

**AN ANALYSIS ON EXPORT-IMPORT (EXIM)  
PERFORMANCE OF GEMS AND JEWELLERY  
IN INDIA.**

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**Introduction**

The gems and jewellery sector plays a significant role in the Indian economy, contributing around 7% to country's GDP and 15% to India's total merchandise export. It employs over 4.64 million people, which is expected to reach 8.23 million by 2022. One of the fastest growing sectors, it is extremely export oriented and labor intensive.

Based on its potential for growth and value addition, the Government declared gems and jewellery sector as a focus area for export promotion. The Government has undertaken various measures recently to promote investment and upgrade technology and skills to promote -Brand India in the international market. India is deemed to be the focus of the global jewellery market because of its low costs and availability of high-skilled labor. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by Government policies. Moreover, India exports seventy five percentage of the world's polished diamonds as per statistics from the Gem and Jewellery Export Promotion Council

(GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). Government has viewed this sector as a thrust area for export promotion. The Indian Government presently allows hundred percentage Foreign Direct Investment (FDI) in the sector through the automatic route. The sector employs over 4.64 million employees, which is expected to touch 8.23 million by 2022.

#### **Commercial Scale:**

India's gems and jewellery sector is one of the largest in the world, contributing 29% to the global jewellery consumption. The sector is home to more than 300,000 gems and jewellery players. Its market size will grow by US\$ 103.06 billion during 2019–2023.

India's demand for gold reached 690.4 tons in 2019. India's gems and jewellery exports to date US\$ 29.07 billion in FY 20. In the same period, India exported cut and polished diamonds worth US\$ 18.66 billion, thereby contributing 52.4% to the total gems and jewellery export.

India's import of gems and jewellery stood at US\$ 24.41 billion in FY 20 and for FY 21 imports accounted to US\$ 4.23 billion.

India is one of the largest exporters of gems and jewellery and the industry is considered as fundamental in the Indian economy as it contributes a major chunk to country's foreign reserves. The Goods and Services Tax (GST) will steer India's gold demand going forward.

**Objective of the study:**

- To evaluate the trend performance of an export commodity in Gems and Jewellery in India.
- To investigate the trend value of an import commodity of Gems and Jewellery in India.

**Review of literature:**

1. EXIM bank(2010), recognized the different challenges and procedures for Indian diamonds and adornments division. Bank in his ponder clarified that there has been misfortune of advertise for pearls and adornments send soutduere treat and world wide financial hush. The bank has displayed showcase investigation to get it the competitive position of India well as other competitor nations, conjointly has distinguished the send out goals which have not been completely tapped by India for it sends out diamonds and gems beneath select item categories.

2. GJEPC (2009), examined the major highlights of the Foreign Trade Policy (FTP), 2004 – 2009 for diamonds and gems segment. It examined the commitment of different jewels adornments items in India's trades of final ten a long time. It moreover talked about the goals, capacities and offices given by Gem and Jewellery Export Promotion Council (GJEPC) to boost the exchange of jewels and gems items.

3. Kala, Alok (2009), talked about the product – wise trade execution for the money related year 2008-2009 of Indian diamonds and gems segment. He told that

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Indian diamonds and adornments have seen decay due to the lull within the USA. In any case, the overall gems and jewellery industry has appeared a development. The development within the division was essentially driven by gold, gems which is enrolled an increment within the year beneath audit. On the other hand, he found in his consider that cut and clean jewels and colored gemstones have appeared diminishing trade patterns. But the developing requests of gold has reflected solid shopper confidence in gold.

**Research Methodology:**

This study, for the reason of examination depended only on the secondary data.

**Trend Analysis:**

**Rough Lab Grown Diamonds & Polished lab Grown Diamonds**

Months	Rough Lab Grown Diamonds		Polished lab Grown Diamonds	
	Import (Rs. Incrores)	Export (Rs. Incrores)	Import (Rs. Incrores)	Export (Rs. Incrores)
JAN	302.50	0.57	89.03	314.27
FEB	182.34	0.44	43.13	265.08
MAR	40.28	1.23	40.74	149.04
MAY	22.20	0.15	5.69	27.28
JUN	203.52	4.43	41.38	226.08
JUL	135.87	9.95	31.09	290.56
AUG	413.22	4.48	10.28	373.22
SEP	546.20	19.49	44.41	585.50
OCT	380.91	304.18	23.69	1,081.35

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NOV	463.29	29.94	14.32	512.17
DEC	475.80	33.73	60.59	459.37

The Import and Export were continuously increased in all the months. But the Import of rough lab grown diamonds were peak in September month and the export was 304.18. The Import and Export were decreased in all the months. But the Import of polished lab grown diamonds were peak in January month and the export was in October month.

The Import of Rough Lab Grown Diamonds is high when compared to Polished Lab Grown Diamonds. The Largest value is 546.20 in Import of Rough Lab Grown Diamonds. The Export of Polished Lab Grown Diamonds is high when compared to Rough Lab Grown Diamonds. The largest value is 1,081.35. The Overall trend is fluctuating trend.

**Rough Coloured Gem Stones & Colored Gem Stones**

Months	Rough Coloured Gem Stones		Colored Gem Stones	
	Import (Rs. incrores)	Export (Rs. incrores)	Imports. (incrores)	Exports (Incrores)
JAN	178.71	4.83	318.52	392.55
FEB	137.13	2.51	220.02	124.06
MAR	85.84	1.69	103.80	100.75
MAY	2.30	2.19	40.83	24.85
JUN	15.73	3.99	154.10	93.86
JUL	45.07	5.98	148.28	114.81

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AUG	47.64	5.82	324.18	117.83
SEP	86.42	8.43	314.22	129.51
OCT	114.56	5.64	368.33	142.73
NOV	189.90	8.55	219.96	121.88
DEC	116.26	6.34	186.36	162.73

The Import and Export were slightly fluctuating in all the months. But the Import and Export of rough coloured gem stones were peak in November month. The Import and Export was fluctuating in all the months. But the Import of coloured gem stones were peak in October month and the export was in January.

The Import of Rough Colored Gem Stones is less when compared to Colored Gem Stones. The Largest value is 368.33 in Import of Colored Gem Stones. The Export of Rough Colored Gem Stones is high when compared to Colored Gem Stones. The largest value is 392.55. The consolidated trend is increasing trend.

### Gold Bar & Gold Jewellery

Months	Gold Bar		Gold Jewellery	
	Import (Rs. in crores)	Export (Rs. in crores)	Import (Rs. in crores)	Export (Rs. in crores)
JAN	3,599.54	0.05	129.26	6,337.12
FEB	6,031.74	0.11	229.60	8,613.26
MAR	2,583.15	0.00	176.14	4,292.67
MAY	16.67	0.00	28.72	632.83
JUN	137.14	0.00	76.78	1,796.67
JUL	194.56	0.03	103.44	1,302.32
AUG	410.51	1.97	144.34	2,335.22
SEP	709.45	3.91	147.00	3,531.77

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OCT	1,270.64	0.02	323.32	4,004.05
NOV	504.59	1.51	208.23	3,888.01
DEC	591.84	0.00	312.14	3,699.67

The Import were continuously decreased by comparing starting period. Export was slightly fluctuating in all the months. But the Import of Gold bar were peak in February month and the export was in August. The Import and Export were fluctuating. But the Import of Gold Jewellery were peak in October month and the export was in February month. The Import of Gold Bar is high when compared to Gold Jewellery. The Largest value is 6,031.74 in Import of Gold Bar. The Export of Gold Bar is less when compared to Gold Jewellery. The largest value is 8,613.26. The Overall trend is decreasing trend.

**Silver Bar & Silver Jewellery**

Months	Silver Bar		Silver Jewellery	
	Import (Rs. in crores)	Export (Rs. in crores)	Import (Rs. in crores)	Export (Rs. in crores)
JAN	12.17	0.00	57.80	1,443.36
FEB	24.01	0.00	50.85	1,688.68
MAR	9.94	0.00	40.26	1,683.34
MAY	3.56	0.00	6.86	642.69
JUN	13.36	0.00	8.26	1,811.37
JUL	20.44	0.00	11.49	1,396.54
AUG	23.04	0.00	15.45	895.28
SEP	36.53	0.00	15.42	1,701.67
OCT	23.12	0.00	25.71	2,510.84
NOV	19.50	0.00	11.75	1,436.45
DEC	29.75	0.00	18.61	969.54

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The Import and Export were in fluctuation. But the Import of silver jewelry were peak in January month and the export was in October month.

The Import of Silver Jewellery is high when compared to Silver Bar. The Largest value is 57.80 in Import of Silver Jewellery. The Export is done only for Silver Jewellery. The largest value is 2,510.84. The Overall trend is fluctuating trend.

**Conclusion:**

The value of Rough Lab Grown Diamonds in import is 546.20 which is higher and export is which is lesser than the Polished Lab Grown Diamonds 1,081.35. The value of Colored Gem Stones is higher when compared to Rough Colored Gem Stones. In the comparison of Gold Bar and Gold Jewellery, Gold Bar is high in import and Gold Jewellery is more in export. Silver jewelry is high compared to silver bar. Silver Jewellery the export (2,510.84) is more than the import (57.80).

GJEPC has proposed a diminishment in consequences obligation on cut and cleaned jewels to 2.5% from the existing 7.5% to twofold exports of pearls and adornments to US\$ 70 billion by 2025. As per Union Budget FY 2019-20, the GST rate has been decreased from 18% to 5% [exclude Input Tax Credit (ITC)] by administrations by way of work in connection to diamonds and gems etc. The total FDI influx in jewel and gold decorations for the period of April 2000 to March 2020 stood at US\$ 1.17 billion according to Department for Promotion of Industry and Internal Trade (DPIIT).

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**Sources:** Media Reports, Press Releases, Reserve Bank of India, Gem & Jewellery Export Promotion Council.

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