

Expectations of Modi 2.0

Narendra Modi has written history with the resounding success in the general elections. This success, however, places a large responsibility on his shoulders. The mandate is reflective of the mood of the Indian voter, which is that economic growth is the need of the hour. Be that as it may, it is for industry members to come forward to help guide the policy makers to help propel the economy.

In its earlier avatar, the Modi government took a bold step to recognize the potential the gold industry by launching the Gold Monetisation Scheme. The gold industry was included in the Make In India initiative and the Ministry of Commerce & Industry was assigned responsibility for the industry. But now the time has come to unleash the gold industry and help it reach its true potential. Long pending demands such as the reduction of import



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duty and increasing the PAN Card requirement for a higher limit for cash sales etc., remain unresolved. The contention of the industry remains that policy makers have an incorrect perception of the industry and

steps like these create hurdles for the compliant jeweller and discourage migration to the organised sector. What's most worrying is that inaccurate understandings lead to bad decisions all the way around, and this is what the gems and jewellery industry is a victim of. Examples of this may be seen in the proposed hallmarking legislation, where the industry shall be relegated to days of 'license raj', as selling hallmarked jewellery now requires a license. What is astounding is that un-hallmarked jewellery continues to be sold, as the requisite infrastructure is not in place to permit mandatory hallmarking throughout the nation. Given this, the looming question that begs to be asked to the policy makers is, "By introducing a license for the sale of hallmarked jewellery, does this not serve as a disincentive and a hurdle to encourage for jewellers to

voluntarily choose hallmarking as an option of quality control?" It may be prudent to mention that internationally no such license is required for sale of hallmarked jewellery.

Most issues concerning the industry are like the example given of hallmarking. The good news, however, is that in its first term, the Modi government through NITI Aayog constituted a committee under the chairmanship of Mr Ratan P. Watal, Principal Advisor and Member Secretary, Economic Advisory Council to the Prime Minister, to study and better understand the gold industry from a global perspective. The Committee published "Transforming India's Gold Market", a very detailed report on all the various facets of the gold industry. What makes this Report exceptional is that the Committee has maintained a view on international benchmarks and global standards while making its recommendations. This Report covers everything from hallmarking to mining and refining of gold, including taxation issues, exports,



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skill development and, by and large, anything and everything to help uplift the gold industry. It even tackles the 'current account deficit relationship with gold' debate and the hypothesis presented concludes with highlighting the importance of gold for the nation, thereby making a case for gold imports to be essential and good for the country.

The Watal Committee Report is a path-breaking one in all aspects. The aspiration and expectation of the newly formed government is to quickly implement the recommendations of the Watal Committee Report, which would help uplift this sector.

The time has come for the industry to break through all the entanglements of past government policies. India has a tryst as the future global economic superpower, and it is time that the gems and jewellery industry of the nation was given the opportunity to help India reach its true potential as the international destination for gold, gems and jewellery. ■



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