

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:6109  
ANSWERED ON:27.04.2001  
EXPORT OF GEMS AND JEWELLERIES  
V. VETRISELVAN

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) the share of gems and jewellery in the total exports of India during 1999-2000;
- (b) the steps taken by the Government to increase the export of gems and jewellery during the year 2001-2002;
- (c) whether any efforts are being made to make India a trading centre for diamonds;
- (d) if so, the steps taken by the Government so far in this regard;
- (e) whether India is attempting to build a direct trade channel with other countries; and
- (f) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI OMAR ABDULLAH)

- (a) :The share of gems and jewellery in the total merchandise exports of India in the year 1999-2000 was about 21%.
- (b) Several initiatives have been taken year after year based on the requirements of the trade and the prevailing global economic conditions, by way of introduction of various export promotion schemes in the annual Export-Import Policies, to increase the exports of gems and jewellery. Some of the important policy initiatives announced in the latest Exim Policy effective from 1st April, 2001 include:
  - (i) Extension of Diamond Dollar Account Scheme (DDAS) to diamond studded jewellery exporters, having an average annual turnover of at least Rs.5 crores during the preceding three licensing years, allowing DDAS holders to operate up to five bank accounts (from maximum of two bank accounts permitted earlier) and allowing non-DDAS holder to supply cut and polished diamonds to DDAS holder, which would be counted towards discharge of his export obligations or entitle him for a Replenishment licence, as the case may be.
  - (ii) With a view to facilitate certification by international laboratories/ agencies, a scheme has been put in place for the export and subsequent re-import of the cut and polished diamonds weighing 0.50 carat and above.
  - (iii) The exporters under the Gold Loan Scheme have been given the flexibility to fix the price and repay the gold loan within 180 days from the date of export subject to this price being also confirmed by the buyer and the nominated agency supplying the gold.
  - (iv) Exporters have been allowed to personally carry gems and jewellery parcels of a value not exceeding US\$ 2 million for the purposes of holding/participating in overseas exhibitions.
  - (v) The foreign buyer scheme wherein precious metals can be supplied free of cost to the Indian manufacturers for job working, has been extended to exporters having an annual average turnover of at least Rs.5 crores during the preceding three years.
  - (vi) The personal carriage of gems and jewellery export and import parcels is now permissible through Bangalore Airport also in addition to Delhi, Mumbai, Kolkata and Chennai Airports.
- (c) Yes, sir.
- (d) India has a share of about 55% by value in global trade of cut and polished diamonds and approximately 9 out of 10 cut and polished diamonds in the world are processed in India. There are, therefore, expectations that India should become a global trading centre in diamonds. The Exim Policy initiatives such as provisions for the establishment of private/public bonded warehouses, the Diamond Dollar Account Scheme, permission for personal carriage of import and export parcels and the scheme of allowing export and re-import of cut and polished diamonds for certification by international agencies, etc. should facilitate the development of Mumbai as a global trading centre for diamonds.

(e) Yes, Sir.

(f) The Gem and Jewellery Export Promotion Council (GJEPC), a representative autonomous body of the trade, sponsored by the Ministry of Commerce & Industry, has been interacting with some of the diamond mining countries to explore the possibilities of direct sourcing of rough diamonds. Indian Government has also signed a `Protocol of Intentions` with Government of Russia to cooperate in the area of diamonds including the direct supply of rough diamonds by Russia to India.