

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

UNSTARRED QUESTION NO:5331

ANSWERED ON:29.04.2013

SALE OF JEWELLERY

Karwariya Shri Kapil Muni;Siricilla Shri Rajaiah

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

- (a) the total import/export from leather goods, diamonds, gems and jewellery sectors during each of the last three years and the current year along country-wise with the foreign exchange earned therefrom;
- (b) whether the Indian leather industry, gems and jewellery industry have been gaining specialisation and moving towards producing exquisite products;
- (c) if so, the details thereof;
- (d) whether there has been a huge increase in the domestic sale/export/import of gems and jewellery during the said period and if so, the details thereof along with its impact on the economy; and
- (e) the steps being taken by the Government to boost the export of leather goods, diamond and jewellery items from the country?

Answer

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

(a) Details are annexed.

(b) & (c) From being a mere export of raw hides, skins and leathers in the 1950s & 1960s, the Indian leather industry is now exporting value added leather products and footwear. As of now, the value added finished products constitute about 78% of total exports from Indian leather sector.

Indian jewellery manufacturing industry has mastered in modern tools of manufacturing and has blended it with its traditional expertise. With the use of state of art manufacturing facilities, the industry has strengthened its position in the global market and has established itself as the International diamond manufacturing hub and is dominating the world's cutting and polishing sector for the past several years.

(d) There has been a steady growth in the exports/imports of gems & jewellery items between 2009-10 and 2011-12. However, some decline has been noticed in the year 2012-13 which was due to the global economic slowdown. As a result, the percentage share of gems & jewellery sector in the total exports of the country has declined from 15.41% in 2011-12 to 14.28% in 2012-13 (April 2012-February 2013).

(e) The Government of India has identified Leather Sector as a Focus Sector in the Foreign Trade Policy 2009-14 and has taken a number of initiatives for the growth of the leather sector, which include 4% duty credit scrip benefits for notified leather products & footwear under Focus Product Scheme, exemption of basic custom duty on import of machinery and equipment meant for effluent treatment plant, Zero Duty EPCG Scheme to facilitate import of Capital Goods, exemption of CVD on raw, tanned and dressed fur skins, exemption on export duty on re-export of hides, skins and semi-finished leather from bonded warehouses etc. In Gems and Jewellery Sector, such measures include permission to import diamonds on consignment basis for certification/grading and 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. Financial assistance is also given to these sectors under 'Market Development Assistance' and 'Market Access Initiative' schemes to organize/participate in exhibitions, fairs, buyers-seller meets and reverse buyers-sellers meets etc. through their respective Export Promotion Councils.