



सत्यमेव जयते

GOVERNMENT OF GUJARAT

Gems & Jewellery Sector Profile



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GUJARAT 10-13 Jan
2017
Connecting India to the World | **8th Global Summit**

Gems & Jewellery Industry: India Scenario

The background features a solid red upper section. Below it, there are several overlapping, wavy, semi-transparent bands in shades of yellow, orange, and purple, creating a dynamic, flowing effect. The bottom half of the image is a plain white background.

Gems & Jewellery sector : India Scenario



The domestic gems & jewellery market was estimated to be around USD 50 billion in 2015 and is predicted to grow at a rate of 13 % per annum by to reach USD 80-85 billion mark by 2018

- Indian Gems and Jewellery industry is one of the largest in the world with a share of 29% in global jewellery consumption
- **India is the world's largest cutting and polishing centre for diamonds**
- With an **8% share**, India has become the **world's third largest diamond consumer**
- India is the **largest consumer of gold**, accounting for nearly **29% of the total world gold consumption**
- Establishing '**Diamond Bourses**' to make India a international trading hub
- **Gold jewellery** forms around **80%** of the Indian jewellery market
- There are more than **3,00,000 Gems & Jewellery players** across the country, with majority being small players
- **Increasing base of consumers** as well as **growth of HNIs** that will contribute to the continued fast pace growth of organized jewellery retail in India
- It provides **employment** to nearly **2.5 million people** with the potential to generate employment of 0.7 to 1.5 million over the next five years
- Major mining companies such as Rio Tinto, De Beers and Alrosa have decided to participate in the **Indian Diamond Trading Centre (IDTC)** - that will allow Indian manufacturers to directly source rough diamonds from the miners thereby reducing operational costs

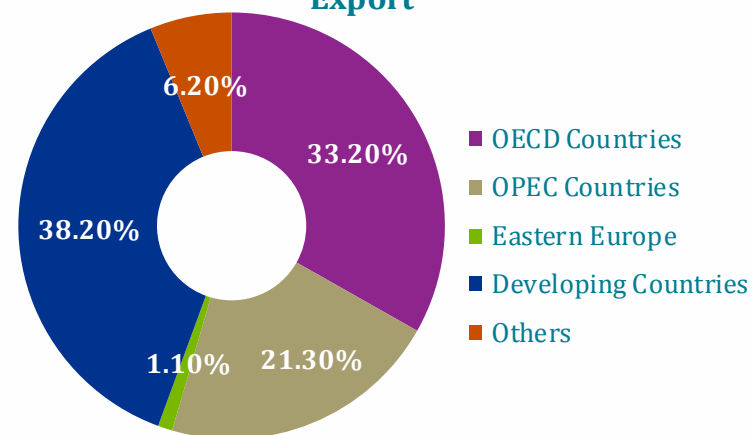
Gems & Jewellery sector : India Scenario Exports & Imports



India's gems & jewelry sector is second highest contributor to the Indian commodity exports with a share of 13 %

- The total exports of Gems and Jewellery for in FY 2014-15 was around USD 40 billion
 - Cut and polished diamonds - USD 23.16 billion
 - Gold Jewellery - USD 6.24 billion
 - Gold Medallions & Coins – USD 2.8 billion
 - Silver Jewellery - USD 2 billion
 - Colored Gemstones - USD 0.45 billion
 - Others(Pearls & Synthetic Stones) – USD 1.5 billion
- Gems and Jewellery industry is highly dependent on imports of raw materials, of which rough diamonds account for almost 50 percent of the imports
- India exports 95 per cent of the world's processed diamonds
- India is also one of the largest importer and consumer of silver in the world

Major Countries of Gems and Jewellery Export



Gems & Jewellery sector : India Scenario Growth and Demand Drivers



The jewellery market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95 % over the period 2014-2019

Increasing purchasing and spending power

With the growing economy, spending power of the people is also rising. India's new income growth will come from the surging middle class and entrepreneurs, leading to growth of jewellery demand in India

Changing demographics

India has one of the youngest population in the world. The rise of the working woman and the metro-sexual man with preferences for wearable jewellery continues to provide growth

Entry of New players in retail sector

It is anticipated that large investments of about USD 1 billion in the coming years would be made by large retailers/brands which would catalyze the growth of the industry, set higher standards and create value across the value chain.

Traditional Domestic Demand

Tradition of buying jewellery during important festivals like Diwali and Dhanteras and during weddings; great attractiveness of gold as an investment option

Foreign Demand

The sector is the second largest foreign exchange earner in the Indian economy; contributing ~15% to the total export earnings of the country

Gems & Jewellery sector : India Scenario

Government Initiatives and Interventions



The government has implemented such an FDI policy which allows 100% FDI and 74% in exploration and mining of diamonds and precious stones and 100% for gold and silver and minerals' exploration, mining, metallurgy and processing.

Merchandise Exports from India Scheme (MEIS) for export of specified goods to specified markets - replaces multiple schemes with different conditions for eligibility and usage of scrips

Advance Procurement/ Replenishment of Precious Metals from Nominated Agencies

Relaxation in gold import norms

Special Notified Zones for consignment import and export of rough diamonds

Regulatory framework and taxation regime to encourage international mining companies to sell their rough diamonds directly in India

Enhancing the ease of doing business by reducing the number of mandatory documents required for import and export to three and simplification of forms

GJEPC appointed the Nodal Authority for scrutinizing the applications for enlistment of laboratories for export of cut and polished diamonds for certification/grading and re-import

Exporters of gems and jewellery can import / procure duty free input for manufacturing products for export

Gems and Jewellery Skill Council of India to train over four million persons till 2022 for skilled manpower

Gems & Jewellery Industry: Gujarat Scenario

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Gems & Jewellery sector : Gujarat Scenario



Gujarat has the highest share (nearly 85 percent) in the total national Jewellery production and accounts for 72 percent of the world's share of processed diamonds. Surat has 65% share in India's diamond trade.

- Gujarat accounts for about **80 percent of diamonds processed** and **95 percent of diamonds export** from India
- Almost 8 out of 10 diamonds in the world are processed in Gujarat
- 90 percent of the total diamonds in Gujarat are processed by about **10,000 diamond units** located in and around **Surat**
- Gujarat is also internationally renowned for the production of unique hand-made **silver ornaments** (85 percent of total silver Jewellery production of India)
- A gold jewellery manufacturing cluster in Ahmedabad has a productivity of around 50 gm of production /day, highest in the country
- **Gujarat's Gems & Jewellery sector is expected to grow at a rate of 15 percent**

Some of the leading players in Gujarat



Diamond processing and trading unit are spread across the State in cities such as Surat, Ahmedabad, Palanpur, Bhavnagar, Valsad and Navsari

Gems & Jewellery sector : Gujarat Scenario Growth Drivers



The growth of this industry is primarily attributed to the increase in the demand driven by expansion of the middle class and support from the government in increasing the competitiveness



- Gujarat has identified Gems & Jewellery sector as one of the thrust areas for development
- One of the important factors contributing to the growth has been the development of SEZ's by the state
- A single-product, SEZ specially dedicated to gems and Jewellery with available infrastructure, Gujarat Hira Bourse (GHB), is located close to Surat city
- There is also a multi product SEZ, Surat SEZ (SurSEZ), which also aids the growth of gems and jewellery sector

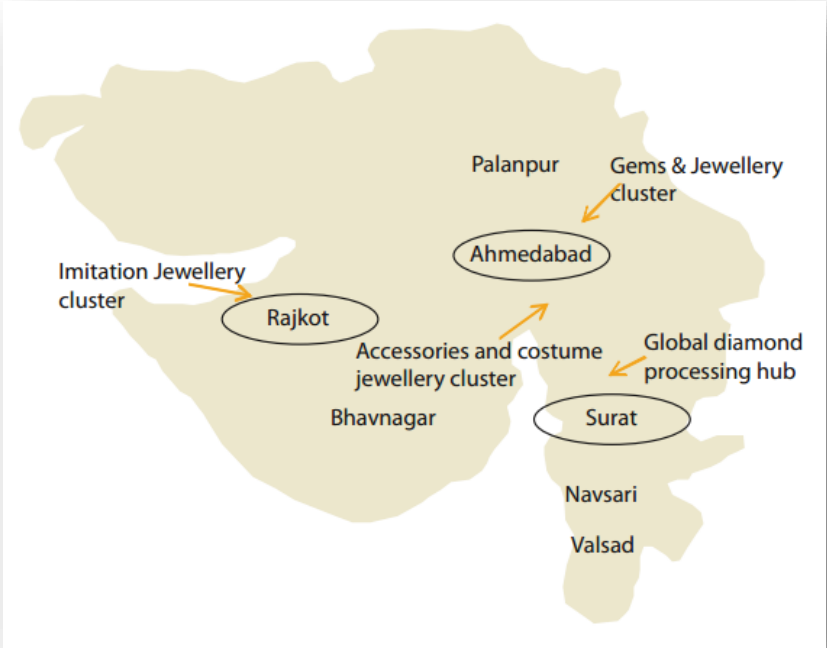
Gems & Jewellery sector : Gujarat Scenario Gems & Jewellery Clusters



To leverage on the progressive industrial sector of the state, the government has initiated a “Cluster development” model to increase cost competitiveness and efficiency through collaborative efforts and knowledge sharing

Region	Activity
Surat	Diamond Processing, Jewellery
Palanpur	Diamond Processing
Ahmedabad	Diamond Processing, Gold & Silver Jewellery
Bhavnagar	Diamond Processing
Navsari	Diamond Processing
Rajkot	Gold & Silver Jewellery
Khambhat	Gemstone (Agate)
Valsad	Jewellery

Gems & Jewellery Clusters in Gujarat



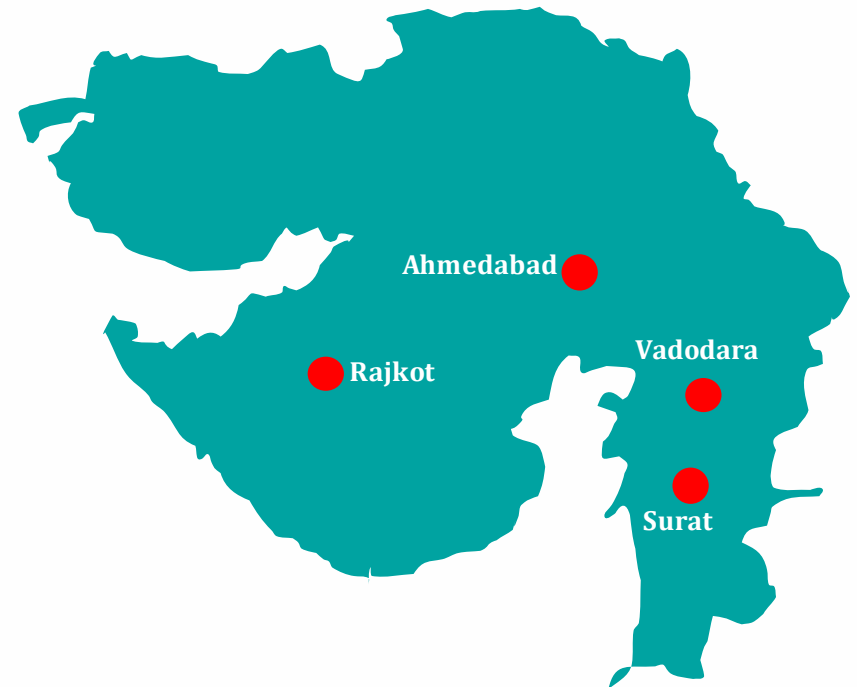
Surat Hira Bourse (SHB) in Surat handles import of rough diamonds worth INR 30,000 crore per annum

Gems & Jewellery sector : Gujarat Scenario Assaying & Hallmarking Centers in Gujarat



Center Name	District
Gujarat Gold Centre	Ahmedabad
Kesar Hallmarking Centre	Ahmedabad
MMTC Ltd.	Ahmedabad
Parkar Gold	Ahmedabad
Shradha Assaying & Hallmarking Centre	Ahmedabad
Gujarat Gold Centre	Vadodara
National Center for Hallmarking	Surat
VG Gold Assaying & Hallmarking Centre	Rajkot

Assaying & Hallmarking centres in Gujarat



Rajkot is internationally known for its unique hand made gold and silver ornaments which constitute 85% of the total jewellery production in India”

Gems & Jewellery sector : Gujarat Scenario Diamond Research and Mercantile (DREAM) City

Surat is the largest diamond processing cluster in the world and is known as the “Diamond Polishing hub of India” with more than 3500 diamond processing units



- The SDB Diamond Bourse would be the second diamond trading hub based at Surat.
- It would be spread across 100 acres with availability of 15 Million Sq.ft. built up area encompassing 10,000 offices for national & international traders
- It would be set up in next 4 years with approximate investment of Rs. 125,000 crore
- SDB is likely to generate additional business worth Rs. 90,000 crore annually.

DREAM City - A Smart City, is being developed close to Surat. It would be spread over 2,000 acres, and will house an International Diamond Trading Hub and a Diamond Bourse

Gems & Jewellery sector : Gujarat Scenario

Educational Infrastructure

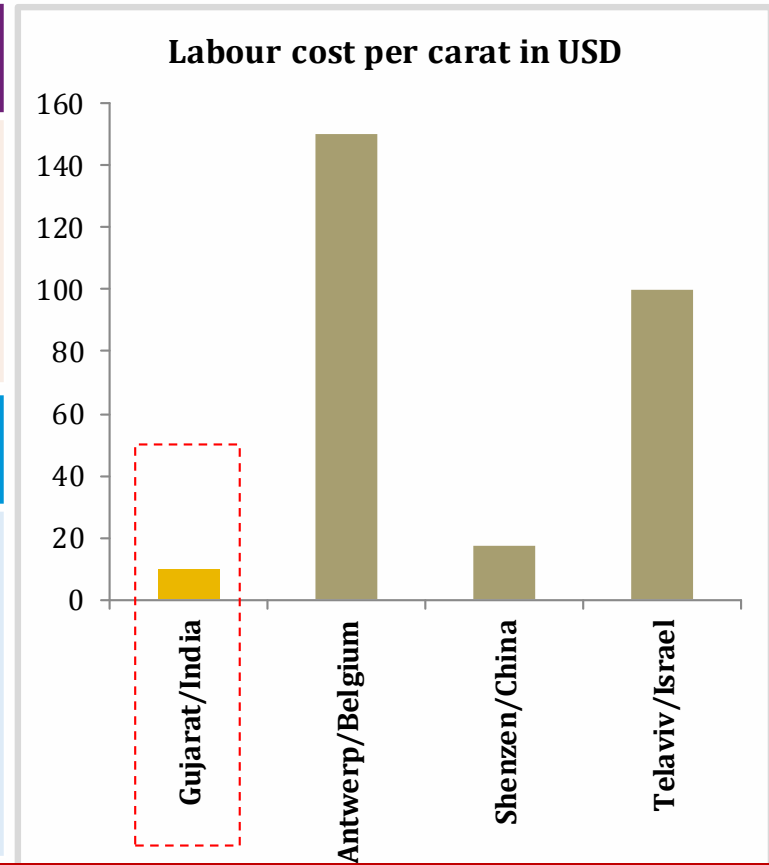
Entrepreneurship merged with skilled craftsmanship is the key enabling factor for Gems & Jewellery sector in Gujarat

Major institutions offering courses specific to Gems & Jewellery

Indian Diamond Institute (IDI), Surat	National Institute of Fashion Technology (NIFT), Gandhinagar	National Institute of Design (NID), Ahmedabad
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Graduate and Diploma Level programmes offered by Indian Diamond Institute include:

- Diamond Sorting and Grading
- Gemology
- Jewellery Designing, Manufacturing and Appraising
- Jewellery Business Management
- Gem Diamond Identification and Grading



Indian Diamond Institute and International Institute of Diamond Grading & Research India Pvt. Ltd. in Surat have been allowed to import diamonds for certification /grading of diamonds without any import duty and re-export of the same

Gems & Jewellery sector : Gujarat Scenario Investment Opportunities



**Gems and Jewellery is one of the fastest growing Industries in the country.
Following are some of the identified projects to venture:**

Jewellery Fabrication & Retail

- Diamond studded jewellery
- Gold jewellery
- Silver jewellery
- Platinum jewellery
- Studded Gold & Silver jewellery chains and ornaments
- Hand made ornaments

Infrastructure Development

- Jewellery Parks
- Modern Jewellery units
- Educational institutes focusing on Gems & Jewellery sector
- Establishing Hallmark Center
- Gemology institute with testing facility

Tools & Machinery

- Diamond blade
- Diamond cutting & tools
- Diamond tools & wheels
- Gem cutting & processing unit
- Technology Upgradation

FOR ADDITIONAL INFORMATION CONNECT US @

Industries Commissionerate

<http://www.ic.gujarat.gov.in>

iNDEXTb -Industrial Extension Bureau

<http://www.indextb.com>



THANK YOU

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