

Gold imports decline by 55% in March

SANGEETHA G

Chennai

GOLD imports have dropped more than 55 per cent in March after most jewellers shut down their establishments demanding rollback of the duty hikes proposed in the Union budget.

"The country would have imported 15 to 20 tonnes of gold in March against 45 to 55 tonnes usually imported on a monthly basis. Sales have dipped drastically as almost 80 to 90 per cent of the jewellers have joined the protest against duty hike," Prithviraj Kothari, director of RiddiSiddhi Bullion and president of Bombay Bullion Association said.

Jewellers have been seeking rollback of customs duty hike, excise duty and customer tax at source since March 17 by conducting rallies and hunger strikes across more than 300 cities. The strike was withdrawn following the issuance of a letter by the tax research unit of the finance

"THE country would have imported 15 to 20 tonnes of gold in March against 45 to 55 tonnes usually"

Prithviraj Kothari
President, Bombay
Bullion Association

ministry on March 30 to the All India Gems and Jewellery Trade Federation informing that the issues raised in their representations were under examination by the Central Board of Excise and Customs and would be clarified shortly.

According to Kothari, imports during the January-March quarter should have also dropped by more than 50 per cent. "During the quarter, the country would have imported between 125 tonnes and 150 tonnes. In the same quarter last year, imports stood at almost 300 tonnes," he said.

"In January, the government hiked the gold import duty from one per cent to two per cent. In March, it was once again raised to four per cent. Further, higher interest rates and inflation have affected consumption of the metal. The rupee too had remained weak during the quarter," he said.

Silver imports too were substantially down in March at an estimated 20 tonnes. Import of silver during the three-month period is estimated at 300-400 tonnes. In 2011, almost 4,874 tonnes of silver were imported into the country, he added.

sangeethag
@mydigitalfc.com