

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

UNSTARRED QUESTION NO:3388

ANSWERED ON:18.03.2013

JEWELLERY IMPORT

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo;Majhi Shri Pradeep Kumar;Paranjpe Shri Anand
Prakash;Patel Shri Kishanbhai Vestabhai;Ray Shri Rudramadhab

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

- (a) whether the free trade agreement has resulted into multi fold increase in the import of gold jewellery from Thailand as compared to the import of jewellery from other countries;
- (b) if so, the details thereof and the reasons therefor along with the total value of gold jewellery imported from various countries and particularly from Thailand during each of the last three years and the current year;
- (c) whether there has been investigation into the reports of certain jewellery companies wrongly calculating the custom duty payable for their imports;
- (d) if so, the details thereof including the findings thereon along with the action taken by the Government against such erring companies; and
- (e) whether the Government proposes to review the free trade agreement and to suspend the import of gold jewellery from Thailand and if so, the details thereof and if not, the reasons therefor?

Answer

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

a) & (b) There is no bilateral Free Trade Agreement between India and Thailand at present. India and Thailand have signed a Framework Agreement for establishing an India-Thailand Free Trade Agreement on 09.10.2003. There is an Early Harvest Scheme under this Framework Agreement which covers certain items for concessional trade including gold jewellery. Thailand is also a part of ASEAN-India Agreement on Trade in Goods signed on 13.08.2009 where gold jewellery is included for concessional trade. As can be seen in the table below, while there has been increase in import of gold jewellery from Thailand much greater imports have been registered from other sources like UAE & Hong Kong during the same period with whom India has no Free Trade Agreement.

Total value of gold jewellery imported from top 5 countries including Thailand during the year 2009-10, 2010-11, 2011-12 and 2012-13(till December 2012)

	Value US\$ million			
Country	2009-10	2010-11	2011-12	2012-13 (Apr-Dec) (Provisional)

U A E	22.03	15.11	180.39	3957.64
HONG KONG	36.77	38.16	305.96	499.61
THAILAND	12.46	32.56	114.72	95.48
U S A	79.86	88.94	92.41	74.76
U K	7.15	7.08	9.09	8.72

Note: For Gold Jewellery the ITCHS code considered is `71131910`,`71131920`,`71131930`,`71131940`

c) & d) The details of cases of jewellery companies wrongly calculating the Customs duty payable for their imports and action taken in this regard is given below:

	(Rs. in crore)			
Year	No. of cases	Qty (in kgs) involved so imported	Value of goods involved	Differential duty
2009-10	-	-	-	-
2010-11	-	-	-	-
2011-12	-	-	-	-

2012-13 46 2990.85 982.84 107.11
(upto Feb 2013)

Action has been initiated against the offenders under the provisions of Customs Act for collection of differential duty, imposition of fine and penalty. All the Customs formations including DRI have been sensitized to prevent such fraudulent import by wrongly calculating the Customs duty payable for their imports. Constant surveillance is kept on Seaports, Airports and Land Customs Stations.

e) India and Thailand are presently negotiating a Free Trade Agreement. Since a doubt has been raised about the accuracy of the information given on the Certificates of Origin issued by Thailand under Early Harvest Scheme, a request has been made to Thailand for retroactive check of Certificates of Origin. In the meanwhile, the Department of Revenue has been advised to suspend preferential import of gold jewellery with identified tariff lines from Thailand till the retroactive check is conducted by the Thai side.