 and is amongst the top 5 leading foreign exchange earners for the country.

The total skill gap in the sector is 20% meaning thereby the sector needs 20% more skilled employees either through skill upgradation of the existing employees or through the induction of additional skilled employees in the sector. As far as the technology gap is concerned overall total technology gap in the sector is more than 75%, which means that over 75% of the enterprises are willing to upgrade technology, provided the constraints of finances, skilled manpower, and awareness about superior technology are sorted out. However, the relationship between the skill gaps and technology gaps has not been established.

It has been observed that the FDI equity inflows in the G&J sector stood at US\$ 1213.05 million during 2000-2022 accounting for around 0.21 % share in the total FDI equity inflows of US\$ 588.40 billion during the same period. The FDI equity inflows in the G&J sector have been continuously declining since 2014-15 and declined by (-) 91.5 % from US\$ 263.16 million in 2014-15 to US\$ 22.22 million in 2021-22 (Refer table 2)

**Table 2 – Growth of Total FDI equity inflows and FDI inflows in the G& J Sector**

Years	Total FDI Equity inflows (US \$ million)	Total FDI Equity inflows % Change (y-o-y)	FDI Inflows in G&J (US\$ million)	FDI inflows in the G&J sector % Change (y-o-y)
2000 - 2022 (Till March 2022)	588406.46	-----	1,213.05	----
2014-15	29737	--	263.16	--
2015-16	40001	34.51%	75.57	-71.28
2016-17	43478	8.60%	123.91	39%
2017-18	44857	3.17%	233.03	88%
2018-19	44366	-1.09%	29.01	-87.50%
2019-20	49977	12.60%	18.87	-34.50%
2020-21	59636	19.32 %	13.82	-26.7 %
2021-22	58773	-1 %	22.22	60.78 %

Source: GJEPC Analysis based on DPIIT Data Updated up to March 2022, \* Data pertains to Diamonds and Gold Ornament

In this manner, taking into consideration the voluminous output of the gem and jewellery sector; vast no. of units, workers and clusters spanned across the country; huge exports it generates it would not be incorrect to say that the sector is a growth engine for the Indian economy and given more impetus would generate a multiplier effect in terms of output, employment and exports.



03

## GLOBAL GEM & JEWELLERY EXPORTS & INDIA'S POSITION - 2020



## 03. GLOBAL GEM AND JEWELLERY EXPORTS AND INDIA'S POSITION - 2020

### 3.1 Synchronisation of the growth of global and India's gem and jewellery exports

Gem and Jewellery is one of the largest sectors of the global economy as jewellery and gemstones are an integral part of several cultures across the globe since ancient times. Gem and jewellery pieces carried an exceptionally high aesthetic value and were adored by kings, men, and women of different eras. The sector has undergone a great transformation over the years in terms of its designs, methods of production, usage pattern, commercialisation etc. The modern global gem and jewellery sector is characterized by technological advancement, organized players, a professionally skilled workforce, dedicated marketing efforts, unlimited designs to cater needs of all the segments and government support among others. As a result, the global gem and jewellery market has witnessed substantial growth and India which is a hub of producing varied gem and jewellery products due to its unique craftsmanship skills and low cost of labour has also recorded manifold growth in its sector. Synchronisation of the growth of global and India's gem and jewellery exports can be seen in the following table -3 and figure -2

**Table-3: Synchronisation of the growth of global and India's gem and jewellery exports (2005 - 2020)**

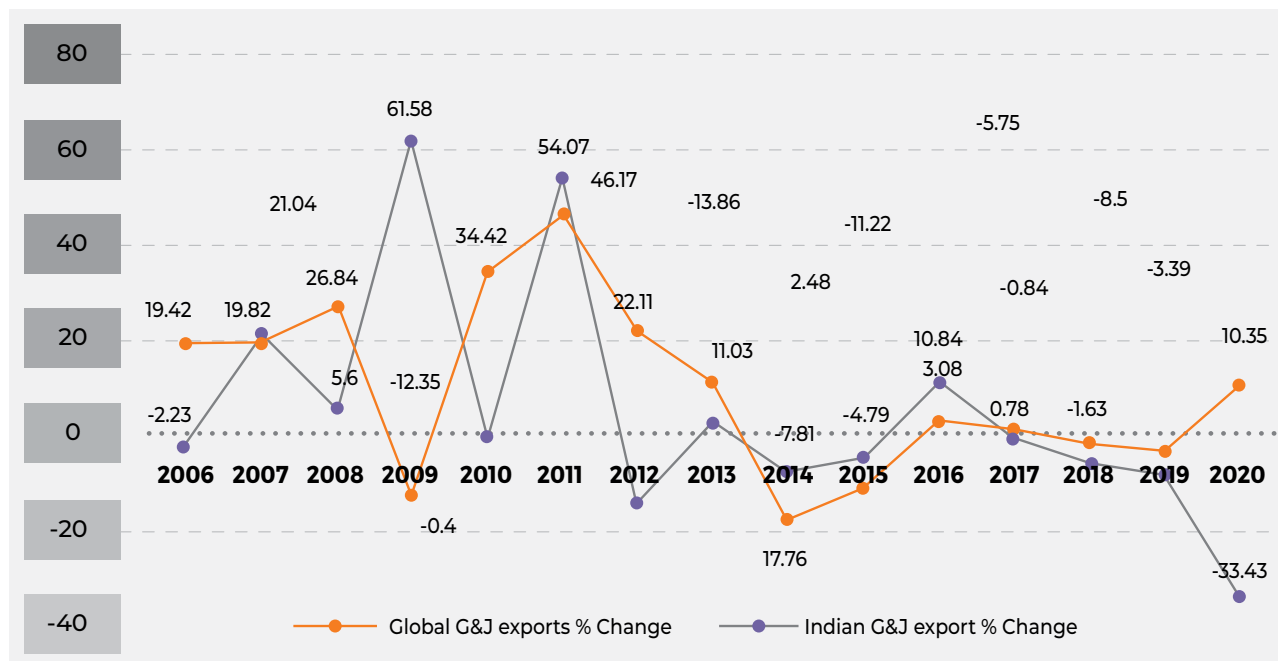
Year	Global Exports (In US\$ billion)	% Growth	India Exports (In US\$ billion)	% Growth
2005	205.79		16.14	
2006	245.75	19.42	15.78	-2.23
2007	294.45	19.82	19.1	21.04
2008	373.49	26.84	20.17	5.60
2009	327.38	-12.35	32.59	61.58
2010	440.05	34.42	32.46	-0.40
2011	643.23	46.17	50.01	54.07
2012	785.44	22.11	43.08	-13.86
2013	872.09	11.03	44.15	2.48
2014	717.23	-17.76	40.70	-7.81
2015	636.75	-11.22	38.75	-4.79
2016	656.34	3.08	42.95	10.84
2017	661.44	0.78	42.59	-0.84
2018	650.67	-1.63	40.14	-5.75
2019	628.59	-3.39	36.73	-8.50
2020	693.70	10.35	24.45	-33.43

Source: GEJPC analysis based on UN Comtrade Database,2020

The gems and jewellery export trends both at the global & Indian level, during the past sixteen years (2005-2020) remained a mix of upswings and downturns. During the global financial crisis of 2008-2009 exports of gems and jewellery at global and India's levels have registered a decline and in the following years started rising and reached the peak level at US\$872.09 billion and US\$44.15 billion in 2013 respectively. Subsequently, the sector at the global as well as well Indian gem and jewellery sector seems to be stagnated at US\$693 billion and US\$24 billion in 2020 on account of the global covid-19 pandemic.

Overall, global exports of gems and jewellery have almost tripled from US\$ 205.79 billion in 2005 to US\$ 628.59 billion in 2019 and India's exports have almost doubled from US\$ 16.14 billion to around US\$ 36.73 billion during the same period. (Refer Figure 2)

**Figure -2 - % Growth of Global Gem & Jewellery Exports vis-à-vis India's change to 2020**



Source: GEJPC analysis based on UN Comtrade Database, 2019

### 3.2. Global Gem and Jewellery Exports and India's Position: 2019 and 2020

India is one of the major exporters of gems and jewellery products in the world. As evident in table 4, in 2019 the country's exports of gems and jewellery are registered at US \$36.73 billion, constituting around 5.8% of the world's gems and jewellery exports of US\$628.59 billion. India's exports of gems and jewellery in 2020 declined to US \$24.4 billion accompanied by a reduced share of 3.5 % in the global gems and jewellery exports of US\$693.7 billion. This made India the 7th largest exporter of gems and jewellery in the world as compared to the 5th largest in 2019. This is majorly due to the outbreak of the Covid-19 pandemic in 2020 in key export destinations of the country and various domestic as well as global challenges such as a rise in import duty on precious stones viz. polished diamonds and coloured gemstones, tightening of lending terms by banks, stringent customs inspection procedures, sluggish import demand and withdrawal of GSP benefit by USA among others.



**Table 4 - Gem and Jewellery Global Exports vis-à-vis India's Position - 2019 & 20**

Trade Indicators	Amount/ %Share ( 2019)	Amount/ % Share ( 2020 )
Total World Exports (US\$ billion)	628.59	693.7
India's Exports (US\$ billion)	36.73	24.4
India's Share (%)	5.8	3.50%
India's Ranking	5 <sup>th</sup>	7 <sup>th</sup>
Other key exporters	1. Switzerland (12.33 %)	1. Switzerland (12.45%)
	2. Hong Kong (8.33 %)	2. Hong Kong (10.19%)
	3. USA (9.19 %)	3. USA (8.64%)
	4. UK (6.55%)	4. UK (6.19%)
	5. UAE (7.36%)	5. UAE (5.52%)
	6. Russia (2.35%)	6. Russia (4.39%)
	7. India (5.65 %)	7. India (3.53%)
	8. Canada (3.28%)	8. Canada (3.31%)
	9. Germany (2.73%)	9. Germany (3.28%)
	10 . Singapore (2.73 %)	10 . Singapore (2.94%)

Source: GEJPC Trade Research based on UN Comtrade Database, 2019 and 2020

Apart from India, other key exporters of gems and Jewellery to the world are Switzerland (12.45%), Hong Kong (10.19%), USA (8.64%), UK (6.19%), UAE (5.52%), and Russia (4.39%) and are India's close competitors.

### 3.3. Key Gems and Jewellery Exports - Global and India's position: 2019 & 2020

Cut and polished diamonds, gold jewellery and silver jewellery are the key gems and jewellery commodities which are significantly exported at the World level and India is among the top 5 leading world exporters of these products.

India despite the outbreak of the pandemic that led to a massive shutdown of manufacturing activity across the world, has been able to maintain its global position as a share of several key commodities such as cut and polished diamonds, silver jewellery, coloured gemstones and synthetic diamonds/stones in world exports have recorded a rise in 2020.

It is evident from the table-5 that India's share in global exports of cut and polished diamonds has risen from 26.9% in 2019 to 29.7% in 2020 and its share in global exports of silver Jewellery, coloured gemstones and synthetic diamonds/stones rose from 16.7%, 4.3% and 21.2% to 22%, 4.6% and 21.7 % respectively during the said period. While India's share in world exports of gold jewellery has recorded a significant decline from 12.1 % in 2019 to 8.6 % in 2020.

**Table 5 -Key Gem and Jewellery Exports – Global and India’s Position 2019 & 2020 (in US\$bn)**

Products	2019				2020			
	World Exports	India’s Exports	India’s Share (%)	India Ranking	World Exports	India’s Exports	India’s Share (%)	India’s Ranking
CPD	76.51	20.57	26.9	1st	49.77	14.65	29.70%	1st
Gold Jewellery	101.89	12.36	12.1	2nd	66.21	5.67	8.60%	4th
Silver Jewellery	7.12	1.18	16.7	2nd	9	1.97	22.00%	1st
Coloured Gem ones	9.89	0.427	4.3	5th	5.51	0.251	4.60%	5th
Synthetic Diamonds / Stones	2.12	0.45	21.2	2nd	2.62	0.569	21.70%	2 <sup>nd</sup>
Imitation Jewellery	7.15	0.189	2.6	11th	6.07	0.14	2.30%	10th

Source: GEJPC Trade Research based on UN Comtrade Database, 2019 and 2020.



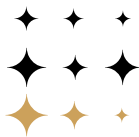
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## **EXPORT POTENTIAL OF THE INDIAN GEM AND JEWELLERY SECTOR**





# 04. GEXPORT POTENTIAL OF THE INDIAN GEM & JEWELLERY SECTOR



**a. Total untapped export potential** - According to the Export Potential Map 2020 of ITC, the total export potential of the Indian gem and jewellery sector is US\$64 billion and untapped export potential exists at US\$31 billion meaning thereby that India has the capacity to upscale its exports of gem and jewellery to US\$ 64 billion as compared to on an average US\$33 billion.

**b. Commodity-wise untapped export potential** - Commodity-wise untapped export potential of cut and polished diamonds is US\$15 billion, gold jewellery is US\$13 billion, silver jewellery US\$1.8 billion, coloured gemstones US\$549 million, semi-precious stones US\$380 million and imitation jewellery US\$221 million. Following figure-3 depicts the export potential, bigger is the size denotes the high export potential (Refer table 6).

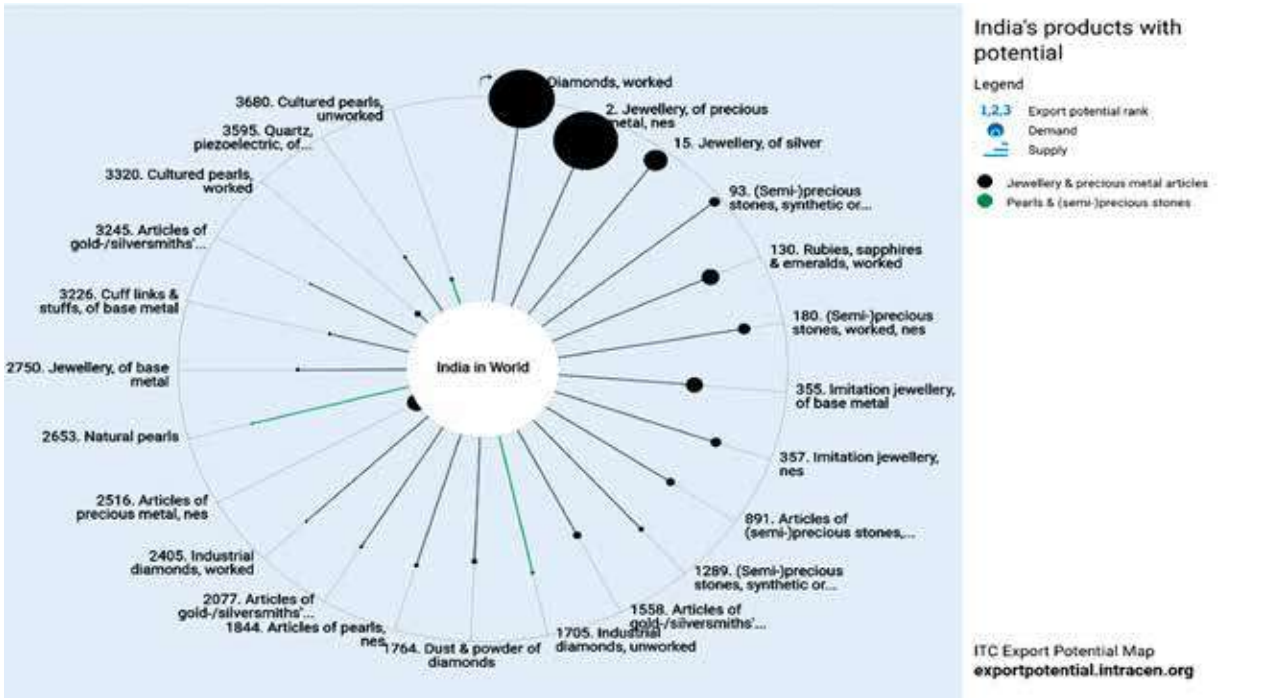
**Table 6 - Commodity-wise untapped export potentia**

HS Code	Commodity description	Export Potential	Actual Exports	Untapped Export Potential
71	Gems and Jewellery	US\$ 64 billion	US\$33 billion	US\$31 billion
710239	Cut and polished diamonds	US\$ 36 billion	US\$ 21 billion	US\$15 billion
711319	Gold Jewellery	US\$ 22 billion	US\$ 9 billion	US\$13 billion
711311	Silver Jewellery	US\$3.4 billion	US\$ 1.6 billion	US\$1.8 billion
710391	Rubies, Emeralds & sapphires & other precious stones	US\$1022 million	US\$ 473 million	US\$ 549 million
710490	Semi-precious stones (synthetic and worked)	US\$ 794 million	US\$ 414 million	US\$ 380 million
7117	Imitation Jewellery	US\$ 388 million	US\$ 167 million	US\$ 221 million

Source: GJEPC Trade Research based on Export Potential Map, ITC 2020

**Figure: 3 Commodity-wise export potential**

**c. Country-wise untapped export potential – 2020**



✦ ✦ ✦ USA, UAE and Hong Kong are the major markets for Indian gems and jewellery products in 2020. It is to mention that these three markets have an untapped export potential of around US\$20 billion for India which can be realised by making extended efforts for enhancing exports to these markets (Refer table 7 ).

Gem and jewellery exports can also be enhanced to markets such as Singapore, Belgium, Israel, Switzerland, Thailand, China and UK as for India where there is an untapped export potential of US\$ 5.8 billion. There is a potential to generate demand for our gem and jewellery products in the stated Asian markets.

**Table 7 Country-wise untapped export potential (US\$) – Top 15 markets**

S.no.	Countries	Export Potential	Actual Exports	Untapped Export Potential
1	USA	US\$ 17.3 bn	US\$ 9.7 bn	US\$ 7.6 bn
2	Hong Kong	US\$ 16.4 bn	US\$ 9.4 bn	US\$ 7 bn
3	UAE	US\$ 12.1 bn	US\$ 6.9 bn	US\$ 5.2 bn
4	Belgium	US\$ 2.2 bn	US\$ 1.4 bn	US\$ 800 mn
5	Israel	US\$ 1.7bn	US\$ 795.7 mn	US\$ 904.3 mn
6	Switzerland	US\$ 1.7 bn	US\$ 168.3 mn	US\$ 1.51 bn
7	Thailand	US\$ 1.4 bn	US\$ 749.5 mn	US\$ 650.5 mn
8	Singapore	US\$ 1.4 bn	US\$ 419.6 mn	US\$ 980.4 mn
9	China	US\$ 1.2 bn	US\$ 1 bn	US\$ 200 mn
10	UK	US\$ 1.2 bn	US\$ 448.1 mn	US\$ 751.9 mn
11	France	US\$ 871 mn	US\$ 182 mn	US\$ 689 mn
12	Germany	US\$ 656 mn	US\$ 118 mn	US\$ 538 mn
13	Italy	US\$ 586 mn	US\$ 131 mn	US\$ 455 mn
14	Japan	US\$ 505 mn	US\$ 347 mn	US\$ 158 mn
15	Australia	US\$ 418 mn	US\$ 293 mn	US\$ 125 mn

Source : GJEPC Trade Research based on ITC Trade Map export potential ,2020



# 05 **EXPORT TARGETS FOR GEM & JEWELLERY SECTOR & ACHIEVEMENT 2021-2022**





## 05. EXPORT TARGETS FOR GEM AND JEWELLER SECTOR AND ACHIEVEMENT - 2021-2022

India's merchandise exports for the last several years have stagnated at US\$300 billion and during the Covid-19 pandemic, exports slipped down even lower than US\$300 billion in 2020-2021. Thus, in order to recover as well as break the stagnation of export growth, the Government of India has set an ambitious target to achieve exports of US\$400 billion during the FY2021-2022. Commodity-wise the Government has set the export target of US\$41667 million for the gem and jewellery sector which were around US\$16298 million more than the actual exports recorded in FY2020-2021. The Responsibility of achieving the export targets was entrusted to the export promotion councils, therefore the export target of US\$41667 million for the gem and jewellery sector was given to the GJEPC (Refer table 8).

**Table 8 - Gem and Jewellery Exports Target - 2021-2022 (US\$million)**

Actual exports FY2020-2021 (US\$ mn)	Target Exports FY2021-2022 (US\$ mn)	Actual Exports FY2021-2022 ( US\$ mn)
25368.9	41665.45	39268.62

Source: GJEPC Trade Research as per MOC&I data

With the backdrop of unleashing the untapped export potential as well as achieving the high export target of US\$41.67 billion that too amid the Covid-19 period the GJEPC has formulated an export plan and strategy in synch with the Government's approach of 'Make in India' and 'Cluster Development'. Country-wise and Commodity-wise plans and strategies were designed and further implemented to achieve the fixed targets.



06

## **EXPORT STRATEGY FOR ACHIEVING EXPORTS TARGETS**





## 06. EXPORT STRATEGY FOR ACHIEVING EXPORTS TARGETS

### I. Country-wise export plan and strategy

There is a high export concentration of gem and jewellery exports in the five markets namely USA, Hong Kong, UAE, Belgium and Israel which accounts for around 85% of India's gem and jewellery exports (**Table 7**). In the light of the untapped export potential across various markets the GJEPC has planned and strategized a two-pronged strategy:

**A. Market Sustainability:** This strategy is aimed at enhancing share and presence in the existing export markets of gem and jewellery including USA, UAE etc. The lack of direct exports to some of the countries is inhibiting market sustainability in gems and jewellery exports.

**B. Market Penetration:** This strategy is aimed at penetrating the unexplored markets or realizing the untapped export potential in the prospective countries including UK, Thailand, Saudi Arabia, Qatar etc.

In order to bifurcate the existing and potential export markets for various commodity categories, an extensive analysis was undertaken based on the **IMPORTS BY TOP 15 WORLD IMPORTING COUNTRIES OF A PARTICULAR COMMODITY and INDIA'S SHARE IN THE COUNTRY'S IMPORTS**.

Commodity-wise analysis undertaken is briefly explained here below followed by the identification of existing and potential export markets:

**a) Cut and Polished Diamonds (CPD)** – In 2020, total world imports of cut and polished diamonds stood at US\$49.15 billion and the top 15 world importing countries imported around US\$47.8 billion. As far as India's existing and unexplored export markets are concerned following is the indicative segregation based on India's % share in CPD imports by these countries.

**Existing /Developed Markets: Refer to table-9** It is observed that of the 15 top importing countries of cut and polished diamonds India's % share is significant in 11 countries i.e., in USA (52.1%) , Hong Kong (42.5%) , China (21.9%) , Israel (34.7%) , UAE (32.3%) , Belgium (43.8%) , Thailand(71.3%) , Japan (55.1%) Australia (46.2%), Canada (51.2%) , Botswana (37.6%) and Germany (30.7%). This indicates that India's presence is strong in almost all the countries where diamonds are imported in significant quantum. Therefore, these markets would be focused upon in terms of sustaining India's share and achieving deeper penetration.

**Potential Markets:** The table-9 depicts that few markets – Switzerland, UK, France and Italy which import cut and polished diamonds considerably, however, India's % share in their imports is relatively low at 5.3%, 20%, 11.8%, 12.6% respectively that provides a good scope for India to enhance exports in these markets.



**Table 9- Top 15 World Importers of Cut and Polished diamonds (710239) & India's Presence - 2020**

Countries	Country's imports from World US\$million	Country's imports from India US\$million	% Share of India in country's imports	Key sourcing countries
World	49159.9	--	--	---
USA	12204.4	6362.7	52.1 %	India (52.1%), Israel ( 27.8%),Belgium (8%)
Hong Kong	10831.04	4604.1	42.5 %	India(42.5%),Belgium(11.3%),USA(9.9%) China(8.8%),Israel(7.5%)
China	5627.04	1230.2	21.9 %	South Africa(54.1%),India(21.9%), Belgium(15.8%),Israel(5.7%),Australia(1.3%)
Israel	1438.12	499.09	34.7 %	India (34.7%),USA(13.5%),Hong Kong(12.7%) Belgium(11.8%),Russia (6%)
UAE	2541.02	819.5	32.3 %	India(32.3%),Hong Kong(24.6%),USA(13.8%) Belgium(11.8%),Botswana (3.6%)
Belgium	2360.2	1032.7	43.8 %	India(43.8%),Hong Kong(8.8%),Israel(8.2%) South Africa(7.9%),Russia(7.8%)
Switzerland	1460.1	77.5	5.3 %	USA(34.1%),Belgium(18.5%),Israel(9.9%) UAE(7.7%),France(5.6%)
Thailand	1227.16	874.5	71.3 %	India(71.3%),Hong Kong(8.2%),Bel- gium(6.6%) Israel(5.1%),USA(2.5%)
United Kingdom	573.5	113.9	20%	Belgium(21.7%),India(19.9%),Israel(18.5%) USA(12.7%),Hong Kong(6.8%)
France	455.8	53.7	11.8%	Belgium(27.5%),UK(24%),Israel(13.7%) India(11.8%),Switzerland(5.9%)
Japan	448.5	246.9	55 %	India(55%),Belgium(15.4%),Israel(11.3%) Hong Kong (6.6%),Thailand(6.3%)
Italy	421.15	52.9	12.6 %	Belgium(52.8%),India(12.6%),Vietnam(9.8%) Switzerland(8.1%),Israel(7%)
Australia	360.73	166.6	46.2 %	India(46.2%),Israel(7.7%),Hong Kong(6.7%) South Africa(4.7%),USA(4.7%)
Canada	240.4	123.04	51.2 %	India(51.2%),USA(15.4%),Israel(15.4%),Bel- gium(6.7%),Vietnam(6%)
Botswana	218.1	82.03	37.6 %	Russia(42.5%), India(37.6%),South Afri- ca(10.7%), Belgium(4.9%)
Germany	192.3	58.9	30.7 %	Belgium(38.6%),India(30.7%),- rael(9.5%),UAE(6.4), Switzerland(4.3%)
<b>Total</b>	<b>47831.52</b>			

Source: GJEPC Trade Research based on UN Comtrade Data,2020

**b. Diamonds & Gold jewellery** -The total world imports of diamond & gold jewellery is at US\$ 54.03 billion in 2020 and top 15 world importing countries imported around US\$ 47 billion. India's existing and unexplored export markets and indicative segregation based on India's share in diamond & gold jewellery imports by these countries are provided below :

**Existing /Developed Markets:** It can be observed from the below table that of the top 15 importing countries of diamond and gold jewellery, India's share is significant in 3 countries i.e. UAE ( 34.4%), USA ( 23 % ) and Hong Kong ( 7.2%). This reflects that India's presence is strong in these few countries where diamonds & gold jewellery is imported in significant quantum and these markets should be focussed in terms of sustaining India's share and achieving deeper penetration (**Refer table 10**).

**Potential Markets:** It is apparent from the below table that there are several markets that imports diamond and gold jewellery in significant quantum i.e. China, France, Singapore, UK, Japan, Italy, Iraq, Australia, Turkey and Germany, however, India's % share in their imports is relatively low providing an opportunity for India to enhance penetration in these markets



**Table 10- Top 15 World Importers of Gold & Diamond Jewellery (711319) & India's Presence - 2020**

Countries	Country's imports from World ( US\$ million )	Country's imports from India (US\$ million)	% Share of India in country's imports	Key sourcing countries
World	54033.58			
HK	10156.64	729.9	7.2 %	China(34.1%) ,Switzerland(9%) , USA(8.4%) ,UAE(8.4%) , India(7.2%)
Switzerland	7806.2	9.86	0.1 %	UAE(22.7%) , France(21.5%) ,Hong Kong(11.4%) , Italy (8.5%) ,UK(8%)
USA	6349.7	1460.1	23 %	India(23%) , Italy(12.8%) , France(9.6%) Indonesia(9.6%) , Hong Kong(5.7%)
UAE	6569.98	2256.9	34.4 %	India(34.4%) , Switzerland(9.3%), Turkey(7.6%) , Singapore (5.2%) Malay-sia(4.6%)
China	3427.8	3.3	0.1 %	France(27.4%) , Italy(26.9%) Swit-zerland(17.1%) USA(11.6%) , Hong Kong(9.7%)
France	2931.2	93.7	3.2 %	Switzerland(24.7%) , Italy(11.4%) , UK(4.9%)India(3.2%) , Germany(1.8%)
Singapore	2112.5	234.4	11.1 %	France(30.7%) , Malaysia(19.9%) In-dia(11.1%) , UAE(8.5%) , Indonesia (5.6%)
UK	2099.4	171.6	8.2 %	France(49.9%) , India(8.2%) , Italy (7.9%) Spain(6.8%) , USA(5.3%)
Japan	1422.9	14.9	1.1 %	France(28.1%) , USA(23.8%) , Italy (18.6%) , Switzerland(7.1%) , Thailand(6%)
Italy	937.8	21.8	2.3 %	France(25.2%) , Switzerland(18.2%) Bo-livia(10.5%) , UK(6.5%) , USA(4.4%)
Iraq	882.8	0	0 %	Turkey(99.7%) , Switzerland(0.2%)
Germany	880.19	53.3	6.1 %	Switzerland(21.7%) , France(15.1%)Italy (14.1%) Turkey (11.4%) , Thailand (7.3%)
Australia	726.9	107.1	14.7 %	France(16.8%) , India(14.7%) ,USA(13.6%) Italy(12.8%) , China(9%)
Turkey	720.9	298.9	41.5 %	India(41.5%) , Italy(24.7%) , UAE(16.1%) Iran(4.4%) , Bolivia(3.2%)
Macao ,China	706.6	0.041	0 %	Hong Kong(24%) , France(17%) , USA(16.8%) China(15.1%) , Italy (13.2%)
<b>Total</b>	<b>46621.43</b>			

Source: GJEPC Trade Research based on UN Comtrade Data,2020

**c) Silver Jewellery** – The total world imports of silver jewellery stood at US\$ 6.47 billion in 2020 and top 15 world importing countries imported around US\$ 5.42 billion in 2020. The indicative segregation based on India's share in silver jewellery imports by these key counties in terms of the country's existing and unexplored explored markets is provided below:-

**Existing /Developed Markets:** India's % share is significant in 2 countries namely Hong Kong (68.9 %) and USA (20.7%) among the top 15 importing countries of silver jewellery. Therefore, these markets should be focussed in terms of sustaining India's share and achieving deeper penetration.

**Potential Markets:** India's presence in the commodity is relatively low in almost all the countries – Germany, UK, France, China, Italy, Canada, Australia, Japan, Spain, Poland, Thailand, Switzerland & Russia where silver jewellery is imported in significant quantum which provides a good scope for India to enhance penetration in these markets **(Refer table 11)**.

**Table 11 – Top 15 importers of silver jewellery (711311) & India's presence - 2020**

Countries	Country's imports from World (US\$ mn)	Country's imports from India ( US\$ mn)	% Share of India in country's imports	Key sourcing countries
World	6475.4			
USA	1310.4	270.9	20.7%	Thailand(34%) , India(20.7%) Italy(13.1%) , China (13.1%) Israel(3.4%)
Hong Kong, China	1163.09	801.4	68.9 %	India(68.9%) , China(20%) ,Thailand(2.9%) Italy (2.2%) ,USA(1.8%)
Germany	678.1	20.5	3 %	Thailand(73.6%) ,China(8.4%) ,India(3%) Italy (2.9%) ,Poland (1.9%)
UK	562.8	38.4	6.8 %	Germany(59.2%) ,USA(7.7%) ,India(6.8%) Thailand(6.5%) ,China (5.9%)
France	260.8	6.35	2.4 %	Thailand(50.7%) ,China(13%) ,Italy (9.4%) Israel(2.5%) ,India (2.4%)
China	251.7	1.97	0.8 %	Thailand(53.4%) ,Italy(14.8%) ,France(5%) USA(4.2%) ,Austria(2.1%)
Italy	227.7	4.96	2.1 %	Germany(35.1%) ,Romania(22.3%)China(11.6%) ,Belgium(8.6%) Switzerland(4%)
Canada	172.6	14.05	8.1 %	Thailand(46.8%) ,China (15.8%) ,Italy (9.9%) USA(9.8%) , India(8.1%)
Australia	169.1	11.03	6.5 %	Thailand(62.9%) ,Italy(9.7%) , China(9.1%) India (6.5%) , USA(5.3%)
Japan	135.4	4.14	3.1%	USA(26.5%) , Italy (23.1%) , Thailand(14.6%) Spain(7.5%) ,France(6.5%)
Spain	131.9	5.99	4.5 %	Thailand(42%) , China(21%) ,Germany (6.5%) Italy (4.6%) , India (4.5%)
Thailand	113.2	6.33	5.6 %	Italy (15.4%) , USA(9.8%) , China(9.3%) India(5.6%) , Hong Kong (5.4%)
Poland	90.89	1.69	1.91 %	Thailand(33%) , China(27.1%) , Germany(14.7%) Italy(11.6%) , Spain(6.8%)
Switzerland	85.5	2.56	3 %	Italy(28.5%) , Thailand(26%) , Germany(18.7%)France(6.6%) , China(5.1%)
Russian Federation	78.6	1.71	2.2 %	China(39.5%) , Thailand(29.3%) , Italy(18%) USA(3.7%) , Spain(2.6%)
<b>Total</b>	<b>5429.4</b>			

Source : GJEPC Trade Research based on UN Comtrade Data,2020

**d) Coloured Gemstones** - The imports of coloured gemstones by the top 15 world importing countries stood at around US\$ 2.78 billion as against the total world imports of the commodity of US\$ 2.85 billion in 2020. India's existing and unexplored markets in terms of the country's % share in coloured gemstones imports by the top 15 countries is as follows:-

**Existing /Developed Markets:** India's % share is decent in 3 countries of the top 15 importing countries of coloured gemstones namely -Thailand (12.6 %), Hong Kong (6.4%) and USA (9.1%). Thus, India's % share needs to be sustained in these markets to ensure deeper penetration.

**Potential Markets:** India's presence is not much significant in the countries where coloured gemstones are imported in significant quantum. Switzerland, Italy, Japan, Belgium, France, UAE, China, UK, Japan, Singapore, and Germany are the major markets that import coloured gemstones considerably however, India's % share in these markets is not much which leaves good scope for India to enhance penetration (**Refer table 12**).

Table 12 - Top 15 World Importers of CGS (710391) & India's Presence

Countries	Country's imports from World (US\$ mn)	Country's imports from India (US\$ mn)	% Share of India in country's imports	Key sourcing countries
World	2852.91			
Hong Kong	761.67	48.4	6.4 %	Switzerland(15.5%) , USA(14.1%) , Japan(13.5%)Thailand(11.7%) , France(8.4%)
USA	584.13	53.2	9.1 %	Thailand(16.9%) , Colombia(15.5%) Switzerland(15%) , Sri Lanka(11.4%) , India (9.1%)
Switzerland	407.16	11.9	2.9 %	USA(28.4%) , France(15.7%) , Hong Kong(9.1%) UAE(7.3%) , Thailand(7.2%)
Thailand	188.56	23.7	12.6 %	Hong Kong(13.9%) , India(12.6%) , Zambia(12.6%),USA(10%) , Sri Lanka(9.4%)
Italy	161.61	9.8	6.1 %	Thailand(22.4%) , Colombia(19%) , Sri Lanka(14.5%),Switzerland(9.5%) , India (6.1%)
France	147.01	10.8	7.3 %	Switzerland(13.7%) ,Mozambique(10.4%)Myanmar(10.4%) , Thailand(9.6%) , Colombia (7.8%)
UAE	141.80	4.56	3.2 %	Hong Kong(43.6%) , Switzerland(35.3%) ,Zambia(8.2%),USA(3.2%) , India (3.2%)
China	93.27	6.26	6.7%	Thailand(24.5%) , Mozambique(14.3%) Colombia(12.6%) , Myanmar(7.7%) , India(6.7%)
UK	69.19	1.67	2.4 %	USA(26.6%) , Switzerland (15.5%) , Netherland(9.2%) France(8.7%) , Thailand(5.8%)
Japan	56.78	6.1	10.8 %	Myanmar(25.9%) , Thailand(21.2%) , Colombia(16.6%),India(10.8%) , Mozambique(9%)
Singapore	56.03	4.97	8.9 %	Zambia(56.3%) , Myanmar(14.7%) , India(8.9%)Sri Lanka(5.5%) , Thailand(4.9%)
Germany	26.16	1.75	6.7 %	Thailand(31%) , Hong Kong(20.7%) , USA(14.4%) Sri Lanka(9.1%) , India(6.7%)
Belgium	18.96	4.68	24.7 %	Thailand(40.1%) , India(24.7%) , Sri Lanka(9.9%) Israel(8%) , Hong Kong(6.2%)
Sri Lanka	12.97	0.052	0.1 %	Thailand(32.5%) , USA(25.1%) , Madagascar(13.7%),Switzerland(11%) , France(8.9%)
<b>Total</b>	<b>2788.74</b>			

Source : GJEPC Trade Research based on UN Comtrade Data,2020

**e) Imitation Jewellery** - In 2020, total world imports of imitation jewellery stood at US\$5.43 billion and the top 15 world importing countries imported around US\$3.70 billion in the same period. As far as India's existing and unexplored export markets are concerned following is the indicative segregation based on India's % share in imitation jewellery imports by these countries.

**Existing /Developed Markets:** It can be observed from the below table that of the top 15 importing countries of Imitation jewellery, India's % share is less than 10 % in all these countries. Spain (4.5 %) and UK (4.1 %) are the few markets in which India has some presence in terms of % share. Thus, India currently doesn't have any existing /developed market where India's presence of Imitation jewellery is strong.

**Potential Markets:** It is apparent from the below table that there several markets in which India's % share is low i.e. France, Germany, China, Japan, Hong Kong, Austria, Italy, Singapore, Korea, Netherland, Switzerland and Canada leaving good possibility for the country to enhance penetration in these markets (Refer table 13).

**Table 13 - Top 15 World Importers of Imitation Jewellery (7117) & India's Presence**

Countries	Country's imports from World (US\$ mn)	Country's imports from India (US\$ mn)	% Share of India in country's imports	Key sourcing countries
World	5346.20			
USA	795.3	23.05	2.9 %	China(66.2%) , Italy (5.4%) , Thailand(4%) France(4%) , India (2.9%)
France	451.08	6.2	1.4 %	China(33.3%) , Italy (18.8%) , Germany(16.9%),Thailand(7.3%) , Spain(3.8%)
Germany	395.7	5.99	1.5 %	China(48.5%) , Austria(7.1%) , France(6.8%) Thailand(5.5%) , Italy (5.1%)
China	339.8	1.4	0.4 %	Thailand(21.9%) , Austria(16.3%) , Italy(14.7%),France(13.7%) , Germany (5.3%)
UK	261.87	10.7	4.1 %	China(36.3%) , France(11.9%) , Germany(11.2%),Italy (7.8%) , Thailand(5%)
Japan	218.1	0.745	0.3 %	China(38.2%) , Italy (17.2%) , Korea(15.2%) France(10.3%) , Thailand(6.4%)
Hong Kong, China	217.4	0.133	0.1 %	China(40.3%) , France(24.9%) , Italy(7.5%) Switzerland(4.4%) , Singapore(4.2%)
Austria	185.1	1.04	0.6 %	Thailand(42.8%) , China(26.3%) , Vietnam-(11.3%),Hong Kong(4.4%) ,Germany (3.7%)
Italy	156.1	2.1	1.4 %	China(36.7%) , France(19.1%) , Austria(8.4%),Germany(8%) , UK(3.9%)
Spain	141.41	6.33	4.5 %	China(47.9%) , Germany(14.5%) , Thailand-(7.7%),France(7%) , India(4.5%)
Singapore	119.3	0.397	0.3 %	Italy (31.6%) , Thailand(20.8%) , China(17.9%),Spain(8.6%) , France(6%)
Korea, Republic of	112.5	0.232	0.2 %	China(38.3%) , Italy(19.9%) , France(14.1%) Thailand(8.9%) , Germany(5.8%)
Netherlands	111.7	2.01	1.8 %	China(42.4%) , Germany(13%) , Hong Kong(8.5%),USA(3.5%) , Italy (3.3%)
Switzerland	107.6	1.4	1.3 %	China(32.7%) , Austria(17.6%) , Italy(12.1%) France(9.1%) , Germany (8.2%)
Canada	104.2	1.59	1.5 %	China(52.9%) , Italy(11.5%) , USA(10.5%) Thailand(7.4%) , France(4.5%)
<b>Total</b>	<b>3707.18</b>			

Source : GJEPC Trade Research based on UN Comtrade Data,2020

**f) Synthetic stones /diamonds** - In 2020, total world imports of synthetic stones /diamonds stood at US\$ 1.61 billion and top 15 world importing countries imported around US\$1.47 billion. As far as India's existing and unexplored export markets are concerned following is the indicative segregation based on India's % share in synthetic stones/diamonds imports by these countries.

**Existing /Developed Markets:** Refer to table 15 , it is observed that of the 15 top importing countries of synthetic stones /diamonds India's % share is significant in 8 countries i.e., in USA (80.7%) , Belgium (70.5%) , UK (65.9%) , Israel (43%) , Canada (42.2%) , Hong Kong (42.2%) , UAE (34.6%) and Japan (20.7%) . This indicates that India's presence is strong in more than half of the top countries where synthetic stones/diamonds are imported in significant quantum. Therefore, these markets would be focused upon in terms of sustaining India's share and achieving deeper penetration.

**Potential Markets:** The table depicts that few markets namely China, Korea, Thailand, Taipei, Germany & Vietnam which import synthetic stones /diamonds considerably, however, India's % share in their imports is relatively low at 1.1 % , 3 % , 10.1 % , 8.4 % ,2.2 % and 1.3 % respectively which leaves good scope for India to enhance penetration of the commodity in these markets **(Refer table 14).**



Table 14 – Top 15 importers of Synthetic stones/LGD (710490 ) and India's presence - 2020

Countries	Country's imports from World (US\$ mn)	Country's imports from India (US\$ mn)	% Share of India in country's imports	Key sourcing countries
World	1619.2			
USA	604.2	487.7	80.7 %	India(80.7%) , Israel (4.4%) , Hong Kong (4.4%),Belgium(3%) , Ukraine (2.2%)
HK	163.8	69.15	42.2 %	India(42.2%) , China(16.5%) , US-A(12.8%),UAE(11.8%) , Belgium(6%)
UAE	141.6	49.05	34.6%	Hong Kong(46.3%) , India(34.6%) , China(8.7%),USA(7.9%) , Thailand(1%)
Belgium	136.5	96.24	70.5%	India(70.5%) , China(21.1%) , Israel (4.9%) USA(1.7%) , Hong Kong(1%)
China	82.01	0.918	1.1 %	Russia(32.5%) , Switzerland(13.9%) Thailand(13.6%) , Taipei ,Chinese(7.9%) Austria(5.5%)
Korea	45.4	1.37	3 %	China(85.5%) , Russia(3.8%) , India(3%) USA(2%) , Ireland(1.8%)
Thailand	40.03	4.05	10.1 %	Austria(42.8%) , China(18.6%) , India(10.1%),UK(7.9%) , Hong Kong(7.4%)
Israel	26.35	11.31	43 %	India(43%) , USA(18.8%) , Japan(13.4%) China(8.9%) , Hong Kong(8.4%)
Taipei, Chinese	25.4	2.14	8.4 %	China(27.8%) , Korea(24.1%) , India(8.4%) Russia(7.7%) , Japan(6.1%)
Germany	22.45	0.502	2.2 %	Switzerland(27.8%) , Russia(18.7%) , China(16.8%),UK(12.9%) , Japan(9.6%)
Canada	19.37	8.18	42.2 %	India(42.2%) , USA(32.4%) , Israel(17.2%) China(3.8%) , Germany(0.9%)
UK	18.05	11.88	65.9 %	India(65.9%) , USA(10.7%) , Switzerland(7.4%),China(3%) , Israel(2.4%)
Japan	17.71	3.65	20.7 %	China(40.7%) , India(20.7%) , USA(12.8%) Switzerland(10.6%) , Hong Kong(5.4%)
Vietnam	13.54	0.174	1.3 %	Austria(64.9%) , China(19.5%) , Australia(5%),USA(2.4%) , Thailand(2.3%)
<b>Total</b>	<b>1475.81</b>			

Source: GJEPC Trade Research based on UN Comtrade Data,2020

## Matrix: Country-wise \* Commodity-wise Export Potential for Indian Gem and Jewellery Products

Based on the above analysis, the following matrix reflects the existing markets (where India needs to sustain or further enhance its share) and potential markets (where India needs to penetrate and mark its presence ) for varied gem and jewellery products .

Based on the computations, it has been assessed that in the existing markets exports can be increased from US\$25 billion to US\$37 billion and in the potential markets' exports can be increased from US\$1 billion to US\$ 4 billion in 2021-2022 by taking dedicated efforts at the government, council and trade level. In this manner, export targets of US\$41.67 billion were planned to be achieved. The detailed market-wise plan have also been outlined below

**Table 15 - India's Existing Export Markets and Potential Exports Markets for Gem and Jewellery Products**

Markets *Products	Diamonds	Gold Jewellery	Silver Jewellery	Coloured Gemstones	LGD	Imitation Jewellery	Current Exports	Export Targets
<b>Existing Markets</b>	Thailand, UAE Israel HK, Japan, Belgium USA Australia Canada Botswana Germany	UAE HK USA	HK USA	USA HK Thailand	HK USA Belgium Canada UK Israel UAE Japan	USA	US\$ 25 billion	US\$37 billion
<b>Potential Markets</b>	Switzerland, UK, France Italy	China, France, Singapore, UK, Japan, Macao, Italy, Iraq, Australia Turkey and Germany		Switzerland Italy Japan Belgium France UAE China UK Japan Singapore Germany	China Korea Thailand Taipei Germany Vietnam	France Germany China Japan Hong Kong Austria Italy Singapore Korea Netherland Switzerland Canada	US\$ 1 billion	US\$4 billion

Source: GJEPC Trade Research based on UN Comtrade Data,2020

## II. Plans for Different Countries

In the light of the strategies the GJEPC further formulated Short Term, Mid Term and Long-Term plans for different countries categories so as to ensure achievement of the export targets. These plans are indicated in the following table. All these plans were executed in collaboration with the Government of India and Trade.

**Table 16 – Short Term, Mid Term and Long-Term Plans for Different Markets**

Commodities	Short Term	Mid Term	Long Term
<b>Existing Markets</b>	<ul style="list-style-type: none"> <li>✦ Trade Shows in existing markets like Dubai/USA etc.</li> <li>✦ India Pavillion</li> <li>✦ VBSMs in potential markets</li> <li>✦ India global connect</li> <li>✦ Tie-ups with embassies/associations for marketing and advertisement of GJEPC shows and Brand India</li> </ul>	<ul style="list-style-type: none"> <li>✦ Signing FTAs &amp; Seeking the following</li> <li>✦ Reduction in import duty on gold jewellery in UAE</li> <li>✦ Reduction in duty on varied G&amp;J products in Canada</li> <li>✦ Reduction in duty on gold jewellery in UK</li> <li>✦ In return providing favourable import duty on gold</li> <li>✦ Jewellery Warehouse for MSMEs at Dubai</li> <li>✦ Dedicated B2C promotion for Indian Jewellery</li> </ul>	<ul style="list-style-type: none"> <li>✦ More offices across the different countries</li> <li>✦ Dedicated promotional plans</li> </ul>
<b>Potential Markets</b>	<ul style="list-style-type: none"> <li>✦ India global connect</li> <li>✦ VBSMs in potential markets</li> <li>✦ India pavilion</li> <li>✦ Tie-ups with embassies/associations for marketing and advertisement of GJEPC shows and Brand India</li> </ul>	<ul style="list-style-type: none"> <li>✦ Dedicated promotional plans</li> </ul>	<ul style="list-style-type: none"> <li>✦ Dedicated promotional plans</li> </ul>

### III . Commodity-wise export plan and strategy

Diamonds, gold jewellery, silver jewellery, and coloured gemstones are the key export commodities from the country. However, to further provide the impetus to the growth and development of these sub-sectors, the Council has made rigorous efforts to address the related issues and concerns of the exporters especially in terms of making representations to the GoI.

Commodities	Issues
<b>Diamonds</b>	<ul style="list-style-type: none"> <li>✦ Amendments in taxation laws to start selling of rough diamonds in SNZ</li> <li>✦ Mandatory membership of GJEPC for availing services of KPCS</li> <li>✦ Exemption of 2% Equalisation levy on RD</li> <li>✦ Clarification on sawn diamonds</li> <li>✦ Reduction in duty on cut and polished diamonds</li> <li>✦ Re-introduction of Diamond Imprest licence</li> <li>✦ Accumulation of Input Tax Credit (ITC) under the Goods and Services Tax (GST) regime in case of gems &amp; jewellery industry</li> </ul>
<b>Gold jewellery</b>	<ul style="list-style-type: none"> <li>✦ Non-availability of raw material – gold</li> <li>✦ Duty drawback should be equal to the actual duty rates – quarterly review</li> <li>✦ Extending timeline -discharge of EO within prescribed period of 90 days due to COVID-19</li> <li>✦ Inclusion of repair policy</li> <li>✦ Developing a mechanism for refund of import duty to the exporters after executing exports just like GST refund</li> <li>✦ Change In the Limits for Export Promotion Tour And Exhibition in FTP</li> <li>✦ Hand- carriage of gems &amp; jewellery to be allowed in other ports like Mumbai, Kolkata etc.</li> <li>✦ Non availability of raw material</li> <li>✦ Reduction in import duty of gold</li> <li>✦ One-time special permission to Indian Manufacturer to export 24KT gold trophy</li> </ul>
<b>Silver Jewellery</b>	<ul style="list-style-type: none"> <li>✦ Duty drawback should be equal to the actual duty rates – quarterly review.</li> <li>✦ Reduction in duty of silver</li> <li>✦ Reduction in duty of silver findings</li> </ul>
<b>Coloured Gemstones</b>	<ul style="list-style-type: none"> <li>✦ Reduction in duty on coloured gemstones</li> <li>✦ Raw materials to be allowed personally carried by foreign miners /traders like Thailand</li> <li>✦ Permitting movement of loose stones under ATA carnet</li> <li>✦ Certification of gemstones</li> </ul>
<b>Lab-grown diamonds</b>	<ul style="list-style-type: none"> <li>✦ Inclusion of Lab-Grown diamonds of the Gem &amp; Jewellery Sector in the PLI Scheme</li> </ul>
<b>Imitation jewellery</b>	<ul style="list-style-type: none"> <li>✦ Increase in duty of imitation jewellery</li> </ul>

#### IV. Cluster Development Plan and Strategy

In order to unleash the huge export potential prevalent in gem and jewellery sector, the GJEPC has planned to implement the 'Cluster Development Approach i.e., whereby key geographical areas where the concentration of G&J units and workers is high would be developed in terms of filling skill/technology/infrastructure gaps.

In line with this approach, the GJEPC had commissioned a study to the National Council of Applied and Economic Research (NCAER) to identify the gem and jewellery clusters so that various desired projects for making the G&J clusters developed and exportable can be taken.

For instance:

- In large clusters – Jewellery Park(s) would be set up
- In Medium clusters – Mega CFCs /Model Manufacturing would be set up
- In Small clusters – CFCs would be set up

According to the findings of the NCAER, there are 390 manufacturing clusters at PAN India level comprising of 185 manufacturing, 205 trade and 55 potential.

**Table 17 - Gem and Jewellery Clusters across India**

Type	Total
Manufacturing	185
Trade	205
Potential Manufacturing	55
<b>Total</b>	<b>390</b>

Source: NCAER Survey Results, NSSO and Enterprise Survey

The study found that based on the number of units the gem and jewellery sector have the following type of manufacturing clusters:

**Table 18 - Number of Manufacturing Clusters by Size (Identified based on No. of Units)**

Size	East	Gujarat	North	Rajasthan	South	West	Total
<b>Mega (&gt;20K)</b>	2	1	1	1	0	1	6
<b>Large (15K-20K)</b>	1	0	0	0	0	1	2
<b>Medium (10K-15K)</b>	2	0	0	0	4	0	6
<b>Small (5K-10K)</b>	2	2	3	2	5	1	15
<b>Micro (1K-5K)</b>	15	3	12	6	16	11	63
<b>High Potential (0.5K-1K)</b>	10	3	16	6	6	4	45
<b>Moderate Potential (0.25K-0.5K)</b>	14	3	12	6	5	8	48
<b>Total</b>	<b>46</b>	<b>12</b>	<b>44</b>	<b>21</b>	<b>36</b>	<b>26</b>	<b>185</b>

Source: NCAER Survey Results, NSSO and Enterprise Survey

Based on the number of workers the gem and jewellery sector have the following type of trading clusters:



**Table 19 - Number of Trading Clusters by Size (Identified based on No. of Units)**

Size	East	Gujarat	North	Rajasthan	South	West	Total
Mega (>20K)	0	0	0	0	0	1	1
Large (15K-20K)	0	1	0	0	0	0	1
Medium (10K-15K)	1	0	0	0	3	0	4
Small (5K-10K)	2	0	6	0	6	0	14
Micro (1K-5K)	14	3	21	4	23	13	78
High Potential (0.5K-1K)	13	3	11	0	15	9	51
Moderate Potential (0.25K-0.5K)	16	2	14	1	4	19	56
<b>Total</b>	<b>46</b>	<b>9</b>	<b>52</b>	<b>5</b>	<b>51</b>	<b>42</b>	<b>205</b>

Source: NCAER Survey Results, NSSO and Enterprise Survey

In order to develop various gem and jewellery clusters, the GJEPC believes it is imperative to create a robust eco-system across various clusters (Mega, Large, Medium, Micro ) and for that development in various dimensions like infrastructure, skilling, technology and digitization is required. These points have been validated by the NCAER after the conduct of the survey and have provided various recommendations in its report. Against this backdrop, the following initiatives have been planned of which few have been commenced by the GJEPC.

#### **Making Clusters Exportable: Requisite**

Infrastructure Development	Technology Development
<ul style="list-style-type: none"> <li>✦ Jewellery Park</li> <li>✦ Special Notified Zone (SNZ)</li> <li>✦ Hallmark centres</li> <li>✦ Opening of offices in overseas markets</li> <li>✦ Developing Gold Refining/Recycling Sector in India through policy intervention</li> <li>✦ Becoming jewellery manufacturing hub by revamping SEZ model and attracting FDI for exports like Thailand, Vietnam etc. (SEZ comprise of around 20% share in G&amp;J exports). FDI in the G&amp;J sector is only at US\$22 million, reduced from US\$263 million in 2014-2015.</li> </ul>	<ul style="list-style-type: none"> <li>✦ Mega CFC in Surat &amp; SEEPZ</li> <li>✦ A grant of Rs. 70.76 crores has been sanctioned by the Government for the Mega CFC Project -SEEPZ</li> <li>✦ CFCs in identified diamond/jewellery/CGS / Imitation jewellery/LGD etc. clusters.</li> <li>✦ LGD machines to be included in the TUF scheme</li> <li>✦ Upgradation/standardisation of Labs</li> <li>✦ Model workshop for karigars</li> </ul>
Skill Development	Digitisation
<ul style="list-style-type: none"> <li>✦ Upgradation of Skilling Institute</li> <li>✦ Setting up training centres providing technical training on the production of LGD</li> <li>✦ Skill University</li> </ul>	<ul style="list-style-type: none"> <li>✦ Value Added Export Growth through E-Commerce expands B2C exports through Retailers (Trading Clusters) and MSME (Manufacturing Clusters) exporters</li> <li>✦ Indian Jewellery Hub - Digital Library</li> <li>✦ Diamond trading platform</li> </ul>

#### **V Impetus to Thrust Areas**

Presently, Special Economic Zones (SEZs) and Lab Grown Diamonds are the two major thrust areas which if provided the requisite support can become a growth driver of Indian gem and jewellery sector.

**1. Special Economic Zone - SEZ** is a major source of foreign exchange for the Government of India. As around 20% of the total exports of gem and jewellery i.e., US\$ 7 billion are happening from SEZs situated across the country at Mumbai, Cochin, Surat, Delhi, Hyderabad, Bengaluru, Jaipur, Kolkata, Chennai, Vishakhapatnam and Coimbatore. Overall, SEZ accounts for 1.67 % of the total merchandise exports amounting to US\$ 419.65 billion for the country in 2021-22 **(Refer table 20).**

**Table 20 - India's Merchandise Exports and G&J exports**

Particulars	Amount (US\$bn) -2021-22
India's Merchandise Exports	419.65
G&J Exports	39.53
G&J SEZs Gross Exports	7
SEZ % share in G&J exports	17.71%

Source : GJEPC , MOC&I data

Given the following policy, and ease of doing business support to the SEZ, exports from the SEZ can be propelled and India can attain a high level of export competitiveness in the world market. FDI in SEZs

One of the ways to increase exports from the SEZs is to attract FDI in these zones. A brief on the same is provided in the below section :-

#### **a) General Routes of Entry for FDI**

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

**a)Automatic Route** - The non -resident investor or the Indian company does not require any prior approval from the Government of India for the Investment.

**b) Government Route** - Under this entry route, the investment by a person resident outside India requires prior Government approval and foreign investment under this route shall be in accordance with the conditions stipulated by the Government in its approval. Proposals for foreign investment under Government Route, are considered by respective Administrative Ministry/Department.

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

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

Source : FDI Policy 2020 , DPIIT

#### **c) Suggestions for attracting FDI in Gems and Jewellery Sector especially SEZs**

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

#### **2. Lab Grown Diamonds (LGD)**

Over the past decade, there have been several positive developments in the Gem & Jewellery sector globally. One of the major technological developments in this sector has been Laboratory-grown diamonds (LGD).

As per Bain & Co. report of 2020, laboratory-grown diamond production reached 6 to 7 million carats, with 50% to 60% of it manufactured in China using high-pressure, high-temperature technology (HPHT). Chemical vapour deposition (CVD) technology is gaining share, with India and the US emerging as major production centres.



It is estimated that LGD market share within the entire diamond market will grow steadily and would command 10% of the diamond market worldwide by 2030.

As of 2019, China was by far the world's largest producer, accounting for a 56% share of LGD production worldwide that year. India was the world's second-largest producer, having produced a distant 15% share of LGD production followed by United States at 13% & Singapore at 10%.

Currently, India has limited capacity for creating LGD due to which the majority of raw material is being imported from China.

India has the capabilities and potential to produce both rough Lab-grown diamonds and polished lab-grown diamonds, therefore the commodity can emerge as a major gem and jewellery commodity to become the Grown Diamond Supply Hub. As evident from the following table in the last 5 years imports of rough lab-grown diamonds have increased from US\$14.29 million in 2016-2016 to US\$ 1372.61 million in 2021-2022 and exports of polished lab-grown diamonds have also upscaled from US\$63.5 million in FY2016 to US\$1313.99 million. **(Refer table 21 &22)**

Given the desired support in terms of the setting up the manufacturing facilities, arrangements of providing technical training, machines finance PLI Scheme, marketing and R&D imports of rough lab-grown diamonds can be curbed and exports can be increased from the country.

**Table 21 - Rough Lab-Grown Diamonds Imports**

Year	Amount	% Import Growth
	(US\$ in million)	(y-o-y)
2015-16	14.29	
2016-17	114.73	702.87
2017-18	240.95	110.01
2018-19	135.77	-43.65
2019-20	343.55	153.04
2020-21	616.08	79.33
2021-22	1372.61	122.80

Source :GJEPC

**Table 22 - Polished Lab-grown diamonds Exports**

Year	Amount	% Export Growth
	(US\$ in million)	(y-o-y)
2015-16	63.5	---
2016-17	130.72	105.87
2017-18	216.07	65.29
2018-19	224.55	3.92
2019-20	421.09	87.53
2020-21	636.44	51.19
2021-22	1313.99	116.46

Source : GJEPC



# 07 INITIATIVES COMMENCED BY THE GJEPC AND CURRENT STATUS





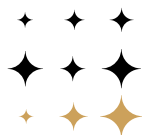
## 07. Initiatives commenced by the GJEPC and Current Status

**In the light of all the above plans and strategies i.e.,** Export Market Development, Export Market Penetration, Making Gem and Jewellery Clusters Exportable and Developing Export Thrust Areas – SEZ and LGD so as to achieve the targeted exports the following initiatives have been commenced by the GJEPC either independently or with the collaboration of the Government. Initiatives undertaken with the current status is appended below:

S.No.	Initiatives	Status
A.	<b>Market Sustainability and Market Penetration</b>	
I	VBSMS	<ul style="list-style-type: none"> <li>100+ exhibitors from India and 150+ foreign visitors</li> <li>Various G&amp;J product categories</li> <li>Covered 11 untapped markets and 85 buyers - Spain, Mexico, Ireland, Italy, Russia, Australia, Brazil, Colombia etc.</li> <li>Covered 20+ existing markets - UK, China, USA, UAE etc.</li> </ul>
II	IIJS -VIRTUAL	<ul style="list-style-type: none"> <li>2 editions – 330+ exhibitors, 10000+ buyers, 9900+ business meeting</li> <li>14 New Markets, 42 New Buyers - Bangladesh, Czech Republic, Denmark, Egypt, Ethiopia, Italy, Japan Jordan, Nepal, Oman, Pakistan, Qatar, Sri Lanka, Thailand</li> <li>11 Existing Market, 110 Buyers- Bahrain, Belgium, HK, Kuwait, Malaysia, Saudi Arabia, Singapore, Turkey, UAE, UK, USA</li> </ul>
III	E-IGJS	<ul style="list-style-type: none"> <li>Exclusive shows for international buyers – 500+ international buyers from 56 countries</li> </ul>
IV	India Global Connect	<ul style="list-style-type: none"> <li>Virtual Business Networking Meet with 18 countries and around 130 foreign participants (Indian Embassies, Foreign governments, Importers, Associations etc.) from - UK, UAE, Switzerland, Angola, Colombia, Singapore, UAE, Saudi Arabia, Oman, Thailand, Lebanon, Malaysia &amp; Egypt</li> </ul>
V	IIJS – Physical resumed	<ul style="list-style-type: none"> <li>At Bengaluru new location 20000+ visitors 1300 exhibitors Around 300 foreign visitors</li> </ul>
VI	IGJS, Dubai	<ul style="list-style-type: none"> <li>Organised at Dubai, 60+ Indian exhibitors, 600+ visitors from 35+ countries</li> </ul>
VII	Jewellery Arabia 2021	<ul style="list-style-type: none"> <li>India Pavilion, Jewellery Arabia, Bahrain, 16th Nov, 532 Jewellery brands from 31 countries</li> </ul>
VIII	Rough Gemstones sourcing show	<ul style="list-style-type: none"> <li>4th Rough gemstones sourcing show in Jaipur inaugurated on 8th November, 2021</li> </ul>
IX	IIJS Signature 2022	<ul style="list-style-type: none"> <li>At Mumbai - 18000+ visitors 800 + exhibitor Around 300 foreign visitors</li> </ul>
X	IGJS Jaipur 2022	<ul style="list-style-type: none"> <li>Organised at Jaipur, 200 + Indian exhibitors, 550+ visitors from 48+ countries</li> </ul>
XI	Signing of FTAs	<ul style="list-style-type: none"> <li>Submitted inputs pertaining to ongoing negotiations for the proposed FTAs <ul style="list-style-type: none"> <li>India UAE (concluded)</li> <li>India UK</li> <li>India Canada</li> <li>India Australia (concluded)</li> <li>India Israel</li> </ul> </li> <li>Based on inputs pertaining to the gems and jewellery sector from GJEPC, the following two agreements were signed :-</li> <li>India has signed a comprehensive economic partnership agreement (CEPA) with UAE which came into effect on 1st May 2022</li> <li>India has signed Economic cooperation and trade agreement (ECTA) with Australia in a virtual ceremony on 2nd April, 2022</li> </ul>
XI	Signing of FTAs	
	Parichay card	<ul style="list-style-type: none"> <li>43,000 Parichay Card holders from 59 different G&amp;J associations as on April 2022</li> </ul>
	Swasthya Ratna	<ul style="list-style-type: none"> <li>7.5 lakh lives covered under the Swasthya Ratna Policy as on April 2022</li> </ul>
XIII	Industry associations	

XIV	SNZ	✦ Diamond Jewellery Promotion with NDC
XV	CFC	✦ Gold Jewellery Promotion with World Gold Council
		✦ SNZ set up at Gujarat
		✦ Eight CFCs has been set up - Junagarh ,Palanpur , Amreli , Rajkot , Visnagar , Coimbatore , Hyderabad & Kolkata
B.	Commodity-wise – Policy Issues Resolved and Pending	
<b>B1</b>	<b>Diamonds</b>	
I	Amendments in taxation laws to start selling of rough diamonds in SNZ	✦ Represented
II	Mandatory membership of GJEPC for availing services of KPCS	✦ Resolved
III	Exemption of 2% Equalisation levy on rough diamonds	✦ Represented
IV	Clarification on sawn diamonds	✦ The customs duty on simply sawn diamonds was brought down to nil duty in the recent Union Budget 2022-23
V	Reduction in duty on cut and polished diamonds	✦ The Union Budget 2022-23 announced the reduction of customs duty on Cut and Polished diamonds from 7.5 % to 5 %
VI	Re-introduction of Diamond Imprest licence	✦ Represented
VII	Accumulation of Input Tax Credit (ITC) under the Goods and Services Tax (GST) regime in case of gems & jewellery industry	✦ Represented
<b>B2</b>	<b>Gold Jewellery</b>	
	Extending timeline -discharge of export obligation within pre-scribed period of 90 days due to COVID-19	✦ Resolved
	Revamped Gold Monetisation Scheme	✦ Resolved
	Allowance of replenishment of gold/silver/platinum by foreign buyers against exported jewellery for resolving the issue of non -availability of raw material - gold	✦ Represented
	Duty drawback should be equal to the actual duty rates – quarterly review	✦ Represented for revision of All Industry Drawback Rates However, Dept. has informed that exporters can claim Drawback on Brand rates ( actual Duty amount paid) by applying to the respective Jurisdictional Commissioner
	Inclusion of repair policy in the foreign trade policy	✦ Represented
	Developing a mechanism for refund of import duty to the exporters after executing exports just like GST refund	✦ Represented
	Change In the Limits for Export Promotion Tour And Exhibition in FTP	✦ Represented
	Hand- carriage of gems & jewellery to be allowed in other ports like Mumbai, Kolkata etc.	✦ Represented
	Non availability of raw material	✦ Represented
	Reduction in import duty of gold from 12.5% to 4%	✦ Represented
	One-time special permission to Indian Manufacturer to export 24KT gold trophy	✦ Resolved
<b>B3</b>	<b>Silver Jewellery</b>	





I	Duty drawback should be equal to the actual duty rates - quarterly review.	✦ Represented for revision of All Industry Drawback Rates However, Dept. has informed that exporters can claim Drawback on Brand rates ( actual Duty amount paid) by applying to the respective Jurisdictional Commissioner
II	Reduction on Import duty on silver from 12.5% to 7.5%	✦ Resolved
III	Reduction on Import duty on silver findings 20% to 10%	✦ Resolved
<b>B4</b>	<b>Coloured Gemstone</b>	
I	Reduction in duty on coloured gemstones	✦ The Union Budget 2022-23 announced the reduction of customs duty on coloured gemstones from 7.5 % to 5 %
II	Certification of gemstones	✦ Represented
<b>B5</b>	<b>Lab grown diamonds</b>	
I	Inclusion of Lab-Grown diamonds of the Gem & Jewellery Sector in the PLI Scheme	✦ Represented
II	Presentation to Hon'ble CIM and PMO on potential of Lab grown diamond industry.	✦ Represented
<b>B6</b>	<b>Imitation Jewellery</b>	
I	A composite basic Customs duty rate of 20% or Rs. 400/kg, whichever is higher is being applied on Imitation Jewellery.	✦ Resolved
<b>B7</b>	<b>SEZ</b>	
I	Allowing movement of precious metals and other goods of Nominated Agencies from one SEZ to other, under Transit Bond or Customs Preventive escorts -reg	✦ Resolved
II	Transfer of Property & Assets by SEZ Units after the cancellation of their LoA.	✦ Resolved
III	Levy of duty on goods re-imported by SEZ units after lapse of 365 days which were earlier exported for display/ consignment.	✦ Resolved.
IV	Procuring supplies of precious metal (gold/ silver) is difficult within SEZ -I, Jaipur, and Procuring precious metal from DTA is costly	✦ The matter had been represented to the SEZ division of MoC & I seeking comments from the DGEP and awaiting a recommendation from the nominated agency. DGEP has clarified On 14.09.2021, there appears no provision which bars or puts conditions for such supply.
V	Increase of tariffs up to 25% by USTR on account of Digital Sales Tax (DST)	✦ Resolved
VI	Exorbitant NSDL Charges	✦ SEZ Division of DoC has reduced the charges from Rs.200 to Rs.100 about 2-3 months ago.
VII	Extension of time for re-import of goods sent on consignment by SEZ units	✦ Resolved
VIII	Determination of RoDTEP rates for SEZs	✦ Under consideration of the concerned department
IX	Allowance of reverse job work policy	✦ Represented
X	Supply of precious metals from foreign buyers to SEZ units	✦ Represented
XI	Common SOP across Pan -India -SEZs	✦ Represented



XII.	Lack of supply of gold and other raw materials in SEEPZ and other SEZ units	✦ To be represented
<b>B8</b>	<b>Overall G&amp;J issues</b>	
I	Extension of Interest equalization scheme	✦ Resolved
II	Announcement of RoDTEP rates for the G&J sector	✦ The G&J sector was included in the scheme with rates ranging from 0.01 % to 0.5 %
III	Exemption of exports & re-import from mandatory Hallmarking and B2B government approved exhibitions are exempted from Hallmarking, Office gazette dated 23rd June 2021	✦ Resolved
IV	Sop on hallmarking	✦ Guidelines on exemptions given in hallmarking of Gold jewellery and Gold Artefacts, Ref HMD/g-1 dated 24th December 2021.Resolved
V	Inclusion of IIJS Signature exhibition under PMS scheme - MSME	✦ Resolved
VI	Interest Equalization Scheme on Pre- and Post-Shipment Rupee Export Credit-Extension	✦ Resolved
VII	E-commerce policy for Gem & Jewellery sector - Union Budget 2022	✦ Under active consideration will be out in June 2022
VIII	Clarification regarding movement of precious metal and other goods of Nominated agency from one SEZ to Another SEZ	✦ Resolved
IX	Amendment in import policy condition of gold under Chapter 71 of schedule-I (import Policy)	✦ Resolved
X	ECGC scheme-Guidelines for extending the cover on exporter accounts pertaining to the gems, jewellery and diamond sector under the Whole Turnover on 18 <sup>th</sup> May 2022	✦ Resolved
<b>B9</b>	<b>Making Clusters Exportable</b>	
	Infrastructure Development	
I	Jewellery Park	<ul style="list-style-type: none"> <li>✦ Commenced .</li> <li>✦ -Signed 95-Year Lease Agreement With MIDC For Possession Of Land For India Jewellery Park Mumbai</li> <li>✦ - Construction of boundary wall in progress</li> </ul>
II	Opening of Office in Overseas Market	<ul style="list-style-type: none"> <li>✦ 365 days exhibition showcasing in a dedicating venue in collaboration with ITHRA, Dubai</li> <li>✦ Inaugurated by Hon'ble CIM Shri Piyush Goyal</li> </ul>
	Technology Development	
III	Mega CFC	✦ Under construction at SEEPZ, Mumbai
IV	E-Commerce	
V	Indian Jewellery Hub - Digital Library	✦ Developed Digital Directory for sourcing gems and Jewellery directly from India's top vendors
VI	Diamond trading platform	✦ Allowance of movement of e-commerce parcels through post from SEEPZ /SEZs by the Department of Post; MoU with e-bay
VII	Allowance of exports of jewellery through courier mode	✦ The said issues has been resolved
VIII	Digital initiatives	✦ Market. Diamond went live

As a result of undertaking the above measures, the Gem and Jewellery sector has witnessed a robust growth and even exports surpassed the pre-covid levels of exports. Furthermore, we have also been able to achieve over 93% of our export targets.

A brief analysis of export performance of the gem and jewellery sector and status related to achievement of export targets has been explained in the following section.



08

## **GEMS & JEWELLERY EXPORT PERFORMANCE : (APRIL 2021 - MARCH 2022)**



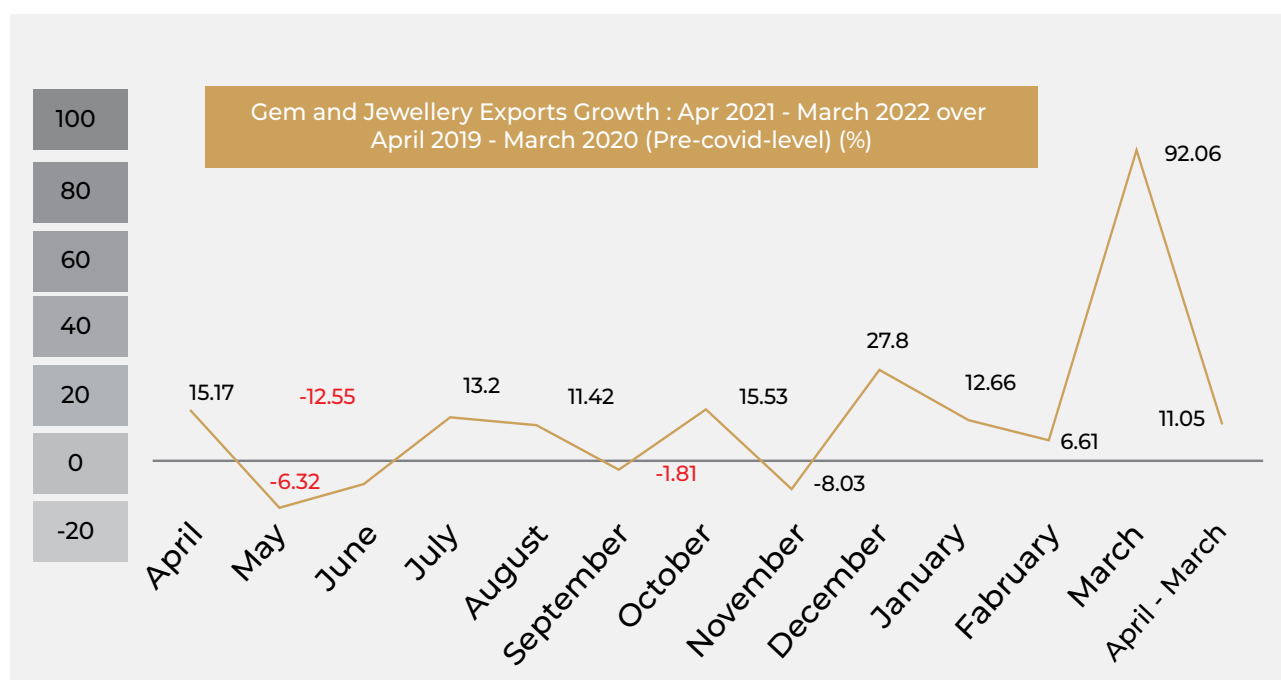
## 08. Gems and Jewellery Export performance : (April 2021-March 2022)

The gems and jewellery exports since the beginning of the financial year 2021-22 has been registering a positive growth in comparison to the pre-covid level of exports registered in 2019-20. The gems and jewellery exports stood at US\$ 39.53 billion during 2021-2022 as compared to pre -covid levels of exports of US\$ 35.60 billion registered during 2019 -2020 exhibiting a positive growth of 11.05 %. The exports rose by 54.95 % during 2021 -2022 as compared to US\$25.51 billion recorded last year **(Refer table 23 )**.

**Table 23 - Gem & Jewellery Gross Exports - April 2021 to March 2022**

Months	Gross Exports	Gross Exports	Gross Exports	% Growth/Decline 2019/2021
	FY2019-2020	FY2020-2021	FY2021-2022	
	US\$ Billion	US\$ Billion	US\$ Billion	
April	3.00	0.04	3.45	15.17
May	3.36	1.06	2.94	-12.55
June	3.09	1.65	2.89	-6.32
July	3.05	1.51	3.45	13.20
August	3.05	1.78	3.40	11.42
September	3.42	2.51	3.36	-1.81
October	3.61	2.93	4.17	15.53
November	2.68	2.56	2.46	-8.03
December	2.44	2.55	3.12	27.80
January	2.97	2.69	3.34	12.66
February	2.97	2.70	3.17	6.61
March	1.97	3.52	3.77	92.06
April to March	35.60	25.51	39.53	11.05

Source: GJEPC Analysis Notes: (p) = Provisional, Figures include data from Delhi Aircargo March 2022 data estimated value, Gross exports means inclusive of return consignments, Figure 4 - Gem and Jewellery Exports Growth (%) Apr 2021 - Mar 2022 over Apr 2019 - Mar 2020 (pre-covid-level)

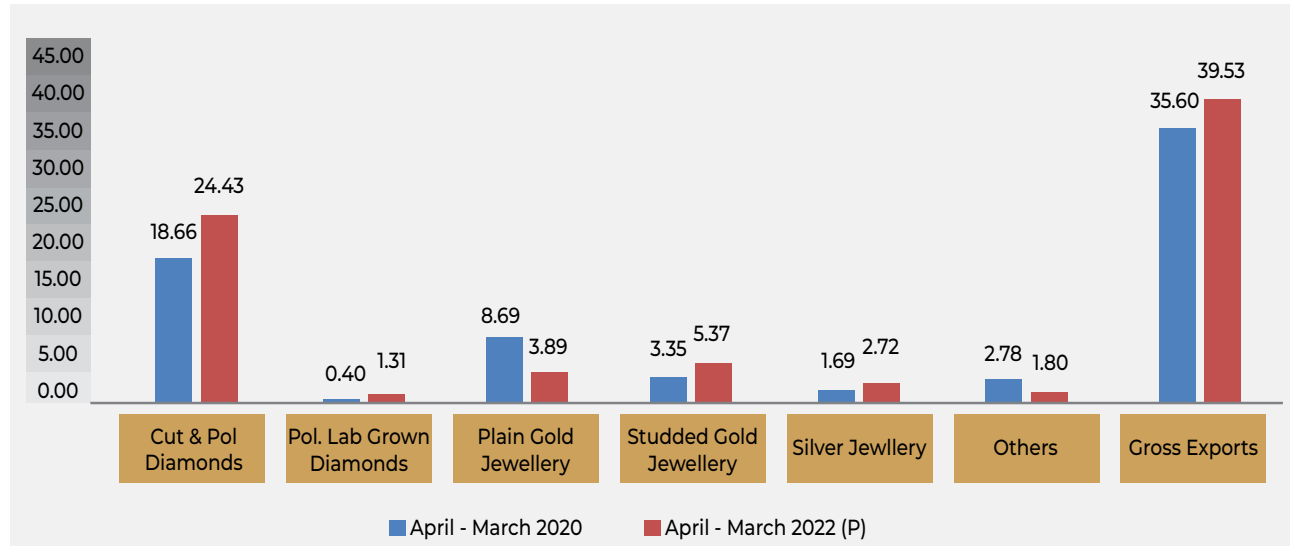


Source: GJEPC Analysis, Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figures include data from Delhi Aircargo March 2022 estimated value.

## 8.1 Commodity-wise

This is apparent from the below that gross exports of almost all gem and jewellery commodities including Cut and polished diamonds (30.91 %), Polished lab-grown diamonds (212.04 %), Platinum jewellery (179.96%), Studded gold jewellery (60.13 %), and silver jewellery (61.49%) during 2021-2022 exceeded the pre-covid level of exports recorded in 2019-2020. However, exports of a few commodities in the same period such as Coloured gemstones and Plain gold jewellery have yet to revive back to their pre-covid levels registered in 2019- 2020. A snapshot of commodity-wise gross exports is depicted here below :

Figure 5 - Commodity wise G&J Exports- April 2021 – March 2022 in comparison with Pre-Covid level April 2019 – Mar 2020 (US\$ Billion)



Source: GJEPC Analysis, Notes : (P) stands for provisional Gross Exports pertains to inclusive of return consignments, Net Exports pertains to exclusive of return consignments, Figures doesn't include data from Delhi Aircargo in March 2022

## 8.2 SEZ-wise

It has been observed that exports from almost all SEZs during financial year 2021-2022 are higher than exports registered in 2019-2020 i.e., pre-covid level. SEEPZ, Surat, Jaipur & Kolkata SEZs have witnessed positive export growth rates of 63.69 %, 68.23 %, 35.29 % and 123.08 % respectively in 2021-2022 in comparison to 2019-2020

Overall, there is a decline of (-)34.90% in exports to US\$ 7000.03 million in 2021-2022 from US\$ 10621.03 million recorded in 2019-2020 majorly on account of exports from Cochin SEZs.

However, the gross exports from all SEZs, barring Cochin SEZ, registered a positive growth of 57.49 % to US\$ 6931.33 million in 2021-2022 from US\$ 4401.20 million registered in 2019 - 2020. **(Refer table 24)**

**Table 24 - Gem & Jewellery Port-wise Gross Exports: SEZ**

SEZs	April 2019 – March 2020 US\$ Million	April 2020 – March 2021 US\$ Million	April 2021 – March 2022 US\$ Million	% of Growth / Decline 2021 w.r.t 2019 (Y-o-Y)
Seepz	2154.81	2,087.01	3,527.23	63.69
Surat SEZ	1614.87	2,183.80	2,716.72	68.23
Jaipur SEZ	202.37	188.02	273.79	35.29
Delhi SEZ	356.56	185.38	283.17	-20.58
Kolkata SEZ	52.54	72.21	117.19	123.1
Visakhapatnam SEZ	14.58	19.99	11.71	-19.64
Hyderabad SEZ	3.47	0.00	0.00	-100
Chennai SEZ	1.99	1.07	1.51	-24.42
<b>Total</b>	<b>4401.20</b>	<b>4737.48</b>	<b>6931.33</b>	<b>57.49</b>

Source: GJEPC Statistics Dept. Analysis in April 2020 due to complete lockdown, exports from SEZs were not recorded. The total figures doesn't include exports from Cochin SEZs



09

# GEM AND JEWELLERY TARGET EXPORTS AND ACTUAL EXPORTS - 2021-22



## 09. GEM AND JEWELLERY TARGET EXPORTS & ACTUAL EXPORTS - 2021-22

The Ministry of Commerce & Industries has set an export target of US\$ 41.67 billion for India's Gems and jewellery sector for the financial year 2021 -22. The gems and jewellery sector has achieved 94.25 % of the annual export target with a deficit of (-) US\$ 2396.83 million. Overall, gems and jewellery sector during FY2021-2022 stood at US\$ 39.27 billion (As per DGCI&S) as against the target of US\$ 41.67 billion set by MOC&I ( Refer table 25 ).

**Table 25 - G&J Target exports & Actual exports**

Target Exports FY2021-2022 (US\$ mn)	Actual Exports FY2021-2022 ( US\$ mn)	Targets Achieved- FY2021-2022 (US\$ mn)
41665.45	39268.62	94.25 % (-) 2396.83

Source: GJEPC Analysis based on MOC&I data

### 9.1 Region-Wise export target & achievement

Export targets of six (6) regions of the ten (10) regions namely ASEAN, Africa, Oceania, South Asia, NAFTA & Commonwealth of Independent States (CIS) have overachieved ranging from 104 % to 226 % during the FY2021-2022. However, four (4) regions, West Asia and North Africa (WANA), Europe, North East Asia (NEA) & Latin American Countries (LAC) have achieved export targets ranging from 58 % to 99 % during FY2021- 2022 (Refer table 26 ).

**Table 26 - Region -wise export targets & achievement**

Region	Target (April 2021- March 2022) (US\$ mn)	Achievement (April 2021- Mar 2022) (US\$ mn)	% Target achieved (April 2021- Mar 2022)
ASEAN	1673.25	2010.83	120.18%
WANA	11586.34	6759.66	58.34%
AFRICA	208.09	471.31	226.49%
NEA	10123.74	10043.59	99.21%
OCEANIA	353.96	371.12	104.85%
EUROPE	5795.02	4584.33	79.11%
SOUTH ASIA	39.59	65.18	164.64%
NAFTA	11845.63	14913.51	125.90%
LAC	18.69	13.87	74.21%
CIS	21.14	35.22	166.60%
<b>TOTAL</b>	<b>41665.45</b>	<b>39268.62</b>	<b>94.25%</b>

Source: GJEPC based on MOC&I data

### 9.2 Country -Wise export targets & achievement

During the FY2021-2022, among the top ten (10) gems and jewellery export destinations, three (3) countries namely USA, Israel, Thailand and Australia have registered an over-achievement ranging from 103 % to 138 %. UAE, Hong Kong, Belgium, UK, Turkey, Singapore, and Japan have achieved export targets ranging from 50 % to 99 % (Refer table 27 ).

**Table 27 - Country-wise export targets & achievement**

Top 10 countries	Target (Apr2021-Mar 2022) (US\$ mn)	Achievement Apr2021- Mar 2022) (US\$ mn)	% Target achieved Apr2021-Mar 2022)
ASEAN	11663.88	14667.48	125.75%
WANA	9993.60	4953.11	49.56%
AFRICA	9500.00	9379.20	98.73%
NEA	2968.10	2740.37	92.33%
OCEANIA	1257.96	1474.12	117.18%
EUROPE	842.71	1163.97	138.12%
SOUTH ASIA	954.84	776.10	81.28%
NAFTA	702.73	690.68	98.29%
LAC	432.43	394.43	91.21%
CIS	330.58	342.73	103.68%
<b>TOTAL</b>	<b>38646.83</b>	<b>36582.19</b>	<b>94.66%</b>
SWITZERLAND	349.69	158.68	45.38%

Source: GJEPC based on MOC&I data





10

# **GEMS AND JEWELLERY EXPORT TARGETS – 2022-23 & WAY FORWARD**





## 10. GEMS AND JEWELLERY EXPORT TARGETS – 2022-23 AND WAY FORWARD

The gem and jewellery exports in FY 2021-22 stood at US\$ 39.26 billion as against the export target of US\$ 41.66 billion set by the Ministry of Commerce & Industry for the current financial year. Going forward, the government has set an export target of US\$ 45.70 billion for India's gems and jewellery sector for the financial year 2022-23 (Refer Table 28).

**Table 28 - G&J export targets – 2022-23**

Target Exports FY2021-2022 (US\$ mn)	Actual exports (US\$ mn)	Target Given by Govt (US\$ mn)
41665.45	39268.62	45705

Source: GJEPC based on MOC&I data

The GJEPC is continuously striving towards achieving the next level of exports by focusing upon the same strategic areas viz. Market Sustainability and Market Penetration, Commodity Development, Cluster Development and Focus on the export thrust areas. While the Council is expecting the support of the Government in terms of resolving major concerns of the exporters including abolition of 2% Interest Equalization duty, permitting sale of rough diamonds at SNZ, streamlining space transfer policy, and availability of precious metals among others.

The Council believes that dedicated efforts of the GJEPC with the support of the Government of India and trade will surely enable the sector to achieve the export target of US\$45.7 billion for the FY2022-2023 and unleash its exports thereof.



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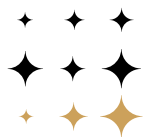
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Gems and Jewellery Export Promotion Council (GJEPC)

## “ 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>.





The Gem & Jewellery Export Promotion Council  
Sponsored by the Ministry of Commerce & Industry

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