Gems & Jewellery Sector Profile
Gems & Jewellery Industry: 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

Source: ASSOCHAM and TARI Report, ASSOCHAM-YES Bank Report, GJEPC, FICCI-AT Kearney Report, Technopak Analysts, ONICRA, Millennium Post
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

- OECD Countries: 38.20%
- OPEC Countries: 33.20%
- Eastern Europe: 6.20%
- Developing Countries: 21.30%
- Others: 1.10%

Source: GJEPC, Technopak Analysts, DGCI&S (Kolkata); Exchange Rate: 1 USD = Rs. 62.23 (Jan 2015)
Gems & Jewellery sector: India Scenario Growth and Demand Drivers

<table>
<thead>
<tr>
<th><strong>The jewellery market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95% over the period 2014-2019</strong></th>
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<tbody>
<tr>
<td><strong>Increasing purchasing and spending power</strong></td>
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<td><strong>Changing demographics</strong></td>
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<td><strong>Entry of New players in retail sector</strong></td>
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<tr>
<td><strong>Traditional Domestic Demand</strong></td>
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<td><strong>Foreign Demand</strong></td>
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Source: Research and Markets, GJEPC, Onicra, Millennium Post
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.

<table>
<thead>
<tr>
<th>Government Initiatives and Interventions</th>
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<tr>
<td>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</td>
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<tr>
<td>Advance Procurement/ Replenishment of Precious Metals from Nominated Agencies</td>
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<tr>
<td>Relaxation in gold import norms</td>
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<tr>
<td>Special Notified Zones for consignment import and export of rough diamonds</td>
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<tr>
<td>Regulatory framework and taxation regime to encourage international mining companies to sell their rough diamonds directly in India</td>
</tr>
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<td>Enhancing the ease of doing business by reducing the number of mandatory documents required for import and export to three and simplification of forms</td>
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<tr>
<td>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</td>
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<tr>
<td>Exporters of gems and jewellery can import / procure duty free input for manufacturing products for export</td>
</tr>
<tr>
<td>Gems and Jewellery Skill Council of India to train over four million persons till 2022 for skilled manpower</td>
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</tbody>
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Gems & Jewellery Industry: Gujarat Scenario
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

- **tbz**
- **K.A.R.P.**
- **Zaveri & co.**
- **VENUS JEWEL**
- **SANGHAVI EXPORTS**
- **Forever Diamonds**
- **manubhai zaveri**

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

Source: Industries Commissionerate - Government of Gujarat, IBEF
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.

Gems & Jewellery Clusters in Gujarat:

<table>
<thead>
<tr>
<th>Region</th>
<th>Activity</th>
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<tbody>
<tr>
<td>Surat</td>
<td>Diamond Processing, Jewellery</td>
</tr>
<tr>
<td>Palanpur</td>
<td>Diamond Processing</td>
</tr>
<tr>
<td>Ahmedabad</td>
<td>Diamond Processing, Gold &amp; Silver Jewellery</td>
</tr>
<tr>
<td>Bhavnagar</td>
<td>Diamond Processing</td>
</tr>
<tr>
<td>Navsari</td>
<td>Diamond Processing</td>
</tr>
<tr>
<td>Rajkot</td>
<td>Gold &amp; Silver Jewellery</td>
</tr>
<tr>
<td>Khambhat</td>
<td>Gemstone (Agate)</td>
</tr>
<tr>
<td>Valsad</td>
<td>Jewellery</td>
</tr>
</tbody>
</table>

Surat Hira Bourse (SHB) in Surat handles import of rough diamonds worth INR 30,000 crore per annum.
### Assaying & Hallmarking centres in Gujarat

<table>
<thead>
<tr>
<th>Center Name</th>
<th>District</th>
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</thead>
<tbody>
<tr>
<td>Gujarat Gold Centre</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>Kesar Hallmarking Centre</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>MMTC Ltd.</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>Parkar Gold</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>Shradha Assaying &amp; Hallmarking Centre</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>Gujarat Gold Centre</td>
<td>Vadodara</td>
</tr>
<tr>
<td>National Center for Hallmarking</td>
<td>Surat</td>
</tr>
<tr>
<td>VG Gold Assaying &amp; Hallmarking Centre</td>
<td>Rajkot</td>
</tr>
</tbody>
</table>

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

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

**Major institutions offering courses specific to Gems & Jewellery**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Location</th>
<th>Courses Offered</th>
</tr>
</thead>
</table>
| Indian Diamond Institute (IDI), Surat | Surat | • Diamond Sorting and Grading  
• Gemology  
• Jewellery Designing, Manufacturing and Appraising  
• Jewellery Business Management  
• Gem Diamond Identification and Grading |
| National Institute of Fashion Technology (NIFT), Gandhinagar | Gandhinagar |  
| National Institute of Design (NID), Ahmedabad | Ahmedabad |

**Labour cost per carat in USD**

- **Gujarat/India**: 10 USD
- **Antwerp/Belgium**: 150 USD
- **Shenzen/China**: 30 USD
- **Telaviv/Israel**: 140 USD

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 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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