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A Study on Growth of India's Export of Gems & Jewellery

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Abstract

This study analyses the growth in India's gems & jewellery exports between 2005–2013. Using secondary data from government and industry sources, the paper evaluates export trends, sector composition, and growth patterns. Analytical tools include trend analysis, growth rate calculations, and graphical visualisations. Findings highlight the sector's rapid expansion, strong diamond export base, and year-on-year fluctuations.

Introduction

The gems and jewellery sector holds a vital place in India's export basket, contributing significantly to foreign exchange earnings. Over the years, the sector has been driven by global demand for cut and polished diamonds, gold jewellery, and coloured gemstones. This paper focuses on the growth trajectory during 2005–2013, a period that witnessed both global economic crisis and subsequent recovery.

Review of Literature

A review of selected literature shows consistent academic and industry attention to India's gems & jewellery sector:

Ministry of Commerce (2013): The Task Group on Diamond Sector provided detailed insights into export growth, competitiveness and policy issues.

Magesan (2013): Studied the export performance of India's gems and jewellery sector during the 2000s, highlighting external shocks.

GJEPC reports: annual export data and market trend analysis serve as the main empirical basis for understanding sectoral dynamics.

Objectives of the Research

1. To examine the overall growth of India's gems & jewellery exports between 2005 and 2013.
2. To analyse year-on-year growth trends and fluctuations.
3. To understand the composition of exports by sub-sectors.
4. To derive observations and outcomes that can inform policy and strategy for the sector.

Hypothesis

H0 (Null Hypothesis): There is no significant growth in India's gems & jewellery exports during 2005–2013.

H1 (Alternate Hypothesis): There is significant growth in India's gems & jewellery exports during 2005–2013.

Research Methodology

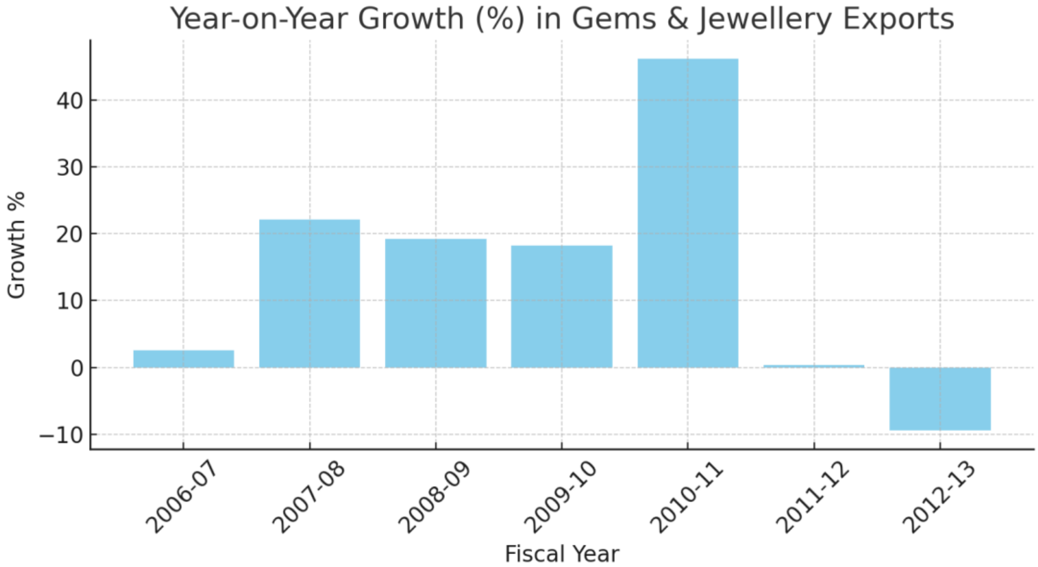
This research is based on secondary data drawn from government publications, industry reports, and academic studies. The data were tabulated and analysed using descriptive statistics, trend lines, year-on-year growth analysis, and graphical methods. Illustrative sub-sector composition charts were prepared to reflect the product structure of exports. The analysis period covers fiscal years 2005–06 through 2012–13.

Secondary Data & Analysis

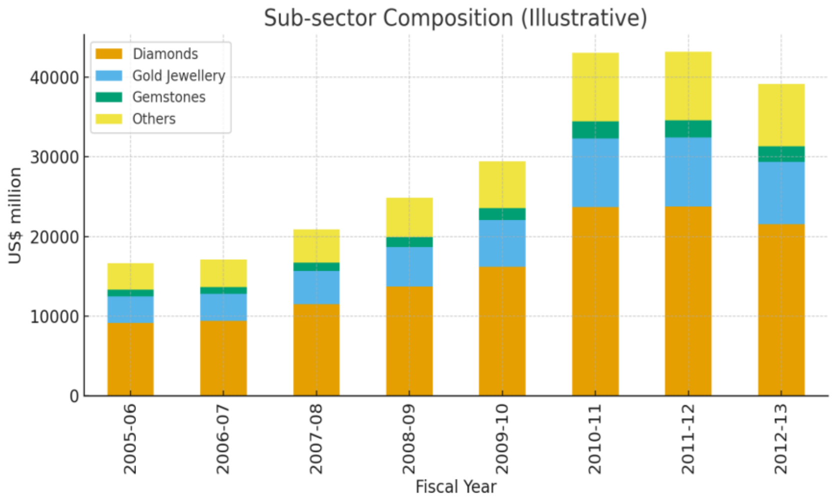
Fiscal Year	Exports (US$ mn)	YoY Growth %
2005-06	16,669.11	-
2006-07	17,100.00	2.58
2007-08	20,880.00	22.11
2008-09	24,894.00	19.22
2009-10	29,442.00	18.27
2010-11	43,048.00	46.21
2011-12	43,211.19	0.38
2012-13	39,137.00	-9.43

Trend in exports

Year-on-year growth (%):



Sub-sector composition (illustrative, stacked bar):



Observations

• Exports rose from about US$16.7 billion in 2005–06 to over US$43 billion in 2010–11.
• A sharp dip occurred in 2012–13, pointing to volatility.
• Diamonds dominate, constituting over half of total exports.
• Year-on-year growth rates show both high surges (e.g., 2009–10 to 2010–11) and declines (2012–13).
• Sub-sector dependence indicates vulnerability to global demand cycles.

Outcomes

The analysis supports rejection of the null hypothesis (H0), as significant growth was observed during 2005–2013, though subject to fluctuations. The outcomes show that while the sector achieved rapid expansion, it remains highly sensitive to global market conditions. The insights suggest a need for diversification, value addition, and policy measures to reduce volatility.

Conclusion

The gems & jewellery sector recorded significant growth during 2005–2013, with diamonds as the leading sub-sector. Despite positive long-term growth, the sector remains vulnerable to international shocks, commodity prices, and demand fluctuations. Sustained competitiveness will require policy focus on product diversification, innovation, and broader market access.

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