

Immediate Release

February 28, 2006 , Mumbai

Post Budget Reaction by Gem & Jewellery Sector

I on behalf of the Gem & Jewellery sector of India whole heartedly congratulate the Hon'ble Finance Minister for a favourable budget and special consideration towards the Gem & Jewellery sector.

The Indian gem and jewellery industry is now set to make a quantum leap forward. The Hon'ble Finance Minister has announced to set up an expert committee to consider the recommendations by the Gem & Jewellery sector which will help India transform into an international gems and jewellery trading hub.

This committee is expected to work out details, **rationalize taxes** and **streamline rules** within the next month or so. This, together with the Finance Minister's in-principle agreement to replace **income-tax for the gem and jewellery industry with a presumptive tax** – as is already the norm in international centres – will boost exports, increase foreign direct investment in this sector and let India move to the forefront of the global gem and jewellery industry, taking on the challenges posed by such centres as Antwerp, Ramat Gan in Israel, Bangkok and Dubai.

The announcement of EOU to be made at par with DTA units is also a welcome move as it would provide the same level playing field and help industry boost its exports in future.

Bakul R. Mehta
Chairman, Gem & Jewellery Export Promotion Council