

# The Watal Committee Shines: Implementation of the Domestic Council

January 29, 2019 shall go down in history as the day that the Government took its first step towards the upliftment of the gold industry by announcing the formation of the Domestic Council. What's important to note is that while the industry has made this request repeatedly over the years, the Domestic Council has not been formed. Yet within a year of its publication, this has been the first major recommendation that the Government has implemented of the Watal Committee Report. And there is a lesson to be learned from this.

Before delving into the Watal Committee Report, let's talk a bit about the Domestic Council, and how it shall be beneficial for the industry. Most importantly, the bureaucracy shall now have a single entity to deal with and take opinions from. Thus, the industry shall now have a single voice. This shall mitigate



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differing opinions that have led to confusion in policy making

historically. Furthermore, and towards industry development, it is the Domestic Council that shall become the single body for integrating the industry nationwide, rather than the numerous associations that currently coexist.

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I say this simply because the Watal Committee Report has been published by NITI Aayog, which is the think tank for the Government. Suffice to say that any hypothesis presented by any

industry member or association to the official is always viewed with a degree of skepticism and fear. Fear that the official may not make an incorrect decision that may negatively impact the economy. But when the same hypothesis is presented by an august body like NITI Aayog, such concerns never come up, as it is part of the Government itself.

The Watal Committee Report has covered the entire spectrum of the gold industry and has made recommendations on all the various facets of the industry. It has suggested a vision for the industry, dealt with gold and its relationship with the current account deficit, and how to resolve the same. Surprisingly, many industry members continue to speak of how gold imports negatively impact the current account deficit, while the Watal Committee Report suggests that gold is a necessity for the nation, but also offers a solution towards mitigating its impact by the gold imports through growing the industry! It also makes recommendations on the Gold Monetisation Scheme, The Gold (Metal) Loan, duty and tax structure, exports, digital payments, hallmarking, mining, refining, skilling and technological upgradation, Indian Gold Coin, the Gold Board of India, bullion exchange,



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Sovereign Gold Bond Scheme and the Gold Savings Account. But what makes this Report spectacular is that, not only does it present the issue and its current status, it also offers a solution from an international perspective, keeping in mind the vision that it has laid out for the gold industry.

The industry leaders should use the Watal Committee Report

to help uplift this industry. That is, rather than the current method adopted by the various associations wherein each present concerns and solutions in a differing manner, they may consider using the Watal Committee Report as the base of their arguments and to insist upon the implementation of the recommendations made by it. Adopting this strategy would allay any fear of the official, (who understands issues broadly but not the minute details that may be of pivotal from the industry point of view), as this is a NITI Aayog published report. Such type of an approach would, in my humble opinion, lead to resolving many of the problems faced by the industry and would help in uplifting the domestic gold industry. Arguably, the publication of the Watal Committee Report is probably the single best thing that has happened for the industry. ■



The article is written by **Ajay Mehra**,  
Managing Director, Mehraasons Jewellers  
He can be reached at [ajay@mehraasonsjewellers.com](mailto:ajay@mehraasonsjewellers.com)