

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

UNSTARRED QUESTION NO:1599
ANSWERED ON:30.11.2009
ASSISTANCE TO DIAMOND INDUSTRIES
Viswanathan Shri P.

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

- (a) whether large number of diamond processing units in the country have closed down in recent times;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) the total losses incurred to the industry and the number of workers affected as a result of the closure of the Diamond units; and
- (d) the measures being taken to provide assistance for reopening the closed diamond processing units?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) to c): Yes, Madam. Due to global slowdown, there has been a fall in the consumer demand in major export destination markets resulting in accumulation of inventory, delay in realization of export receivables etc. for the Indian diamond industry. According to surveys undertaken by the Government of Gujarat as quoted in the Report dated 26th February, 2009 of the Reserve Bank of India Task Force for Diamond Sector, approximately 2,230 Diamond Units out of approximately 6,547 Diamond Units were functioning. Thus, approximately 4317 Diamond Units were not functioning and 4.13 lakh workers (approx.) have lost their jobs.

d): Government had given two fiscal stimulus packages to promote and protect the industry, including the diamond sector. Further, the Government has announced a number of measures in the Foreign Trade Policy and Union Budget 2009-10, such as reduction in the threshold limit for recognition of Premier Trading House from Rs.10000 crores to Rs.7500 crores in export turnover in the previous three years and current year taken together; recognition of Surat (Gujarat) as a Town of Export Excellence; increase in the value limit of personal carriage from US\$ 2 Million to US\$ 5 Million in case of participation in overseas exhibitions and from US\$ 0.1 Million to US\$ 1 Million in case of samples in personal carriage for export promotion tours; extension of Interest subvention of 2% on rupee export credit up to March 31, 2010; exemption of Service Tax on services received by exporters from goods transport agents and commission agents where the liability to pay service tax is ab initio on the exporter, etc. to help the revival of the diamond.