GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5252
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IMPORT OF GOLD
Krishnaswamy Shri M.;Naik Dr. Sanjeev Ganesh;Ponnam Shri Prabhakar;Punia Shri P.L. ;Semmalai Shri S.

Will the Minister of FINANCE be pleased to state:

(a)the requirement vis-a-vis volume and value of gold imported into the country during each of the last three years and the current year till date, country-wise;

(b)the impact thereof on the economy of the country; and

(c)the measures taken/being taken by the Government to curb the huge import of gold along with the outcome thereof?

Answer

MINISTER OF STATE FOR FINANCE (SHRI NAMO NARAIN MEENA)

(a) Quantity and value of import of gold for the last three years and current year from major sources is given in table 1.

(b) Gold is the second major import item of India after Petroleum, Oil and Lubricants (POL) and constitutes 11.3 per cent of total imports in 2011-12 in value terms. The rise in imports of gold is one of the factors contributing to India`s high trade deficit and current account deficit (CAD) in 2011-12, forming 30 per cent of its trade deficit. Import of gold has accounted for nearly 26 per cent of India's trade deficit during 2012-13 (April-February).

(c) To restrict the rising trend in gold imports which is adversely affecting India`s balance of payments, measures were and are being taken by the government. In Budget 2012-13, import duty on standard gold and platinum was raised from 2 per cent to 4 per cent and non standard gold from 5 per cent to 10 per cent. On 21 January 2013, the import duty on gold and platinum was increased from 4 per cent to 6 per cent. The Union Budget 2013-14 has proposed to incentivise the household sector to save in financial instruments rather than buy gold. The measures proposed include the liberalization of the Rajiv Gandhi Equity Savings Scheme, providing additional income tax deductions to a person taking a loan for his first home from a bank or a housing finance corporation upto Rs.25,00,000 during the period 1.4.2013 to 31.3.2014 and the proposal to introduce instruments that will protect savings from inflation, which could be Inflation Indexed Bonds or Inflation Indexed National Security Certificates.

Gold imports at US$ 50637 million and 951170 kgs in 2012-13 (April-February) were lower by 11.8 per cent and 1.6 per cent over corresponding previous period. The recent fall in gold price may lead to a fall in the value of gold imports for investment purposes.

Table 1
Import of Gold during 2009-10 to 2012-13 (April-February)

Quantity in Kgs
Value in US $ million

Country	2009-10		2010-11		2011-12		2012-13 (April-February) P	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Australia	170825	5716	73495	3017	62146	3262	51379	2612
China	131	4	3330	146	26060	1342	18372	964
Germany	162	4	4245	179	11702	614	10357	549
Hong Kong	10579	361	9594	403	11018	581	14398	791
Italy	12	0	976	42	5162	256	1889	103
Japan	567	20	1405	62	5701	301	6027	323
Korea RP	7	0	524	23	6764	358	4877	256
Singapore	866	30	1318	56	5196	273	12557	680
South Africa	100775	3348	104280	4330	124240	6484	78317	4205
Switzerland	375103	12672	537650	22513	556892	29137	480612	25749
United Arab Emirates	160793	5455	178992	7486	189444	9909	167123	8986
UK	5538	182	8757	383	11357	569	7226	388
USA	18367	604	25897	1067	27753	1402	66024	3367
Total	850985	28642	969736	40549	1078349	56324	951170	50637

Source: Directorate General of Commercial Intelligence & Statistics.

P: provisional