



GEM AND JEWELLERY EXPORT PROMOTION COUNCIL

Press Release

GJEPC Presents Pre-Budget Recommendations to Hon'ble Finance Minister

New Delhi, December 26, 2024: Vipul Shah, Chairman, GJEPC, met with Hon'ble Finance Minister Smt. Nirmala Sitharaman today during a pre-budget consultation held in Delhi.

During the meeting, Mr. Shah presented key recommendations on behalf of the gem and jewellery industry, aimed at fostering growth, enhancing global competitiveness, and addressing the industry's critical challenges.

Vipul Shah, Chairman, GJEPC said, "We thank the Hon'ble Finance Minister for reducing the import duty on precious metals in the last budget, a move that has spurred unprecedented growth in the sector. This is evident from the multiple stock market listings of family-run jewellery businesses, the expansion of major retailers overseas, and the planned opening of 3,000 retail outlets in the next two years, creating lakhs of employment opportunities across the country."

Shah further added, "We also thank FM for introducing Safe Harbor Rule for sale of rough diamonds at SNZs by foreign miners. However, we request the issuance of FAQs on Safe Harbour Taxation.

"Additionally, we have requested the FM's support for co-funding global diamond promotion campaigns, the inclusion of jewellery parks in the harmonised infrastructure list, and an Infrastructure Support Fund to develop a Gem Bourse in Jaipur. Advancing a platinum jewellery ecosystem and expanding IJEX trading centres will further strengthen India's global leadership while creating substantial employment opportunities."

GJEPC remains committed to collaborating with the Government of India to ensure the sector continues to contribute significantly to the nation's economy.

Key Recommendations Submitted by GJEPC:

- GJEPC has expressed gratitude for the announcement of the safe Harbour Rule of taxation for trading rough diamonds at SNZ by Foreign Mining Companies FMCs. However, GJEPC is receiving various queries from FMCs about its

applicability. To address these concerns, GJEPC has prepared a list of FAQs on the Safe Harbour Rule. Chairman Vipul Shah requested the same be considered and approved.

- **Co-Funding for Diamond Promotion Campaign to Revive Sector Demand:** GJEPC has launched a global campaign to promote natural diamonds in collaboration with leading international diamond mining companies and countries. This initiative aims to counter the strong headwinds faced by both diamonds due to geopolitical challenges.

To date, GJEPC, through crowdfunding from its members, has contributed ₹15 crores towards this campaign. However, in light of the ongoing challenges, GJEPC requested the Government's support in these troubled times. The Council urged the approval of a matching grant for the generic promotion of diamonds in international markets to protect jobs, safeguard exports, and preserve millions of livelihoods while ensuring India's global leadership in diamond exports.

- To achieve the goal of a "Viksit Bharat," the industry requires robust infrastructure development. The Council, with funding from the industry, is developing the world's largest jewellery park in Mumbai, and similar park are also emerging in Meerut, Bangalore, and other cities. We propose the inclusion of Jewellery Park in the harmonized list of infrastructure to support the sector's growth.
- In reference to creating an ecosystem for platinum, GJEPC proposed the inclusion of the supply of duty-free platinum through nominated agencies, the announcement of a tariff rate for platinum, the introduction of duty drawback similar to gold and silver, and the creation of a new HS Code for gold-platinum alloys.

Vipul Shah expressed his optimism regarding the upcoming Union Budget and hopes that the Finance Ministry will take up these measures to sustain the growth momentum of India's gem and jewellery sector.

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 the gems & jewellery industry and today represents 10300+ members 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.

Facebook: www.facebook.com/GJEPC

Instagram: www.instagram.com/gjepcindia

Youtube: www.youtube.com/gjepcindia

Twitter: www.twitter.com/GJEPCIndia