

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2443

ANSWERED ON:23.08.2013

IMPORT DUTY ON PRECIOUS METALS

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**Will the Minister of FINANCE be pleased to state:**

- (a) the details of representations relating to increased import duty on gold and other precious metals received and the consultations held in the matter along with the action taken thereon during each of the last three years and current year till date;
- (b) the details of increase/decrease in import duty on gold during the same period;
- (c) whether the Government has ascertained the impact of such increase in import duty on demand, price of gold, small and medium jewellers, etc.;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken by the Government to maintain balance between demand and price of gold keeping in view the interests of small and medium jewellers and the workforce engaged therein?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI J. D. SEELAM)

(a): After the increase in import duty on gold and other precious metals in January 2012 and subsequent increases thereafter, several representations have been received, seeking reduction in import duty.

These representations were examined and it was not found feasible to reduce the duty in view of the widening current account deficit.

(b): The details of increase in import duty on gold during the last three years and current year are furnished in the Statement enclosed.

(c), (d) & (e): The information regarding impact of such increase in import duty on demand and price of gold and on small and medium jewellers is not maintained by the Government.

The domestic prices of gold have moved up and down in recent months in tandem with international prices. Increase in import duty has also affected gold prices.

The Government has a limited role in controlling the prices of gold, as the prices are demand driven. The Government has also limited role in curbing the demand for gold.

Statement referred in reply to part (b) of the Lok Sabha Unstarred Question No. 2443

The details of increase in import duty on gold during the last three years and current year till date are as given below:

Customs Duty									
S.No	Commodity	2010-11	2011-12	2012-13	2013-14				
	Before	w.e.f.	w.e.f.	w.e.f.	w.e.f.	w.e.f.			
	17.1.2012	17.1.2012	17.3.2012	21.1.2013	5.6.2013	13.8.2013			
1	Standard gold of purity not below 99.5%	300 per 10 gm	300 per 10 gm	2%	4%	6%	8%	10%	
2	Gold in any form other than at S. No. 1 above including liquid gold and tola bars.	750 per 10 gm	750 per 10 gm	5%	10%	10%	10%	10%	
3	Gold dore bar having gold content not	NA 140 per 10 gm (CVD)	1% 2% (CVD)	4% (CVD)	6% (CVD)	8% (CVD)			

exceeding  
80%# (Subject  
to actual  
user condi  
tion)

#Gold content in dore bar was increased from a maximum of 80% to 95% in January 2012