

# IMPACT OF GLOBAL PANDEMIC UPON EXPORT OF INDIAN GEMS AND JEWELRY

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**Abstract: -This paper is going to reveal the actual impact of Global Covid-19 Pandemic upon the export of Indian Gems & Jewelry industry. No doubt this coronavirus pandemic has crippled India's economy. Like many other industries, the G & J industry too has been hit hard owing to a long list of cancelled or postponed events, shows, exhibitions, and weddings for the next few months. However, coronavirus was considered as a main reason that turned the smooth operations upside down. The business dipped significantly as six to 10 carat diamond pieces and high-end chunky jewelry, which are widely popular in the Middle-East, suffered a major downfall. As this business loose their profitability, the managements of key players duly intervened to firefight the crisis. Finally, this Covid-19 Pandemic has affect most of the sector of Indian sectors but here this paper would try to reveal technically it's impact upon the export of Indian G & J industry.**

**Key words; Export, Gems and Jewelry, GJEPC**

## Introduction: -

The gems and jewelry industry of India contributes 7% of the Gross Domestic Product (GDP). The industry employs more than 5.0 million of skilled and semi-skilled workforce in the country. The sector contributes about 10-12% of India's total merchandise exports, accounting for the third largest commodity share. During 2021-22, the gems and jewelry exports played an instrumental role in growing India's overall exports to US\$ 419 billion with a growth of 44% from 2020-21 and 34% from 2019-20. The Government of India, along with all the stakeholders of gems and jewelry sector, is well committed towards aggressively promoting exports, identifying challenges and addressing them with necessary interventions, assisting exporters, especially SME units, and exploring new markets while consolidating existing ones. India majorly exports cut & polished diamonds, lab-grown synthetic diamonds, colored gemstones, synthetic stone, plain and studded gold jewelry, silver & platinum jewelry, imitation jewelry and articles of gold, silver and others. The Government of India has taken various measures to promote investment for growth of the sector, such as gold monetization scheme revamp, reduction in import duty of gold, reduction in import duty on cut & polished diamonds from 7% to 5% and implementing mandatory hallmarking. With strong growth prospects, the government of India has also declared the gems & jewelry sector as a focus area for export promotion. The Gems and Jewelry sector accounted for 9.6% share of India's entire exports basket during April-Dec 2021, garnering the second largest commodity share. Gems and Jewelry industry contributes about 7% of India's total GDP & employs the largest skilled and semi-skilled workforce of more than 50 lakh workers. India can emerge as the largest diamond trading hub in the world, Gems & Jewelry sector as a focus area for export promotion

## Market Size

The Government of India has recently laid out four steps to grow the gems and jewelry industry in the country. The focus is to be given to the creation of patented designs to increase value, diversification of the exported products, collaborate with other nations for cost-effective methods and promotion of lab-grown diamonds. In addition to this, the GJEPC arranges several trade shows, buyer-seller meets and expositions to increase the exposure of Indian goods.

India's exports of Gems and Jewelry shot up by a whopping 71% during the first three quarters of the current Financial Year, April-December 2021(Provisional) over the same period previous year. The sector clocked USD 28.9 Billion exports as compared to USD 16.9 Billion during same period in the year 2020. Compared to the same period before the Covid-19 pandemic struck, the Gems and Jewelry sector registered a growth of 3% over USD 28.0 Billion achieved in April-December 2019. In the month of December, 2021 alone, India exported Gems and Jewelry worth \$2.99 Billion, registering a growth of 16.38% over \$2.57 Bn in December, 2020. With \$28.9 Billion worth of Gems and Jewelry exports already achieved during the first three quarters of the current Financial Year, it has already surpassed \$26.02 Bn exports registered during the last FY (April, 2020-March, 2021) and is likely to better the previous high of \$35.89 Bn scaled during the FY (April, 2019-March, 2020). The Gems and Jewelry sector makes up 9.6% share of India's entire exports basket during the period (Apr-Dec, 2021), accounting for the third largest commodity share (Engineering first and Petroleum Products second). Top 5 export destinations in April-November 2021 (latest available, share% in bracket) are: U S A (38.7%), Hong Kong (24.6%), UAE (11.9%), Belgium (6.6%) & Israel (3.9%). Gems and Jewelry industry contributes about 7% of India's total GDP & employs the largest skilled and semi-skilled workforce of more than 50 lakh workers. More than 450 organized jewelry manufacturers, importers & exporters are based in Surat city of Gujarat, making it the jewelry manufacturing hub of the world. It may be noted that the Government has declared the Gems & Jewelry sector as a focus area for export promotion. Government has taken various measures to promote investment for growth of the sector, - Revamped Gold Monetization Scheme, Reduction in import duty of gold and mandatory hallmarking. Various schemes that are working as a catalyst for the sector are Common Production/Processing Centre, Design Centers, Testing Facilities

including Plug & Play Facilities, where assistance of 90% is being given by the Government of India. Marketing Hubs / Exhibition Centers by Associations are receiving Government of India Assistance of upto 80% of project cost.

Centre has laid out four points to make India's Gems & Jewelry a pioneer industry in the world:

1. Focus on Design (creation of patented designs) in order to increase value add of our products and make our manufacturing more profitable.
2. Diversification of export products: Emphasis on products like pearls, silver, platinum, synthetic stones, artificial diamonds, fashion jewelry, non-gold jeweler, etc.
3. Collaboration with other nations for cost-effective methods to enhance production of fusion jewelry, and
4. Promote Lab-Grown Diamond: They are environment friendly & affordable and will contribute to India's export as well as generate employment.

**Literature Review:** -Review of literature summarize the current status of research work already done. It also helps to identify the research gap in that particular area where the researcher is going to work. Further, it also helps to identify the topic which has already been studied.

1. Pinky; Her research paper presents the growth of gems and jewelry industry commodity wise and destination wise.
2. Report of SMB story., It says that coronavirus is the big factor which ruined the smooth functioning and performance of gems and jewelry industry.
3. IBEF Report April.,2022 This report says that Govt. introduced the STP scheme, which is solely export oriented specially for the development of computer software export also including the professional services.

Finally, the literature review portrayed that there are number of factors also which has an affect upon the IGJI and most of the work has been done on the causes and affect of Covid-19 Pandemic upon the Indian Gems and Jewelry industry and it has revealed a valuable information also that Global Pandemic affect upon the Software sector in various research papers, articles etc. has not been statistically proven.

**Research Gap:-** The present study reveals the following research gaps.

- Although the vast body of literature in Indian gems and jewelry industry, but technically whether this industry has been affected or not due to covid-19 pandemic has not been testified yet.
- Secondly, most of the previous studies have taken upon Indian Service Sector in which included as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction and some work has been done upon the Gems and Jewelry Industry also but no study has ever been statistically evaluated the affect of this Pandemic upon G & J industry. Even though, there is a strong belief that this Covid-19 Pandemic has harmed the Indian Gems and Jewelry but still this need to be proven statistically.

**Objectives of the Study:** -

- a) To Interpret and analyze the impact of Global Pandemic upon the Indian Gems & Jewelry export.
- b) To Interpret and evaluate the relationship statistically between the Global pandemic and the export of Indian Software service sector.
- c) To analyze the Issues and Challenges which Indian Gems and Jewelry has faced.

**Hypotheses of the Study:** -

H <sub>01</sub>	There is no significant difference in the Gems & Jewelry export between the pre and post pandemic period.
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**Research**

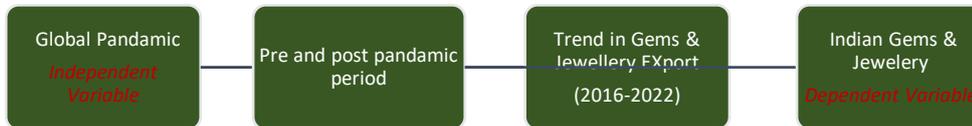
**Methodology:** - The researcher has tried to make this paper scientific and systematic the following research methodology has been adopted.

**Sample of the Study:** - The sample of the study is divided into two parts pre pandemic period(2016-2019) and post pandemic period(2019-2022). Both the samples are used for testing different hypotheses meant for observation and to measure the affect of Global Pandemic upon IGJI.

**Data Description and sources:** - The overall study is based upon the secondary data. The data is collected from official website of India brand equity foundation(IBEF) is(<https://www.ibef.org/industry/information-technology-india>) and the second one is <https://www.statista.com/topics/2256/it-industry-india/#dossierkey> figures. A part from this the data retrieve from the news paper, magazines and reports of different organization research paper theses different websites. Tenure of the study is 2016-17 to 2021-22, pre-pandemic 2016 to 2019 and post-pandemic 2020-2022.

**Tools and Techniques:** -The main focus of this paper is to measure the affect of Global pandemic upon the Indian Gems and Jewelry (IGJI). Here, In this research paper export trends in gems and jewelry has been technically testified by applying t test and using SPSS software to know the affect of global pandemic upon the gems and jewelry export in the pre and post pandemic period. Hypotheses are tested by applying t-test through SPSS software where as., if the significant value is less than 0.05 (<0.05) means test is highly significant null hypothesis is rejected and alternate hypothesis is accepted and Vice- Versa)and the complete data is divided into pre and post pandemic period. However, to achieve the specific objectives of the study some other statistical techniques has also been used. The researcher has also disclosed the various SPSS statistical tools and techniques which would be applied in this research paper.

**Research Model**



**Data Analyses and Interpretation**

**Indian Gems Jewelry export:-** Export is taken for 5 years from 2016 to 2022 . Here, the researcher has divided the data into pre-pandemic period (2016 to 2019) and post pandemic period(2019-2022) and compared statistically with the help of t-test. So if the significant value found as <0.5 than the test is significant thus null hypotheses is rejected and alternate hypothesis is accepted.

**Indian G &J export trend**

Years	US\$ (In Billion)
2016	32.63
2017	35.51
2018	32.71
2019	30.96
2020	29.07
2021	25.30
2022	23.65

Source: Gems and Jewelry export promotion council

T-test

**Paired Samples Statistics**

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 G.Pandemic	1.4286	7	.53452	.20203
Pair 1 G & J Export Trend	29.9757	7	4.25864	1.60961

**Paired Samples Correlations**

	N	Correlation	Sig.
Pair 1 G.Pandemic and Gems & Jewelry export	7	-.872	.011

**Paired Samples Test**

Paired Differences	t	df	Sig. (2-
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	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				tailed)
				Lower	Upper			
Pair 1 G.Pandemic Export	-28.54714	4.73189	1.78849	-32.92341	-24.17088	-15.962	6	.000

### Interpretation

Since the calculated value of t at 6 degree of freedom is 22.25 at 5% level of significance. Significant value is .000 which is less than the 0.05 which interprets that test is highly significant. Thus null hypothesis is rejected and alternate hypothesis is accepted which proved that there is a significant difference in the Indian gems and Jewelry export in the post pandemic period.

### Result of Hypotheses

H <sub>0</sub> 1	There is no significant difference in the Gems & Jewelry export between in the pre-pandemic and post-pandemic period.	<0.05	Rejected

### Findings

This paper has tried to analyze the affect of Global pandemic upon the Indian Gems & Jewelry Industry on the bases of export of pre and post pandemic. By applying t-test and then technically it has been find out that Indian Gems & Jewelry export has shown a significant difference and in fact the export has been badly affected due to Global pandemic.

### Conclusion

Finally, the empirical result has shown that Indian gems & jewelry industry (IGJI) has experienced significant difference but this difference is not positive and in fact the export of gems & jewelry industry has been decrease significantly and that affect was worst affect which has pull down this sector.

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