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INDIA'S GEMS AND JEWELLERY SECTOR AS A CATALYST FOR ECONOMIC GROWTH

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Abstract: India's gems and jewellery sector, rooted in centuries of cultural and artisanal heritage, is a cornerstone of the nation's economy and identity. Beyond aesthetics, jewellery in India holds religious, social, and financial significance. With a broad value chain, from sourcing to global exports, the industry supports millions through its decentralised network of production clusters in cities like Surat and Jaipur. India dominates in diamond processing and handmade jewellery, exporting to key markets including the U.S. and UAE. In 2022–23, it contributed US$38.11 billion to exports, despite facing skill and technology gaps. The sector remains resilient amid global uncertainties, benefiting from skilled craftsmanship, government support, and growing international demand. To sustain growth, India must focus on value addition, branding, digital integration, and investment in technology and training, ensuring its continued leadership in the global gems and jewellery trade.

Keywords: Gems and Jewellery, Exports, Craftsmanship, India

INTRODUCTION

Since ancient times, gems and jewellery have held an essential place in Indian civilization, not merely as ornaments for adornment but as cherished symbols of cultural identity, religious significance, and financial security. With their intricate artistry, glittering appeal, and multi-functional value, gems and jewellery are deeply embedded in Indian customs, playing an indispensable

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role in religious rituals, marriage ceremonies, and festive occasions across the country. India's gems and jewellery sector encompasses a comprehensive value chain involving the sourcing, refining, designing, manufacturing, and global marketing of precious metals and stones like gold, silver, diamonds, rubies, sapphires, and emeralds. Renowned for its skilled craftsmanship and artistic excellence, the Indian gems and jewellery industry has emerged as one of the largest foreign exchange earners, contributing significantly to the nation's merchandise export portfolio.

India's historical legacy in gemstone craftsmanship, coupled with its contemporary dominance in the global market, showcases the industry's unique ability to blend traditional artisanal expertise with modern production technologies. The industry employs millions of artisans, designers, and workers, forming the backbone of a decentralized network of small-scale units and export-oriented clusters spread across key regions such as Surat, Mumbai, Jaipur, and Kolkata. Export-oriented units, particularly in polished diamonds and gold jewellery, have thrived due to India's comparative advantages in labour, technical skill, and its strong reputation as a trustworthy supplier in global markets. The gems and jewellery sector's resilience in the face of global challenges such as economic downturns, supply disruptions, and geopolitical uncertainties underscores its strategic value to India's export-led growth strategy.

India's prominence in studded and handmade jewellery has helped it penetrate major markets in the United States, the United Arab Emirates, and various European countries, where demand for customized, high-quality ornaments remains robust. Contributing about 7% to India's GDP and employing over five million workers, the gems and jewellery industry remains vital to external trade, accounting for 15.71% of total exports, though FY25 exports fell 11.77% to ₹2,17,148 crore (US$25.73 billion).This study, based on secondary sources including reputed journals, government reports, and trade publications, seeks to assess the current export performance, challenges, and potential policy directions for India's jewellery sector.

Despite increasing competition from countries like China, Thailand, and Sri Lanka, which benefit from rising manufacturing efficiencies and favourable labour costs, India maintains a clear edge through its heritage, branding, and skilled artisanship. The export of cut and polished diamonds continues to lead the sector's growth, supported by India's dominant position in diamond processing and a well-established ecosystem involving traders, exporters, and certification agencies. With its robust infrastructure, expanding technological capabilities, and supportive government schemes such as the SEZ incentives and the revamped Gold Monetisation Scheme, the sector is positioned to sustain its export momentum.

To maintain its global leadership, India must focus on value addition, digital marketing, brand building, and greater compliance with international quality and ethical sourcing standards to meet evolving consumer preferences. Aligning with global trends and strengthening domestic capacities, India's gems and jewellery industry can continue to thrive as a key driver of export growth, cultural preservation, and employment generation in the coming decades.

REVIEW OF LITERATURE

A critical review of literature provides a foundational understanding of previous research efforts. It identifies the existing gaps that necessitate a fresh investigation into the gems and jewellery export industry in India.

Das Keshab (2007), in his research article, emphasized how India's participation in Global Production Networks (GPNs) strategically linked its gems and jewellery industry to global trade, particularly dominating diamond processing through a networked economic model.

However, Keshab also highlighted the informal and unregulated nature of the production processes in the sector, which often resulted in neglect of labour rights, environmental protections, and social welfare standards.

The Ministry of Commerce and Industry (2009) initiated specific export facilitation measures, wherein it actively promoted gems and jewellery through policy support and institutional backing from Export Promotion Councils and Star Trading Houses. This initiative was reinforced under the Foreign Trade Policy 2009–2014, which identified the gems and jewellery sector as a high-potential contributor to national employment growth and international trade expansion in India.

Vipul Shah (2012), addressing the Indo-Russian Jewellery Summit, underscored that India's export value in this sector nearly doubled from US$25.4 billion in 2009 to US$46.36 billion by 2011. He further stated that bilateral trade with Russia showed exponential growth, rising by 162% during the same period, attributed mainly to post-recession recovery and collaborative trade summits with global stakeholders.

Chanchala Jain (2012), through a paper published in the International Journal of Engineering Sciences and Management, used trend analysis based on secondary data to assess export performance from 2006 to 2011. The study by Jain confirmed the rising importance of the gems and jewellery industry in India's economy, with trends showing increased foreign exchange earnings and employment generation across diverse production centres.

The 2013 report titled Gems and Jewellery Industry in India by IBEF highlighted India's mastery in cutting and polishing diamonds and emphasized its growing global stature in jewellery consumption and production. According to the IBEF, India and China together were projected to command over 30% of the worldwide diamond market share by 2015, marking a shift in global consumption patterns toward Asian economies.

Soundariya and Reetha (2013), writing in The Hindu, provided a detailed journalistic overview of consumer trends and new entrants into the gem-studded jewellery business, emphasizing regional preferences and evolving design aesthetics.Their article presented a qualitative insight into how India's youth and small entrepreneurs were becoming increasingly inclined toward gem-based businesses due to growing domestic and international demand.

Purnashree Das and Saurabhi Borthakur (2011) presented a data-intensive analysis on India's supremacy in cut and polished diamonds, contributing to 60% of global value and nearly 80% of global volume. Their study, based on secondary sources, illustrated major export destinations and depicted export figures using tabular formats, showcasing India's centrality in global gem trade circuits and high-end craftsmanship.

According to the Global Gems and Jewellery Market Forecast and Opportunities, 2018, the international market showed resilience despite recessionary trends and was expected to grow at a CAGR of over 5% annually. This forecast projected that global jewellery revenue would surpass USD 257 billion by 2017, with the Asia-Pacific and Middle Eastern markets emerging as key drivers of growth, alongside the dominant U.S. market.

Despite substantial research on export performance and trade potential, very few studies have holistically examined the gems and jewellery sector's contribution to India's broader economic development and structural employment. Furthermore, the constraints affecting the sector's capacity to scale globally, such as trade policy inconsistencies, infrastructural bottlenecks, and supply chain disruptions, have not been sufficiently addressed in scholarly discourse. Given this backdrop, the present research seeks to bridge the gap by analyzing not only export trends but also employment potential, economic linkages, and policy-level bottlenecks affecting the Indian gems and jewellery sector.

OBJECTIVES

The objectives of this study are structured to comprehensively assess the sector's performance, focusing on growth patterns, export competitiveness, and employment generation across different sub-sectors of the industry.

Firstly, the research aims to examine the performance trajectory of India's gems and jewellery exports, along with its potential to generate sustainable employment across urban and rural artisanal clusters.

Secondly, the study seeks to explore the role of gems and jewellery as a significant and consistent source of foreign exchange earnings, contributing to India's balance of trade and global economic integration.

Thirdly, the research attempts to analyze the systemic and operational issues in both the import and export processes of the industry, including taxation, certification, logistics, and market access challenges.

Lastly, this study endeavours to provide practical suggestions and policy recommendations that could enhance the global competitiveness of India's gems and jewellery exports in a rapidly evolving international trade environment.

METHODOLOGY

The methodology adopted for the present study is based entirely on secondary sources of data, wherein published reports, journal articles, government documents, and news publications form the basis of information.

Being desk research in nature, the study synthesizes data and insights from credible sources to evaluate trends, identify constraints, and draw informed conclusions about the industry's prospects and export dynamics. The analytical focus lies in understanding how India's gems and jewellery sector fits into the broader foreign trade framework, especially in terms of employment, value addition, and market expansion strategies. Integrating policy insights and market analysis, this study aims to contribute to the academic and policy dialogue on strengthening India's position in the global gems and jewellery industry for long-term growth.

BALANCING TRADE: INDIA'S EMERGING GLOBAL MARKET POSITION

India's trade dynamics in February 2025 reveal a complex economic landscape. The country exported $36.8 billion, a modest 1.18% increase from January, driven by petroleum products, telecom instruments, and pharmaceuticals. Imports, however, dropped significantly by 14.2% to $51 billion, primarily due to reduced inflows of crude petroleum, electronics, and gold. This led to a trade deficit of $14.2 billion, reflecting India's reliance on imported energy and raw materials. Key export destinations like the United States ($7.91B) and the UAE ($3.27B) underscore India's strong ties with Western and Gulf markets.

In comparison, imports from China ($8.72B) and Russia ($3.86B) highlight dependence on Asian and energy-rich nations. Major ports like Nhava Sheva Sea and Mundra facilitate this trade, with petroleum and electronics dominating flows. India's global economic standing (5th by GDP, 12th by exports) contrasts with its low GDP per capita (148th), indicating uneven development. The import decline may signal strategic stockpile adjustments or global price shifts, while export growth, though slight, suggests resilience in key sectors. Balancing trade deficits and diversifying export markets could enhance India's economic stability, leveraging its robust GDP and strategic trade hubs.

Table 1: India Trade Growth – February 2025 (Year-on-Year)

Category	*Country/Product*	*Change ($M)*	*Change (%)*
Export Growth by Destination	Netherlands	+$873M	+85.8%
	Hong Kong	+$426M	+131%
	Tanzania	+$273M	+101%
Export Growth by Product	Petroleum Products	+$2.21B	+62.8%
	Gems & Semi-Precious Stones	+$375M	+31.7%
	Ships, Boats & Floating Structures	+$127M	+133%
Import Decline by Country	China	-$1.76B	-16.8%
	Russia	-$967M	-20.1%

Category	*Country/Product*	*Change ($M)*	*Change (%)*
	Iraq	-$616M	-25.6%
Import Decline by Product	Crude Petroleum	-$1.17B	-11.6%
	Electronic Components	-$962M	-25.5%
	Coal, Coke & Briquettes	-$636M	-23.6%

Source: https://oec.world/en/profile/country/ind

India's export growth in February 2025 was driven by strong demand for petroleum products and notable increases in trade with the Netherlands, Hong Kong, and Tanzania. Meanwhile, the decline in imports from China, Russia, and Iraq, especially in energy and electronics, helped ease the overall import burden, improving India's trade balance and highlighting shifting global trade dynamics.

India's gems and jewellery industry contributes around 7% to the country's GDP and employs over five million skilled and semi-skilled workers across different regions and manufacturing hubs in the country. The sector holds significant importance in external trade, contributing approximately 15.71% of India's total merchandise exports, making it the third-largest commodity group in terms of export value. In FY25 (until February 2025), gems and jewellery exports reached ₹2,17,148 crore (US$25.73 billion), reflecting an 11.77% decline compared to the same period in FY24.

According to 2022 data, India accounted for around 4.3% of global gems and jewellery exports, ranking sixth among the world's largest exporters in the sector. India ranked first in global exports of cut and polished diamonds, silver jewellery, and synthetic stones, with export shares of 26.5%, 29.8%, and 29%, respectively. In coloured gemstones, India held the fourth position globally, contributing 5.1% to the world's total coloured gemstone exports, strengthening its diverse export portfolio. The Government of India continues to promote this sector aggressively, working with stakeholders to address challenges, support SMEs, and explore new international markets while strengthening existing ones.

Recognizing its vast potential, the government has designated the gems and jewellery industry as a focus area for export development and economic growth. Key exports from the sector include cut and polished diamonds, lab-grown synthetic diamonds, coloured gemstones, plain and studded gold jewellery, silver jewellery, and imitation ornaments.

The western region, particularly Gujarat's Surat city, remains the industry's core export hub, contributing 74.66% of total exports in FY23 through its 450+ organized manufacturing and trading units. Major export destinations in FY25 (until January) included the USA (US$8.34B), UAE (US$6.15B), Hong Kong, Belgium, UK, Israel, Singapore, Switzerland, Thailand, and Australia. (source: https://www.ibef.org/exports/gems-and-jewellery-export)

In the wake of globalization, the integration of the Indian economy through the twin channels of trade and capital flows has significantly accelerated, resulting in enhanced global economic and market interconnectedness. Globalization, spearheaded by key international institutions such as the IMF, World Bank, and WTO, removed many national barriers, thereby enabling the seamless cross-border movement of capital, goods, and services.

It empowered participating nations to become both knowledge-driven and market-oriented, fostering a globally competitive environment that prompted developing countries to pursue trade liberalization policies actively. With the advent of globalization, the role of international trade as a facilitator of economic development began to gain considerable momentum across the global south, especially in economies like India.

The implementation of liberalized trade policies in India significantly influenced the country's economic development by increasing its exposure to global markets and encouraging greater participation in international trade regimes. However, the relationship between international trade and economic growth remains a subject of contention, with varying perspectives among policymakers and economists in both developing and developed nations.

Critics argue that globalisation has resulted in unfavourable consequences for developing countries, as trade benefits are often siphoned off to industrialised nations through unequal exchange and adverse trade terms. The liberalization of trade and reduction in tariffs-core elements of globalization-have, according to some, hampered industrialization in less developed countries by undermining the viability of their nascent industries. Industries that once thrived under government protection now struggle to withstand the competitive pressures from global players, leading to reduced productivity and increased market vulnerability. In contrast, classical and neo-classical economists advocate for free trade, asserting that trade liberalization has ushered in beneficial outcomes for developing nations through enhanced efficiency and economic modernization.

According to this perspective, liberalization helps modify the structure of production by encouraging specialization in tradable goods, particularly those utilizing labour-intensive technologies, thereby enhancing foreign trade relations. This strategy aims to increase the relative share of these nations in global production and trade, thereby improving economic efficiency and fostering sustained economic growth, as recognised by the World Bank (1987). There is widespread agreement that, when coupled with favourable macroeconomic conditions, political stability, and flexible trade policies, international trade enables the optimal utilization of resources and access to advanced technologies.

It maximizes the global flow of goods and services, facilitates capital accumulation, provides essential inputs for industrialization, and strengthens the balance of payments through increased export earnings. Moreover, international trade encourages technological diffusion, boosts productivity, and transforms raw inputs into value-added outputs, reinforcing its designation as a powerful engine of economic growth and development (Hogendorn 1996, Kindleberger 1962, Cyper and Dietz, 1997).

Table 2: Percentage Share in Total Exports (2014-15, 2017-18, 2024)

Export Category	*2014-15*	*2017-18*	*2024*	*Percentage Change (2017-18 to 2024)*
Engineering Goods	22.4%	24.71%	27.5%	+2.79
Petroleum & Crude Products	18.3%	12.19%	10.8%	-1.39
Gems & Jewellery	13.3%	12.32%	11.0%	-1.32
Agricultural & Allied Products	12.5%	8.92%	10.5%	+1.58
Chemicals & Related Products	10.4%	7.07%	8.5%	+1.43
Textiles & Readymade Garments	11.2%	9.33%	8.0%	-1.33

Source: Centre for Monitoring Indian Economy, Economic Outlook; 2024 estimates based on trade trends.

India's export composition from 2014-15 to 2024 reflects shifting economic priorities and global challenges. Engineering goods have solidified their dominance, rising from 22.4% to an estimated 27.5% share, driven by manufacturing advancements and international demand for Indian machinery. Agricultural exports rebounded to 10.5% by 2024, fuelled by rice, spices, and processed foods, supported by favourable monsoons and government policies. Chemicals and pharmaceuticals grew modestly to 8.5%, leveraging

India's generic drug production. Conversely, petroleum products dropped to 10.8% due to volatile global oil prices, while gems/jewellery and textiles declined to 11.0% and 8.0%, respectively, amid worldwide competition and protectionism. Geopolitical tensions and trade barriers pose risks, but strategic trade agreements and diversification into electronics and high-value goods could enhance resilience, aligning with India's $1 trillion export goal by 2030

EXPORT POTENTIAL OF INDIA'S JEWELLERY SECTOR

The gems and jewellery sector occupies a pivotal position in the Indian economy, not only because it constitutes a substantial share of the country's merchandise export basket, but also due to its significant role in employment generation, value addition, and foreign exchange earnings, thereby establishing itself as a priority sector for targeted promotion and development interventions. The present scenario of the industry, as captured in the 2020 NCAER study on Cluster Mapping, reveals that it contributes an output of Rs. 322.2 thousand crores and a gross value addition of Rs. 95.7 thousand crores, which indicates a robust value addition rate of 29.7%, showcasing the sector's productive efficiency and integration into the larger economic framework.

Furthermore, the Input-Output (IO) model developed by NCAER highlights the deep interlinkages of the sector with the rest of the economy, as evidenced by an output multiplier of 4.0308, suggesting that every unit increase in final demand for gems and jewellery results in a cascading output of 4.0308 units across the economy, due to strong backward linkages and multiplier effects. Similarly, the employment multiplier of 3.9105 indicates that the creation of a single job in the gems and jewellery sector induces the generation of nearly four jobs elsewhere in the economy, thereby underscoring its importance as an employment-intensive and inclusive sector.

According to survey data, by 2019, the sector comprised around 9.89 lakh production units employing 42.89 lakh workers, with 390 districts qualifying as micro-clusters based on the threshold of having at least 1,000 units and 2,000 workers, indicating the sector's broad geographic dispersal and its role in fostering regional development. The industry contributed US$38.11 billion to exports in 2022–23, representing 8.45% of India's total merchandise exports and establishing itself as one of the top five foreign exchange earners for the country.

Despite this robust performance, the sector faces notable challenges, including a 20% skill gap, implying the need for either upskilling existing workers or onboarding additional trained personnel, and a substantial 75% technology gap, with most enterprises expressing willingness to upgrade, provided barriers like financial constraints and lack of awareness are resolved. Although FDI inflows into the sector stood at only US$25.55 million in 2022–23-just 0.55% of total FDI, its vast SEZ and MSME presence indicates enormous untapped investment potential. Globally, with US$39.74 billion in exports in 2022, India holds a 4.7% share of the US$847 billion global gems and jewellery trade, making it the fifth-largest global supplier and an indispensable node in the international value chain.

Table 3: Indian Gem and Jewellery Sector – Economic Parameters Snapshot

S. No	*Parameters*	*Unit*	*Amount / %*
(i)	Total Output of Economy	Rs. crores	30,85,130.5
(ii)	Gem & Jewellery Output	Rs. crores	3,22,208
(iii)	Gross Value Added (GVA) of the Economy	Rs. crores	15,48,271.5
(iv)	G&J Gross Value Added	Rs. crores	95,733
(v)	Value Addition within G&J Sector	%	29.7
(vi)	Output Multiplier	Ratio	4.0308
(vii)	Employment Multiplier	Ratio	3.9105
(viii)	Number of Units	Number	9,89,372
(ix)	Clusters (based on number of units)	Number	390
(x)	Number of Workers	Number	42,88,925
(xi)	Clusters (based on number of workers)	Number	341
(xii)	Exports (2022–23)	US$ billion	38.11
(xiii)	Share in India's Merchandise Exports	%	8.45
(xiv)	Share in Global Gem & Jewellery Exports (2022)	% and Rank	4.7%, Rank 5
(xv)	Untapped Export Potential (2022)	US$ billion	35.00
(xvi)	Skill Gap	%	20.48
(xvii)	Technology Gap	%	75.85
(xviii)	FDI Inflows in G&J Sector (FY 2022–23)	US$ million	25.55

Source: GJEPC Research Division

The Indian gem and jewellery sector reflects a high level of economic integration, as evidenced by its contribution of Rs. 3.22 lakh crore in output and nearly Rs. 95,733 crores in gross value added, which translates to a strong 29.7% rate of value addition. The sector's robust economic linkages are highlighted by an output multiplier of 4.0308 and an employment multiplier of

3.9105, indicating that it significantly stimulates both output and job creation across the broader economy. The sector comprises nearly 9.9 lakh units and employs over 42 lakh workers, concentrated across 390 and 341 clusters based on units and workforce, respectively, revealing its broad geographical reach and industrial clustering. In FY 2022–23, the sector accounted for 8.45% of India's total merchandise exports, with a global share of 4.7%, ranking it fifth worldwide. However, it still holds a substantial untapped export potential of US$35 billion. Despite its economic strengths, the sector faces constraints, including a 20.48% skill gap and a significant 75.85% technology gap, which hamper productivity and global competitiveness. Furthermore, FDI inflows remain limited at just US$25.55 million in FY 2022–23, suggesting the need for policy reforms to enhance investment attractiveness, particularly in SEZs and MSME clusters.

Table 4: Gems and Jewellery World Exports vis-à-vis India's Position – 2022

Trade Indicators	*Amount / % Share (2022)*
Total World Exports of G&J Products	US$ 847.44 billion
India's Exports of G&J Products	US$ 39.74 billion
India's Share in Global G&J Exports	4.69%
India's Global Ranking	5th
Other Key Exporters	
Switzerland	14.20%
United Kingdom	11.60%
United States	10.90%
Hong Kong	8.10%
China	3.60%
UAE	3.40%
South Africa	3.20%
Canada	2.80%
Germany	2.80%

Source: GJEPC Research Division

In 2022, the global gems and jewellery (G&J) export market stood at US$847.44 billion, with India contributing US$39.74 billion- amounting to a 4.69% share and positioning the country as the fifth-largest exporter globally. This underscores India's significant role in the international G&J trade. However, it still trails major players like Switzerland (14.2%), the UK (11.6%), and the USA (10.9%). Despite its rich tradition in jewellery craftsmanship and a large skilled workforce, India's export share reveals scope for expansion. Strategic enhancements in technology, design innovation, branding, and trade facilitation could elevate India's global standing further. The sector's untapped potential suggests opportunities for export diversification, value addition, and increased foreign direct investment to boost competitiveness and market share.

Table 5: Key Gem and Jewellery Exports – World and India's Position (2022)

HS Code	*Commodity*	*World Export (US$ bn)*	*India's Export (US$ bn)*	*India's Share (%)*	*India's Ranking*
710239	Cut and Polished Diamonds	85.41	26.33	30.82%	1st
711319	Gold Jewellery	99.79	5.95	5.96%	7th
711311	Silver Jewellery	10.27	3.37	32.82%	1st
7103	Coloured Gemstones	12.11	0.722	5.96%	4th
7117	Imitation Jewellery	9.09	0.129	1.42%	10th
7104	Synthetic Diamonds/ Stones	6.12	2.12	34.64%	1st

Source: GJEPC Research Division

India maintains global leadership in key segments of the gem and jewellery export market, ranking first in cut and polished diamonds, silver jewellery, and synthetic diamonds with significant export shares of 30.82%, 32.82%, and 34.64%, respectively. Despite this dominance, India ranks lower in gold jewellery (7th), coloured gemstones (4th), and imitation jewellery (10th), indicating areas with growth potential. The country's edge in synthetic and silver categories highlights its manufacturing strength and skilled craftsmanship. To enhance competitiveness in other segments, India must invest in design, branding, and value addition, enabling broader market penetration and improving its global export rankings across diverse product lines.

India, while occupying a leading position in the global gem and jewellery market and accounting for a significant share of world exports, continues to possess an enormous untapped export potential that remains to be fully harnessed. According to the UN's Export Potential Map 2023, jewellery and precious metal articles represent the single largest product group with the highest absolute gap between actual and potential exports, revealing that India has an unrealised export opportunity worth approximately US$35 billion. This suggests that India's total export potential in the gem and jewellery sector stands at US$72 billion, in contrast to the current average exports of US$37 billion, thereby indicating that exports can nearly double with strategic interventions. Notably, the USA, Hong Kong, and the UAE emerged as India's top export destinations in 2023, collectively offering an untapped export potential of US$22.6 billion, which can be realised through targeted efforts and trade facilitation measures. Additionally, markets such as Israel, Switzerland, Thailand, Singapore, China, and the UK collectively hold an untapped potential of US$7 billion, offering India considerable scope to boost demand for its gem and jewellery products across these emerging and high-value international markets.

Table 6: Commodity-wise Untapped Export Potential (2022)

Commodity Description	*Global Imports (US$ bn)*	*India's Total Export Potential (US$ bn)*	*India's Untapped Export Potential (US$ bn)*
Gems and Jewellery	72	—	35
Cut and Polished Diamonds	82	41	18
Gold Jewellery	86	23	14
Silver Jewellery	10	4.4	2.5
Coloured Gemstones	5.5	0.633	0.356
Lab Grown Diamonds	NA	7*	5
Imitation Jewellery	7.2	0.391	0.253
Total (Excl. Others)	190	76	40.1

**Source:* Export Potential Map, ITC 2022 (as on 26th October 2023); *GJEPC estimates

The commodity-wise breakdown of India's export potential in the gem and jewellery sector reveals substantial opportunities for export expansion across major product categories. With a total export potential of US$76 billion and an untapped potential of US$40.1 billion, India can significantly boost its global market share. Cut and polished diamonds alone offer an untapped potential of US$18 billion, followed by gold jewellery at US$14 billion. Emerging segments such as lab-grown diamonds present an estimated US$5 billion opportunity. These figures underline the need for targeted policies and market diversification strategies to tap into global demand and scale up India's exports across key international markets.

Table 7: Country-wise Untapped Export Potential (US$) – Top 15 Markets

S. No.	*Country*	*Export Potential*	*Untapped Export Potential*
1	USA	US$ 21 bn	US$ 8.7 bn
2	Hong Kong	US$ 15 bn	US$ 7 bn
3	UAE	US$ 13 bn	US$ 6.9 bn
4	Belgium	US$ 2.9 bn	US$ 936 mn
5	Israel	US$ 2.3 bn	US$ 1.2 bn
6	Switzerland	US$ 2 bn	US$ 1.8 bn
7	Thailand	US$ 1.6 bn	US$ 457 mn
8	Singapore	US$ 1.7 bn	US$ 1 bn
9	China	US$ 1.5 bn	US$ 768 mn
10	UK	US$ 1.4 bn	US$ 824 mn
11	France	US$ 964 mn	US$ 716 mn
12	Germany	US$ 702 mn	US$ 546 mn
13	Italy	US$ 789 mn	US$ 618 mn
14	Japan	US$ 517 mn	US$ 262 mn
15	Australia	US$ 504 mn	US$ 149 mn

Source: Export Potential Map, ITC 2022 (as on 26th October 2023)

Table 7 highlights significant untapped export potential for India's gem and jewellery sector across key international markets. The USA, Hong Kong, and UAE collectively offer an untapped potential of US$22.6 billion, underscoring their strategic importance for export growth. European countries like Switzerland, the UK, and France also present strong opportunities, together accounting for over US$3.3 billion in untapped potential. In Asia, markets such as Singapore, China, and Israel emerge as promising destinations. Realising this potential will require concerted efforts in market penetration, trade facilitation, brand promotion, and strengthening bilateral trade relationships to enhance India's position in global gem and jewellery exports.

Table 8: Export Targets 2030 – Sub-Sector Wise

Commodities	*Target – 2030 (US$ billion)*	*% Share in India's G&J Exports*
Cut and Polished Diamonds	33	44%
Gold Jewellery	26	35%
Silver Jewellery	6	8%
Coloured Gemstones	2	3%
Lab Grown Diamonds	6	8%
Imitation Jewellery	1	1%
Others – Articles, Coins	1	1%

Source: GJEPC computations

The projected export targets for 2030 illustrate India's focused strategy to enhance its global footprint in the gem and jewellery (G&J) sector. Cut and polished diamonds are expected to remain the leading export item, contributing 44% to the overall G&J exports. Gold jewellery follows closely with a 35% share, indicating its sustained international demand. Lab-grown and silver jewellery are emerging as strong contributors, each targeting an 8% share. While imitation jewellery and other products hold marginal shares, their inclusion reflects India's comprehensive approach to diversifying and maximizing its export portfolio by 2030.

MARKET CATEGORIZATION OF GEM AND JEWELLERY EXPORTS

Table 9: Classification of Export Markets by Category and Strategy

Market Categories	*Parameters*	*Strategy*	*Examples*
Established / Old	High gem & jewellery imports and high share of India in imports	Sustain market share and presence	USA, UAE, Hong Kong, Belgium, Israel
Potential / New	High gem & jewellery imports but low share of India in imports	Increase penetration and share	UK, Canada, Switzerland, Saudi Arabia, Qatar
Non-potential	Low gem & jewellery imports, and India's share may be high/ low	Maintain medium-level engagement	Smaller or developing markets with low volume

Source: GJEPC Research Division

India's gem and jewellery exports are heavily concentrated in five established markets—the USA, Hong Kong, the UAE, Belgium, and Israel, which together account for approximately 85% of total exports. Recognising the vulnerability inherent in such market concentration, the Gem & Jewellery Export Promotion Council (GJEPC) has devised a dual strategy to sustain and expand India's global presence.

The first point, Market Sustainability, targets established markets where India already has a strong foothold. The objective here is to maintain or enhance India's competitive position through improved trade facilitation, quality assurance, and branding.

The second point, Market Penetration, focuses on unexplored or underexploited markets where global imports of gems and jewellery are high, but India's share remains relatively low. These include countries such as the UK, Canada, Switzerland, Saudi Arabia, and Qatar.

Table 10a: Top 20 Importers of Cut & Polished Diamonds (HS Code: 710239) – 2022

Sr. No.	*Country*	*Category*	*Import Value (US$ Mn)*	*World Import Share (%)*	*Imports from India (US$ Mn)*	*India's Share in Country's Imports (%)*	*India's Rank*	*Top 5 Exporters (% Share)*
1	USA	Old	23,336.28	28.30	10,892.77	46.7	1	Israel (27), Belgium (12.7), South Africa (3.4), Switzerland (1.8), Botswana (1.6)
2	Hong Kong, China	Old	14,768.25	17.90	5,349.98	36.2	1	China (14.3), USA (11.8), UAE (8), Belgium (6.1), Israel (5.8)
3	China	Old	8,074.20	9.80	1,836.67	22.7	3	South Africa (38.4), Belgium (32.3), Israel (3.5), USA (0.9), China (0.5)
4	UAE	Old	5,107.50	6.20	1,846.93	36.2	1	Hong Kong (19.7), USA (13.5), Belgium (8.2), Botswana (6.2), South Africa (5.8)
5	Belgium	Old	4,590.94	5.60	2,784.97	60.7	1	Botswana (5.5), Israel (5.3), South Africa (4.3), UAE (4), USA (4)
6	Israel	Old	3,965.38	4.80	1,307.41	33	1	USA (17.9), Belgium (14.6), HK (9.9), UAE (5.2), Sri Lanka (3.1)
7	Switzer-land	New	2,418.51	2.90	276.82	11.4	4	Belgium (24), USA (18), Israel (12.7), France (5.8), UAE (5.5)

Sr. No.	*Country*	*Category*	*Import Value (US$ Mn)*	*World Import Share (%)*	*Imports from India (US$ Mn)*	*India's Share in Country's Imports (%)*	*India's Rank*	*Top 5 Exporters (% Share)*
8	Thailand	Old	2,261.15	2.70	1,739.14	76.9	1	Israel (5.8), Belgium (4.3), USA (4.1), HK (3.1), UK (1.2)
9	UK	New	1,547.36	1.90	233.57	15.1	3	Belgium (30.3), Israel (24.9), USA (7.7), UK (6.5), HK (5.9)
10	France	New	1,008.06	1.20	177.09	17.6	2	Belgium (33), India (17.6), Israel (14.5), UK (12), USA (7.7)
11	Italy	New	918.46	1.10	128.44	14	2	Belgium (57.1), India (14), Vietnam (8.2), Israel (6.6), France (5.9)
12	Singapore	Old	717.08	0.90	187.02	26.1	2	Vietnam (36.5), India (26.1), Israel (6.2), Belgium (6), Australia (6)

Source: GJEPC Research Division

The cut and polished diamond sector demonstrates a high degree of market concentration, with significant exports directed toward established markets such as the USA, Hong Kong, UAE, Belgium, and Israel. These "Old Markets" account for most of the global demand, and India enjoys a dominant or top three ranking in each. For instance, India's share in U.S. imports stands at a remarkable 46.7%, and an even higher 60.7% in Belgium. This justifies the continued market sustainability strategy, aimed at strengthening India's competitiveness and preserving its leadership.

Table 10a highlights significant untapped opportunities in "New Markets" such as Switzerland, the United Kingdom, France, and Italy. Although these countries feature substantial import volumes, India's share remains relatively low, ranging from 11.4% in Switzerland to 17.6% in France, despite India's strong global capabilities in this sector. These markets exhibit high global value chain participation and could offer significant upside if targeted with customized branding, trade agreements, and industry partnerships.

The GJEPC's dual-pronged strategy is thus well-founded. While reinforcing ties and boosting brand equity in traditional markets, India must penetrate newer, underrepresented territories through exhibitions, diplomatic trade channels, and enhanced product certifications. Moreover, as synthetic or lab-grown diamonds gain market acceptance, India should integrate this emerging segment into its export blueprint, especially in new markets where consumer openness to alternatives is rising. This approach ensures both diversification and resilience of India's diamond exports.

Table 10b – Top 20 Importers for Cut & Polished Diamonds (HS Code: 710239) in 2022

Sr. No.	*Importer*	*Category*	*Value Imported (US$ mn)*	*Share in World Imports (%)*	*Imports by India (US$ mn)*	*India's % Share*	*India's Rank*	*Top 5 Exporters & Share (%)*	*Old/ New Market*
13	Viet Nam	New	598.64	0.70	28.41	4.7	4	Belgium (35.3), HK (28.5), USA (24.4), India (4.7), Botswana (2.9)	New
14	Japan	Old	570.28	0.70	324.36	56.9	1	India (56.9), Belgium (15.2), Israel (12.2), Thailand (4.9), HK (4.2)	Old
15	Botswana	-	540.43	0.70	253.37	46.9	1	India (46.9), Belgium (20.4), Russia (8), USA (7.9), Namibia (7.5)	-
16	Australia	Old	402.54	0.50	245.57	61.0	1	India (61), HK (9.7), Israel (7.8), Australia (6.1), USA (5.1)	Old
17	Canada	Old	376.48	0.50	190.56	50.6	1	India (50.6), Israel (15.7), USA (15.7), Canada (10.3), Belgium (3.7)	Old
18	Germany	-	278.92	0.30	102.79	36.9	1	India (36.9), Belgium (30.2), Israel (13.6), Switzerland (8.3), USA (5.9)	-

Sr. No.	*Importer*	*Category*	*Value Imported (US$ mn)*	*Share in World Imports (%)*	*Imports by India (US$ mn)*	*India's % Share*	*India's Rank*	*Top 5 Exporters & Share (%)*	*Old/ New Market*
19	Armenia	-	246.86	0.30	56.37	22.8	2	Russia (56.2), India (22.8), Area Nes (10.1), Belgium (6.1), Israel (2.2)	-
20	Türkiye	New	184.25	0.20	155.90	84.6	1	India (84.6), Belgium (10.4), USA (1.5), UAE (1.4), HK (1)	New
	Total (CPD)		82,478.99						

Source: GJEPC Research Division analysis based on Trade Map data 2022.

India dominates traditional markets such as Japan, Australia, and Canada, consistently ranking first with over 50% market share. Emerging markets like Türkiye and Viet Nam present strategic growth opportunities, where India's share, though significant, can be expanded. Türkiye is a stronghold with an 84.6% share, while Viet Nam and Armenia show potential despite India's lower share. Markets such as Germany and Botswana offer scope for consolidation (Table 10b).

Table 11 shows that India dominates traditional markets such as Japan, Australia, and Canada, consistently ranking first with over 50% market share. Emerging markets like Türkiye and Viet Nam present strategic growth opportunities, where India's share, though significant, can be expanded. Türkiye is a stronghold with an 84.6% share, while Viet Nam and Armenia show potential despite India's lower share. Markets such as Germany and Botswana offer scope for consolidation. GJEPC should maintain leadership in old markets through quality assurance and branding. In contrast, in new markets, trade partnerships, promotional campaigns, and competitive pricing are vital to enhance India's presence in the global diamond trade.

India's export performance in gold jewellery (HS 711319) demonstrates strategic strength in emerging markets. Notably, India ranks first in Malaysia with a 22.2% share and second in Canada with 15.8%. In Türkiye and Saudi Arabia, India is among the top three suppliers, highlighting rising penetration. However, its lower rankings in Germany, Italy, and Korea suggest the need for enhanced branding, compliance, and design innovation to compete

Table 11-Top 20 Importers for Gems and Jewellery (Product: 711319 Gold Jewellery) in 2022

Sr. No.	Importer	Category	Value Imported (US$ mn)	Country's Share in World Imports (%)	Imports by India (US$ mn)	India's % Share	India's Rank	Top 5 Exporters & % Share in Country's Imports	Old/New Market
12	Italy	New	1375.32	1.60	57.78	4.2	6	Switzerland (23.3), France (20.9), USA (7.2), Bolivia (5.4), Thailand (5)	New
13	Australia	New	1320.42	1.50	154.65	11.7	4	France (17.4), Italy (12.4), USA (11.9), India (11.7), China (8.9)	New
14	Germany	New	1255.26	1.50	75.70	6.0	6	Switzerland (36.2), Italy (13), France (11.6), Thailand (8.5), Türkiye (7.1)	New
15	Canada	New	1220.74	1.40	193.10	15.8	2	USA (30.9), India (15.8), Italy (14.6), France (7), China (6.8)	New
16	Türkiye	New	1131.07	1.30	232.12	20.5	3	Italy (45.2), UAE (23.9), India (20.5), Switzerland (3.1), France (1.6)	New
17	Korea, Rep.	-	999.79	1.20	0.10	0.01	17	France (30.7), Italy (29.6), USA (16.7), Switzerland (14.7), Germany (1.5)	-
18	Thailand	-	988.97	1.20	43.28	4.4	8	Thailand (27.8), France (13.4), Italy (13.2), USA (10.1), China (8.6)	-
19	Malaysia	Old	927.21	1.10	205.55	22.2	1	India (22.2), UAE (15.2), HK-China (13.9), Italy (10), Singapore (9.6)	Old
-	India	-	826.94	1.00	0.00	0.0	0	UAE (31.5), USA (27.3), Qatar (9), Bahrain (6.7), Italy (5.1)	-
20	Saudi Arabia	New	819.38	1.00	63.77	7.8	3	Switzerland (37.5), UK (28.4), India (7.8), USA (6.8), Thailand	New
	Total (HS 711319)		**85,780.43**						

Source: GJEPC Research Division analysis based on Trade Map data 2022.

with European exporters like Switzerland and Italy. The high import values in Australia and Germany also indicate strong market potential. Targeted outreach, bilateral trade engagement, and marketing can help India consolidate and expand its global footprint.

In India, the Gems and Jewellery sector holds a prominent place among the purchases made by foreign tourists, reflecting both the cultural richness and artisanal heritage of the country; however, while Section 15 of the IGST Act, 2017, makes provisions for refunding GST to foreign tourists, this mechanism alone is inadequate to provide meaningful relief to the industry, particularly given the substantial Customs Duty of 12.5% levied on precious metals such as gold and silver used in jewellery manufacturing. To effectively support the sector and enhance India's attractiveness as a shopping destination, the Customs Duty component incurred during production must be refunded alongside the GST, thereby offering a comprehensive tax refund mechanism to foreign buyers. We acknowledge the Government's legitimate concerns about misuse and understand the need for robust safeguards to be integrated within the system, ensuring transparency while maintaining a seamless and tourist-friendly process that aligns with India's traditional ethos of "Atithi Devo Bhava."

In the realm of international trade, Free Trade Agreements (FTAs) offer vital opportunities to strengthen India's export footprint, and the GJEPC is leveraging the benefits of existing FTAs with countries like UAE and Australia to expand the market for gold, silver, and imitation jewellery products by actively guiding exporters to maximise gains under these treaties. Simultaneously, upcoming FTAs with key economies such as the EU, UK, GCC, Israel, and Canada hold the potential to eliminate import tariffs ranging from 2% to 4%, thereby enhancing the global competitiveness of Indian jewellery exports and unlocking an additional US$10 billion in export value. Recognizing the foundational role of MSMEs in this sector, strategic interventions like the establishment of Jewellery Parks and Mega Common Facility Centers will provide integrated ecosystems to boost productivity, skill development, and export readiness, particularly within high-potential clusters aligned with DEH and ODOP programs of the Government.

To boost exports, India's G&J sector needs integrated cluster development encompassing infrastructure, technology, skilling, and digitization. With SEZs

Table 12: Key Initiatives for Making Clusters Exportable in the Gems & Jewellery Sector

Focus Area	*Key Initiatives*
Infrastructure Development	Jewellery Park, SNZs, Hallmark Centres, Overseas Offices, Gold Refining Policies, SEZ revamp, FDI attraction
Technology Development	Mega CFCs (Surat, SEEPZ), Cluster CFCs, TUF for LGD, Lab Upgradation, Karigar Workshops
Skill Development	Skilling Institute Upgradation, LGD Training Centres, Skill University
Digitisation	B2C E-commerce, Digital Library, Diamond Trading Platform

Source: GJEPC Research Division

accounting for 20% of exports, revamping the model and enhancing FDI are vital. Policy support for refining, LGD tech, and B2C digitization will drive value addition, global competitiveness, and position India as a manufacturing and trading hub.

The government is urged to extend a special financial package to the gem and jewellery sector, much like the targeted support earlier provided to other labour-intensive industries such as textiles and leather, which have demonstrated tangible growth because of such policy interventions. The overarching goal of the India Gem & Jewellery Domestic Council's IGJDP Action Plan is to elevate the entire gem and jewellery ecosystem to a new level of excellence, transforming India into a premier global manufacturing and trading hub through world-class infrastructure, skilled workforce, advanced technology, and a robust 'Brand India' campaign. The rationale behind seeking a dedicated financial package is multifaceted. It aims to reinforce India's comparative advantages by boosting production and exports, systematically resolving structural and operational constraints hindering the sector's growth, and strategically leveraging emerging market opportunities both domestically and internationally. Moreover, it seeks to unlock India's significant untapped export potential in gem and jewellery products and substantially enhance its global market share from the current 4.7% to an ambitious 7.5%, to achieve US$75 billion in exports by 2030 and US$100 billion by 2047 (Table 12).

The Special Economic Zone (SEZ) model serves as a vital driver for the growth of India's gem and jewellery exports, contributing significantly to the sector's global competitiveness. Of the total US$38 billion in gem and jewellery exports, SEZs account for approximately US$7 billion, representing nearly 19% of total exports annually. Given their advantages in advanced technology, export-focused infrastructure, and cost efficiencies, SEZs are well-positioned to cater precisely to the evolving demands of global buyers. Therefore, strengthening and expanding the SEZ framework can play a pivotal role in unlocking the untapped export potential of India's gem and jewellery sector and boosting its share in global markets.

Table 13: Summary of the trade data and economic indicators for India as of February 2025

Category	Details
Exports (Feb 2025)	\$36.8B (↑ \$428M or 1.18% from Jan 2025)
Imports (Feb 2025)	\$51.0B (↓ \$8.47B or -14.2% from Jan 2025)
Trade Balance	-\$14.2B (Deficit)
Top Export Products	Petroleum Products (\$5.72B), Telecom Instruments (\$2.84B), Drug Formulations (\$1.96B), Gems & Stones (\$1.56B), Electrical Equipment (\$1.22B)
Top Import Products	Crude Petroleum (\$8.9B), Petroleum Products (\$2.99B), Electronics Components (\$2.82B), Gold (\$2.34B), Telecom Instruments (\$2.1B)
Top Export Ports	Nhava Sheva Sea (\$5.3B), SEZ Jamnagar (Reliance) (\$3.35B), Mundra (\$2.35B), Chennai Air (\$1.84B), DPCC Mumbai (\$1.58B)
Top Import Ports	Nhava Sheva Sea (\$5.67B), Chennai Sea (\$3.21B), Delhi Air (\$3.16B), Mundra (\$2.96B), Chennai Air (\$2.72B)
Top Export Destinations	United States (\$7.91B), UAE (\$3.27B), Netherlands (\$1.89B), China (\$1.26B), United Kingdom (\$1.17B)
Top Import Sources	China (\$8.72B), UAE (\$5.21B), Russia (\$3.86B), United States (\$3.05B), Saudi Arabia (\$2.16B)
India's Global Rank (2023)	GDP: 5th (\$3.57T), Exports: 12th, GDP per capita: 148th

Source: https://oec.world/en/profile/country/ind

CHALLENGES AND OPPORTUNITIES

Despite enjoying a globally dominant position, India's gems and jewellery industry is grappling with several structural and systemic challenges that potentially threaten its long-term competitiveness and sustainable development. One of the foremost challenges confronting the sector is its highly unorganized structure, with nearly 90 per cent of players being family-owned businesses that hinder the transition toward becoming a globally competitive and professionally managed sector.

The absence of appropriate and dynamic policy interventions in India's trade policies has further restricted the sector's ability to seize emerging global opportunities and augment its export potential effectively. With the domestic depletion of gemstone resources, the industry relies overwhelmingly on imports of rough diamonds and gold, making it highly vulnerable to international supply chain disruptions and price volatility.

India imports rough diamonds mainly from Belgium, the UK, Israel, and the UAE. At the same time, gold jewellery is sourced primarily from Switzerland, South Africa, the UAE, and Australia, raising concerns about import dependence and value addition. Since more exports imply more imports due to the heavy reliance on imported raw materials, exporters are burdened with challenges arising from global price fluctuations and inconsistent access to affordable, quality inputs.

In the absence of established design development centres and limited access to global fashion trends, Indian exporters are unable to respond to the rapidly changing preferences of international buyers effectively. The high cost of diamonds, gold, and silver, coupled with limited knowledge and innovation in jewellery design, severely restricts the Indian industry's ability to compete in the evolving global market.

Table 13 reveals that compared to countries like China, Thailand, the USA, the UK, Sri Lanka, and Israel, the Indian labour force in this sector is relatively less skilled, creative, and productive, resulting in quality constraints and lower efficiency. A critical bottleneck for the industry is the acute shortage of trained artisans and an experienced workforce, which has limited the capacity of enterprises to scale operations and meet rising global demand. The sharp and persistent increase in gold and silver prices over the past few years has notably altered consumer purchasing behaviour, thereby dampening demand, particularly for gold-based jewellery products.

India's gems and jewellery industry has also been constrained by external economic pressures such as rupee depreciation, sluggish GDP growth globally, and rising domestic inflation, all of which deter long-term investor confidence. With highly volatile gold prices and government regulations restricting imports, the domestic demand for gold bars, coins, and traditional gold jewellery has significantly declined, affecting both consumer sentiment and investment flows. The lack of access to low-cost financing and high interest rates on short-term credit facilities, such as cash credit and letters of credit, pose serious cost challenges for exporters operating on thin profit margins.

Given that raw materials are expensive and working capital needs are high, the lack of affordable financial instruments further inhibits small and medium-sized enterprises from scaling and competing internationally. Another key issue lies in the absence of a robust R&D infrastructure that could otherwise facilitate product innovation, improve quality, minimize wastage, and modernize the jewellery-making process through new concepts and designs.

A concerted focus on enhancing R&D capabilities could improve the efficiency of the supply chain, develop market-oriented products, and boost the international appeal of Indian jewellery, both in traditional and contemporary segments.

Consumer and investment demand in the industry is influenced by an array of interlinked challenges, such as skill shortages, limited technological integration, and inadequate infrastructure for scaling production to global benchmarks. Investment demand is particularly impacted by supply constraints and regulatory curbs, which discourage institutional investors and reduce the attractiveness of the sector as an alternative investment class.

Changing consumer preferences, availability of innovative jewellery varieties, and evolving expectations around quality and price play a decisive role in shaping demand in both domestic and international markets (Singaravelu K. and Subhashini K., 2016). Since the industry is highly labour-intensive and demands artisanal excellence, patience, and long hours of intricate work, attracting and retaining skilled human resources remains a serious long-term concern.

Despite these numerous challenges, the industry holds significant opportunities through strategic modernization, especially by adopting automated manufacturing technologies and leveraging digital platforms to access global buyers and markets. Investing in skill development initiatives, especially for artisans and designers, could enhance the productivity and quality of output while also addressing concerns related to underemployment and job insecurity in the sector.

India's rich heritage in jewellery making, when aligned with emerging global trends and supported by marketing efforts, could serve to strengthen the brand identity of Indian jewellery across global markets. Efforts undertaken by the Gem and Jewellery Export Promotion Council (GJEPC), including participation in international shows and hosting delegations, have the potential to widen market access and build global partnerships.

Image-building initiatives led by GJEPC have started yielding results. Still, consistent and innovative branding will be necessary to project India as a destination for quality, custom, and fashion-oriented jewellery. Ultimately, the Indian gems and jewellery industry can solidify its global leadership by overcoming regulatory bottlenecks, investing in research and design, and upskilling its workforce for modern and sustainable production practices. Resolving these constraints while capitalizing on opportunities will not only enhance exports and foreign exchange earnings but also generate significant employment and contribute meaningfully to India's economic development.

RESULTS OF THE DISCUSSION

Global Leadership and Policy Support:

India's gems and jewellery industry, recognised as the world's leading diamond cutting and polishing hub, thrives on skilled labour, competitive costs, and strong global demand. The government enables 100% FDI through the automatic route to boost growth and international partnerships.

Technological Advancement and Consumer Transformation

Evolving consumer preferences for branded, innovative, and precisely crafted jewellery have driven the adoption of CAD/CAM technologies, revolutionizing design efficiency, quality control, and cost-effectiveness while expanding product diversity and enhancing market competitiveness.

Future Growth and Market Prospects

The sector's expansion is expected to be fuelled by organized retail, brand consolidation, relaxed gold import restrictions, and stable gold prices, collectively ensuring sustained growth, increased employment, and strengthened export performance in the coming years.

CONCLUDING REMARKS

India's gems and jewellery industry, renowned globally for its exceptional craftsmanship and cost-effective production, has solidified its position as the world's most significant diamond cutting and polishing centre, primarily due to the availability of highly skilled labour and competitive operational costs.

Major importers of Indian jewellery include the United States, United Arab Emirates, Russia, Singapore, Hong Kong, Latin America, and China, reflecting the sector's expansive global reach.

Consumer preferences have undergone a remarkable transformation, with a growing demand for innovative designs, branded jewellery, and a shift away from traditional, unorganized sector offerings, prompting established jewellers to adapt swiftly to these evolving trends. The rise in per capita income has further fueled jewellery sales, as ornaments continue to symbolize status and cultural heritage in Indian society. To cater to the sophisticated tastes of modern consumers, jewellery designers have increasingly adopted Computer-Aided Design (CAD) and Computer-Aided Manufacturing (CAM) technologies, enabling the creation of intricate designs and prototypes with enhanced precision and efficiency.

CAD/CAM technologies have revolutionized the jewellery manufacturing process by facilitating automatic diagnostics, product quality analysis, and comprehensive data management, thereby streamlining production planning and control. These advancements allow manufacturers to produce high-quality jewellery using materials like wax, plastic, or base metals for prototyping, ensuring cost-effectiveness and rapid turnaround times.

The future growth of India's gems and jewellery sector is poised to be driven by the emergence of large retailers and established brands, which are instrumental in organizing the market and introducing diverse product offerings. The relaxation of gold import restrictions is anticipated to provide a significant boost to the industry, improving the availability of raw materials and facilitating the reintroduction of low-cost gold metal loans. Stabilization of gold prices at lower levels is expected to spur substantial growth for jewellers in the short to medium term, supported by recent positive developments within the industry.

To sustain and enhance the export performance of the gems and jewellery industry, the Government of India must implement targeted policies that resolve existing challenges while leveraging the sector's inherent strengths. This includes providing incentives for technological innovation, initiating skill development programs, and negotiating trade agreements that facilitate access to key international markets. Investments in research and development are crucial for adopting cutting-edge technologies, such as automated cutting and polishing systems, which can improve efficiency and product quality, thereby maintaining India's competitive edge against countries like China and Thailand.

Collaborations between industry stakeholders and educational institutions are essential to ensure a steady supply of skilled artisans and technicians. At the same time, trade promotion initiatives can assist Indian exporters in penetrating new markets and diversifying their product offerings to meet evolving consumer preferences. By creating a supportive ecosystem that encourages innovation, skill development, and market expansion, the government can ensure that the gems and jewellery industry continues to thrive as a key driver of India's export-led economic growth.

The Gem & Jewellery Export Promotion Council (GJEPC), established by the Ministry of Commerce in 1966, has been instrumental in promoting India's gems and jewellery exports. With autonomous status since 1998, GJEPC has undertaken various initiatives to enhance the industry's global competitiveness, including the establishment of Common Facility Centres (CFCs) and the India Jewellery Park Mumbai (IJPM). These infrastructure projects aim to provide state-of-the-art facilities for manufacturing, training, and innovation, thereby fostering growth and employment within the sector (en.wikipedia.org).

In a strategic move to augment India's global economic footprint, the Ministry of Commerce and Industry has set ambitious export targets for the gems and jewellery sector: US$75 billion by 2030 and US$100 billion by 2047. To achieve these goals, GJEPC has outlined a comprehensive plan that includes leveraging Free Trade Agreements (FTAs) to contribute US$15 billion, developing the MSME sector through initiatives like the Jewellery Park and Mega Common Facility Centers to add US$2 billion, and revamping Special Economic Zones (SEZs) to yield an additional US$8 billion. Furthermore, converting non-exporting entities, particularly MSMEs, into active exporters is targeted to generate an incremental US$35 million, while harnessing e-commerce platforms for retail exports is anticipated to contribute US$4 billion.

The remaining growth is expected to be driven by expanding product lines, such as Lab-Grown Diamonds (LGD), platinum, and silver jewellery, boosting market presence through initiatives like the India Jewellery Exposition Centre (IJEX) in Dubai, engaging the Indian diaspora, substituting China's exports to the U.S., and catalyzing exports via cluster development, FDI, targeted marketing, and supportive long-term policies, collectively contributing approximately US$40 billion (IBEF+2GJEPC+2forpressrelease.com+2)

Despite these optimistic projections, the industry faces significant challenges, including the recent imposition of a 26% reciprocal tariff by the United States, India's largest export market, which threatens to impede overseas sales and impact employment within the sector. The industry, already grappling with weakened demand from other key markets like China, the Middle East, and Europe, must navigate these hurdles through strategic planning and diversification of export destinations. Continued collaboration between the government and industry stakeholders is essential to mitigate these challenges and ensure the sustainable growth of India's gems and jewellery sector.

Leveraging bilateral trade agreements, targeted marketing, and product customization, India aims to increase its market share in these high-potential regions. This strategic bifurcation helps India safeguard existing revenues while actively pursuing new opportunities, reducing export risk, and aligning with the broader goal of scaling up total exports to meet the sector's ambitious 2030 targets.

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