

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 2479**

TO BE ANSWERED ON 15.12.2025/ *Agrahayana 24, 1947 (Saka)*

**INCREASE IN GOLD AND SILVER PRICES**

2479. SHRI THIRU ARUN NEHRU:

KM. SUDHA R:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has assessed the reasons for the significant increase in domestic gold and silver prices during the last one year, including global market trends, import costs and currency fluctuations, if so, the details thereof;
- (b) whether the Government has taken cognizance of the financial strain on families due to the surge in gold and silver prices during festive and wedding seasons particularly in Tamil Nadu and other States with high traditional usage of gold, if so, the details thereof;
- (c) the policies and the steps taken/proposed to be taken by the Government to stabilize prices and reduce volatility in precious metals to ease the financial burden on households;
- (d) whether the Government proposes to provide relief measures such as reducing import duties, rationalisation of taxes, introduction of subsidies or welfare schemes to make gold and silver more affordable for families during cultural and religious occasions and if so, the details thereof;
- (e) the quantity and value of Gold and Silver imported since 2014, year-wise;
- (f) whether the gold stock available with Reserve Bank of India (RBI) will help strengthening the value of Indian Rupee (INR), if so, the details thereof; and
- (g) whether the Government proposes to intervene and regulate the prices of Gold and Silver being sold in retail market, if so, the details thereof?

## ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): Domestic prices of precious metals like Gold and Silver are primarily determined by their prevailing international prices (in US dollar terms), the exchange rate of the Indian Rupee against the US Dollar and applicable taxes/tariffs. The recent surge in prices is largely attributable to heightened geopolitical tensions and uncertainty over global growth, which have boosted safe-haven demand, including substantial gold purchases by central banks and major institutions worldwide.

(b): While the prices of gold and silver have witnessed a rising trend in the current year, it may have differential effects across States or population groups depending upon the degree of socio-cultural and economic reliance over these precious metals. They serve a dual role—not only as a consumption item but also as an investment avenue, as they are considered safe assets for hedging against uncertainties. Thus, an increase in the price of gold or silver positively influences household wealth, as the notional value of existing gold or silver holdings appreciates. For prospective buyers, purchases represent a shift from one form of asset (cash) to another (gold or silver), whose value may appreciate over time.

(c), (d) and (g): The prices of precious metals are determined by the market, as mentioned at (a) above and the government is not involved in the price fixation. Nevertheless, as a relief measure to consumers, the Government lowered customs duty on gold imports from 15 to 6 per cent in July 2024. The Government introduced measures such as Gold Monetization Scheme (GMS), Gold exchange-traded funds (ETFs) and Sovereign Gold Bond Scheme to reduce the demand for physical gold and to mobilise idle domestic gold, so that part of demand is met from local stocks rather than fresh imports, thereby reducing external vulnerability and price pressures. RBI and government regulation of bullion imports through nominated agencies, banks and refineries improves traceability, reduces grey-market channels and helps domestic prices more smoothly track global benchmarks rather than react to shortages or speculative spikes.

(e): The import of gold and silver (quantity and value) since 2014 is given in the table below;

Year	Gold		Silver	
	Quantity (in kilograms)	Value (Million USD)	Quantity (in kilograms)	Value (Million USD)
2014-15	9,15,471	34,407.18	77,07,855	4,523.51
2015-16	9,68,063	31,770.74	74,28,856	3,742.74
2016-17	7,80,152	27,518.03	33,62,551	1,839.17
2017-18	9,55,333	33,657.21	58,79,280	3,213.80
2018-19	9,82,711	32,910.06	74,74,205	3,748.22
2019-20	7,19,935	28,229.67	54,21,724	2,727.82
2020-21	6,51,235	34,603.94	14,86,001	790.36
2021-22	8,79,046	46,165.58	44,21,680	32,76.18
2022-23	6,78,346	35,016.29	81,56,795	5,294.58
2023-24	7,48,288	42,561.70	60,58,434	4,457.97
2024-25	7,57,093	58,006.37	51,64,372	4,827.25
2025-26 (till Sep)	2,99,768	26,514.46	28,20,728	3,219.17

Source: Directorate General of Commercial Intelligence and Statistics (DGCIS)

(f): The Indian currency is backed by the assets maintained by the RBI in accordance with Section 33 of the RBI Act, 1934, which requires the RBI to hold gold coins, gold bullion, foreign securities, rupee coins and rupee securities to such aggregate amount as is not less than the total currency issued. As on 31 March 2025, the Reserve Bank of India held 879.58 metric tonnes of gold as compared to 822.10 metric tonnes as on 31 March 2024, reflecting an increase of 57.48 metric tonnes. These gold holdings contribute in strengthening confidence in the Indian Rupee and the overall external stability of the economy.

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