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India's Gold and Import Conservation Strategy: Macroeconomic Context, Sectoral Considerations, and Policy Recommendations¹

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1. Introduction

In May 2026, the Government issued a public appeal urging citizens to refrain voluntarily from purchasing gold for at least one year. The appeal responded to the convergence of two import shocks. The first was external: conflict in West Asia and the effective closure of the Strait of Hormuz disrupted global oil supply and raised the price of Brent crude from roughly USD 70 per barrel in January 2026 to over USD 104 per barrel by May 2026. The second was domestic: the gold import bill reached a record USD 72 billion in the financial year 2025-26 (FY26), a year-on-year increase of 24 percent.

The timing was significant. The wedding season generates the single largest annual increase in gold demand, and the appeal, issued as that season opened, sought to moderate the resulting rise in imports before it widened the current account deficit (CAD) further.

The gold appeal formed part of a broader package of seven appeals: to prioritise work from home where feasible; to avoid purchasing gold for one year; to reduce petrol and diesel consumption by using the metro and public transport; to reduce the use of cooking oil; to lessen dependence on chemical fertilisers in favour of natural farming; to substitute foreign-branded products with domestically produced alternatives; and to avoid foreign travel for one year. Taken together, these appeals address three channels of import dependence: energy imports, covering petrol, diesel, and cooking oil; discretionary imports, covering gold and foreign-branded goods; and foreign-exchange outflows on the services account, covering foreign travel. The initiative is therefore best understood as a coordinated, demand-side measure spanning several import categories rather than a gold-specific advisory.

This paper examines the economic rationale for the appeal and situates it within the wider questions of gold demand, import dependence, and external-sector management. Section 2 discusses the role of gold in the Indian economy, including the determinants of demand, the consequences of gold imports, and the Gold Monetisation Scheme of 2015. Section 3 reviews international experience, with particular reference to China and Turkey. Section 4 sets out the macroeconomic logic of the appeal. Section 5 considers the jewellery sector, Section 6 the response of financial markets, and Section 7 the global implications of a change in Indian demand. Section 8 assesses the likely effectiveness of the measures, and Section 9 concludes with policy recommendations.

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2. Gold and the Indian Economy

Gold occupies a distinctive position in India's economic and social structure. Unlike many advanced economies, where gold functions primarily as an investment asset, in India it simultaneously serves as a store of wealth, a marker of social status, a hedge against inflation, a source of financial security, and an element of religious and cultural practice. India has consequently remained among the world's largest consumers of gold despite negligible domestic production, leaving the economy heavily dependent on imports and exposed to recurring pressure on the current account and external-sector stability.

The role of gold also extends well beyond its economic functions. It is embedded in social traditions, religious customs, and household saving behaviour, and is commonly acquired during weddings, festivals, and other auspicious occasions, often serving as a means of transferring wealth across generations. Several attributes account for its enduring appeal: it is durable, highly liquid, and widely accepted, and it preserves value during periods of inflation and economic uncertainty. Because it requires little financial literacy to hold, it is particularly attractive in rural and semi-urban areas where access to formal financial markets remains limited. These characteristics are reflected in consumption patterns, as rising incomes have sustained demand over time even as prices have increased, suggesting that households treat gold as a necessity rather than a discretionary purchase and that demand is relatively insensitive to price.

2.1 Determinants of Gold Demand in India

(a) Cultural and Social Factors

Cultural considerations are among the most important drivers of gold demand. Gold jewellery is widely regarded as essential to marriage ceremonies and religious occasions, and in many households it functions as an heirloom passed down across generations. Survey evidence indicates that women, in particular, continue to regard gold as one of the most reliable forms of saving. Even where alternative financial products are available, households often prefer physical gold for its tangible nature and cultural legitimacy, sustaining demand across varying economic conditions.

(b) Economic and Financial Factors

Gold also performs several economic functions, acting as a hedge against inflation, a safeguard against currency depreciation, and a store of wealth during periods of uncertainty. The global financial crisis and the subsequent volatility reinforced its perception as a safe-haven asset. Higher prices have done little to dampen demand; many households interpret rising prices as confirmation of gold's value-preserving qualities. Lower-income households, in particular, value gold as a form of financial security because it can be pledged readily as collateral during emergencies. Younger consumers increasingly purchase gold bars, coins, and designer jewellery alongside traditional ornaments, so that gold functions simultaneously as a consumption good and an investment asset.

(c) Regional Variations

Consumption patterns vary across the country. Southern India exhibits the strongest preference for traditional gold jewellery, while urban centres such as Mumbai show growing demand for designer and studded pieces, and consumers in Bengaluru tend to favour branded outlets.

2.2 Economic Consequences of Gold Imports

Because domestic production is negligible, demand is met almost entirely through imports, which have historically accounted for a significant share of India's trade deficit and have contributed to periodic pressure on the current account. During periods of elevated demand, import expenditure rises sharply, increasing the economy's vulnerability to external shocks and exchange-rate volatility. Policy responses have included import duties and the 80:20 import rule; while these measures reduced official imports temporarily, they also encouraged smuggling and informal trade.

These experiences indicate that restricting imports does not address the structural causes of gold demand. A more durable approach lies in mobilising the large stock of gold already held within the country by households, religious institutions, jewellers, and financial intermediaries. This recognition shifted policy attention from suppressing demand to monetising existing holdings, and culminated in the launch of the Gold Monetisation Scheme in 2015.

2.3 The Gold Monetisation Scheme of 2015

India holds one of the largest privately owned stocks of gold in the world; estimates suggest that households and institutions together held more than 21,000 tonnes by 2014. Recognising the economic potential of these largely idle holdings, the Government launched the Gold Monetisation Scheme (GMS) in November 2015. Its primary objective was to mobilise dormant gold held by households and religious institutions and channel it into productive use, thereby reducing import dependence, improving the mobilisation of financial resources, and strengthening macroeconomic stability.

Table 1: Estimated Distribution of Gold Holdings in India

Sector	Estimated Gold Holdings	Share of Total
Households (jewellery, coins, bullion)	28,000–30,000 tonnes	82–88%
Temples and religious institutions	3,000–4,000 tonnes	9–12%
Gold pledged through loans (subset of household gold)	4,000–6,000 tonnes	Already included in household holdings
RBI reserves	880.52 tonnes	Approximately 2.5%
Jewellery industry, dealers, and bullion traders	300–800 tonnes	1–2%
ETFs, banks, and other financial products	100–300 tonnes	Less than 1%

Note: ETF denotes exchange-traded fund. Source: Reserve Bank of India; World Gold Council.

Table 1 indicates that the overwhelming majority of India's gold stock is concentrated in households and religious institutions, underlining both the scope for monetisation and the reason these sectors were the principal focus of the scheme.

Under the scheme, households and institutions may deposit gold into designated gold savings accounts and earn interest on their holdings, retaining exposure to price appreciation while earning a return on otherwise idle assets. Deposits are offered over short, medium, and long terms, with repayment available in either cash or gold at maturity, and additional incentives include exemption from capital gains tax and from income tax on the interest earned. Banks

may, in turn, use the mobilised gold by lending to jewellers, supplying refiners, or minting coins, in principle benefiting depositors, banks, and the wider economy.

In practice, the scheme mobilised only a small proportion of India's gold stock. At the consumer level, awareness remained low, and many households were deterred by concerns over taxation and disclosure. Emotional attachment to inherited jewellery was a further obstacle: because deposited items are typically melted, participation was often perceived as a permanent loss of heritage and sentimental value. Institutional constraints compounded these difficulties. The limited number and inconvenient location of Collection and Purity Testing Centres restricted access, while weak coordination among banks, refiners, and testing centres, together with banks' concerns over profitability and the absence of standardised procedures, limited active promotion. Temples, which hold substantial quantities of donated gold, participated only marginally, given sensitivities surrounding religious sentiment, donor intentions, taxation, and the preservation of artefacts of cultural and historical significance.

Underlying these specific barriers was a more fundamental limitation: the scheme treated gold primarily as a financial asset, whereas in India it functions simultaneously as an investment, a store of value, a form of social security, and a cultural symbol. Because its design did not engage with this dual character, it mobilised only a fraction of the available stock. Subsequent initiatives would need to build trust, simplify procedures, offer stronger incentives, and explicitly accommodate the cultural dimensions of gold ownership.

3. International Experience: China and Turkey

International experience offers useful insights into managing gold demand and integrating gold into the formal financial system.

China developed a sophisticated gold market through institutions such as the Shanghai Gold Exchange, supported by a robust regulatory framework. By promoting transparency, quality assurance, and market development, it established a well-functioning gold ecosystem.

Turkey provides a closer parallel to India. Turkish households had historically accumulated large quantities of gold held outside the financial system. Through innovative banking products, accredited refineries, and supportive central-bank regulation, Turkey succeeded in drawing a substantial share of this gold into the formal sector. A particularly important measure was the Reserve Option Mechanism, which permitted banks to hold a portion of their reserves in gold and thereby created incentives for them to mobilise household holdings, contributing significantly to the scheme's success.

The experience of both countries suggests that successful monetisation depends on more than policy announcements. It requires strong institutions, reliable infrastructure, consumer trust, and the active participation of financial intermediaries.

4. The Macroeconomic Logic of the Appeal

The economic rationale for the appeal rests on the structure of India's import dependence and its consequences for the external sector. This section sets out that logic across four dimensions: the dollar outflow generated by import payments; the need to preserve foreign exchange reserves; the resulting pressure on the rupee; and the relationship between the appeal and the Reserve Bank of India's own gold strategy.

Gold and crude oil together account for the two largest components of India's merchandise import bill, and the scale of both has remained substantial in recent years. Crude oil imports have stayed consistently large over the five years to FY26, reflecting the economy's continued dependence on imported energy, while gold imports have risen markedly, increasing from USD 46 billion in FY22 to a record USD 72 billion in FY26. The two items therefore exert a combined and growing claim on the country's foreign exchange (Table 2).

Table 2: India's Gold Imports and Crude Oil Imports (USD billion)

	FY22	FY23	FY24	FY25	FY26
Gold imports	46	35	45	58	72
Crude oil imports	119	158	132.4	137	123

Source: Ministry of Commerce and Industry / DGFT; PPAC, Ministry of Petroleum and Natural Gas.

4.1 The Dollar Drain

India imports close to 85 percent of its crude oil and almost all of its gold, both of which are paid for in US dollars. Every unit of domestic gold demand therefore translates into a dollar outflow on the current account. In normal conditions, these outflows are financed by export earnings and capital inflows. In 2026, however, the disruption to oil supply and the resulting rise in crude prices compressed India's import cover and placed sustained pressure on the rupee.

The magnitudes involved are substantial. India's merchandise trade deficit reached USD 333.2 billion in FY26, with crude oil imports of approximately USD 123 billion and gold imports of USD 72 billion together accounting for a significant share of the gap (Table 3).

Import vulnerability extends beyond gold and crude oil. Edible oil imports cost approximately USD 14–16 billion a year, with palm oil from Indonesia and Malaysia accounting for the bulk of the outflow. Outbound tourism adds further leakage through the invisibles account of the balance of payments, with spending estimated at approximately USD 20–25 billion annually, while foreign-branded consumer goods constitute a more diffuse but, in aggregate, significant drain.

Table 3: Key Macroeconomic Indicators, India

Indicator	Value
Gold imports, FY26	USD 72 billion
Crude oil imports, FY26	USD 123 billion
Merchandise trade deficit, FY26	USD 333.2 billion
Foreign exchange reserves (27 March 2026)	USD 688 billion (approximately)
Brent crude, January 2026	USD 70 per barrel
Brent crude, 11 May 2026	Over USD 104 per barrel

Source: Ministry of Commerce and Industry; Reserve Bank of India; Bloomberg; CNBC.

4.2 Preserving Foreign Exchange Reserves

A central rationale for the appeal is the need to conserve foreign exchange. India's reserves stood at approximately USD 688 billion at the end of March 2026, equivalent to roughly eleven months of import cover. This is not a position of crisis, and the external buffer remains substantial. Reserve Bank of India data nonetheless show reserves easing from a peak of approximately USD 704 billion in September 2024 to USD 688 billion by March 2026, a drawdown that reflects the crude oil shock, exchange-rate operations, and elevated import costs since early 2026. Measures that reduce discretionary imports therefore help to preserve this buffer at a time of external stress.

4.3 Pressure on the Rupee

The current account deficit widens whenever gold imports rise, since gold generates no commensurate short-term export earnings to offset the outflow. A weaker rupee then raises the cost of every subsequent import in rupee terms, creating a self-reinforcing dynamic: higher oil prices weaken the rupee; a weaker rupee makes gold more expensive in rupee terms; yet cultural demand sustains purchases regardless, widening the deficit and exerting further pressure on the currency. By May 2026, oil marketing companies were absorbing combined monthly under-recoveries of approximately Rs 30,000 crore, a fiscal strain that compounded the underlying balance-of-payments stress.

4.4 The Reserve Bank's Sovereign Gold Strategy

A distinction must be drawn between the Reserve Bank's accumulation of gold as a reserve asset and gold imports by individual citizens. While the appeal targets domestic retail demand, the Reserve Bank has pursued a separate and complementary strategy of accumulating gold as a reserve asset in international markets. India's sovereign gold holdings rose from 794.64 tonnes in September 2025 to 880.52 tonnes by March 2026, an addition of nearly 86 tonnes over six months (Table 4).

This distinction is economically important. When the Reserve Bank purchases gold, it acquires a sovereign reserve asset in international markets and diversifies away from dependence on the US dollar. When households purchase gold domestically, by contrast, the metal must first be physically imported, requiring dollar outflows on the trade account. The two transactions are economically distinct even though they involve the same commodity, and the appeal is therefore consistent with, rather than contradictory to, the Reserve Bank's reserve strategy.

Table 4: India's Sovereign Gold Holdings

Period	Total holdings (tonnes)	Domestic storage (%)	Gold as % of forex
April 2023	794.00	37.9	7.80
September 2025	880.80	71.7	13.92
December 2025	880.18	73.8	15.30
March 2026	880.52	77.2	16.70

Source: Reserve Bank of India; World Gold Council.

5. The Jewellery Sector

5.1 Scale and Economic Contribution

India's gems and jewellery sector contributes an estimated 7 percent of national gross domestic product. The domestic market was valued at USD 85 billion in January 2025 and is projected to reach USD 130 billion by 2030, while gem and jewellery exports stood at USD 27.72 billion in FY26, up 0.93 percent year-on-year in rupee terms. The sector also supports a wide network of ancillary activity, including diamond processing, gemstone cutting, polishing, design, and retail.

5.2 Structure, Employment, and Welfare

Behind the retail sector lies an extensive ecosystem of informal artisan labour that receives limited attention in macroeconomic analysis. Approximately 55 percent of gold jewellery in India is handmade by karigars, artisans working in small workshops across manufacturing clusters in Surat, Jaipur, Mumbai, Kolkata, Chennai, and Hyderabad. A large share of these workers operate in the informal economy, with limited access to employment protection or social security (Table 5).

A decline in retail demand transmits rapidly through this supply chain. As retailers reduce orders, manufacturers in turn reduce the work they commission from karigars. With monthly wages of approximately Rs 15,000–16,000 and, in an estimated 71 percent of cases, no provident fund or social-security coverage, these workers have little financial buffer.

Table 5: Indian Jewellery Sector — Key Employment and Structural Indicators

Indicator	Value
Sector contribution to GDP (%)	7
Market size, January 2025 (USD)	85 billion
Projected market size, 2030 (USD)	130 billion
Gem and jewellery exports, FY26 (USD)	28 billion
Share of handmade jewellery (%)	55
Unorganised or informal units (%)	62–65
Karigar monthly wage (INR)	15,000–16,000
Karigars without EPF or social security (%)	71

Note: EPF denotes Employees' Provident Fund. Source: World Gold Council; NITI Aayog.

The retail base is correspondingly large. India has an estimated 400,000 gold jewellery retail outlets, making it one of the most densely gold-retailed economies in the world, a density that reflects decades of accumulated cultural demand, saving behaviour, and trust in gold as a primary store of household wealth across income groups.

A decline in demand would not, however, affect all participants equally. Large, organised brands such as Tanishq, Malabar Gold, and Kalyan Jewellers have balance-sheet depth, brand equity, and diversified product lines spanning silverware, imitation jewellery, and investment products; they would face earnings pressure but not existential risk. The small proprietor jeweller, by contrast, operates on thin margins, limited working capital, and minimal inventory

buffers. A sustained fall in demand for wedding jewellery, which typically accounts for 60 to 70 percent of a small jeweller's seasonal revenue, could cause financial distress within weeks. These proprietors also employ karigars directly and are the principal source of income for much of the informal artisan economy.

The artificial jewellery segment offers a partial buffer. India's artificial jewellery market is expanding at a compound annual rate of 11.4 percent over the period 2025 to 2029, supported by younger consumers seeking affordable alternatives and by dedicated policy support in Maharashtra and Tamil Nadu. It cannot, however, replace lost gold demand for the many artisans whose skills are specific to precious-metal work. Any demand-moderation measure therefore needs to be accompanied by targeted support for the most vulnerable segments of the value chain, particularly the informal karigar workforce.

6. Market Response

Financial markets responded to the announcement with immediate and heavy selling across the listed jewellery sector. On 11 May 2026, jewellery stocks on the BSE and NSE fell by as much as 12 percent intraday, with the sharpest declines among companies that had recorded strong, demand-led earnings momentum through FY26.

Titan Company, whose Tanishq brand is India's largest listed jewellery business, had posted roughly 41 percent year-on-year growth in its jewellery segment in the third quarter of FY26, while Kalyan Jewellers, which had grown by approximately 42 percent year-on-year in its India operations over the same quarter, declined more sharply still. Markets were pricing in a wedding-season demand shock: because that season accounts for a disproportionate share of annual jewellery sales, even a partial behavioural response to the appeal represented a meaningful downside risk to earnings (Table 6).

Table 6: BSE / NSE Jewellery Stock Performance, 11 May 2026 (per cent)

Company	Intraday decline (%)
Titan Company (Tanishq)	(-) 7
Kalyan Jewellers	(-) 12
Senco Gold	(-) 10
Sky Gold	(-) 11
PC Jeweller	(-) 8

Note: Figures reflect peak intraday movement and may differ from closing price changes. Source: Bloomberg; Uninvest.

7. Global Impact

India and China together consume roughly half of the world's annual gold output, so any sustained reduction in Indian demand would exert measurable downward pressure on global prices. In May 2026, gold was trading near USD 4,700 per ounce, a level that embedded a substantial geopolitical risk premium (Table 7).

Should Indian demand contract even for six months, the effects would extend across several dimensions. Gold-exporting economies such as South Africa, Ghana, Australia, and Russia, which rely on elevated prices for export earnings and fiscal revenue, would face pressure on

their public finances. Global gold exchange-traded fund (ETF) markets, which have expanded partly on the strength of sustained physical demand from India and central-bank buying, would lose one pillar of the investment case for gold. With central banks worldwide in a phase of gold accumulation, a withdrawal of Indian retail demand at prevailing prices could temper the risk premium that has held gold near record highs. The World Gold Council estimated net central-bank purchases at 244 tonnes in the first quarter of 2026; were Indian retail demand to soften, aggregate world demand would fall, allowing some moderation in price even as institutional buying continued.

Table 7: Global Gold Context, 2026

Indicator	Value / Note
Gold spot price (early 2026)	Approximately USD 4,700 per ounce
Global central-bank net purchases, Q1 2026	244 tonnes
India and China share of world gold consumption	50% combined
India sovereign gold holdings (March 2026)	880.52 tonnes; 77.2% stored domestically
Impact of a fall in Indian demand on price	Potential downward pressure on global spot price

Source: Fortune; Trading Economics; World Gold Council; Reserve Bank of India.

8. Assessment of Policy Effectiveness

Because the appeal carries no legal force, its effectiveness depends ultimately on voluntary compliance. This section assesses what the measure can realistically achieve, the complementary policies needed to sustain its benefits, and the combined effect of the seven appeals considered as a package.

8.1 What the Appeal Can Achieve

Even in the absence of enforcement, experience with nationally framed appeals points to a meaningful short-term behavioural response from a significant section of the population. The appeal can serve several purposes. It signals a coordinated, whole-of-government conservation strategy spanning multiple import categories at once, which sends a stronger signal to bond markets, rating agencies, and foreign institutional investors than any single-commodity measure could, and indicates that external-sector stress is being addressed systematically. It may shift some discretionary demand towards silver, lab-grown diamonds, or artificial jewellery, all of which carry a smaller import footprint. It frames the prevailing external pressure as a shared national effort, which may help to build consensus for more difficult measures such as revised import duties. And by concentrating restraint on the wedding-season peak, it targets the period in which marginal import pressure is highest relative to the rest of the year.

8.2 Implementation Considerations and Complementary Policy

Several structural considerations qualify the appeal's likely impact, and each points to an area in which complementary policy would strengthen it. Wedding-related gold transfers are not primarily consumption; they represent intergenerational wealth transfers and serve as collateral-free credit instruments for poorer households. Complementary instruments, such as wider household access to Sovereign Gold Bonds, would offer families an alternative savings and wealth-transfer mechanism while supporting the conservation objective. Without measures

such as import-duty rationalisation or recycling incentives, demand restraint is likely to prove temporary and to reverse once the appeal lapses. To protect informal karigar workers, the demand-moderation message should be paired with social-security outreach, skill-diversification support, and wage-protection measures. It is also notable that the rise in the FY26 gold import bill was driven substantially by higher global prices rather than higher volumes: import volumes fell by 4.76 percent, to 721.03 tonnes from 757.09 tonnes in FY25. This implies that measures addressing price exposure, including wider uptake of Sovereign Gold Bonds and improved recycling infrastructure, could reinforce the appeal's effectiveness.

8.3 The Seven Appeals as a Policy Package

Considered individually, each appeal carries a focused, context-specific effect. Considered as a coordinated package addressing energy, discretionary imports, and services outflows simultaneously, the potential conservation of foreign exchange is more meaningful. A conservative order-of-magnitude estimate of the annual savings, assuming partial but sustained compliance, is as follows: a 20 percent fall in gold demand would save approximately USD 14 billion a year on merchandise imports; a 15 percent reduction in outbound foreign travel would save roughly USD 3–4 billion on the invisibles account; a 10 percent reduction in cooking-oil consumption would save approximately USD 1.5–2 billion on edible-oil imports; and a shift of 5 percent of consumer spending from foreign-branded to domestic goods would have a diffuse but directionally positive effect on the current account.

On these conservative assumptions, the seven appeals together could yield approximately USD 18–22 billion in annual foreign-exchange conservation. Set against a crude oil shock that had already reduced reserves by an estimated USD 30–40 billion since early 2026, this is not a trivial sum, and the package carries greater combined economic logic than any single appeal would suggest in isolation. The critical variable remains sustained voluntary compliance, which historically has been strongest in the first four to six weeks of a national appeal. Early reports from jewellery clusters in Mumbai, Surat, and Delhi in the weeks following the announcement indicated a short-term decline in footfall and some cancellation of advance bookings for wedding jewellery, a response consistent with past patterns of compliance with nationally framed appeals.

9. Conclusion and Policy Recommendations

India's relationship with gold reflects a complex interaction of culture, economics, and financial behaviour. Gold serves not only as an investment but also as a marker of security, social standing, and tradition, and is therefore integral to household saving and consumption. While this enduring demand has contributed to substantial imports and to pressure on the current account and the external sector, the country's large domestic gold stock represents a significant opportunity for resource mobilisation.

The Government's conservation appeal and the Gold Monetisation Scheme represent complementary responses to this challenge: the appeal addresses the immediate need to moderate import demand during a period of external stress, while the scheme seeks to channel idle holdings into productive use. The limited success of monetisation to date nonetheless underscores the importance of addressing constraints related to trust, awareness, infrastructure, and institutional coordination. International experience, particularly that of Turkey, demonstrates that effective monetisation requires a comprehensive ecosystem involving

regulators, banks, refiners, jewellers, and consumers, and that policy must recognise the cultural significance of gold while offering attractive financial alternatives.

Reducing India's dependence on gold imports requires a comprehensive strategy that combines monetisation with broader structural reform, integrating existing holdings into the formal financial system while addressing the underlying sources of external-sector vulnerability. The following measures are recommended:

1. Strengthen the institutional framework governing the gold sector. A Gold Corporation of India could coordinate gold-related activities, regulate imports, support recycling, and oversee monetisation, while the expansion of hallmarking, purity-testing, and recycling infrastructure would improve transparency and public confidence.
2. Expand the role of financial institutions in mobilising household gold, including through gold-linked products, non-melting deposit schemes, and more attractive returns that address concerns about the sentimental value of jewellery.
3. Make better use of the existing stock through formal gold-backed lending and through carefully designed initiatives to monetise temple gold without compromising religious sentiment or culturally significant artefacts.
4. Expand the Sovereign Gold Bond programme and strengthen investor education, supported by simplified procedures, online account access, flexible withdrawal options, and lower minimum investment thresholds, in order to reduce demand for imported physical gold.
5. Strengthen the jewellery sector through investment in infrastructure, technology, and skills; formalise the karigar economy through social-security coverage and skill-development programmes; and promote gem and jewellery exports through existing trade agreements to offset part of the import bill.
6. Complement these measures with broader efforts to reduce external-sector vulnerability, in particular greater investment in renewable energy to lower dependence on crude oil imports.

Together, these measures can transform India's substantial gold holdings from a largely passive store of wealth into a productive economic resource, reduce import dependence, and contribute to external-sector resilience and long-term economic stability.

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