

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

UNSTARRED QUESTION NO:2722

ANSWERED ON:10.12.2012

GEMS AND JEWELLERY EXPORT PROMOTION COUNCIL

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo;Mahato Shri Narahari;Paranjpe Shri Anand Prakash;Ray Shri Saugata;Roy Shri Nripendra Nath;Tirkey Shri Manohar

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

- (a) whether the Government has chalked out any scheme to increase the export of value added manufactured goods and if so, the details thereof;
- (b) whether, according to the Gems and Jewellery Export Promotion Council, there has been a decline in the export/import of gold, gems and jewellery during the last three years and the current year;
- (c) if so, the details thereof and the reasons therefor;
- (d) the details of value of gems and jewellery exported/imported and the foreign exchange earned thereon during each of the last three years and the current year, country-wise;
- (e) whether the imposition of two percent of import duty on diamonds is one of the major factors in the decline of the export/import of gems and jewellery; and
- (f) if so, the details thereof along with the corrective measures taken/being taken to boost the export/import of gems and jewellery?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(DR. D. PURANDESWARI)

(a) With a view to promote the Gems and Jewellery Sector, Government has taken a number of steps such as providing financial assistance for participation in international fairs, organizing buyer-seller meets etc. under Market Development Assistance (MDA) and Market Access Initiative (MAI) Schemes of the Department of Commerce. Government has also announced a number of measures in the Foreign Trade Policy (FTP) 2009-14 to promote export of Gems & Jewellery such as permission to import diamonds on consignment basis for certification/grading & re-export by specified agencies, increasing the limit of personal carriage of Gems & Jewellery products in case of participation in overseas exhibitions and in case of export promotion tours etc.

(b) & (c) According to information received from Gems and Jewellery Export Promotion Council (GJEPC), there was no decline in exports/imports during 2009-10, 2010-11 and 2011-12. However, some decline has been noticed in the current year, i.e. 2012-13. The main reason for decline is imposition of 2% duty on Cut & Polished Diamonds and coloured Gemstones and global economic slowdown.

(in US\$ Million)

Particulars 2009-10 2010-11 2011-12 Comparison on exports
from April-October

2012-13 2011-12

Exports	29442	43048	43211	22500.47	25919.63
Imports	28845	42454	42721	21703.70	25599.03

Source: Customs data compiled by GJEPC

(d) Details of value of gems and jewellery exported to/imported from five major countries for the last three financial years and the current year, as reported by GJEPC, are given below:

Exports:

in US\$ Million

Country	2009-10	2010-11	2011-12	April-October 2012
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U.A.E.	12921.73	22082.27	18932.14	11107.95
HONG KONG	6696.47	9287.54	10807.77	5273.45
U.S.A.	4230.80	4946.08	4896.86	2416.55
BELGIUM	1632.68	2071.28	2746.45	1101.10
ISRAEL	841.81	1149.50	1466.13	645.18

Imports:
in US\$ Million

Country	2009-10	2010-11	2011-12	April- October 2012
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UAE	9227.04	16468.16	11428.08	7,278.99
BELGIUM - EC	5906.53	7795.57	9088.22	4,832.72
HONGKONG	4322.61	7132.91	8353.83	1,951.27
SWITZERLAND	259.46	2776.05	5537.74	3,416.64
UNITED KINGDOM- EC	1147.73	1254.14	1538.26	772.25

(e) The imposition of import duty of 2% has made impact on the export/import of cut and polished diamonds. The duty was imposed by the Government in January, 2012 on the request of GJEPC to curb the practice of round tripping/circular trading of cut and polished diamonds adopted by unscrupulous traders.

(f) The details of decline in export/import are given in the reply to part (b) & (c) of the question above. The measures being taken to boost exports are enumerated in the reply to part (a) of the question above.