

INDIAN GEMS AND JEWELLERY



SECTOR OVERVIEW

India's Gems and Jewellery Export Sector is one of the largest in the world contributing 27% to the global jewellery consumption since 2019. The Government of India has introduced various policies and measures with the aims to raise the exports to USD 70 Billion in this Sector by 2025.

FOREIGN DIRECT INVESTMENT (FDI) STATISTICS

The cumulative foreign direct investment (FDI) inflows in diamond and gold ornaments stood at USD 1,224.66 Million between April 2000-June 2022, according to the Department for Promotion of Industry and Internal Trade (DPIIT).

INVESTMENTS IN THE SECTOR

- ✓ In June 2021, the World Gold Council and Gem and Jewellery Export Promotion Council (GJEPC) signed an agreement to promote gold jewellery in India and jointly fund a multi-media marketing campaign that would aim at increasing awareness, relevance and adoption of gold jewellery amongst Indian consumers, especially in Millennials and Gen Z.
- ✓ In March 2021, Joyalukkas collaborated with IBM Global Business Services to design, develop and deploy a new cloud-native e-commerce platform across 11 countries including India, the UAE, the US, the UK, Singapore, Malaysia, Bahrain, Qatar, Saudi Arabia, Kuwait and Oman.

GOVERNMENT INITIATIVES

- The National Manufacturing Policy has recognized Gems and Jewellery Sector as a Special Focus Sector, where India can be cost competitive and which would generate maximum employment.
- The Indian Government signed a Comprehensive Economic Partnership Agreement (CEPA) with the United Arab Emirates (UAE) in March 2022, which allows Indian Gems and Jewellery Industry to further boost exports. CEPA will provide the industry duty-free access to the UAE market.

- As per the CEPA, Indian jewellery exporters would get duty-free access to the UAE, which currently imposes a 5% customs duty on such products. The Gems and Jewellery sector expects to increase its exports to USD 10 Billion by 2023.
- India has signed a Free Trade Agreement (FTA) with the United Arab Emirates to boost bilateral trade to USD 100 Billion in the next five years.
- In December 2020, All India Gem and Jewellery Domestic Council (GJC) welcomed the decision to make hallmarking compulsory from June 2021 in a phased manner; urged the government to examine the key concerns of the industry for smooth implementation of the initiative.

WAY FORWARD

- ❖ In the coming years, growth in the Gems and Jewellery Sector would largely be contributed by the development of large retailers/brands. Established brands are guiding the organized market and opening opportunities to grow.
- ❖ Increase in penetration of organized players provides variety in terms of products and designs. Also, the relaxation of restrictions on gold import is likely to provide a fillip to the industry.
- ❖ India has 450 organized jewellery manufacturers, importers & exporters and is the hub for jewellery manufacturing. These players have benefited greatly due to the increasing liberal policies by the Government. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry. India's gems and jewellery industry is expected to reach USD 70 Billion by 2025.



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Source:

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