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Gold Council to Aid Exports on the Anvil

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The Government of India has decided to set up a Domestic Council for Gold to aid exports of jewellery and to create an ecosystem to harness the true potential for jewellery-making in the country.

Also, a Coordination Committee will be set up to address of the gold industry. It will comprise senior officials of the Ministry of Commerce and members from the Gem & Jewellery Export Promotion Council, who will meet regularly to ensure that industry concerns are addressed on a priority basis.

Key Highlights

- The council would work towards industrial development, job creation, the building of regional clusters and strengthening of value chains.
- It will represent all the jewellers of India who will be the electoral college. They will form different interest groups and elect those who will sit in the council.
- The council will also provide domestic support for exports.

Background

- The gold industry sector is a USD 41 billion export industry and it contributes 7 per cent to the country's economic growth and 15 per cent to exports.
- With the industry witnessing a crisis of sorts as banks have curtailed lending to traders (due to Nirav Modi scam) and have been demanding collateral security and extensive documentation.
- Gem and jewellery exports from India declined by 9 per cent between April and June to \$10.1 billion against the \$11.1 billion logged in 2017.
- Also, a 3 per cent Goods and Services Tax (GST) on exporters for procuring gold from nominated agencies is hampering jewellery exports from India.

Gem & Jewellery Export Promotion Council

- The Gem & Jewellery Export Promotion Council (GJEPC), headquartered in Mumbai, was set up by the Ministry of Commerce, Government of India (GoI) in 1966.
- The GJEPC is the apex body of the gems & jewellery industry and represents almost 6,000 exporters in the sector.
- It is one of several Export Promotion Councils (EPCs) launched by the Indian Government, to boost the country's export thrust, when India's post-Independence economy began making forays in the international markets.
- Since 1998, the GJEPC has been granted autonomous status.