

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1841
ANSWERED ON:02.12.2011
FISCAL INCENTIVE TO GOLD INDUSTRY WORKERS
Reddy Shri K. Jayasurya Prakash

Will the Minister of FINANCE be pleased to state:

- (a) whether India has become the 10th largest gold holding nation in the world;
- (b) if so, the details thereof, State-wise;
- (c) the fiscal incentives given to the workers involved in this industry in the 11th Five year Plan; and
- (d) the road map prepared in this regard?

Answer

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

- (a) According to the Report of the World Gold Council released in November, 2011, India is ranked 11th in terms of official gold holding.
- (b) As per the Report of the World Gold Council, the gold holding in the country amounts to 557.7 metric tonnes; State-wise details are not available.
- (c)&(d) The Government has given a number of incentives to promote gems and jewellery export, with a view to promote the sector in general and thereby all the stakeholders in the industry. These inter alia, include
 - (i) interest subvention of 2 per cent to the labour intensive sectors of exports such as gems and jewellery etc;
 - (ii) duty drawback facilities on jewellery exports to neutralize duty incidence. In addition, in the Union Budget 2010-11, the Government had announced;
 - (a) reduction in basic custom duty from 10 per cent to 2 per cent on Rhodium, which is a precious metal used for polishing jewellery;
 - (b) reduction of basic customs duty from 2 per cent ad valorem to a specific duty of Rs.140 per 10 grams of gold content with full exemption from special additional duty on gold ore and concentrates to encourage domestic refining capacity for gold; and
 - (c) reduction of the excise duty from 8 per cent to a specific duty of Rs.280 per 10 grams on refined gold made from such ore or concentrate.