GOVERNMENT OF INDIA
FINANCE
LOK SABHA

Will the Minister of FINANCE be pleased to state:

(a) whether there has been a steep rise in the prices of precious metals like gold and silver during the last few months in the country;

(b) If so, the item-wise details along with the reasons therefor;

(c) whether the Government has changed the import duty on gold and silver during the recent time; and

(d) if so, the details along with the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b) : The monthly average price of Gold increased from Rs. 27,743 in April, 2013 to Rs. 30,473 in September, 2013. The monthly average price of Silver increased from Rs. 48,845 in April, 2013 to Rs. 52,251 in September, 2013.

India is a net importer of gold and silver and therefore, prices of these precious metals depend on international prices. The volatility in the prices of gold and silver in India is mainly due to the volatility in the prices of these commodities in the international markets, depreciation of Rupee in the said period and increase in import tariff of gold.

(c) & (d): The value of imports of gold and silver was US$ 42.6 billion in 2010-11, US $ 61.6 billion in 2011-12 and US $ 55.8 billion in 2012-13, leading to an increase in trade and current account deficits in 2011-12 and 2012-13. To restrict gold and silver imports, Government has taken many measures which, among others, include:

In Union 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. Further, import duty was increased to 8 per cent in June 2013.

On 13th August 2013, the customs duty on gold and platinum was increased from 8 per cent to 10 per cent and on silver from 6 per cent to 10 per cent.