Current Scenario

The gems and jewelry sector in India is one of the largest in the world. It contributes to around 29% of the global jewelry consumption. The industry plays a significant role in the Indian economy, being one of the major contributors to total foreign exchange reserves in the country. It is a true example of the Make in India initiative and contributes around 7% of GDP and 15% of the merchandise exports. The sector is highly labor intensive and employs around 4.64 million workers at present.

India is also a major importer of gems and jewelry. The net import of gems and jewelry in the month of February 2019 stood at USD 2173.02 million, up from USD 1712.63 million in January 2019. On the other hand, exports stood at USD 3068.26 million in February 2019, up from USD 3031.24 million in the preceding month.

Future Scenario

- The gems and Jewelry sector is expected to generate job opportunities for 8.23 million individuals by 2022.

- The gems and jewelry market size is expected to reach USD 100 billion by 2025.

- Online sales are expected to account for 1-2% of the fine jewellery segment by 2021-22.

Key Policy Initiatives

- 100% Foreign Direct Investment (FDI) through automatic route is allowed in the sector.

- The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India as per which, gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit’s identification and the jeweller’s identification mark.
• Union ministry has granted a 3% exemption on IGST, earlier paid by exporters to nominated agencies on intra-state supply of gold.

• The India Jewellery Park of Mumbai, a mega initiative by the Government of India was inaugurated In March 2019, to take India’s jewellery manufacturing and trade to new heights. The total investment corpus of this project is more than USD 10 billion and is expected to generate an annual turnover of USD 30 billion.

• West Bengal Industrial Development Corporation Limited (WBIDC) has set up Gems & Jewellery Park at Ankurhati, Domjur in Howrah with best in class infrastructural facilities. Through a multi-pronged approach, the Government of West Bengal aims to bring in a change in manufacturing and upgradation of skill levels of artisans in Bengal.