

India's Gems and Jewellery Exports to UK Poised for Significant Growth Post-FTA



India's burgeoning gems and jewellery sector is anticipating a substantial boost in exports to the United Kingdom, with industry experts projecting a doubling of trade volume following the recent signing of a Free Trade Agreement (FTA) between the two nations. This landmark agreement, which eliminates tariffs on nearly 99% of Indian goods entering the UK, is set to unlock significant opportunities for Indian artisans and manufacturers.

Currently, India's total gems and jewellery exports to the UK stand at approximately \$941 million annually, with finished jewellery accounting for a significant portion of that figure. The UK, meanwhile, imports around \$3 billion worth of jewellery each year, presenting a considerable market for Indian products. Prior to the FTA, Indian gems and jewellery faced import duties of up to 4% in the UK. With these duties now set to be removed, Indian exports are projected to reach \$2.5 billion within the next two to three years, effectively doubling current figures.

Kirit Bhansali, Chairman of the Gem & Jewellery Export Promotion Council (GJEPC), expressed strong optimism regarding the deal. "With the duty concessions in place, the figure of USD 941 million is poised to surge to USD 2.5 billion within the next 3 years, elevating overall bilateral trade in our sector to an estimated USD 7 billion," he stated.

The FTA provides India with a distinct competitive advantage over other exporting nations like China and Thailand, which may still face import duties on their finished jewellery products

entering the UK. This preferential access is expected to enhance India's price competitiveness and market share. Alkesh Shah, vice chairman of Goldstar Jewellery, predicted a notable increase in sales, especially for the upcoming Christmas season, highlighting increased inquiries and new orders from UK clients.

Beyond the immediate economic benefits, the agreement is also expected to safeguard and boost employment within India's labor-intensive gems and jewellery sector, which employs over 5 million people. From designers in metropolitan centers to skilled artisans in key hubs like Surat (for diamond cutting and polishing) and Jaipur (for gemstones and traditional jewellery), the increased demand from the UK market is anticipated to create new jobs and provide greater stability.

The India-UK FTA represents a strategic move to foster deeper economic ties, promoting not only trade but also investment and collaboration between the two countries. For the gems and jewellery industry, it marks a pivotal moment, paving the way for expanded market reach and solidifying India's position as a global leader in this specialized sector.