

Recent Import Duty Hike to strengthen Jewellery Manufacturing in India

Diamond export trade to be impacted: GJEPC

Mumbai, September 28, 2018: The government recently increased the customs duty on categories of diamond such as semi-processed, half cut or broken, and cut and polished coloured gemstone to 7.5 per cent, from 5 per cent earlier, and increase in import of jewellery articles from 15% to 20% in a move to narrow the current account deficit (CAD).

Mr. Pramod Kumar Agrawal, Chairman, The Gem & Jewellery Export Promotion Council (GJEPC) said, **“GJEPC welcomes the step undertaken by the government to narrow the current account deficit.**

Welcoming the Increase in import duty on jewellery from 15% to 20% by **Chairman GJEPC** said **“this move would not only help the sector strengthen jewellery manufacturing in India but also give a boost to Jewellery exports from India, a step towards establishing Brand India jewellery”.**

Mr. Agrawal said, **“The import duty increase in cut and polished diamonds and processed colour Gemstone from 5% to 7.5% would increase the cost of business for the sector and impact exports and trade. India, a global leader in Diamond Processing, is not just a Hub for processing roughs, but also caters to varied forms of re processing of diamonds and diamond jewellery. A substantial size of cut and polished diamonds sold to clientele world over, in the form of either loose or set in jewellery are imported for re setting in new design or products as desired by the customers.”**

“There are broken, damaged sold goods and semi processed stones too, that form considerable part of import of cut and polished diamonds. This would lead to practical inconvenience and limit the business of cutting and polishing impacting large part of the employment in the sector .

Other global Trading centers such as New York, Dubai, Israel would be at an advantage and the import duty hike could encourage malpractices in India”, Chairman added

“Processed coloured gemstones too form significant component for Jewellery, and hike in the tariff will hurt the business. GJEPC would represent the concerns to the Government to find a mechanism that would help minimize impact on the Exports” he added

India is a predominant Global leader in Cutting and polishing of Diamonds contributing 70% by value, 85% by volume and 92% by pieces. India exported a total of USD 23 billion worth of cut and polished diamonds and USD 9.7 billion worth of plain and studded jewellery in FY 2017-18.