

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4702
ANSWERED ON:26.04.2005
GOLD POLICY
Ponnuswamy Shri E.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government propose to have a comprehensive policy on Gold; and
- (b) if so, the details thereof and its likely impact on price and trade?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI E.V.K.S. ELANGO VAN)

(a) & (b) A committee to examine the regulatory structure of the Gold Industry to make India a gold trading hub has been constituted by the Ministry of Commerce and Industry.

The committee has the following terms of reference:

- (I) Improving the scope of measures to be undertaken to facilitate banks to hedge in Future Markets on Gold.
- (II) Recommend measures to facilitate Mutual Funds to invest in gold.
- (III) Recommend measures to improve the ability of the banks to implement Gold-Linked Saving Scheme.
- (IV) Recommend appropriate customs and foreign trade measures that are required to be undertaken to facilitate manufacturing and trading in gold.
- (V) Any other recommendation required to be made to improve trading in gold and also on measures required to ensure quality of the goods being traded.

Gold price movements in India are generally in synchronization with the international prices. Besides, factors such as demand and supply, investor interest, interest rates, movement in the exchange rate of US Dollars vis-à-vis other international currencies, etc. affect the gold prices. The findings of the Committee are expected to improve the prospects of Gold Trade in the country.