



*For immediate release*

## **GJEPC Appreciates USTR's Decision To Suspend Tariffs On Indian Jewellery For 180 Days**

**3rd June 2021, Mumbai:** Announcing the conclusion of the one-year Section 301 investigations of Digital Service Taxes (DSTs) adopted by India, Austria, Italy, Spain, and Turkey, United States Trade Representative (USTR) has suspended tariffs on goods from these countries for up to 180 days to provide additional time to complete the ongoing multilateral negotiations on international taxation at the OECD and in the G20 process.

**Colin Shah, Chairman, GJEPC, commented,** "I would like to thank USTR for giving the Indian jewellery industry an opportunity for sharing our views at the public hearing last month and considering our representation. Most of the speakers at the hearing were of the view that a multilateral solution would be a preferable option, as a unilateral action undermines and weakens the Dispute Settlement Mechanism under WTO. The suspension of tariff on goods for up to 180 days is an indication that the USTR is willing to wait till a multilateral solution is found for Digital Service Taxes (DST)."

**Colin Shah noted,** "The imposition of the proposed 25% import duty on 17 Indian jewellery items would have immensely impacted this labour intensive sector with loss of jobs and livelihoods and a shift of business to countries such as China and Mexico. American jewellery companies also bank on Indian companies to fund their business by giving long credit and memo facilities, which would have major repercussions. Indian companies have established an estimated 500 offices around the USA that provide thousands of high-paying white-collar jobs to locals; the imposition of duty could affect all these jobs as the Indo-US jewellery business would become unviable.

I express my gratitude to Govt. of India, especially the Ministry of Commerce & Industry for the representation they made to USTR on behalf of the industry. The ministry has been in constant touch with the USTR, conveying the adverse

effect of imposition of the proposed 25% import duty on the labour-intensive Indian gem and jewellery industry.”

GJEPC, the apex body of the gem and jewellery trade in India, had also proactively engaged with several stakeholders and conveyed the implications of the move. A detailed representation was made to the Government of India on 29th March, 2021, series of webinars and meetings were conducted with trade; and based on the inputs received, a comprehensive guide was prepared, and provided to all members.

At the United States Trade Representative (USTR) multi-jurisdictional hearing held virtually on 10th May, the GJEPC along with other major trade bodies and leading exporters from the gem & jewellery sector represented Indian industry’s grievances over a proposed 25% import duty on 17 Indian jewellery items.

USA is India’s major export market for gem and jewellery products. Exports of around US\$9.3 billion goes to the USA market accounting for 25.6% of the total gem and jewellery exports of US\$36 billion from the country.

Imposition of 25% import duty would have adversely impacted gem and jewellery exports of around US\$46 million to US\$53 million and be another set-back to one of the most labour-oriented and export sector of the country.

### **About The Gem and Jewellery Export Promotion Council (GJEPC)**

The Gem & Jewellery Export Promotion Council (GJEPC), set up by the Ministry of Commerce, Government of India (GoI) in 1966, 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. The GJEPC is the apex body of gems & jewellery industry and today represents 7000 exporters in the sector. With headquarters in Mumbai, GJEPC has Regional Offices in New Delhi, Kolkata, Chennai, Surat and Jaipur, all of which are major centres for the industry. It thus has a wide reach and is able to have a closer interaction with members to serve them in a direct and more meaningful manner. Over the past decades, GJEPC has emerged as one of the most active EPCs, and has continuously strived to both expand its reach and depth in its promotional activities as well as widen and increase services to its members.

**For more information contact:**

Dolly Choudhary, Director, PM&BD, GJEPC; M: +91 9987753823; e-mail:

[dolly@gjepcindia.com](mailto:dolly@gjepcindia.com)

Pradeesh Gopalan; M: +91 7045795199; e-mail: [pradeesh.gopalan@gjepcindia.com](mailto:pradeesh.gopalan@gjepcindia.com)