सत्यमेव जयते

Government of India

Ministry of Commerce and Industry

Directorate General of Commercial Intelligence and Statistics

DIRECTORATE GENERAL OF COMMERCIAL INTELLIGENCE & STATISTICS

A Brief Export-Import Analysis of HS Chapter-71 (Pearls, precious stones, metals, coins, etc.)

DGCI&S, Ministry of Commerce & Industry, Kolkata

Commercial Intelligence (CI) Division

ABSTRACT

This report delivers an analytical evaluation of India’s foreign trade performance under ITC HS Chapter 71 (Pearls, precious stones, metals, coins etc). The analysis tracks commodity values, and trade concentration across primary 2-digit, 4-digit, and 8-digit tariff lines, key international trading partner nations, and major domestic port ecosystemsthe analytical scope focuses primarily on three core Harmonized System (HS) headings across India’s export and import channels:

- **Export Trade Profile:**
    - **HS 7102 (Diamonds, not mounted or set):** Evaluation of rough, unworked, and cut/polished non-industrial diamonds, representing a cornerstone of India’s processing and re-export economy.
    - **HS 7113 (Jewellery and parts thereof, of precious metal):** Analysis of value-added gold, silver, and platinum jewellery, highlighting India’s downstream manufacturing capabilities and global market penetration.

- **Import Trade Profile:**
    - **HS 7102 (Diamonds, not mounted or set):** Assessment of raw diamond inflows required to feed domestic cutting, polishing, and processing hubs.
    - **HS 7108 (Gold, unwrought, semi-manufactured, or powder form):** Detailed tracking of primary gold imports essential for industrial use, investment, and domestic jewellery manufacturing.
    - In addition to primary focus areas, the report incorporates classification benchmarks for **HS 7106 (Silver in unwrought or semi-manufactured forms)** and related precious metal articles

The present report aims to analyze trends in the Export and Import of Pearls, Precious stones, metals, coins etc, for the period of FY 2023-24, 2024-25 and 2025-26.

Note 1:- All monetary values in this report are expressed in BUSD (Billion US Dollar), unless otherwise specified.

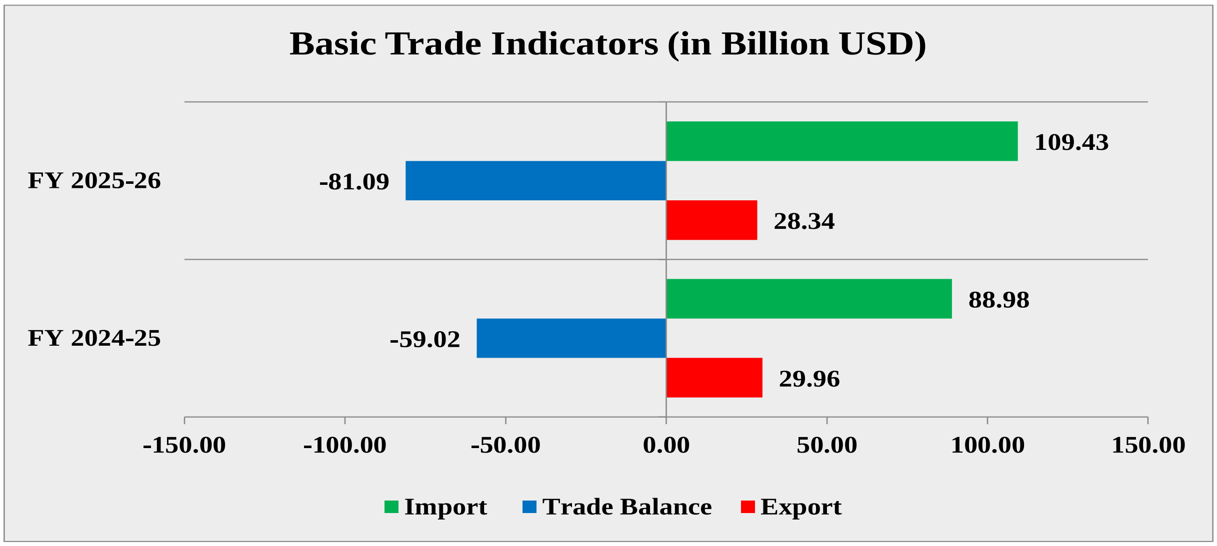
India's Trade Balance Scenario of ITC HS Code 71 (Chapter 71) in Financial Year 2025-26

Table A: Merchandise EXIM Values during FY2025-26 vis-à-vis FY 2024-25:

Basic Trade Indicators			
	FY 2024-25	FY 2025-26	YoY % Change
Export	29.96	28.34	-5.39%
Import	88.98	109.43	22.99%
Trade Balance	-59.02	-81.09	37.39%

Source: DGCI&S, Kolkata

Figure A:



As observed in Table A, on a YoY basis, export values experienced a slight contraction of 5.39%, whereas import payments registered a robust expansion of 22.99% relative to FY 2025-26. Driven by this structural imbalance, the merchandise trade deficit broadened by 37.39% over the previous Financial Year. The rapid escalation in the deficit was primarily propelled by double-digit demand for imported commodities, which significantly outstripped outbound merchandise earnings and served as the chief catalyst for the overall trade gap expansion.

Export Scenario

ITC HS Code 71 (Chapter 71), which covers natural or cultured pearls, precious and semi-precious stones, precious metals, jewellery, coins, and related articles, remained one of India's major export categories during FY 2025–26. It includes major export products such as diamonds, gold jewellery, silver jewellery, platinum, gemstones, and related articles.

HS Code	Commodity Description	Total Expor Value (in Bilion USD)	Share % in Total Export in FY 2025-26
71	Pearls, precious stones, metals, coins, etc	28.34	6.42
	Total Export in FY 2025-26	**441.75**	**100%**

During FY 2025-26, Among all 2-Digit HS Code, this HS Code ranked as the fourth-largest export category. This category accounted for 6.42% of India's total merchandise exports, which stood at USD 441.75 billion. The strong export performance of Chapter 71 reflects India's established position as a global hub for the gems and jewellery industry. The country possesses a competitive advantage in diamond cutting and polishing, gemstone processing, and jewellery manufacturing, supported by a highly skilled workforce, modern manufacturing facilities, and a well-developed export ecosystem. Demand from key international markets, particularly the United States, the United Arab Emirates, Hong Kong, Belgium, and Europe, continues to drive exports under this chapter.

Key Reasons for Export

- **Global Leadership in Diamond Processing (Cutting and Polishing):** India is the world's largest center for cutting and polishing rough diamonds. A vast majority of the world's rough diamonds are imported, processed by skilled artisans in hubs like Surat, and then re-exported as cut and polished diamonds.

- **Abundant Skilled and Cost-Competitive Labor:** India possesses a massive, highly skilled, and traditional workforce specializing in intricate handcrafting, designing, and gem-cutting at a competitive labor cost, making Indian jewelry highly sought after globally.

- **Strong Government Policy Support & Incentives:** Schemes such as Duty Drawback, the Remission of Duties and Taxes on Exported Products (RoDTEP), and favorable provisions for Special Economic Zones (SEZs) and Export Oriented Units (EOUs) significantly reduce production and compliance costs, preserving international price competitiveness.

- **Established Global Supply Chain & Market Integration:** India has deep-rooted trade linkages with major consumer markets like the United States, UAE, Hong Kong, and Europe, serving as a reliable one-stop global sourcing hub for finished gold and diamond jewellery.

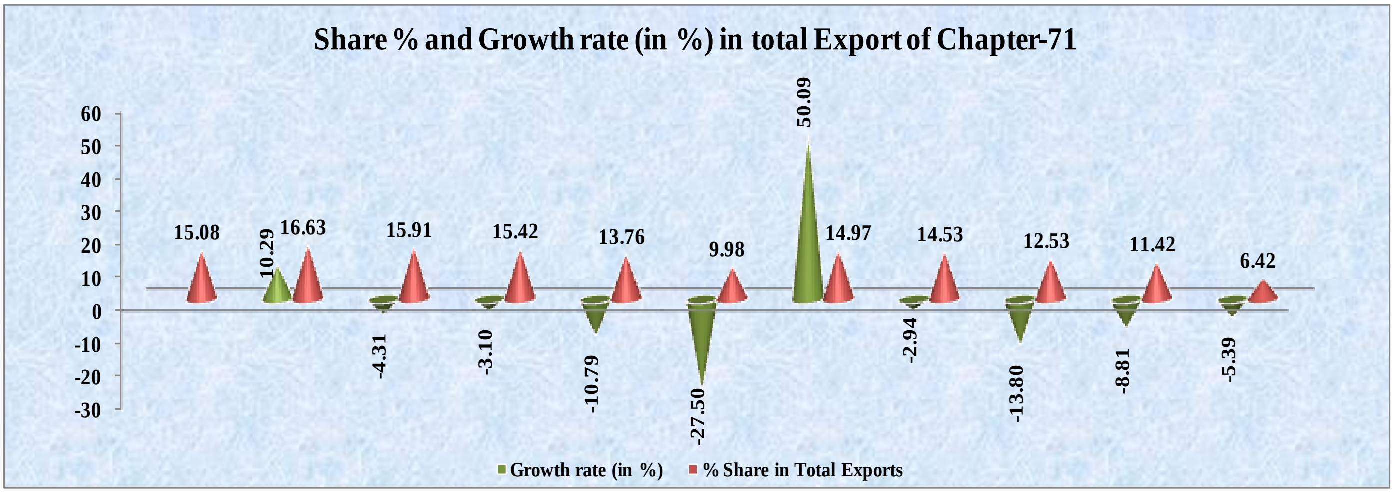
- **Value Addition Capabilities:** The sector transforms low-value raw materials (such as rough stones and unwrought precious metals) into high-value finished ornaments and polished gems, earning substantial foreign exchange for the country.

I: Export trend of HS-71 (Pearls, precious stones, metals, coins, etc) during FY 2015-16 to FY 2025-26.

Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Export Value in Billion USD	39.55	43.62	41.74	40.45	36.09	26.16	39.27	38.11	32.85	29.96	28.34
Growth rate (in %)		↑ 10.29	↓ -4.31	↓ -3.10	↓ -10.79	↓ -27.50	↑ 50.09	↓ -2.94	↓ -13.80	↓ -8.81	↓ -5.39
% Share in Total Exports	15.08	16.63	15.91	15.42	13.76	9.98	14.97	14.53	12.53	11.42	6.42

Source:- DGCI&S, Kolkata

Figure I : Year wise growth for Export of HSN-71



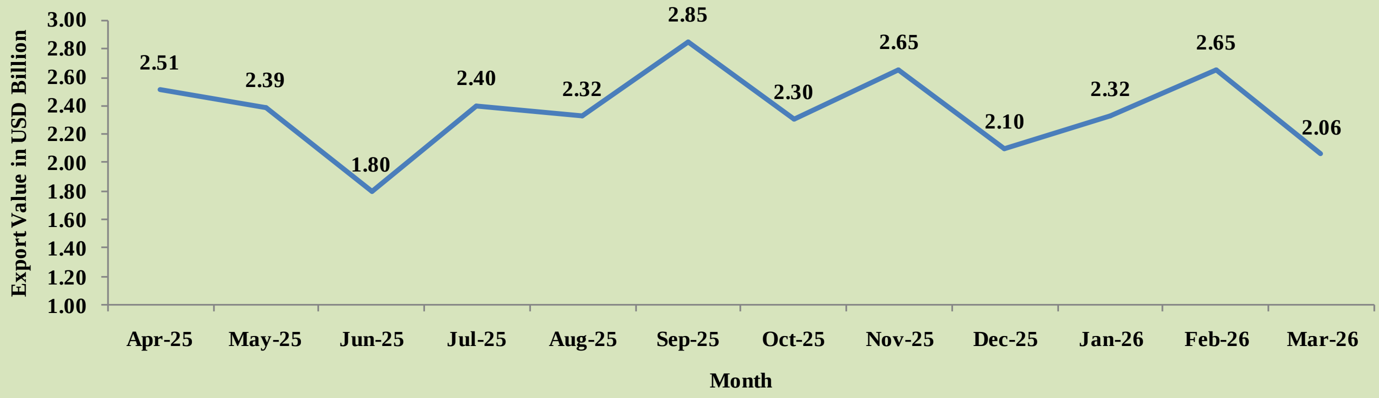
➢ The table presents the export performance of Chapter-71 from the FY 2015-16 to FY 2025-26, highlighting export value (in Billion USD), annual growth and percentage share in India's exports.

- The export value of chapter-71 exhibited considerable fluctuations over the study period. In FY 2015-16, exports were valued at 39.55 Billion USD, accounting for 15.08% of India's total exports. Exports increased significantly to 43.62 Billion USD in FY 2016-17, registering a positive growth rate of 10.29%, while the share in total exports also improved to 16.63%, the highest during the period.
- However the export performance weakened in the following years. The downward trend continued to FY 2020-21, registering a sluggish growth rate of 27.50%. Consequently, the sector's share in total exports dropped to 9.98%, the lowest up to that point.
- A strong recovery was observed in FY 2021-22, when exports rebounded to USD 39.27 billion, recorded an impressive growth rate nearly 50%. The percentage share in total exports also recovered 14.97%, indicating a substantial revival in export performance.
- Despite the recovery, exports resumed their declining trend in the subsequent years. Exports values decreased to 28.34 Billion USD in FY 2025-26 with negative growth rate of 5.39%. Percentage share of India's exports was also gradually declined from 14.53% in FY 2022-23 to 6.42% in FY 2025-26.
- Overall the analysis indicates that the export performance of Chapter-71 was highly volatile during the study period.

- Exports in **HS Chapter-71** (Pearls, Precious/Semi-Precious Stones, and Jewellery) surged by nearly 50% in **FY 2021-22** to record highs, largely due to post-COVID "revenge spending" supply chain shifts, and massive government export drives.

❖ Overview of Chapter-71 Export Performance in FY 2025–26

Figure 1(a): Monthly Export performance of Chapter-71 in FY 2025-26



➢ The export performance of Chapter 71(Gems, Jewellery, and Precious Metals) from India throughout the financial year 2025–26 was characterized by significant month-to-month volatility, shifting global trade policies, and a structural pivot toward market diversification.

Key Trend Analysis

- **Quarterly Volatility and Rebound**: The financial year began with strong momentum in April, followed by sharp contractions through the late first quarter (May and June) due to shifting trade policies and initial hesitation in western markets. However, the sector mounted a strong recovery heading into the second and third quarters, driven by festive stocking and robust global demand for gold and silver artefacts. (Source:- GJEPC report)
- **Impact of Global Factors & Tariffs:** Export momentum to traditional primary corridors, notably the United States, faced headwinds from evolving tariff structures and geopolitical uncertainties. This prompted a structural shift in destination mapping. (Source:- Jewellery Outlook)
- **Successful Market Diversification:** To offset softening demand in North America, Indian exporters successfully expanded footprints into alternative growth corridors, reporting healthy demand increases from the UAE, Hong Kong, Australia, and Canada.
- **Commodity Shift and Precious Alternatives:** High international bullion prices altered consumer preferences. While cut and polished diamond (CPD) segments faced cautious buying, high surges were witnessed in silver jewellery, platinum pieces, and lab-grown diamond (LGD) segments, helping cushion the overall trade value. (Source:- GJEPC report)

II: Export performance of HS Code-7113 (Jewellery and Parts thereof, containing precious metal) and HS Code-7102 (Diamonds, not mounted or set) at HS-4 Digit level

4-Digit HS Code	Commodity Description	Total Export Value (in Billion USD) in FY 2024-25	Total Export Value (in Billion USD) in FY 2025-26	% Share in Total Export of Chapter-71 in FY 2025-26	YoY (%) Growth (FY 2025-26 vis-à-vis FY 2024-25)
7113	Jewellery and parts, containing precious metal	12.56	13.28	46.84	↑ 5.71
7102	Diamonds, not mounted or set	13.76	12.44	43.90	↓ -9.56

Source:- DGCI&S, Kolkata

- The export performance of the major 4-digit HS codes under Chapter 71 (Pearls, Precious Stones, Precious Metals, Jewellery, etc.) indicates that exports are primarily concentrated in two product groups: HS Code 7113 (Jewellery and parts thereof, of precious metal or of metal clad with precious metal) and HS Code 7102 (Diamonds, whether or not worked, but not mounted or set). Together, these two product categories accounted for the entire exports under Chapter 71 during FY 2025–26.
  - HS Code 7113 emerged as the largest export item within Chapter 71. Export value increased from USD 12.56 billion in FY 2024–25 to USD 13.28 billion in FY 2025–26, registering a year-on-year (YoY) growth of 5.71%. This category contributed 46.84% of the total exports under Chapter-71 in FY 2025–26, reflecting sustained global demand for Indian jewellery and the country's strong manufacturing capabilities in value-added precious metal products.
- In contrast, HS Code 7102 (Diamonds, not mounted or set) recorded a decline in exports during the period under review. Export value decreased from USD 13.76 billion in FY 2024–25 to USD 12.44 billion in FY 2025–26, representing a negative YoY growth of 9.56%. Despite the decline, diamonds remained the second-largest export category within Chapter 71, accounting for 43.90% of the chapter's total exports in FY 2025–26.
- Overall, the analysis suggests that Chapter 71 exports are increasingly driven by value-added jewellery products rather than rough or unset diamonds. The positive performance of HS Code 7113 partially offset the decline in diamond exports, helping Chapter 71 maintain its position as one of India's leading merchandise export sectors during FY 2025–26.

III: Top 3 HSN Eight Digit Level Commodities of 7113 (Jewellery and Parts thereof, containing precious metals) Exported during FY 2022-23 to FY 2025-26.

8 Digit HS Code	Commodity Description	Total Export Value (in Billion USD) During FY 2025-26	Share % in Total Export in FY 2025-26
71131911	Of gold, Unstudded	4.70	35.37
71131913	Of gold, Studded with diamonds of heading 7102	3.26	24.55
71131914	Of gold, Studded with diamonds of heading 7104	1.44	10.83
Others		3.88	29.25
Total		**13.28**	**100.00**

Source:- DGCI&S, Kolkata

- During FY 2025–26, exports of HS Code 7113 (Jewellery and parts, containing precious metal) were primarily driven by "Of gold, unstudded" (HS Code: 71131911), which recorded exports worth USD 4.70 billion and accounted for 35.37% Share of the total exports under the category. The second-largest export item was "Of gold, studded with diamonds of heading 7102" (HS Code: 71131913), with exports valued at USD 3.26 billion, contributing 24.55% of the total."Of gold, studded with diamonds of heading 7104" (HS Code: 71131914) ranked third, with exports amounting to USD 1.44 billion, representing 10.83% of the total export value. The remaining product categories, grouped under "Others", contributed USD 3.88 billion, accounting for 29.25% of total exports.
  - Overall, exports of HS Code 7113 amounted to USD 13.28 billion during FY 2025–26, with the three leading 8-digit HS codes collectively accounting for 70.75% of the total export value.

IV: Top 3 HSN Eight Digit Level Commodities of 7102(Diamonds not mounted or set exported during FY 2023-24 to FY 2025-26.

8 Digit HS Code	Commodity Description	Total Export Value (in Billion USD) During FY 2025-26	Share % in Total Export in FY 2025-26
71023910	Diamond, Cut or otherwise worked but not mounted or set	12.11	97.34
71023100	Non-Industrial Diamonds Unworked/Simply Cleaved or Bruted	0.33	2.61
Others		0.01	0.05
Total		**12.44**	**100.00**

Source:- DGCI&S, Kolkata

- During FY 2025–26, India's exports under HS Code 7102 (Diamonds, not mounted or set) were overwhelmingly dominated by "Diamond, cut or otherwise worked but not mounted or set" (HS Code: 71023910). This category recorded exports valued at USD 12.11 billion, accounting for 97.34% of the total exports under HS Code 7102.The second-largest export item, "Non-Industrial Diamonds Unworked/Simply Cleaved or Bruted" (HS Code: 71023100), contributed USD 0.33 billion, representing 2.61% of the total exports. The remaining product categories, grouped under "Others", accounted for a negligible USD 0.01 billion, with a share of 0.05%.
  - Overall, exports of HS Code 7102 amounted to USD 12.44 billion during FY 2025–26, with HS Code 71023910 alone contributing over 97% of the total export value, indicating a highly concentrated export basket.

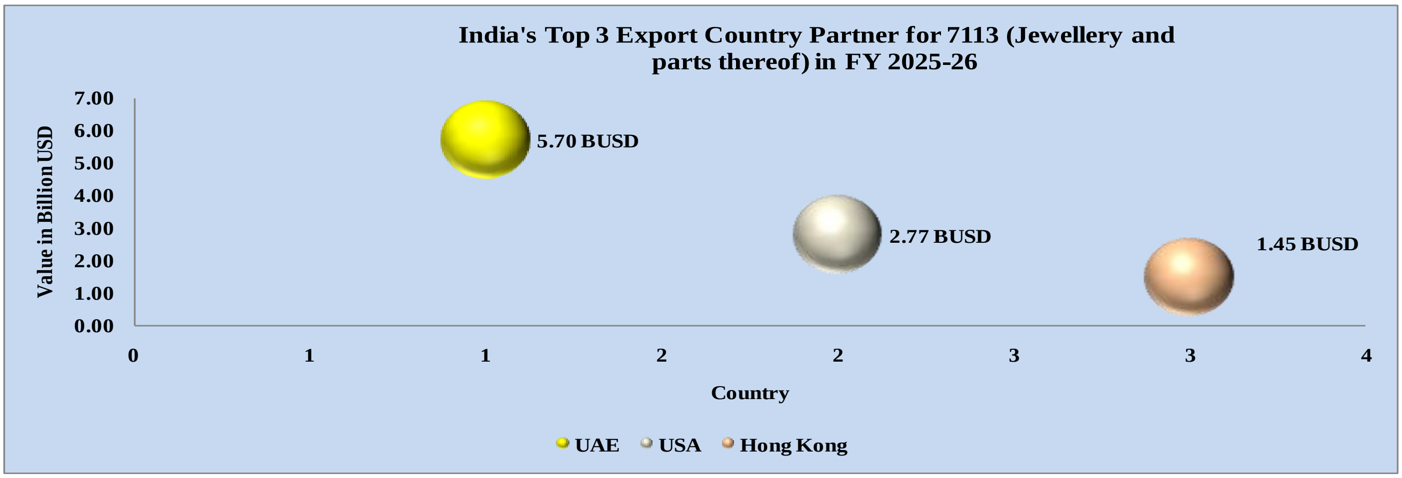
V: Direction of Trade (Export) of HS-7113

7113 (Jwellery and parts, containing precious metal)				
Financial Year	**Total Export Value in Billion USD**	**Top 3 Export Country Partner**		
		1st	**2nd**	**3rd**
2023-24	13.24	UAE (42.72%)	USA (24.70%)	Hong Kong (14.23%)
2024-25	12.56	UAE (43.64%)	USA (28.32%)	Hong Kong (6.93%)
2025-26	13.28	UAE (42.94%)	USA (20.84%)	Hong Kong (10.95%)

Source:- DGCI&S, Kolkata

- India's exports of Jewellery and parts, containing precious metal (HS Code: 7113) remained relatively stable during the three financial years under review. Export value declined marginally from USD 13.24 billion in FY 2023–24 to USD 12.56 billion in FY 2024–25, before recovering to USD 13.28 billion in FY 2025–26, slightly surpassing the FY 2023–24 level.
  - The United Arab Emirates (UAE) consistently remained India's largest export destination throughout the period, accounting for 42.72%, 43.64%, and 42.94% of total exports in FY 2023–24, FY 2024–25, and FY 2025–26, respectively. The USA retained the second position during all three years, with its share increasing to 28.32% in FY 2024–25 before declining to 20.84% in FY 2025–26. Hong Kong remained the third-largest export partner, with its share falling from 14.23% in FY 2023–24 to 6.93% in FY 2024–25, followed by a recovery to 10.95% in FY 2025–26.
  - Overall, while the export value remained broadly stable over the period, the UAE continued to dominate as the principal export market, followed by the USA and Hong Kong.

Figure II: Top 3 Country for Export of 7113(Jewellery and parts thereof, containing Precious metals) in FY 2025-26



- The bubble chart presents India's top three export destinations for HS Code 7113 (Jewellery and Parts Thereof) in FY 2025–26. United Arab Emirates (UAE) was the largest export partner, with jewellery exports valued at USD 5.70 billion, making it the dominant market. USA ranked second, importing jewellery worth USD 2.77billion, while Hong Kong secured the third position with exports amounting to USD 1.45 billion.

VI: Direction of Trade (Export) of HS-7102

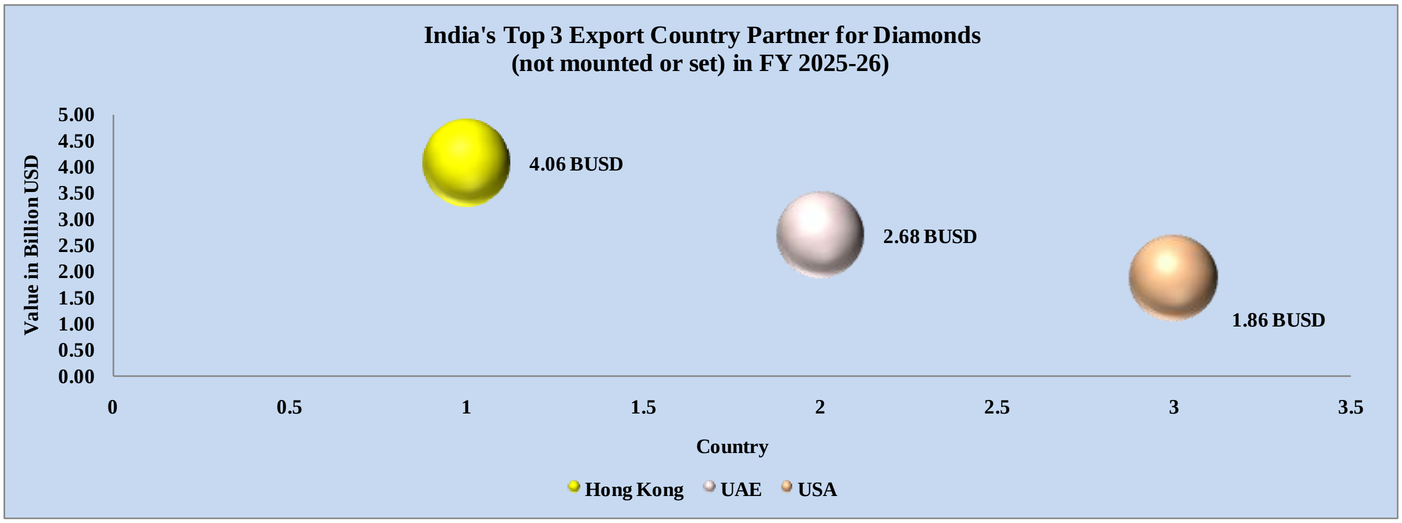
7102 (Diamonds, not mounted or set)				
Financial Year	Total Export Value in Billion USD	Top 3 Export Country Partner		
		1st	2nd	3rd
2023-24	16.85	USA (33.25%)	Hong Kong (25.9%)	UAE (12.27%)
2024-25	13.76	USA (35.61%)	Hong Kong (23.99%)	UAE (13.35%)
2025-26	12.44	Hong Kong (32.67%)	UAE (21.54%)	USA (14.92%)

Source:- DGCI&S, Kolkata

➢ India's exports of Diamonds, not mounted or set (HS Code: 7102) exhibited a declining trend over the three financial years under review. Export value decreased from USD 16.85 billion in FY 2023–24 to USD 13.76 billion in FY 2024–25, and further declined to USD 12.44 billion in FY 2025–26.

- The USA remained the largest export destination during FY 2023–24 and FY 2024–25, accounting for 33.25% and 35.61% of India's total exports, respectively. Hong Kong ranked second during these years with shares of 25.90% and 23.99%, while the United Arab Emirates (UAE) held the third position with 12.27% and 13.35%, respectively.
- A notable shift in export destinations was observed in FY 2025–26, with Hong Kong emerging as the leading export partner, accounting for 32.67% of total exports. The UAE moved up to the second position with a 21.54% share, while the USA dropped to third place with a 14.92% share. This indicates a change in the geographical distribution of India's diamond exports despite the overall decline in export value.

Figure III: Top 3 Country for Export of 7102 in FY 2025-26



➢ The bubble chart highlights India's top three export destinations for non-mounted or unset diamonds in FY 2025–26. Hong Kong emerged as the leading export partner, with exports valued at USD 4.06 billion, accounting for the largest share in FY 2025-26. United Arab Emirates (UAE) ranked second, receiving diamond exports worth USD 2.68 billion, while United States (USA) stood third with exports valued at USD 1.86 billion.

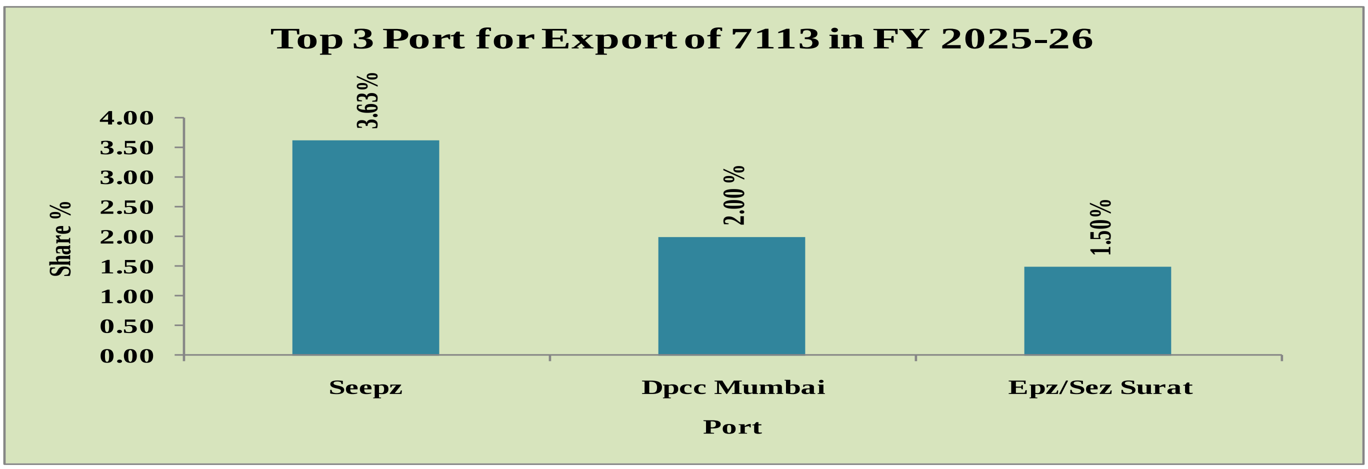
VII: Top Ports for Export of 7113 (Jewellery and parts, containing precious metals)

Top 3 Port for Export of 7113 (Jewellery and parts, containing precious metals)			
Financial Year	Top 3 Port		
	1st	2nd	3rd
2023-24	Seepz (3.18 BUSD)	Delhi Air (2.12 BUSD)	Dpcc Mumbai (1.81 BUSD)
2024-25	Seepz (3.46 BUSD)	Dpcc Mumbai (1.98 BUSD)	Kolkata Air (1.15 BUSD)
2025-26	Seepz (3.63 BUSD)	Dpcc Mumbai (2 BUSD)	Epz/Sez Surat (1.5 BUSD)

Source:-DGCI&S, Kolkata

- The Special Economic Zone, Mumbai (SEEPZ) remained the leading port for exports of HS Code 7113 (Jewellery and parts, containing precious metals) throughout the three financial years. Export value through SEEPZ increased steadily from USD 3.18 billion in FY 2023–24 to USD 3.46 billion in FY 2024–25, and further to USD 3.63 billion in FY 2025–26, indicating its continued prominence as the principal export hub for jewellery. The second-largest export port shifted from Delhi Air in FY 2023–24 (USD 2.12 billion) to DPCC Mumbai in FY 2024–25 (USD 1.98 billion), which retained its position in FY 2025–26 with exports of USD 2.00 billion. The third-largest export port changed over the period, with DPCC Mumbai ranking third in FY 2023–24 (USD 1.81 billion), Kolkata Air occupying the position in FY 2024–25 (USD 1.15 billion), and EPZ/SEZ Surat emerging as the third-largest export port in FY 2025–26 with exports valued at USD 1.50 billion.
  - Overall, SEEPZ consistently dominated exports of jewellery and parts containing precious metals, while the rankings of the second and third largest export ports witnessed changes across the three financial years.

Figure IV: Top 3 leading Port for Export of 7113 in FY 2025-26



- The Column chart presents India's top three export ports for HS Code 7113 (Jewellery and Parts Thereof) in FY 2025–26. SEEPZ emerged as the leading export port, accounting for 3.63% of total exports, reflecting its pivotal role in India's jewellery export sector. DPCC Mumbai ranked second with a 2.00% share, while EPZ/SEZ Surat secured the third position with 1.50%. The distribution indicates that SEEPZ remains the principal gateway for jewellery exports, with Mumbai and Surat also serving as important export hubs for the industry.

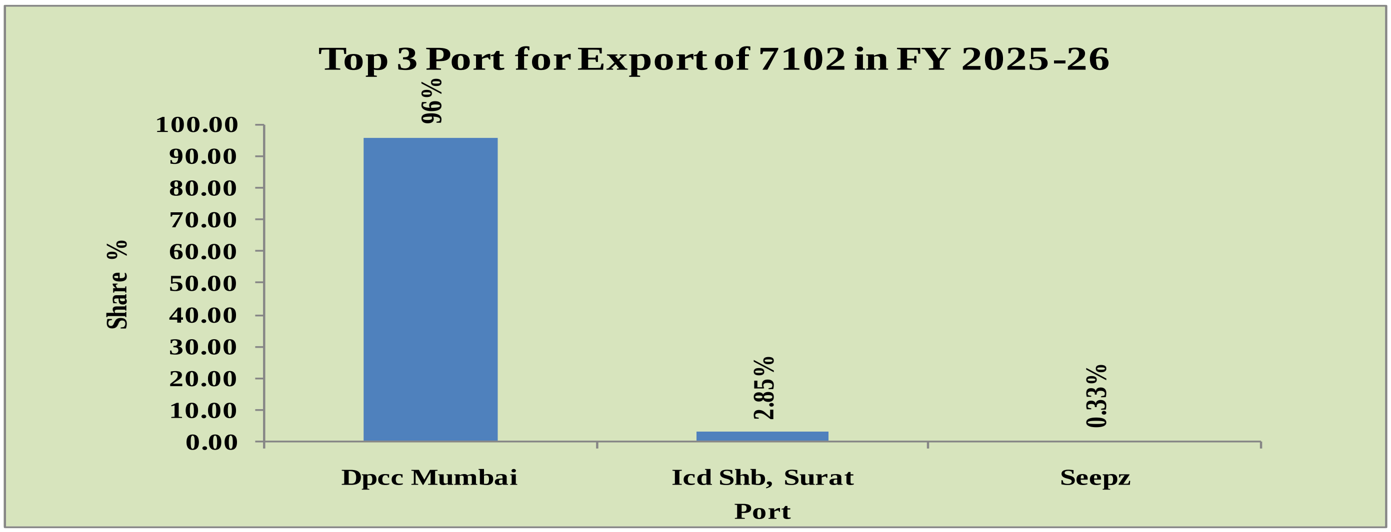
VIII: Top Ports for Export of 7102 (Diamonds not mounted or sets)

Top 3 Port for Export of 7102 (Diamonds, not mounted or set)			
Financial Year	Top 3 Port		
	1st	2nd	3rd
2023-24	Dpcc Mumbai (15.96 BUSD)	Icd Shb, Surat (0.62 BUSD)	Seepz (0.17 BUSD)
2024-25	Dpcc Mumbai (13.09 BUSD)	Icd Shb, Surat (0.41 BUSD)	Seepz (0.17 BUSD)
2025-26	Dpcc Mumbai (11.95 BUSD)	Icd Shb, Surat (0.35 BUSD)	Seepz (0.04 BUSD)

Source:-DGCI&S, Kolkata

- DPCC Mumbai remained the leading export port for HS Code 7102 (Diamonds, not mounted or set) throughout the three financial years under review. However, the value of exports through the port declined consistently from USD 15.96 Billion in FY 2023–24 to USD 13.09 billion in FY 2024–25, and further to USD 11.95 Billion in FY 2025–26, reflecting the overall slowdown in diamond exports.ICD SHB, Surat consistently ranked as the second-largest export port, with exports decreasing from USD 0.62 Billion in FY 2023–24 to USD 0.41 Billion in FY 2024–25, and further to USD 0.35 Billion in FY 2025–26. SEEPZ retained the third position during the entire period. Exports through the port declined sharply from USD 0.17 Billion in FY 2023–24 to USD 0.17 Billion in FY 2024–25, and further to USD 0.04 Billion in FY 2025–26.
    - Overall, DPCC Mumbai continued to dominate exports of diamonds (not mounted or set), while all three major export ports recorded a persistent decline in export value over the three financial years.

Figure V: Top 3 leading Port for Export of 7102 in FY 2025-26



- The column chart illustrates the top three Indian ports for the export of HS Code 7102 (Diamonds) during FY 2025–26. DPECC Mumbai overwhelmingly dominated diamond exports, accounting for 96% of the total export share, highlighting its pivotal role as the country's principal export gateway for diamonds. In comparison, ICD Surat (SHB) contributed a modest 2.85%, while SEEPZ accounted for only 0.33%. The distribution indicates a highly concentrated export pattern, with the vast majority of India's diamond exports routed through DPECC Mumbai, whereas the other two ports played only a marginal role.

IX: State wise export Scenario of 7113 and 7102 in FY 2025-26

4-Digit HS Code	Description	Top Exporting State in FY 2025-26
7113	Jewellery and parts, containing precious metal	Maharashtra (With 5.44 Billion USD Export Value)
7102	Diamonds, not mounted or set	Maharashtra (With 7.11 Billion USD Export Value)

Source:-DGCI&S, Kolkata

- In FY 2025–26, Maharashtra emerged as the leading exporting state for both major gem and jewellery product categories. Exports of Jewellery and parts, containing precious metal (HS Code: 7113) from the state were valued at USD 5.44 billion, while exports of Diamonds, not mounted or set (HS Code: 7102) stood at USD 7.11 billion. This highlights Maharashtra's dominant role in India's exports of gems and jewellery products.

X: Top 5 Leading Districts in Export Segment during FY 2025-26

District	State	Export Value (FY 2025-26) (In Billion USD)	Share% in Total Exports (FY 2025-26)
Mumbai Suburban	Maharashtra	10.75	37.92
Surat	Gujarat	7.66	27.01
Mumbai	Maharashtra	2.21	7.79
Jaipur	Rajasthan	1.92	6.76
Kolkata	West Bengal	1.41	4.96
All other districts		4.41	15.56
Total		**28.34**	**100.00**

Source:- DGCI&S, Kolkata

- In FY 2025–26, India's exports were highly concentrated in a few districts. Mumbai Suburban (Maharashtra) emerged as the largest exporting district, recording exports worth USD 10.75 billion, accounting for 37.92% of the country's total exports. Surat (Gujarat) ranked second with exports valued at USD 7.66 billion, contributing 27.01% to the total export. Among the other major exporting districts, Mumbai (Maharashtra) exported goods worth USD 2.21 billion (7.79%), followed by Jaipur (Rajasthan) with USD 1.92 billion (6.76%) and Kolkata (West Bengal) with USD 1.41 billion (4.96%). Collectively, these five districts accounted for approximately 84.44% of the total export value, highlighting their dominant role in India's exports. The remaining 15.56% of exports, valued at USD 4.41 billion, originated from all other districts.
    - Overall, India's total exports stood at USD 28.34 billion in FY 2025–26.

IMPORT SCENARIO

ITC-HS Code 71 (Pearls, Precious Stones, Precious Metals, Coins, etc.) firmly established its position as India's second-largest import commodity during the FY 2025–26, positioned immediately behind crude petroleum.

Demonstrating strong domestic and industrial demand, Chapter 71 commanded a substantial 14.10% share of India's total merchandise import basket for the financial year. This massive share underscores the unique dual nature of the commodity within the Indian economy—operating simultaneously as a traditional store of value, a major engine for export processing, and a vital industrial input.

HS CODE (2 –Digit)	COMMODITY DESCRIPTION	Value *(US$ Billion)* in FY 2025-26	Share % in Total Import in FY 2025-26
71	Pearls, Precious Stones, Metals, Coins, Etc.	109.43	14.10%
Total Import During FY 2025-26		**776.01**	**100%**

Source : DGCI&S, kolkata

The absolute import value under Chapter 71 reached an unprecedented $109.43 billion in FY 2025–26. This reflects a sharp, atypical expansion of 22.99% compared to the previous financial year's value.

A growth rate of this magnitude for a multi-billion-dollar macro-commodity indicates a profound structural shift rather than standard incremental demand. It marks a swift transition toward formalized, high-volume official banking channels, catalyzed by deliberate financial intervention.

India imports Chapter 71 commodities (precious metals, pearls, and jewelry) to sustain its massive gem and jewellery export industry, meet immense domestic consumer demand, and secure industrial materials for the solar and electronics sectors. However, the government heavily regulates these imports to protect foreign reserves and prevent trade agreement misuse.

During the FY 2025–26, official trade data recorded an unprecedented, sudden growth in the import value and volume under this chapter. This surge is not indicative of a structural imbalance, but rather a direct response to recent financial interventions, trade pact optimization, and shifting supply chain dynamics.

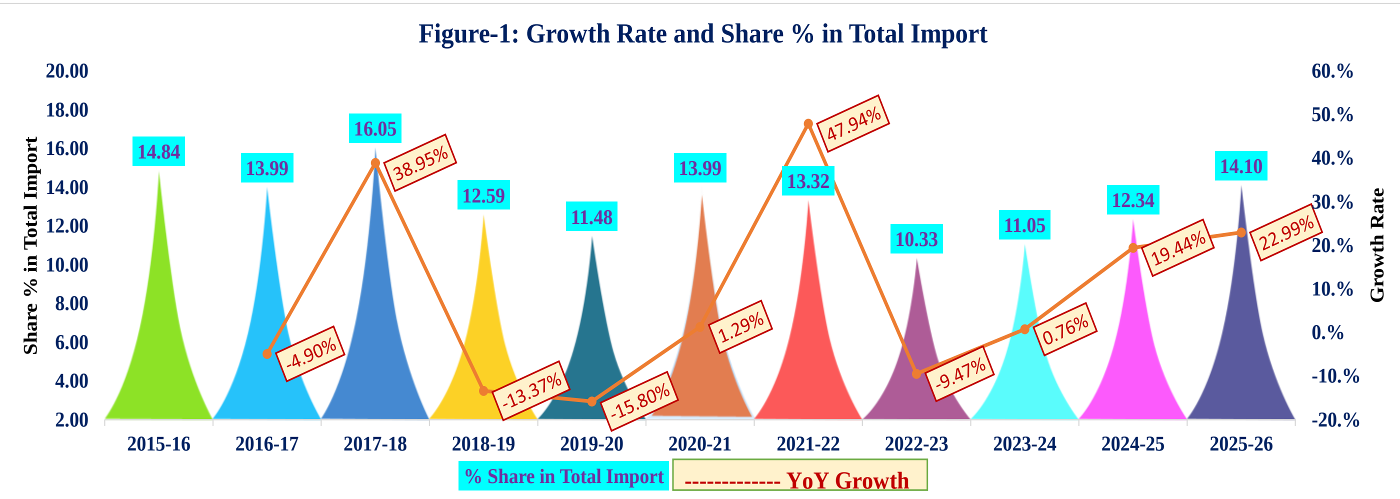
Key Reasons for Import

- **Domestic Consumption:** India remains one of the world's largest consumers of gold and silver for cultural, investment, and jewellery purposes. A heavy concentration of auspicious wedding dates and festive windows throughout late 2025 and early 2026 drove jewelers across organized retail networks to aggressively build up inventory to satisfy this persistent consumer demand.
- **Export Processing:** The domestic gem and jewellery export industry relies entirely on upstream imports. Indian jewelers import raw precious metals and cut diamonds to process, manufacture, and re-export as finished, value-added jewelry, feeding major international consumption hubs.
- **Industrial Inputs:** Aligning with national manufacturing targets, the electronics, engineering, and solar industries rely heavily on imports of semi-manufactured silver (including silver paste, sheets, and wires) as essential raw materials for production.

I. Import trend of HS-71 (Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; and coins) during FY 2015-16 to FY 2025-26:

Financial Year	Import value in (US$ Billion)	% Share in Total Import	Growth Rate
2015-16	56.54	14.84%	0.00%
2016-17	53.77	13.99%	-4.90%
2017-18	74.71	16.05%	38.95%
2018-19	64.72	12.59%	-13.37%
2019-20	54.49	11.48%	-15.80%
2020-21	55.20	13.99%	1.29%
2021-22	81.66	13.32%	47.94%
2022-23	73.93	10.33%	-9.47%
2023-24	74.49	11.05%	0.76%
2024-25	88.98	12.34%	19.44%
2025-26	109.43	14.10%	22.99%

Source : DGCI&S, kolkata

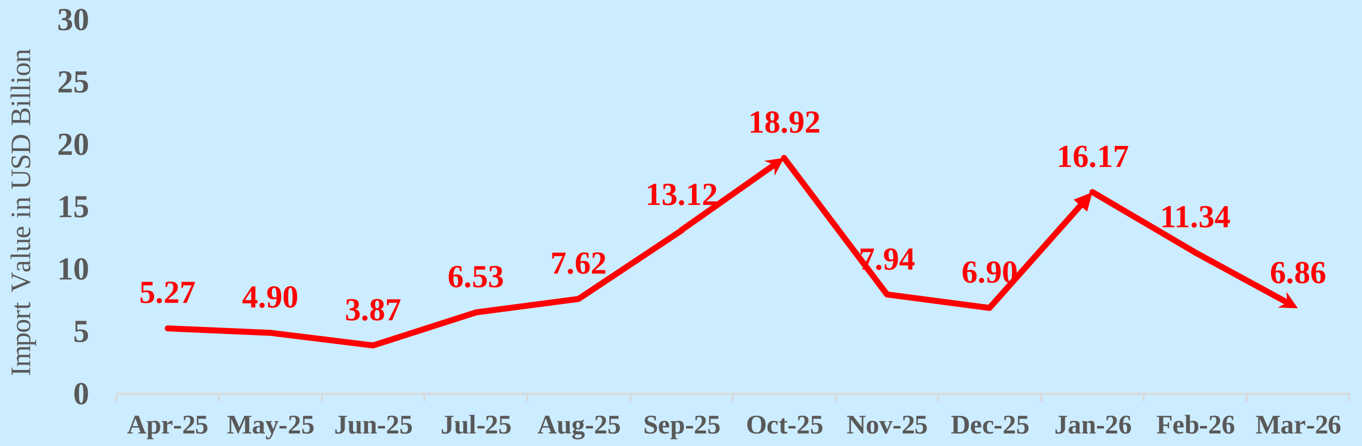


- The above chart describes the import trends of HS-71 (Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; and coins) over the last decade, highlighting significant volatility and the impact of evolving trade policies.
- The financial year 2025-26 saw a peak in imports, reaching $109.43Billion. This was driven by a robust recovery in domestic demand and perhaps a rush to import before the implementation of the stricter "Restricted" policies introduced in late 2024 and early 2025.
- The highest year-on-year growth of 47.94% occurred in 2021-22. This was a "rebound year" following the COVID-19 pandemic, where pent-up demand for gold and wedding-related jewellery, combined with rising global precious metal prices, led to an import bill of over $109.43 Million.
- Despite the fluctuating dollar values, Chapter 71 (Pearls, Precious Stones, Metals, and Coins) remains a pillar of India's trade profile, consistently accounting for a major portion of outbound and inbound shipments. By maintaining a steady share around 22.99**%** in FY 2025-26 particularly within India's total

import basket from key trading hubs—its relative importance to the Indian economy remains high, driving both domestic manufacturing value-add and re-export engines in the gems and jewellery sector.

❖ **Overview of Chapter-71 Import Performance in FY 2025–26:**

Figure 1(a): Monthly Import Performance of HS Chapter 71 in FY 2025–26



As illustrated in the figure above, imports under Chapter-71 began rising in August 2025 (USD 7.62 billion) and peaked in October 2025 (USD 18.92 billion)

Key Reasons for the Increase in October 2025:

- Peak Festive & Wedding Season Demand: October aligns with major Indian festivals—Dhanteras, Diwali, and Durga Puja—followed immediately by the winter wedding season. Jewellers and bullion dealers aggressively restocked inventory to meet strong retail demand.
- Global Bullion Price Inflation: Gold prices reached near-record highs globally in late 2025. While physical volume grew, the total import value was further inflated due to the significantly higher unit price per ounce/gram compared to previous years.
- Pent-Up Restocking Demand: Buyers and importers who had delayed shipments earlier in mid-2025 due to market volatility released large purchase orders ahead of the Q3 consumer push.
- Safe-Haven Investment Buying: Global economic uncertainties and currency fluctuations prompted domestic investors and households to purchase physical bullion as a hedge.

Although imports registered a decline in November and December 2025, they rebounded significantly in January 2026 to reach USD 16.17 billion.

Key Reasons for the Increase in January -2026:

- Net inflows into Indian gold ETFs surged to record levels in January 2026, surpassing monthly inflows into traditional equity mutual funds.
- World Gold Council data displayed Indian Gold ETFs developed over 15 tonnes of gold in January -2026 alone to back new unit creations, compelling fund houses and bullion desks to import significant physical volume.
- While physical demand picked up, global gold prices experienced a steep price expansion. Even modest volume restocking inflated the total landed import value significantly compared to prior months.
- Amid global macroeconomic uncertainties and stock market volatility in early 2026, domestic investors shifted heavily toward gold and silver as safe-haven hedges. The rapid adoption of loans against gold also kept precious metals deeply integrated into retail liquidity

- Following a seasonal dip in imports during November and December, jewelers and bullion refineries aggressively replenished their depleted inventories ahead of the heavy auspicious wedding calendar running through Q4 (February–April 2026).
- Alongside gold, unwrought silver and silver grain imports expanded by 127% YoY, driven by strong industrial demand in electronics/photovoltaics as well as investment demand.

II. Import performance of 4-digit HS codes under Chapter 71 during FY 2025-26:

4-Digits HS Code	Commodity Discription	Total Import Value (US$ Billion) in 2025-26	Share % in Total Import Value in FY 2025-26
7108	Gold, unwrought, semi-manufactured, powder form	71.9773	65.77%
7102	Diamonds, not mounted or set	16.4087	14.99%
7106	Silver, unwrought or semi-manufactured, silver powder	12.0508	11.01%
7113	Jewellery and parts, containing precious metal	4.9305	4.51%
7114	Gold, silversmith wares of or clad with precious metal	1.3655	1.25%
7104	Synthetic, reconstructed jewellery stones, not set	1.1569	1.06%
7103	Mounted precious or semi-precious stones, not diamonds	0.8224	0.75%
7110	Platinum, unwrought, semi-manufactured or powder forms	0.4197	0.38%
7115	Articles of, or clad with, precious metal nes	0.1409	0.13%
7112	Waste or scrap of precious metal	0.0375	0.03%
7117	Imitation jewellery	0.0369	0.03%
7105	Dust and powder of precious or semi-precious stones	0.0328	0.03%
7116	Articles of pearls, precious or semi-precious stones	0.0244	0.02%
7101	Pearls, natural or cultured, not mounted or set	0.0242	0.02%
7107	Base metals clad with silver, semi-manufactured	0.0009	0.00%
7118	Coin	0.0004	0.00%
7111	Metals, clad with platinum, semi-manufactured	0.0004	0.00%
7109	Base metals, silver, clad with gold, semi-manufactured	0.0001	0.00%
Total value in USD		**109.430**	**100%**

Source: DGCI&S, Kolkata

The table above shows the performance of 4-digit HS codes under Chapter 71 during FY 2025-26. To better understand these trends, we will now focus on an import analysis of Chapter 71 (Gems & Jewellery).

During FY 2025-26, India's imports under this chapter were highly concentrated around three principal headings that together dominated the overall import value. These three key headings represent the primary raw material pipeline required to feed India's massive domestic consumption and export-oriented processing hubs—such as Surat for diamonds and various Special Economic Zones (SEZs) for gold and silver jewelry:

1. Gold (HS Code 7108)

• Strategic Role: Gold remains the single largest import item within Chapter 71 and historically ranks as India’s second-largest overall merchandise import, trailing only crude oil.

• Primary Forms: Imports predominantly consist of unwrought gold bars (> = 99.9% purity), gold dore (unrefined alloys destined for domestic refineries), and semi-manufactured sheets or wire.

• Key Drivers: Inflows are driven by robust domestic consumer demand for weddings and festivals, gold's role as a financial investment hedge, and the critical raw material needs of the export-oriented jewellery manufacturing sector.

2. Precious Stones / Diamonds (HS Code 7102)

- Strategic Role: Loose diamonds (both natural and, increasingly, lab-grown) form the structural backbone of India's cutting and polishing industry. Surat processes approximately 90% of the world's rough diamonds.
  - Primary Forms: Rough/unworked non-industrial diamonds, unsorted diamonds, and worked but unmounted diamonds.
  - Key Drivers: Feedstock imports from global miners (such as Alrosa, De Beers, and African states) which are processed domestically and re-exported to markets like the USA, Hong Kong, and Europe as cut and polished diamonds (CPD).

3. Silver (HS Code 7106)

- Strategic Role: Silver imports have seen dramatic regulatory shifts and volume fluctuations during 2025-26.
- Primary Forms: Silver powder, unwrought silver grains, and silver bars.
- Key Drivers: Broad-based demand across traditional jewelry, silverware, and rapidly rising industrial use (particularly in photovoltaic solar cells, electronics, and electric vehicle components).

The subsequent discussion examines the import performance of these three categories during FY 2024-25 to FY 2025-26, with a focus on recent trade patterns and country-wise dynamics.

III. Import performance of Pearls, precious stones, metals, coins, etc. at HS-4 Digit level

4-Digits HS Code	Commodity Description	Total Import Value (US$ Billion) during FY 2024-25	Total Import Value (US$ Billion) during FY 2025-26	Percentage Share in Total Import Value in FY 2025-26	YoY (%) Growth
7108	Gold, unwrought, semi-manufactured, powder form	58.01	71.98	65.77%	24.09
7102	Diamonds, not mounted or set	16.21	16.41	14.99%	1.22
7106	Silver, unwrought or semi-manufactured, silver powder	4.83	12.05	11.01%	149.64
	Others	1.97	3.64	3.33%	85.31
Total Import Value (US$ Billion)		**88.98**	**109.43**	**100%**	**22.99**

Source : DGCI&S, Kolkata

- The above table shows the import performance of major 4-digit HS codes under HS Chapter 71 during FY 2023-24 and FY 2024-25, highlighting their relative share % and year-on-year growth.
- **HS 7108 (Gold)** emerged as the dominant contributor to HS-71 imports, accounting for 65.77% share in FY 2025-26. Imports, growing from USD 58.01billion in FY 2024-25 to USD 71.98 billion in FY 2025-26, registering a YoY increase of 24.09%.Gold imports show a strong and consistent upward trend across the three years.
- **HS 7102 (Diamonds)** contributed a minimal share of 14.99% (Almost 15%) in FY 2024-25, with imports growing from USD 16.21 billion in FY 2024-25 to USD 16.41 billion in FY 2025-26, showing a slight year-on-year (YoY) increase of 1.22%. Diamond imports have steadily risen over this period.
- **HS 7106 (Silver)** contributed a minimal share of 11.01%in FY 2024-25, with imports rapidly growing from USD 4.83 billion in FY 2024-25 to USD 12.05 billion in FY 2025-26, registering an exceptional year-on-year (YoY) increase of 149.64%. Over the observed period, Silver imports have risen significantly.

IV. Top Three 8-Digit HSN Gold Commodities (Under HS-7108) Imported during FY 2025-26

8 Digit HS Code	Commodity Discription	Total Import Value (US$ Billion) during FY 2025-26	Percentage Share of Total Imports
71081210	Gold (including gold plated with platinum) in unwrought forms (e.g., bullion or bars) with a purity of 99.5% or higher	46.86	65.10%
71081290	"Other" non-monetary gold in unwrought forms (excluding powder and high-purity bars).	24.86	34.54%
71081310	Semi-manufactured forms of Gold (including gold plated with platinum) that contain 99.5% or more by weight of gold	0.24	0.33%
	Others	0.02	0.03%
Total		**71.98**	**100.0%**

Source: DGCI&S, Kolkata

- From the table above, it is observed that HS Code 71081210 secured the top position, holding the highest share at 65.10% among the commodities under Chapter 71 during FY 2025-26.
- The second-largest 8-digit import commodity was 71081290, which accounted for a share of 34.54% during FY 2025-26.
- HS Code 71081310 registered as the third-largest import commodity within the chapter, reaching 0.24 billion USD.

V. Top Three 8-Digit HSN Gold Commodities (Under HS-7102) Imported during FY 2025-26

8 Digit HS Code	Commodity Discription	Total Import Value (US$ Billion) during FY 2025-26	Percentage Share of Total Imports
71023100	Non-Industrial Diamonds Unworked or Simply Sawn Cleaved or Bruted	10.32	62.90%
71023910	Diamond, Cut or Otherwise worked but not mounted or set	5.82	35.48%
71021000	Unsorted Diamonds whether or not worked,but not mounted or set	0.13	0.80%
	Others	0.13	0.82%
Total		**16.41**	**100%**

Source: DGCI&S, Kolkata

The above table presents import values (in USD billion) for three diamond sub-categories. Overall, diamond imports show a clear declining trend**,** with varying intensity across gem-quality and industrial diamond segments. This category constitutes the largest share of diamond imports, and its contraction is the primary driver of the overall fall in diamond imports.

- HS Code: 71023100 (Non-Industrial Diamonds Unworked or Simply Sawn Cleaved or Bruted) secured the top position with a 62.90% share in FY 2025-26.
- HS Code: 71023910 (Diamond, Cut or Otherwise worked but not mounted or set) ranked second, accounting for 35.48% share of the total in the FY 2025-26.
- HS Code: (71021000) Registered Unsorted Diamonds whether or not worked, but not mounted or set held third place with an 0.80% share in FY 2025-26.

VI. Top Three 8-Digit HSN Gold Commodities (Under HS-7106) Imported during FY 2025-26

8 Digit HS Code	Commodity Discription	Total Import Value (US$ Billion) during FY 2025-26	Percentage Share of Total Imports
71069221	Semi-manufactured Silver bars that contain 99.9% or more silver by weight.	10.85	90.03%
71069110	Silver grains	0.91	7.52%
71069290	Other semi-manufactured forms of silver	0.18	1.53%
	Others	0.11	0.92%
Total		**12.05**	**100%**

Source: DGCI&S, Kolkata

➢ The table above provides an in-depth look at the import performance of silver in its unwrought, semi-manufactured, and powder forms (HS 7106) at the 8-digit level for FY 2025-26.

- HS-71069211 secured the top position, bringing in USD 10.85 Billion and accounting for 90.03% of the sector's total export share.
- HS-71069110 followed in second place at USD 0.91 Billion, capturing a 7.52% share.
- The third position registered by the HS-71069290 with 1.53 % Share.

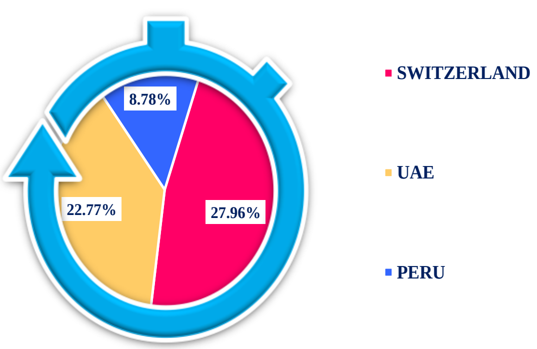
VII. Direction of Trade (Import)

Table VII -A: India's Import Performance of HS -7108 with Partner Countries from FY 2023-24 to FY 2025-26:

HS Code 7108 (Gold, unwrought, semi-manufactured, powder form)				
Financial Year	Total Import Value (in US$ Billion)	Top Three Import Country partner		
		1st	2nd	3rd
2023-24	42.56	Switzerland (38.66%)	UAE (16.77%)	South Africa (8.63%)
2024-25	58.01	Switzerland (31.28%)	UAE (29.02%)	South Africa (8.22%)
2025-26	71.98	Switzerland (27.96%)	UAE (22.77%)	Peru (8.78%)

Source ; DGCI&S, Kolkata

Figure-2: India's Top Three Import Country Partners for HS Code-7108 in FY 2025-26



➢ The table above describes the import performance of HS Code 7108 from FY 2023–24 to FY 2025–26, while Figure 2 illustrates the top three import partner countries for FY 2025–26.

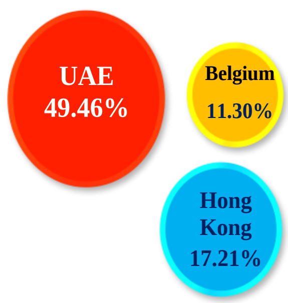
- India's import of Gold (7108) mainly depends on Switzerland, it was increased from 36.11% in FY 2022-23 to 38.66% in FY 2023-24. Whereas the next FY 2024-25 it is observed that import share % decreased as 31.28%. For FY 2025-26, the import of Gold is reduced as 27.96%.
- UAE has registered the second largest import-partner country followed by South Africa in FY 2023-24 & FY 2024-25. But in the FY 2025-26 followed by Peru instead of South Africa.

Table VII -B: India's Import Performance of HS -7102 with Partner Countries from FY 2023-24 toFY 2025-26

HS Code 7102 (Diamonds, not mounted or set)				
Financial Year	**Total Import Value (in US$ Billion)**	**Top Three Import Country partner**		
		1st	**2nd**	**3rd**
2023-24	21.58	UAE (41.49%)	USA (15.45%)	Hong Kong (14.30%)
2024-25	16.21	UAE (45.60%)	USA (15.49%)	Hong Kong (12.92%)
2025-26	16.41	UAE (49.46%)	Hong Kong (17.21%)	Belgium (11.30%)

Source ; DGCI&S, Kolkata

Figure-3: India's Top Three Import Country Partners for HS Code-7102 in FY 2025-26



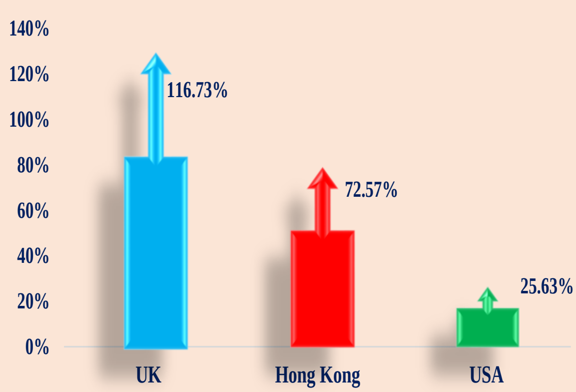
- The table above particulars the HS 7102 import trends from FY 2023–24 to FY 2025–26, and Figure 3 shows the top three import sources for FY 2025–26
- In respect of HSN Code 7102 (Diamonds), UAE has been registered the first position from FY 2023-24 to FY 2025-26.
- USA has occupied the second position over the two FY 2023-24, FY and FY 2024-25. However Hong Kong has hold the second position in FY 2025-26.
- Hong Kong (From FY 2023-24 to FY 2024-25)& Belgium (FY 2025-26) shared Third position.

Table VII -C: India's Import Performance of HS -7106 with Partner Countries from FY 2023-24 toFY 2025-26

HS Code 7106 (Silver, unwrought or semi-manufactured, silver powder)				
Financial Year	**Total Import Value (in US$ Billion)**	**Top Three Import Country partner**		
		1st	**2nd**	**3rd**
2023-24	4.46	UK (41.11%)	Hong Kong (23.67%)	UAE (23.18%)
2024-25	4.83	UK (47.46%)	Hong Kong (32.96%)	UAE (10.06%)
2025-26	12.05	UK (116.73%)	Hong Kong (72.57%)	USA (25.63%)

Source ; DGCI&S, Kolkata

Figure-4: India's Top Three Import Country Partners for HS Code-7106 in FY 2025-26



- The table above specifics the HS 7102 import trends from FY 2023–24 to FY 2025–26, and Figure 3 demonstrations the top three import sources for FY 2025–26
- Regarding HSN Code 7106 (Silver), the UK retained the top position from FY 2023–24 to FY 2025–26. In FY 2025–26, the UK accounted for a 116.73% share, more than doubling its performance compared to the previous FY (FY 2024–25).
- Hong Kong maintained the 2nd position continuously from FY 2023–24 to FY 2025–26. The Hong Kong captured a 72.57% share, more than twice its share in FY 2024–25.
- UAE (From FY 2023-24 to FY 2024-25)& USA (FY 2025-26) shared Third position.

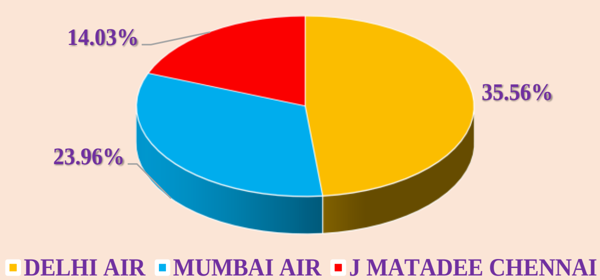
VIII. Top Ports of Import

Table VIII(a): India's Top Three Import Ports for Gold (HSN Code 7108):

HS Code 7108 (Gold, unwrought, semi-manufactured, powder form)				
Financial Year	Total Import Value (in US$ Billion)	Top Three Import Country partner		
		1st	2nd	3rd
2023-24	42.56	DELHI AIR (31.09%)	J MATADEE CHENNAI (24.05%)	CHENNAI AIR (12.95%)
2024-25	58.01	J MATADEE CHENNAI (26.11%)	DELHI AIR (23.41%)	GIFT SEZ (19.17%)
2025-26	71.98	DELHI AIR (35.56%)	MUMBAI AIR (23.96%)	J MATADEE CHENNAI (14.03%)

Source: DGCI&S, Kolkata

Figure-5: India's Top Three Import Ports for Gold (HSN Code 7108) in FY 2025-26



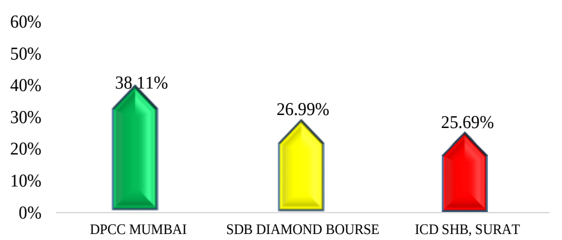
- According to the table above, Delhi Air has secured the first position in FY 2023-24 & FY 2025-26. Whereas in FY 2024-25, J Matadee Chennai registered the first position with a share of 26.11%.
- Second position secured in FY 2023-24 by J Matadee Chennai (24.05%), in FY 2024-25 by Delhi Air (23.41%)& in FY 2025-26 by Gift SEZ (19.17%).
- Chennai Air (FY 2022-23 and the GIFT Special Economic Zone (FY 2024-25) secured the third position, while J Matadee Chennai(14.03%) had held the third position in FY 2025-26.
- Figure-5 shows the top three import ports for Gold in FY 2025-26.

Table VIII (b). India's Top Three Import Ports for Diamonds (HSN Code 7102):

HS Code 7102 (Diamonds, not mounted or set)				
Financial Year	Total Import Value (in US$ Billion)	Top Three Import Country partner		
		1st	2nd	3rd
2023-24	21.58	ICD SHB, SURAT (49.35%)	DPCC MUMBAI (40.71%)	EPZ/SEZ SURAT (4.99%)
2024-25	16.21	ICD SHB, SURAT (44.43%)	DPCC MUMBAI (42.70%)	SDB DIAMOND BOURSE (4.88%)
2025-26	16.41	DPCC MUMBAI (38.11%)	SDB DIAMOND BOURSE (26.99%)	ICD SHB, SURAT (25.69%)

Source: DGCI&S, Kolkata

Figure-6:Top 3 Ports for Importing HS Code-7102 in FY 2025-26

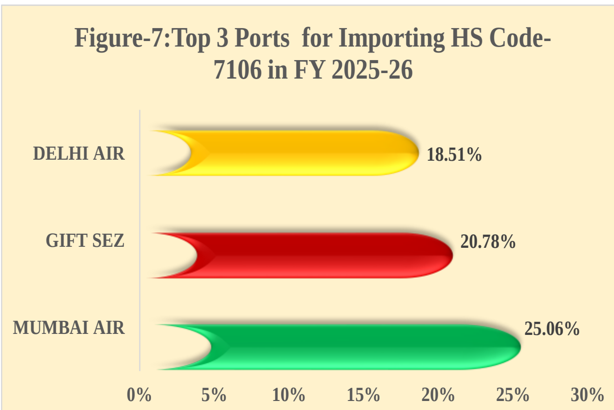


- ICD SHB, Surat**:** Held 1st position from FY 2023-24 to FY 2024-25, then fell to 3rd position in FY 2025-26.
- DPCC Mumbai: Ranked 2nd from FY 2023-24 to FY 2024-25, before taking 1st position in FY 2025-26.
- SDB Diamond Bourse, Gujarat: Ranked 3rd in FY 2023-24 and FY 2025-26, peaking at 2nd position in FY 2024-25.
- Figure-6 expressions the top three import ports for Diamonds in FY 2025-26.

Table VIII (c). India's Top Three Import Ports for Silver (HSN Code 7106):

HS Code 7106 (Silver, unwrought or semi-manufactured, silver powder)				
Financial Year	Total Import Value (in US$ Billion)	Top Three Import Country partner		
		1st	2nd	3rd
2023-24	4.46	GIFT GANDHINAGAR (26.31%)	J MATADEE CHENNAI (24.63%)	DELHI AIR (21.37%)
2024-25	4.83	J MATADEE CHENNAI (35.81%)	DELHI AIR (24.54%)	GIFT SEZ (16.11%)
2025-26	12.05	MUMBAI AIR (25.06%)	GIFT SEZ (20.78%)	DELHI AIR (18.51%)

Source: DGCI&S, Kolkata



➢ Based on the table above, the following trends were observed:

- GIFT Gandhinagar ranked first and J Matadee Chennai took second place in FY 2023-24. J Matadee Chennai subsequently moved up to first place in FY 2024-25.
- Mumbai Air secured first place in FY 2025-26.
- Delhi Air registered second place in FY 2024-25, after placing third in FY 2023-24 and FY 2025-26.
- Gift SEZ secured third place in FY 2024-25, then climbed to second place in FY 2025-26.
- Figure-7 displays the top three import ports for Silver in FY 2025-26.

❖ Brief Export and Import overview of Chapter-71 (Pearls, precious stones, metals, coins etc) during FY 2025-26:

In FY 2025–26, India's trade under Chapter-71 (pearls, precious stones, and precious metals) faced tighter regulatory controls, a large structural trade deficit, and shifting export demands with key partners like the USA, UAE & Hong Kong, alongside newly enforced DGFT import restrictions.

➢ Export Overview

- Chapter-71 remains one of India's top-ranking merchandise export drivers, reflecting massive international demand for finished gems and jewellery.
- United Arab Emirates (UAE), United States (USA) and Hong Kong act as primary anchor destinations for outbound shipments in this sector.
- Persistent overall trade deficit in this commodity group due to high raw import value versus domestic value-added output exported abroad.

➢ Import Overview

- High dependency on raw material imports like gold, silver, and rough diamonds to support domestic processing and re-export.
- Major shift by the Directorate General of Foreign Trade (DGFT) moving several silver items, platinum alloys, base metals clad with gold, specific articles of precious metals, and coins from "Free" to "Restricted" import categories.
- Mandatory tracking and compliance requirements, such as Kimberley Process Certification Scheme (KPCS) alignment for rough diamond inflows and specific value/weight thresholds.

Summary

In respect of exports, India’s strategy for FY 2025-26 under ITC-HS Chapter 71 aims to strengthen the domestic precious metals and jewellery sector by promoting value addition and enhancing export competitiveness. The focus is on encouraging the manufacture and export of higher-value finished products rather than raw or semi-processed forms. This approach aligns with broader government objectives to increase foreign exchange earnings, boost the “Make in India” initiative, and position India as a global hub for precious metals and jewellery exports. Success will depend on supportive policies, infrastructure development, and effective engagement with exporters to ensure sustained growth and market expansion.

India’s trade strategy for FY 2025-26 under ITC-HS Chapter 71 aims to tighten import restrictions on silver and gold to better regulate inflows and promote domestic value addition. By reclassifying key silver products as "Restricted," the government seeks to reduce import dependency, support local manufacturing industries, and improve the trade balance. These measures align with broader economic and regulatory objectives outlined in the Finance Act 2025. While fostering growth in the domestic precious metals sector, effective implementation will require robust compliance monitoring and stakeholder engagement to mitigate potential market disruptions.