

Could've made India shine but govt bumped duty on gold: Gems industry

Sanjay Jog

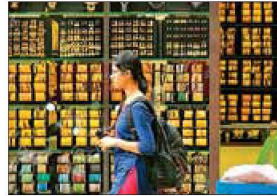
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Gems and jewellery industry has expressed displeasure with finance minister Nirmala Sitharaman's proposal to increase import duty on gold to 12.5% from the current 10%. It was expecting a reduction.

Gold prices have shot up to Rs 35,800 per 10 g from Rs 35,000 per 10 g, a rise of 2.85%.

India annually imports 850-900 tonnes of gold which is approximately worth Rs 3 lakh crore.

The chairman of the gems and jewellery committee of the PHD Chamber of Commerce and Industry (PHDCCI), Ajay Mehra, said the government continues to over-



AFP

look the ability of the gem and jewellery sector to contribute to the nation's economy.

"The recent increase in import duty of gold will increase smuggling and hurt the compliant jeweller, which is most unfortunate. Recommendations of Make In India, the Watal Committee report and numerous industry represen-

tations for duty reduction have been disregarded. This can't be good for the nation," he grumbled.

Furthermore, the India Bullion and Jewellers Association (IBJA) national secretary Surendra Mehta hinted that a 12.5% import duty hike will widen the gap between honest and dishonest players. "The least we expect is for the government to ensure strict vigil on the borders to completely stop illegal entry of gold in the country. This will result in the duty being collected in full," he said, adding, "Of course, we are not aligned with other countries where duty is zero."

Head of commodities at Reliance Securities, Pritam Patnaik, said the hike was unexpected as market was expecting a cut.