

Press Release

For Immediate Publication

Gem & Jewellery Export Promotion Council now awaits the Foreign Trade Policy announcement by the Ministry of Commerce

No Export Incentives Announced For G&J Sector in the Budget 2013-14

Mumbai, February 28, 2013:

The Gem & Jewellery Export Promotion Council (GJEPC) believes that the Union budget 2013-14 provided only some ‘correction’ measures for the import duty for preform precious stones and is eagerly waiting for the reforms announcements by the Foreign Trade Policy which may be supportive of the G&J sector.

Commenting on the pre-budget recommendations, **Mr. Vipul Shah, Chairman of Gem & Jewellery Export Promotion Council** said, *“Shri. Anand Sharma, Hon’ble Minister of Commerce, Industries and Textiles accepted a Task Group report to make India an International Trading hub for rough diamonds. Some of the recommendations in report include setting up of a Special Notified Zone for import and trading of rough diamonds, a 15% duty free re-import quota for import of cut and polished diamonds and reducing the benign taxation rate from 6% to 2.5%, amongst others. **The industry has commended the proactive role of the government in trying to solve the industry specific issues and anticipates that these recommendations to boost exports will be implemented in the FTP that will be announced in a month’s time**”.*

The Council appreciates the move to set the curriculum and standards for training in different skills under the National Skill Development Corporation (NSDC) and the 1,000 crore fund for this ambitious scheme; which will aim to reward candidates a certificate and cash prize of Rs 10,000 on successful completion of the course. For the gem & jewellery sector NSDC has already set up Gem & Jewellery Skill Council of India (GJSCI) with collaboration from GJEPC to develop skilled manpower for the sector.

On the export trade front, we are happy that FM has clarified that on preforms the duty should be charged at the rate of 2%; which the Council welcomes as a corrective measure. Another corrective move is the proposal to levy 4% excise duty on silver manufactured from smelting zinc or lead, to bring the rate on par with the excise duty applicable to silver obtained from copper ores and concentrates.

The FM announced **CTT of 0.1%** on transaction of non-agricultural commodities on exchanges so as to facilitate a more open and transparent trading process. However, the Council is of the belief that this move will reduce the demand for trading of commodities such as Gold through derivative exchanges and further lead to import of gold in physical form for actual investment purpose.

However GJEPC also called for a rationalization of import duty on gold which has been already hiked to 6% from 4% in Jan 2013, which has all the potent of return of the parallel market on gold.

The Council believes that though the budget does not contain anything for exporters, given the current constraints that the economy is facing, the Union Budget 2013-14 has the possibility of infusing growth.

Notes to Editor:

The Gem & Jewellery Export Promotion Council is an all - India apex body for Gem & Jewellery representing about 5,500 members. Set up in 1966, it operates under the supervision of the Ministry of Commerce & Industry, Government of India.

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