



GEM AND JEWELLERY EXPORT PROMOTION COUNCIL

Budget Reaction by Mr. Vipul Shah, Chairman, GJEPC

“Union Budget presented by Hon. Finance Minister Smt. Nirmala Sitharaman puts India in the growth path to Viksit Bharat. The Budget reforms will help to realise India's domestic growth potential and unveil a new trade roadmap to navigate global uncertainties.

GJEPC welcomes **the recognition of exports as the 4th engine of growth and the new Export Promotion Mission with sectoral and ministerial targets, driven jointly by Union Commerce, Finance & MSME Ministries.** This will facilitate easy access to export credit cross border and factor support to MSMEs to tackle non-tariff barriers in exports. **GJEPC welcomes the digital public infrastructure, ‘BharatTradeNet’ (BTN) for international trade to be set-up as a unified platform for trade documentation and financing solutions.**

GJEPC further welcomes the proposal of creating of new tariff items in Chapter 71 so as to distinguish precious metals – containing 99.9% or more by weight of silver, containing 99.5% or more by weight of gold, containing 99% or more by weight of platinum under headings 7106, 7108 and 7110 respectively. This move aligns with the representation made by GJEPC for addressing the issue of classification of alloys of Platinum (pre-dominantly containing gold), which was invariably leading to claim of unwarranted customs duty exemptions for import of Platinum under India-UAE CEPA .

Gem & Jewellery sector comprises of 85%-90% of MSMEs. **The revision in classification criteria of MSMEs especially with those with turnover from Rs. 250 crore to Rs. 500 crore will help them achieve higher efficiencies of scale, technological upgradation and better access to capital.** The extension of credit guarantee cover to MSMEs leading to additional credit of Rs. 1.5 lakh crore in the next 5 years will benefit and provide boost to the MSMEs in the sector.

The Government's stable approach on duties and levies across gem & jewellery products will enhance ease of doing business. The Basic Customs duty rate has been reduced from 25% to 5% on platinum findings classified under 7113 will enable consumers to get a new product and increase affordable jewellery sales..

GJEPC welcomes the Government's **labour intensive focus enhancing productivity, quality manufacturing and global competitiveness**. G & J industry is labour intensive with 5 million people employed in Exports. The announcement of **National Manufacturing Mission & the National Centres of Excellence Skilling** furthering **'Make for India 'Make for the World'** is positive and is set to have direct benefit to the sector.

Removal of Customs (Import of Goods at Concessional rate of duty or For Specific End Use) Rules 2022 (IGCR) condition for import of seeds for use in manufacture of Lab Grown Diamonds and Extension of customs duty exemption on such seeds till 31.3.2026 , this will provide major boost to the LGD manufacturing sector.

GJEPC remains committed to collaborating with the Government of India to ensure the sector continues to contribute significantly to the nation's economy. Council requests the issuance of FAQs on Safe Harbour Taxation. We seek Hon. 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.

GJEPC urges the Government to align regulations with global benchmarks, to set up a policy that promotes exports, innovation, use of technology, and incentivises sustainable practices.