

India's gemstone and jewellery exports decline 11% in FY 2013-2014; polished diamond exports record 12.65% growth

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India's gemstone and jewellery exports in fiscal year 2013-2014 fell 11 percent year on year to nearly \$34.75 billion, the Gem & Jewellery Export Promotion Council (GJEPC) announced recently. The council attributed the decline to the country's stringent gold import policy.

Cut and polished diamond exports in the financial year under review increased by 12.65 percent to about \$19.64 billion. Rough diamond imports rose 11.98 percent to nearly \$16.72 billion, indicating an increase in cutting, polishing and other manufacturing activities in India. Gold jewellery and medallion exports amounted to nearly \$11.05 billion, or a decline of 39.5 percent. This was mainly due to non-availability of gold, which limited the trading activities for many of the Indian players, GJEPC said. The average price of exported gold was also lower than the previous year, adding to the woes of the industry. Coloured gemstone exports dropped 20.10 percent to \$519 million. Silver jewellery exports, however, rose by 58.57 percent to \$1.46 billion.

India's top markets were the UAE, with a 35 percent share of exports valued at \$12.19 billion, followed by Hong Kong, which accounted for 28 percent of exports worth \$9.79 billion, and the US at 14 percent, with an export value of nearly \$4.95 billion.

Commenting on the export results, GJEPC Chairman Vipul Shah said, "There has been robust growth in the diamond sector. The market is bullish and the US and European markets have also improved. Although there has been a decline of 11 percent in the overall performance, there are numerous opportunities for growth and improvement. We are looking at new ventures and new markets such as the Middle East, Russia, China and various initiatives to promote the industry."

The outlook for 2014-2015 looks positive overall, Shah added. "The MoU signed with the Russian diamond mining firm ALROSA to share trade and statistical data between the two countries will help strengthen India-Russia trade relations. Some of our other initiatives for the year 2014-2015 include the India-China Gemstones Buyer – Seller Meet in Jaipur, India; the USA Buyer – Seller Meet to be hosted for the first time in Chicago; and the second edition of the global Gem & Jewellery fair in Dubai this November and many more," he continued. GJEPC Vice Chairman Pankaj Parekh added, "The prospects for 2014-2015 looks bright for jewellery, especially silver jewellery." The 80-20 scheme might also get diluted and the import duty on gold is expected to be rationalised as the RBI has already allowed four more banks to engage in imported gold trading. "There is also a huge demand in the international market, so we expect a boom in silver jewellery exports with at least 10 percent more exports compared to 2013-2014," Parekh said.

GJEPC said it will continue with its various initiatives, which aim to promote international as well as domestic trade in India. Some of these programmes are India International Jewellery Week, India International Jewellery Show, India-USA Buyer Seller meet, BaselWorld, JCK Las Vegas Show, Singapore International Jewellery Expo, Bangkok Gems and Jewellery Fair, and budget recommendations to the government of India and regular industry reports.



GJEPC Chairman Vipul Shah, third from left, leads the lighting of the ceremonial lamp at Signature Show 2014



Buyers check out some gold jewellery pieces at the Dubai Global Gem and Jewellery Fair

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By Anthony DeMarco