

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2538
ANSWERED ON:12.03.2010
PRICE RISE OF GOLD AND SILVER
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Will the Minister of FINANCE be pleased to state:

- (a) whether there is a steep rise in the prices of precious Gold and Silver in the country during the past few months;
- (b) if so, the details thereof, itemwise and the reasons therefor;
- (c) whether the import duty on Gold and Silver has been increased by the Government ; and
- (d) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) & (b) The rise in price of gold and silver in India in recent months largely reflects the increase in their prices abroad. During the three months of December 2009 to February 2010, gold prices consolidated after touching a high of Rs 18,220/per 10 gram on December 2, 2009 on the back of continuing dollar weakness, seasonal demand and industrial and institutional buying. The gold price, however, declined to Rs 16055/ per 10 gram on February 5, 2010. Similarly, silver prices touched a high of Rs 30,140/kg on December 2, 2009. Thereafter, the prices consolidated at the year end and declined to Rs 24,965/kg on February 5, 2010. The movements in the domestic price of gold and silver are broadly in tandem with similar movements in international markets.

(c) & (d) Gold and silver attract specific customs duty. Government has decided to increase the import duty rates on these two metals with effect from 27.2.2010, as per details indicated below:

Sl Item	From	To
1. Gold bars, other than tola bars, bearing Manufacturers or refiner's engraved serial number and weight expressed in metric units, and gold coins	Rs 200 per 10 gram	Rs.300 per 10 gram
2. Gold in any form (other than those specified against Sl No 1)	Rs 500 per 10 gram	Rs.750 per 10 gram
3. Silver in any form	Rs 1000 per kg	Rs 1500 per kg