

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3196

ANSWERED ON:22.03.2002

EXPORT OF GEMS AND JEWELLERY

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of steps taken / being taken by the Government to increase the export of gems, jewellery and diamonds;
- (b) the total value of these items exported to various countries during each of the last three years;
- (c) whether export of gems and jewellery has declined by 17% during January-December, 2001;
- (d) if so, the reasons therefor;
- (e) whether the Government propose to reverse the trend;
- (f) if so, the plan chalked out by the Government for this purpose; and
- (g) the countries where the export of these items are likely to be increased in the coming years?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (g) : Government have identified gems and jewellery as one of the thrust sectors for exports and in order to give a boost to the exports of gems and jewellery, the Government and the Gem and Jewellery Export Promotion Council (GJEPC) have taken several initiatives. Some of the important initiatives include: -

- Preparing of a medium-term export strategy;
- Exploring the possibilities of direct procurement of rough diamonds from diamond mining countries;
- Providing funds under Critical Infrastructure Balancing Scheme to Sardar Vallabhbhai Patel Centre of Jewellery Design and Manufacture, under the auspices of Indian Diamond Institute at Surat to give a fillip to jewellery design and manufacturing;
- Promotion of the image of India's gems and jewellery abroad through frequent advertisements/publicity campaigns in international trade journals; participation in international fairs, buyers-sellers meet, direct approach to mass retailers etc.;
- Exploring and identifying new markets by undertaking market studies through expert consultants and by deputing Indian designers to various international trade fairs and exhibitions for on-the-spot study for latest trends in designs;
- Analyse newer markets in Latin American countries and furnish information for evolving a strategy for promotion of gems and jewellery exports from India;
- Promoting Hall Marking of gold jewellery in India through publicity campaigns so as to create an image of quality for the made in India jewellery.
- Undertake appropriately revisions in the EXIM Policy with a view to facilitate exports based on the feedback and requests received from the exporters and GJEPC,

The total value of these items exported to some of the major countries during the last three years are as follows;

COUNTRIES 1998-1999		1999-2000		2000-2001	
Total gems and Jewellery	Total gems and Jewellery	Total gems and Jewellery	Total gems and Jewellery	Total gems and Jewellery	Total gems and Jewellery
Rs. In crores	US\$ in Million	Rs. In crores	US\$ in Million	Rs. In crores	US\$ in Million

USA 10242.08 2442.31 13666.57 3165.05 13272.00 2931.02

Hong Kong 5460.43 1302.30 8143.97 1885.24 7890.29 1740.23

Belgium 3703.20 884.87 4086.93 946.47 4173.60 919.43

Japan 1557.62 371.41 2072.63 480.35 1827.41 403.03

Israel 1019.81 243.21 1595.35 369.45 1220.21 269.73

Thailand 492.88 117.45 793.31 183.61 913.63 201.01

Switzerland 472.13 112.84 575.49 133.42 605.88 133.62

UAE 889.54 212.44 1328.83 308.01 2240.14 491.31

Singapore 257.44 61.38 562.94 130.47 645.46 142.20

Germany 310.39 73.96 358.57 83.08 323.68 71.64

(Source : GJEPC)

Exports of gem and jewellery during the period from January to December 2001 at US \$ 7202.26 million reflected decline of 14.83% compared with January to December, 2000 which was at US \$8457.11 million.

The major reasons for decline in exports are as follows:

- (a) economic slow down in the markets of the developed countries such as USA and Japan etc.
- (b) Fall in gold price in the international market resulting in corresponding decrease in export value in the gold jewellery.
- (c) Tremendous growth in intake by major markets during the year 1999-2000 due to euphoria created by the millennium year., and some goods are still held in the pipeline by the trade.
- (d) The devastating earthquake earth on 26th January, 2001 also had a dampening effect on the diamond industry particularly in Ahemdabad and Surat.

The initiatives mentioned above to boost the export of gem and jewellery are directed towards to reversing the declining trend. There has been a growth in exports of 17.9% in dollar terms in December 2001 vis-À-vis December 2000.