

NAVIGATING THE NEW GOLD ERA: HARMONIZING TRADITION WITH MODERN INNOVATION

Mr Prithviraj Kothari, National President, IBJA



Between escalating geopolitical tensions in the Middle East, high inflation fears, and a volatile dollar index, global commodity markets are in a state of hyper-flux. Domestically, the regulatory framework has undergone a tectonic shift. For the industry to not just survive but lead, we must embrace a foundational truth I firmly believe in: Gold is an ancient asset, but our thinking must be modern.

THE CURRENT SCENARIO & RECENT REGULATORY SHIFTS

The Indian jewellery sector is currently adjusting to the most substantial import duty restructuring on record. Following the Central Board of Indirect Taxes and Customs (CBIC) notifications (Notifications 15/2026 through 18/2026) effective May 13, 2026, the government drastically revised our import dynamics.



The Indian bullion and jewellery industry has always been more than a marketplace; it is an economic backbone and a cultural cornerstone. Our households hold an unparalleled financial shield of over 30,000 tonnes of gold. However, as the global and domestic landscape shifts rapidly beneath our feet, our resilience is being put to the test once again.

Key Policy Changes At a Glance

Policy / Metric	Previous State	New Framework (May 2026)	Impact on Trade
Effective Import Duty	6%	15%	Standardized via 10% BCD + 5% AIDC. Reverses the July 2024 cuts.
Jewelry Findings	Variable	5% (Gold/Silver) / 5.4% (Platinum)	Harmonized under Chapter 71 to regularize manufacturing inputs.
Import Rules & Sourcing	Open-tier limits	Tightened Advance Authorization	Capped at 100 kg to prevent systemic Free Trade Agreement (FTA) misuse.
Market Volume Outlook	Steady growth	Projected 10% YoY dip	WGC projects a short-term volume decline of 50–60 tonnes in CY26.

While these fiscal measures aim to stabilize foreign exchange reserves and cushion the national current account position, they present immediate structural challenges to our daily trade operations. Historically, a steep 9% duty hike creates price disparities and opens the door to unofficial parallel inflows. Furthermore, compressed domestic margins and widening market discounts demand that we re-evaluate how we do business.

STRATEGIC IMPERATIVES: OVERCOMING THE CURRENT TURMOIL

We cannot control international borders or macroeconomic policy, but we can completely control our institutional response. To overcome this transitional phase, the industry must focus on three core modern pillars:

1. ACCELERATE THE "PHYGITAL" ECOSYSTEM

With higher physical procurement costs, digital transformation is no longer a luxury—it is our primary mechanism for capital efficiency. We must passionately champion the rise of "phygital" bullion, where the absolute purity and physical assurance of gold seamlessly integrate with digital convenience.

"If the gold is digital, the trust must be physical."

By supporting digital gold frameworks, organized trade platforms, and tech-driven inventory tracking, we can keep trade velocity high even if physical volumes encounter a temporary policy-induced dip.

2. PROTECT AND ELEVATE THE "KARIGAR"

If the bullion industry is the body, our local artisans and goldsmiths are the beating heart. High duty structures and market corrections place immense financial stress on the grassroots manufacturing layer. Organized jewellers must actively absorb this pressure rather than passing it down. Preserving traditional craftsmanship, formalizing karigar welfare, and equipping them with modern design technology will ensure our global competitive edge remains sharp.

3. EMBRACE COMPLIANCE AND TRANSACT WITH INTEGRITY

Historically, tight import gaps invite parallel gray markets. As the apex body, IBJA's stance is unwavering: we must resist the temptations of unofficial inflows. Short-term loopholes break long-term institutional trust. To transition from the narrow lanes of traditional bazaars to a world-class institutional playground, absolute transparency in sourcing, Hallmarking, and GST compliance is mandatory.

THE WAY FORWARD: SIMPLE LIVING, HIGH THINKING, DIGITAL EXECUTION

The long-term case for gold remains completely unblemished. Even as domestic prices face immediate adjustments, gold continues to prove its timeless nature as the ultimate safe-haven asset against global inflation and currency depreciation.

As we move forward into the remainder of 2026, IBJA will continue to actively engage with the Ministry of Finance and policymaking bodies to represent the ground realities of our traders, refiners, and retailers. We are advocating for structural ease, fair credit terms for small-to-medium jewellers, and streamlined banking channels for authorized imports.

To my fellow fraternity members, I urge you to look beyond the immediate charts. Let us internalize a strategy built on **Simple Living, High Thinking, and Digital Execution**. By anchoring our traditional values of trust with modern compliance and technological innovation, we will navigate this policy tightening and successfully usher India into a highly disciplined, ethical, and globally dominant "Gold Era."

