

Ref.No.GJEPC/Members/Gold/2012-13 100113

22nd January, 2013

TO: ALL MEMBERS OF THE COUNCIL

Sub: Hike in import duty on Gold and Platinum

Dear Members,

We would like to inform you all that the Government of India vide Notification No.1/2013-Customs dated 21st January, 2013 has increased the import duty on Gold and Platinum from 4% to 6% with immediate effect to help moderate import of gold and bridge the current account deficit (CAD).

The Council after learning on proposed hike in import duty on Gold had made detailed representations to the Department of Commerce requesting Government of India to reconsider their decision to protect the livelihood of 3.5 million employed in the industry and take other necessary steps to counter the widening Current Account Deficit which remained unsuccessful.

Chairman, GJEPC had aggressively raised the issue before the Hon'ble Finance Minister in the Pre Budget Consultation Meeting held on 16th January, 2013 at New Delhi, It was also suggested to discourage investment in gold bullion, medallions and bars sold through banks & financial institutions.

As exporters will continue to get duty free gold for their exports it may have minimal impact on the export business, but certainly transaction costs will increase. The Industry is deeply concerned with this hike in import duty as it may encourage the alternative/ illegal means for import of gold.

The Council is now in process of making a detailed representation before the Drawback Committee for immediately revising the duty drawback rates on gold for mitigation of difficulty being faced by small exporters.

Corresponding Custom Notification for increase of duty of gold can be downloaded from our website www.gjepc.org

Thanking you,

With best regards,


SABYASACHI RAY
EXECUTIVE DIRECTOR

The Gem & Jewellery Export Promotion Council

रत्न तथा आभूषण निर्यात संवर्धन परिषद

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