

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

UNSTARRED QUESTION NO:223
ANSWERED ON:25.07.2006
FDI IN GEM DIAMOND SECTOR
Patil Shri Balasaheb Vikhe

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

- (a) Whether the Government proposes to allow Foreign Direct Investment (FDI) in the area of extraction of precious gems and diamonds;
- (b) If so, the details thereof alongwith the area identified for the purpose; and
- (c) The foreign exchange likely to be earned therefrom?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) to (c): As per the extant policy Foreign Direct Investment (FDI) upto 100%, is permitted under the automatic route in the mining sector covering exploration and mining of diamonds & precious stones, gold, silver and minerals. Mineral concessions are granted by State Governments. It is not possible to anticipate the amount of foreign exchange likely to be earned from extraction of diamonds and gems since apportionment between the likely increased domestic consumption and exports is difficult to make. However, it is hoped that some foreign exchange would be earned.