

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

UNSTARRED QUESTION NO:238
ANSWERED ON:27.02.2007
EXPORT OF GEMS/ JEWELLERY
Singh Shri Dushyant

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

- (a) the steps taken/proposed to be taken to increase the export of Gems and Jewellery to USA;
- (b) the amount of foreign exchange earned thereby during the last three years;
- (c) whether there is any further scope to increase the export of Gems and Jewellery to other countries; and
- (d) if so, the possibilities explored in that regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) Government has taken number of steps to boost export of gems and jewellery, which are not country specific. Export of gems and jewellery has been identified as a thrust sector in the Foreign Trade Policy (2004-09). In the Foreign Trade Policy updated as updated on 7th April, 2006, following facilities have been extended to the Sector:-

- (i) Import of gold of 8 carat and above has been allowed under the replenishment scheme subject to the import being accompanied by an Assay Certificate specifying the purity, weight and alloy content.
- (ii) Duty Free import entitlement of consumables for metals other than Gold, Platinum to be 2% of FOB value of exports during the previous financial year.
- (iii) Duty free import entitlement of commercial samples to be Rs.300,000.
- (iv) Duty free re-import entitlement for rejected jewellery to be 2% of the FOB value of exports.
- (v) Cutting and polishing of gems and jewellery, to be treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.
- (vi) Import of precious metal scrap / used jewellery has been allowed for melting, refining and re-export of jewellery. However, such import will not be allowed through hand baggage.
- (vii) Gem & Jewellery exporters have been allowed to export jewellery on consignment basis as per Rules.
- (viii) Gem & Jewellery exporters have been allowed to export cut and polished precious and semi-precious stones for treatment and re-import as per Rules.
- (ix) Value addition norms for different categories of gems and jewellery products have been reduced.

The Gem and Jewellery Export Promotion Council (GJEPC), a representative body of the trade, is promoting the image of Indian gems and jewellery products through advertisement, publicity and participation in international fairs, organising buyer-seller meets, etc. In USA, GJEPC has participated in JCK LAS VEGAS SHOW, Las Vegas (3-7 June, 2005) and JA Show, New York (31 July- 3 August, 2005) during 2005-06. The Government provides support to GJEPC for these activities under Market Development Assistance (MDA) and Market Access Initiative (MAI) Schemes of the Department of Commerce. The Government also encourages creation of training infrastructure in this sector.

(b) The amount of foreign exchange earned through export of gems and jewellery to USA during the period 2003-04, 2004-05, 2005-06, 2006-07 (Upto October 2006) is given below:-

(in US \$ million)
Year Export Value

2003-04 3,699.50

2004-05 4,046.56
2005-06 4,372.34
2006-07 2,795.16
(Upto October)
Source: DGCI&S

(c) Yes, Sir.

(d) Besides the policy framework provided through Foreign Trade Policy 2004-09 for promotion of gems and jewellery exports, the government also supports GJEPC in their efforts to source rough diamonds directly from mining countries. GJEPC has organised trade delegation to various countries.