

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

LOK SABHA
UNSTARRED QUESTION No. 3934
TO BE ANSWERED ON: Friday, August 10, 2018/Shravana 19, 1940 (Saka)

IMPORT OF GOLD

QUESTION

†3934. by SHRI CHANDRAKANT KHAIRE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the import of gold has registered 25 per cent decrease in the first quarter of current financial year;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the details of the import of gold during the last three years, year-wise?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(Shri P. Radhakrishnan)

(a) & (b) As per India's gold import data shown below, the import of gold has registered approximately 25% decrease in the first quarter of current financial year in comparison of the gold imports in the corresponding quarter of the last financial year 2017-18.

(Value in US \$ million)

Month	2017-18 (Apr-June)	2018-19(Apr-June)*	%Growth
April	3853	2580	-33.1
May	4959	3479	-29.8
June	2455	2385	-2.8
Total import of gold in the first quarter	11266	8444	-25.1

Source: DGCI&S, Kolkata (*Provisional)

The reasons considered for lower imports are as follows:

- (i) Weaker Indian Rupee (INR) resulted into higher local prices of gold which dampened fresh purchases from manufacturers and retailers.
- (ii) High imports in April and May 2017 (245.8 tonnes) ahead of GST due to fear of higher GST on gold.
- (iii) Sufficient inventory/stock of both bullion and fabricated jewellery providing little incentive for banks and retailers/fabricators to make fresh purchases.

In addition to above, government has also introduced the following measures to restrict the import of gold in the country:

- (i) Imposition of restriction on duty free gold import from the South Korea as allowed under the existing India-Korea CEPA.
- (ii) Imposition of self-use condition on Premiere Trading House/Star Trading House authorized to import precious metal (gold) directly from overseas bullion supplier (DGFT Notification No. 34/2015-20 dated 18.10.2017).
- (iii) Issuance of Trade Notice by DGFT for grant of license for import of Gold to the refinery who holds a valid license from BIS (DGFT Trade Notice No. 4 dated 21.04.2017 and No. 14 dated 24.08.2017).
- (iv) Restriction imposed on export of gold jewellery and articles, including medallions and coins (excluding legal tenders) of purity above 22 carats. (DGFT Notification No. 21/2015-20 dated 14.08.2017)

(c) The details of the import of gold during the last three years, year-wise are as under:

Year	Quantity in Metric Ton	Value in Million USD
2015-16	968	31771
2016-17	780	27518
2017-18	955	33657
