

EFFORTS TO CURB GOLD IMPORTS

India, the world's top gold buyer, has taken a series of measures this year to curb demand for bullion — its second-biggest import after oil — as it looks to reduce its record trade deficit



Jan 21

Government raises gold import duty 2% to 6%

Jan 22

Government more than doubles duty on raw gold to 5%

Jan 30

Finance Minister P Chidambaram says no plans for additional taxes or curbs on gold imports

Feb 1

RBI plans to introduce three-four gold-linked products in the next few months

Feb 6

RBI says it would consider imposing value and quantity restrictions on gold imports by banks

Feb 14

Central bank relaxes rules on gold deposit schemes offered by banks by allowing lenders to offer the products with shorter maturities

Feb 20

Trade ministry recommends suspending cheaper gold jewellery imports from Thailand

Feb 28

Government keeps gold import duty unchanged in its annual Budget, defying industry expectations

Feb 28

Government proposes transaction tax of 0.01% on non-agricultural futures contracts, including precious metals

Mar 1

Finance minister appeals to people not to buy too much gold

Mar 18

RBI says it is examining banks that sell gold coins and wealth management products to identify "systemic issues" to close legal loopholes

Apr 12

Finance minister says unlikely to raise the import tax on gold further to avoid smuggling. Instead, inflation-indexed instruments would be introduced

May 3

RBI restricts import of gold on a consignment basis by banks

Jun 3

Finance minister says India cannot afford high levels of gold imports and may review its import policy

Jun 5

India hikes gold import duty by a third to 8%

Jun 21

Reliance Capital halts gold sales and investments in its gold-backed funds

Jun 24

India's biggest jewellers' association asks members to stop selling gold bars and coins, which accounts for about 35% of their business

Jul 10

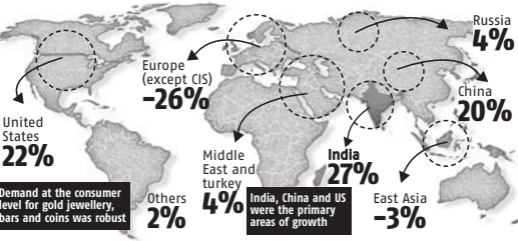
India's jewellers could continue a voluntary ban on sales of gold coins and bars for six months

Jul 22

RBI moves to tighten gold imports again, making these dependent on export volumes; offers relief to domestic sellers by lifting restrictions on credit deals

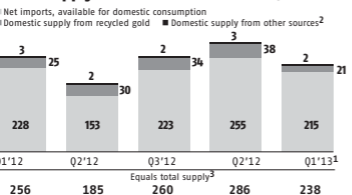
Y-o-Y % change in total consumer demand by region

(In tonnes)

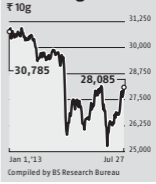


Indian supply estimates

Figures in tonnes



Standard gold



1) Provisional 2) Domestic supply from local mine production, recovery from imported copper concentrates and disinvestment 3) This supply can be consumed across the three sectors—jewellery, investment and technology. Consequently, the total figure in the table will not add to jewellery plus investment demand for India. Source: Thomson Reuters GFMS, World Gold Council

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