

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
STARRED QUESTION NO. *47
ANSWERED ON 07.02.2025

DECLINE IN IMPORT AND EXPORT OF DIAMONDS

*47. SHRI SANJAY RAUT:

Will the Minister of COMMERCE & INDUSTRY be pleased to state:

- (a) whether Government is aware of the sharp decline in diamond imports and exports over the past three years;
- (b) if so, the details thereof and Government's response thereto;
- (c) the reasons identified by Government for this decline and the immediate steps being taken to reverse the trend;
- (d) the number of jobs that have been lost in the diamond industry due to factory closures and defaults; and
- (e) the measures being taken to support displaced workers and ensure their reemployment or skill development?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (e): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF RAJYA SABHA
STARRED QUESTION NO. *47 FOR ANSWER ON 07th FEBRUARY, 2025
REGARDING “DECLINE IN IMPORT AND EXPORT OF DIAMONDS”**

(a), (b) & (c) Yes. Export and Import of Diamonds have declined over the past three years. Details of the exports and imports of diamonds* are as follows:

(Values in USD Million)

	2021-22	2022-23	2023-24
Exports	25480.15	24736.9	18370.66
Imports	28867.84	27326.36	22995.52
Total Trade (Exports+ Imports)	54347.99	52063.26	41366.18

*Diamond includes HS 7102 (Natural diamonds), HS 7104 20, HS 7104 21 and HS 7104 91(Laboratory-grown diamonds)

Source: DGCIS

The consumer demand for luxury items has generally declined across the world due to effects of covid and conflicts in Ukraine and West Asia. Diamond being a luxury item has also seen a decline in consumer demand in India's export destinations. G7 sanctions on Russian diamonds and the challenge of the identification and traceability of non-Russian diamonds by the importing G7 and EU countries have also impacted diamond trade. The global export of cut and polished diamonds has also declined from USD 86.4 bn in 2022 to USD 75.6 bn in 2023. In response, Department of Commerce (DoC) is implementing multifaceted strategies to comprehensively address declining exports and imports. These include:

1. DoC is actively engaging with the G7 to protect India's diamond industry following G7 sanctions on Russian diamonds. As a result, the following has been achieved:

- (i) Full-traceability scheme was shifted from 01 Sept 2024 to 01 March 2025
- (ii) 'Grandfathering of diamonds' was permitted for diamonds that entered G7/EU before sanctions
- (iii) Jewellery studded with Russian diamonds processed in 3rd countries was exempted from the purview of sanctions

D.O. letters were sent from Minister of Commerce and Industry in April 2024, May 2024 and January 2025 to EU Trade counterpart on the issue.

2. DoC in tandem with industry stakeholders is undertaking initiatives to explore new markets, while sustaining export of diamond in existing major markets.

3. DoC has awarded an R & D project to IIT-Madras in 2023-24 with an outlay of Rs. 242.96 Cr over 5 years for indigenous manufacturing of both Chemical Vapour Deposition (CVD) and High Pressure and High Temperature (HPHT) systems along with the recipes for expanding the Lab Grown Diamond (LGD) business.

4. Import of Goods at Concessional Rate of Duty (IGCR) condition on import of LGD seeds have been removed in Union Budget 2025-26 to facilitate easy access to LGD seeds.

5. Safe Harbour Rates(SHR) for sale of rough diamonds in Special Notified Zones (SNZs) by foreign mining companies(FMC) was notified in November 2024 to enhance direct sales of rough diamond by foreign mining companies to Indian entities.

6. The Indian Institute of Gems & Jewellery (IIGJ), with seven campuses across India, and the Indian Diamond Institute (IDI), Surat, are reskilling and upskilling the gems and jewellery workforce.

The export of studded jewellery has increased from USD 6.8 bn in 2021-22 to USD 7.1 bn in 2023-24. Polished LGD exports in quantity terms have increased from 4.86 million carats in 2022-23 to 7.54 million carats in 2023-24.

(d) & (e) Department of Commerce does not maintain such data.
