

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

CUSTOMS DUTY ON GOLD, PLATINUM & SILVER RAISED

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As a part of measures towards containing the current account deficit, the customs duty on gold and platinum has been increased from 8% to 10% and on silver from 6% to 10%. Consequential adjustments in customs duties are being made on gold ore / concentrate, gold dore bar and silver dore bar. Thus, additional duty of customs (CVD) on gold dore bars and on gold ore/concentrate is being increased from 6% to 8% and on silver dore bar from 3% to 7%.

Pursuant to changes in the customs duties on gold and silver, excise duty on refined gold bar produced from gold ores/ concentrate, gold / silver dore bar or from copper smelting is being increased from 7% to 9%. Likewise, excise duty on silver manufactured from silver ore or concentrate, silver / gold dore bar or from copper, zinc or lead smelting is being increased from 4 % to 8%. Notifications in this regard have been laid in the Parliament today.

India is a major importer and consumer of gold and silver. The quantity of gold imported during 2012-13 was 845 MT valued at Rs. 2, 45,862 crore. The quantity of silver imported during 2012-13 was 1963 MT valued at Rs. 10,691 crore. Prior to 17th January 2012, the import duty on Standard Gold (of purity 99.5% & above) was Rs. 300 per 10 gm. The duty was raised to 2% w.e.f. 17th January 2012; thereafter, it was raised to 4% in the Budget 2012-13 and the duty was further raised to 6% w.e.f. 21st January 2013. The duty on gold was thereafter increased from 6% to 8% w.e.f. 5th June 2013. The basic purpose of enhancing the duty was to curb the import of gold. The duty rates for silver were last revised w.e.f. 17th January 2012. Prior to 17th January 2012, customs duty on Silver was on specific rate basis (Rs. 1,500 per kg) which was raised to 6% w.e.f. 17th January 2012.

Imports of gold and silver have witnessed a surge in recent months. In quantitative terms, the imports of gold increased from 205 MT in April - July, 2012 to 383 MT in April - July, 2013, an increase by about 87%. In value terms, the imports increased from Rs. 56,488 crore to Rs. 95,092 crore, an increase of about 68%. During April-July 2013, silver valued at Rs. 12,789 crore was imported in comparison with silver valued at Rs. 4,281 crore imported during April-July 2012, an increase of nearly 200%. Yesterday, the Finance Minister had underlined the need for compression in the import of gold and silver.
