

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

UNSTARRED QUESTION NO:903

ANSWERED ON:28.11.2006

EXPORT OF GEMS AND JEWELLERY

Patle Shri Shishupal Natthu;Yadav Shri Kailash Nath Singh

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

- (a) whether the export of Gems and Jewellery is getting affected due to the heavy ups and downs in the prices of gold during the current year;
- (b) whether any target has been set for the export of such Gems and Jewellery during the current year;
- (c) if so, whether any downfall has been recorded during the first half of the year; and
- (d) if so, the reasons therefor alongwith the steps being taken by the Government and the percentage of downfall estimated in comparison to the last year?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) No, Sir.

(b) Yes, Sir. The target of export of Gem & Jewellery in the current year is US\$ 18212 million.

(c) & (d) As per latest available figures, during the period April-July, 2006, there is a decline of 0.14% over the corresponding period during 2005-06. This is due to decline in export of cut and polished diamonds from bonded warehouses. The following facilities have been extended to boost exports from this sector:

(i) Import of gold of 8 carat and above has been allowed under the replenishment scheme subject to the import being accompanied by an Assay Certificate specifying the purity, weight and alloy content.

(ii) Duty Free import entitlement of consumables for metals other than Gold, Platinum to be 2% of FOB value of exports during the previous financial year.

(iii) Duty free import entitlement of commercial samples to be Rs.300,000.

(iv) Duty free re-import entitlement for rejected jewellery to be 2% of the FOB value of exports.

(v) Cutting and polishing of gems and jewellery, to be treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

(vi) Import of precious metal scrap / used jewellery has been allowed for melting, refining and re- export of jewellery. However, such import will not be allowed through hand baggage.

(vii) Gem & Jewellery exporters have been allowed to export jewellery on consignment basis as per Rules.

(viii) Gem & Jewellery exporters have been allowed to export cut and polished precious and semi- precious stones for treatment and re-import as per Rules.

(ix) Value addition norms for different categories of gems and jewellery products have been reduced.