

# Gold imports down 9% as Govt curbs shipments

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The series of government measures to contain gold imports seems to have paid off. Gold shipments has fallen nine per cent to 860 tonnes last year against 969 tonnes in 2011, according to the World Gold Council.

While gold imports dipped, supply through recycled gold increased substantially as consumers made the most of sharp jump in prices.

Domestic supply by way of recycled gold nearly doubled to 117 tonnes last year against 59 tonnes registered in the preceding year.

Total supply last year was down five per cent to 987 tonnes (1,039 tonnes) including supply of 10 tonnes (12 tonnes) from

other sources including production from domestic mines and recovery from imported copper concentrates.

The overall gold demand in the form of jewellery, coins, bars and investment was down 12 per cent to 864 tonnes.

Jewellery demand was down 11 per cent to 552 tonnes (618 tonnes), while sale through bar and coins was down 15 per cent to 312 tonnes (368 tonnes). Gold prices were up 22 per cent to Rs 28,639 for 10 grams (Rs 23,624).

The demand for gold in China, another major market for gold, was almost flat at 817 tonnes (812 tonnes).

Both India and China together logged a gold sale of 1,618 tonnes, accounting for 53 per cent of global demand of 3,164 tonnes in 2012.

## **MEASURES TO CURB DEMAND**

Sale of the yellow metal in the country was impacted by the run up in gold prices and increase in import duty since March last year. The duty was doubled in the Budget last year to four per cent, which was further hiked to six per cent in January. Prithvira Kothari, Director, Riddhi Siddhi Bullions, said the hike in customs duty will lead to difference of seven per cent between the international and domestic price which will be passed on to retail consumers by the jewellers.

The cost of importing one kg of gold has gone up to about Rs 2 lakh from Rs 1.40 lakh after the recent hike in duty, said a jeweller.

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