

An Investigative Study on Export Performance of Gems and Jewellery in India

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Abstract - The Indian gems and jewellery industry is one of the fastest growing industry in the world. India is acting as a prominent country related to diamond polishing and jewellery work due to traditional, customs and cultural background of the society. The gems and jewellery are classified as polished diamond, Gem stones, Gold & Jewellery and synthetics stones. India is a world largest gold importer and a consumer in terms of ornaments comparatively other developed and developing countries. The demand of the gold day by day increasing in India due to marriage, culture, customs and devotional aspects as well as gold is acting as a major investment options in among the rich and middle class people in India. The export industry has come of age and is now entering a new phase of development. Gearing up to achieve further growth, the industry has already captured a 55% share of world market in terms of turnover of this century. With consumer consciousness increasing towards trendy jewels design in among youngsters, the future of organized jewellery market in India is very bright. The organized sector of the gems and jewellery industry in India is estimated to grow at 40 per cent per annum to US\$ 2.2 billion by 2023. India is acting as a primary source of imports for the developed countries, due to availability of skilled and cheap labor, but now this no longer remains the competitive edge for India as heavy competition is faced by various countries like China, Thailand and Sri Lanka. But at the same time, India has managed to keep its position healthy and have brighter prospects ahead.

Keywords: Gems and jewellery, Diamond, stone, world market, cheap labor and quality design.

I. EXPORTS

Exports during the April-December 2013 period, increased to US\$ 19.20 billion from US\$ 19.6 billion a year earlier. Exports of cut and polished diamonds in the April-December 2013 period stood at US\$ 12.20 billion as compared to US\$ 12.06 billion in the corresponding period in the previous year.

STATEMENT OF THE PROBLEM

The researcher observed that, there is a wide research gap between actual position of Gems and Jewellery market in India and research outcome related to this sector. Gems and Jewellery market nature is very complex in terms of fluctuation of currency, gold rate, demand and Government policy. This present study is tried to find out of the performance of Gems and Jewelleries in India with the help of appropriate statistical tools.

OBJECTIVE OF THE STUDY

The researcher has framed three objectives of the study, like to observe the present status of the Indian gem and jewellery sector and to analyze the present export performance of Gem & Jewellery from India as well as to predict the future Export performance gem and jewellery sector in India.

PERIOD OF STUDY

The period of the study is covered from 2007-2008 to 2012-2017 and further, it is projected up to 2023.

SCOPE OF THE STUDY

The researcher has chosen this area as a study area to find out the present and future performance of gems and jewellery industry in Indian context. It will help to improve the existing export volume of Gems & Jewellery industry area as well as useful to know the future market of gems and jewellery industry in the world market.

II. RESEARCH METHODOLOGY

SOURCE OF DATA

The study nature is desk research, based on the secondary data sources. The present study is constructed with the help of published details related to gem and jewellery in Indian market through internet, journals, magazines, newspapers etc.

STATISTICAL TOOLS AND TECHNIQUES

The researcher has used the trend analysis ($y = a + bx$) and percentage growth method ($\text{Growth rate} = \frac{\text{present} - \text{past}}{\text{past}} \times 100$) as well as plus or minus changes method for converting the raw data in to meaningful data.

LIMITATIONS OF THE STUDY

As per the researcher concern, the following short comings are observed by the researcher in this present study, it includes the time duration for the data collection is short period from February 2018 to June 2018. This present study is constructed based on the ministry of commerce published data as well as few articles related to the study area. Further accuracy of the data is not considerable since it is secondary in nature.

III. RESULTS AND DISCUSSION OF THE STUDY

TABLE NUMBER: 01 Export of Coloured Gem Stone from India to World Market from 2007- 2023

| | | |
|-------------|--------|--------|
| 2007-08 | 249.44 | - |
| 2008-09 | 226.34 | -9.26 |
| 2009-10 | 241.42 | 6.66 |
| 2010-11 | 257.19 | 6.53 |
| 2011-12 | 268.02 | 4.21 |
| 2012-13 | 290.07 | 8.22 |
| 2013-14 | 289.80 | - 0.09 |
| 2014-15 | 299.63 | 3.39 |
| 2015-16 | 309.46 | 6.62 |
| 2016-17 | 319.29 | 3.17 |
| 2017-18 | 329.11 | 3.07 |
| (Projected) | | |
| 2018-19 | 338.94 | 2.98 |
| 2019-20 | 348.77 | 2.91 |
| 2020-21 | 358.61 | 2.83 |
| 2021-22 | 368.44 | 2.75 |
| 2022-23 | 378.27 | 2.67 |

| Year | Value in US \$ in Million | Growth percentage |
|------|---------------------------|-------------------|
|------|---------------------------|-------------------|

Source: Ministry of commerce & industry.com

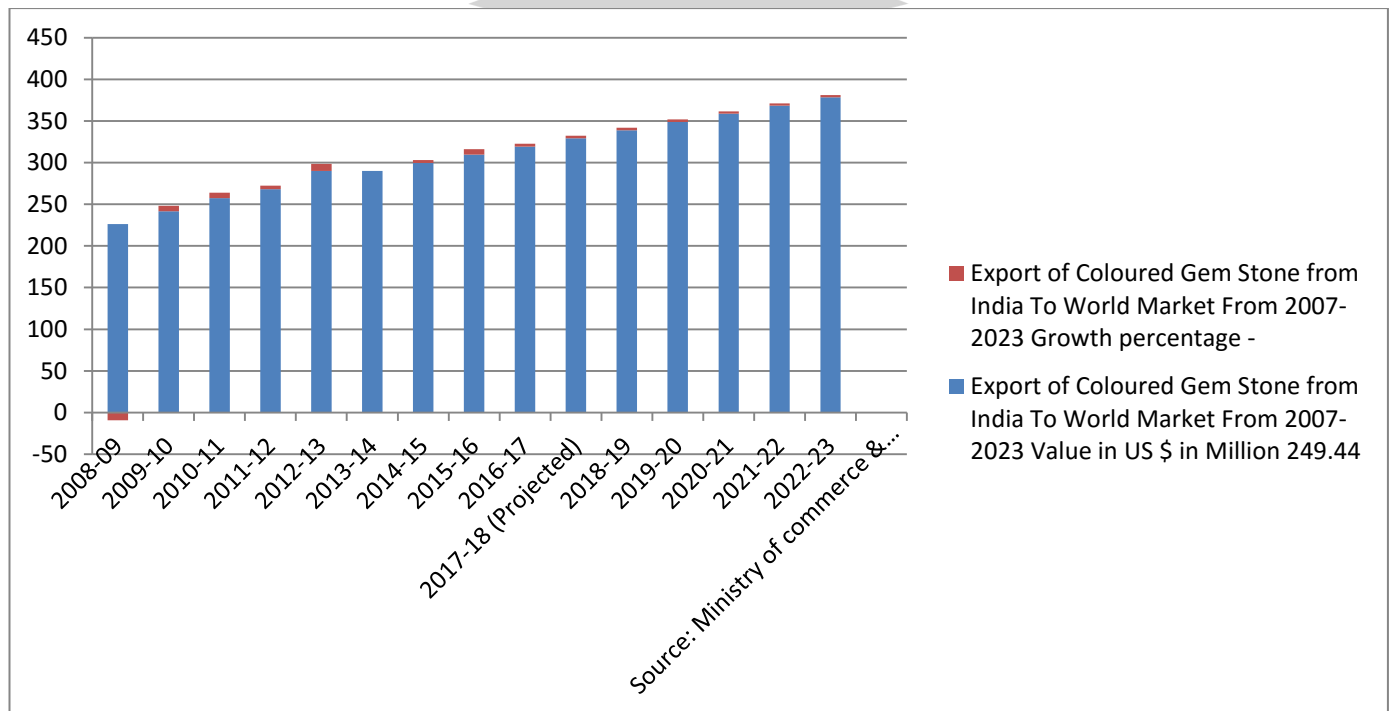


TABLE NUMBER: 02 Total Export of Gold Jewellery from India to World Market from 2007 TO 2023

| | | |
|---------------------|---------|---|
| 2017-18 (Projected) | 13011.8 | + |
| 2018-19 | 13897.9 | + |
| 2019-20 | 14784.1 | + |
| 2020-21 | 15670.3 | + |
| 2021-22 | 16556.4 | + |
| 2022-23 | 17442.6 | + |

| Year | Value in US \$ in Million | Plus or minus changes |
|---------|---------------------------|-----------------------|
| 2007-08 | 4550.39 | - |
| 2008-09 | 4252.52 | + |
| 2009-10 | 5601.2 | + |
| 2010-11 | 7375.74 | + |
| 2011-12 | 8657.72 | + |
| 2012-13 | 7755.54 | - |
| 2013-14 | 9467.11 | + |
| 2014-15 | 10353.3 | + |
| 2015-16 | 11239.4 | + |
| 2016-17 | 12125.6 | + |

Source: Ministry of commerce & industry.com

IV. OBSERVATIONS OF THE STUDY

- India processes over 57% of world’s rough diamond value, it is said 11 out of 12 (diamonds) set in jewellery are cut and polished in India.

- It is observed that, as per the growth percentage there is steady progressive going on related to coloured Gem stone from India to world market. Meanwhile, as per the plus or minus changes method stated that there is a constant over the export of gold jewellery from India to world market.
- As per forecasts, by the year 2023 the industry will witness a good fragmentation in the jewellery retail business while keeping the area of diamond mining, sourcing, processing within the confines of either niche or mass player.
- GJEPC is continuously working towards creating a pool of artisans/designers trained to international standards so as to consolidated the Indian jewellery industry and establish it as a prominent global players in the jewellery segment.
- GJEPC undertake direct promotional activities like organizing joint participation in international jewellery shows, sending and hosting trading delegations and sustained image building exercises through advertisements abroad, publication and audio-visuals.
- GJEPC runs a number of institutes that provide training in all aspects of manufacture and design in Mumbai, Delhi, Surratt and Jaipur.
- According to Credit Analysis and Research Limited (CARE), the domestic jewellery market in India is pegged at US\$ 16 billion in the year 2023.
- India consumes nearly 800 tons of gold accounting for about 20 per cent of the world gold consumption in all over the world.
- The Government of India allows 100 per cent foreign direct investment (FDI) in gems and jewellery through the automatic route.
- Export of gems stones showing an increasing trend for the future year up to 2023.
- Export of gold jewellery showing an increasing trend for the future year up to 2023.

V. RECOMMENDATIONS OF THE STUDY

- More patterns & designs could be implemented in order to improve the industry in near future.
- The Government of India could undertake more measures to utilize the funds effectively to develop the gem & jewellery market.
- The various trade fairs, exhibitions and trade shows could be conducted to increase the turnover of the gem & jewellery industry.
- The proper training must be provided for the industries to develop the excellence in terms of quality work.
- The advancement in the technologies has to be updated, in order to compete in the global market.
- The duties levied on the gem & jewellery could be lowered to encourage the players in the market.

- The GOI must encourage the domestic exporters and help them to export gems and jewellery product in International markets for acquiring more foreign exchange reserve.
- The GOI must simplify the complicated export procedure followed in the Gems and Jewellery export for increasing the volume of export in near future.

VI. CONCLUSION

India has been one of the most important countries for the production of Gems and Jewellery. One of the highlights is the production of Studded Jewellery. Studded Jewellery trading in India is age old as it is established by the fact that in 1650 A.D., sources report the employment of more than 60,000 workers in the Eluru mines, where they dug and washed the precious stones. Today though India has almost no raw Studded Jewellery left within India, the Indians are producing 70% of the World gems in terms of quantity and 45% in terms of value. India is the original country which discovered gems and initiated gem craft. Indian Gems and Jewellery Industry have achieved a premier position in the International market. Today India has been recognized as a significant manufacturing exporting center apart from its traditional strengths in handmade jewellery; the country has rich for itself in machine made commercial jewellery arena. India is the largest manufacturer of cut and polished diamonds in the world and exports 93 per cent of its production. India exports 75 per cent of the world's polished diamonds as of 2016. India's share in the world diamond market is 60 per cent in terms of value 90 percent in volume. At present 12 out of 14 diamonds prepared and sold by Indian o world market either polished work or cutting work. India's gems and jewellery sector is one of the biggest the world marketing contributing 29 per cent to the international jewellery consumption. The sector nearly 300000 players are involving with this work director and indirectly. Its market size is about US\$ 54.58 billion of which 55 per cent is accounted by the unorganized sector dealing with sector the export industry has come of age and is now entering a new phase of development. Gearing up to achieve further growth, the industry has already captured a 55% share of world market in terms of turnover of this century. India is acting as a primary source of imports for the developed countries, due to availability of skilled and cheap labor, but now this no longer remains the competitive edge for India as heavy competition is faced by various countries like China, Thailand and Sri Lanka. But at the same time, India has managed to keep its position healthy and have brighter prospects ahead. As per the study found that, there is a continuous increase in the export of Gems and Jewellery in India. Therefore, the GOI must take necessary steps to retain as well as sustain the export performance of gems and jewellery in near future for enriching the export volume of India.

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