

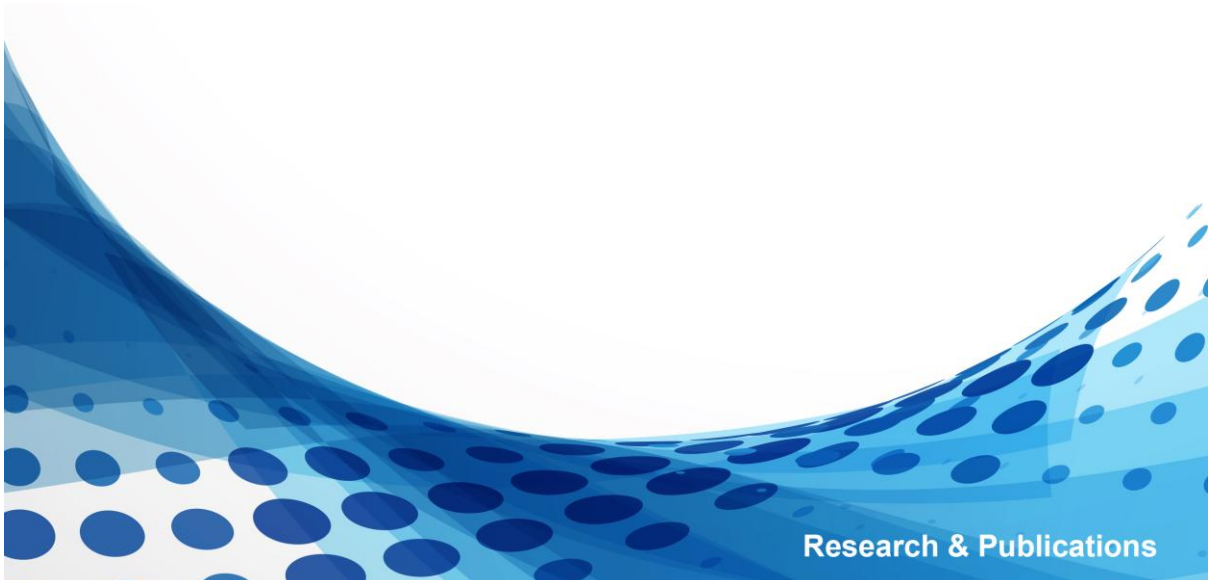


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Strengthening India's Bullion Export Policy - A Descriptive Study

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Abstract: India is the world's second-largest gold consumer, yet its bullion export contribution remains negligible due to fragmented regulations, a lack of London Bullion Market Association (LBMA) accreditation, and distorted duty structures. This study examines the operational dynamics of the India International Bullion Exchange (IIBX) at GIFT City, India's domestic refining capacity, and benchmark frameworks from Switzerland, Japan, and Dubai. Using policy analysis, trade data, and institutional reviews, the paper identifies under-utilized refining capacity and the absence of globally recognized certification as primary export barriers. Findings indicate that rationalizing duty structures, operationalizing domestic accreditation under the IFSCA Good Delivery Guidelines, and deepening IIBX integration with domestic refineries and export channels are critical to unlocking competitiveness. The study proposes a coordinated policy framework that aligns sovereign certification standards with enhanced refining utilization and diversified sourcing, providing a strategic roadmap to position India as a credible global bullion hub by 2030.

Keywords: India International Bullion Exchange (IIBX), GIFT City, IFSCA Good Delivery Guidelines, Bullion Export Policy, LBMA Accreditation, Gold Refining

1. INTRODUCTION

India occupies a paradoxical position in the global gold market. With gold consumer demand of approximately 711 tonnes in 2025, it ranks as the world's second-largest consumer of gold, yet its contribution to global bullion exports remains negligible (World Gold Council, 2026a). This divergence between consumption scale and export capacity is not incidental — it reflects a set of structural constraints that have persisted across decades of gold policy reform and that this study seeks to systematically examine.

The export competitiveness literature, synthesized by Paul and Dhiman (2021) across three decades of research, identifies value addition, institutional quality, and strategic market positioning as the foundational determinants of a nation's sustained ability to compete in international markets. By each of these criteria, India's bullion sector underperforms relative to its resource endowment. Despite an installed gold refining capacity of approximately 1,800 tonnes — six times what it was in 2013 (World Gold Council, 2022) — India operates only one London Bullion Market Association (LBMA)-accredited refinery, accounting for just 1.49% of the 67 globally accredited facilities as of August 2026 (LBMA, 2026a). Regulatory responsibilities remain fragmented across five separate agencies — RBI, DGFT, SEBI, BIS, and IFSCA — generating policy uncertainty that discourages the long-term investment decisions required for export-oriented refining. And distortions in the duty structure, rather than suppressing gold demand, have historically redirected it through informal channels: Susai and Daniel (2024), using Granger causality analysis, demonstrate that customs duty policies are a statistically significant driver of gold smuggling, undermining the formal trading ecosystem that export competitiveness requires.

Against this structural backdrop, the India International Bullion Exchange (IIBX), launched at Gujarat International Finance Tec-City (GIFT City) in July 2022, represents an important institutional development in India's bullion ecosystem. Established as India's first organized, technology-driven platform for bullion imports and trading, IIBX integrates price discovery, clearing, settlement, and vaulting functions and provides a more transparent alternative to fragmented bilateral import arrangements.

However, the development of an efficient bullion exchange alone cannot resolve India's structural export constraints. IIBX's current role remains primarily import-oriented, while India's broader bullion ecosystem continues to face underutilized refining capacity, duty-structure distortions, and fragmented regulatory responsibilities. Unlike established global bullion hubs such as the Dubai Multi Commodities Centre (DMCC) and the Shanghai Gold Exchange, IIBX has yet to develop significant outbound bullion trade flows. Consequently, the exchange should be viewed not as a standalone solution to India's export weakness, but as an institutional mechanism through which broader reforms in refining, certification, regulation, sourcing, and export facilitation can be integrated.

For India to leverage GIFT City's institutional architecture for export competitiveness, IIBX will need to evolve beyond import facilitation and become more closely integrated with domestic refiners, international sourcing channels, certification systems, and outbound export mechanisms. Such integration would allow IIBX to support, rather than substitute for, the wider policy reforms required to convert India's existing refining capacity and market scale into sustained export competitiveness. The gap between India's substantial bullion demand and refining potential on the one hand, and its negligible realized exports on the other, therefore defines the central analytical problem addressed by this study.

Accordingly, this study provides a descriptive analysis of India's bullion export policy by: (i) examining the operational framework and current limitations of IIBX within the GIFT City ecosystem; (ii) quantifying the structural gap between India's gold trade flows using CAGR and volatility analysis of TRADESTAT commodity-level data; (iii) assessing refining capacity, utilization, and certification barriers using both aggregate industry data and survey-based micro-evidence; and (iv) proposing a set of policy measures grounded in international benchmarking from Switzerland, Japan, and the UAE. In doing so, the study aims to contribute an integrated, empirically grounded account of India's bullion export challenge — one that the existing literature, as this review demonstrates, has addressed only in fragmented and partial ways.

Background: Gujarat International Finance Tec-City (GIFT City) represents India's effort to develop an internationally integrated financial services ecosystem. Conceived as the country's first operational smart city and International Financial Services Centre (IFSC), GIFT City provides a specialized regulatory and institutional environment intended to attract international financial activity. Within this ecosystem, the India International Bullion Exchange (IIBX), launched in July 2022, represents an important development in the formalization of India's bullion market.

The IIBX was established as India's first organized platform for bullion imports and trading. It provides a technology-driven marketplace incorporating trading, clearing, settlement, and vaulting functions. By creating a formalized exchange structure, IIBX can improve transparency, facilitate price discovery, and strengthen India's integration with international bullion markets.

However, IIBX's ability to contribute to India's emergence as a bullion export hub depends on developments beyond the exchange itself. Its current role remains primarily focused on import facilitation, while India's export competitiveness is constrained by limited internationally recognized refining certification, underutilization of existing refining capacity, duty-structure distortions, and regulatory fragmentation. IIBX therefore represents an institutional platform through which these wider reforms can be coordinated and operationalized rather than a standalone solution to India's bullion export deficit.

Strengthening India's bullion ecosystem consequently requires closer integration between IIBX, domestic refiners, banks, jewellers, international suppliers, and export channels. Such integration could allow GIFT City and IIBX to serve as a two-way gateway for bullion trade, supporting India's transition from a predominantly import-oriented market toward a more competitive participant in international bullion markets.

2. METHODOLOGY

This study adopts a descriptive research design to analyze the operational framework and export potential of the India International Bullion Exchange (IIBX) in GIFT City. To ensure a comprehensive understanding, the methodology integrates both qualitative and quantitative approaches.

1. Qualitative Analysis

The qualitative component focuses on reviewing policy documents, government notifications, and institutional reports from agencies such as RBI, DGFT, BIS, SEBI, and IFSCA. Supplementary insights are drawn from academic studies and industry reports to evaluate the regulatory framework, infrastructural readiness, and market reception of the IIBX.

Refining capacity and utilization estimates draw on two complementary sources: aggregate industry capacity growth reported by the World Gold Council (2022), and micro-level, survey-based capacity and utilization data from Mukherjee and Mukherjee (2020), a peer-reviewed study conducted with the India Gold Policy

Centre at IIM Ahmedabad. Triangulating a top-down industry estimate against a bottom-up refinery-level survey allows the study to distinguish installed capacity from actual utilized capacity — a distinction not made in prior descriptive treatments of India's refining sector, and one central to this study's argument that underutilization, rather than underinvestment, is the primary constraint on export competitiveness.

2. Quantitative Analysis

The quantitative analysis involves examining secondary data on India's gold imports, exports, refining capacity, duty structures, and trading volumes before and after the establishment of IIBX. Data is sourced from official exchange reports, DGFT notifications, government statistics, and international market databases (e.g., LBMA, World Gold Council). Key indicators such as market integration, price discovery, trading activity, and the institutional functions of IIBX are examined to assess its potential contribution to market efficiency and India's bullion export competitiveness. Given the descriptive nature of the study, the analysis evaluates IIBX's institutional role and development potential rather than establishing a causal estimate of its impact on export performance.

To move beyond descriptive trend reading, this study computes the Compound Annual Growth Rate (CAGR) and year-on-year growth volatility of India's gold exports and imports over the period FY2017–18 to FY2025–26, using Gold trade data (HS Code 7108) sourced from the Government of India's Export Import Data Bank (TRADESTAT), maintained by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Department of Commerce. The analysis considers both the monetary value and reported physical quantity of gold trade. CAGR is calculated as

$$(V_n/V_0)^{(1/n)} - 1$$

where V_0 and V_n are the initial and final year values and nn is the number of periods. Year-on-year growth volatility is measured as the standard deviation of annual percentage growth across the study period. For the quantity-based analysis, the study additionally examines the physical export-to-import ratio, calculated as reported gold export quantity (kg) divided by reported gold import quantity (kg), to assess the relative scale of India's outbound and inbound gold flows. Reported physical quantities under HS Code 7108 are denominated in kilograms (kg). This is confirmed by the India Gold Policy Centre (IGPC) at IIM Ahmedabad's Gold Data Dashboard (IGPC, 2026), which visualizes the same underlying DGCI&S trade data with units explicitly labelled as QTY(KG). Cross-referencing the study's TRADESTAT extraction against the IGPC dashboard confirms consistency in the reported figures. Expressing quantities in kilograms allows the study to convert reported trade volumes into tonnes where relevant. Comparing value-based and quantity-based growth allows the study to distinguish changes in the monetary value of India's gold trade from changes in reported physical trade volumes. This dual-dimensional approach allows the study to distinguish between the underlying trend in India's bullion trade and the degree of instability around that trend — the latter being particularly relevant given the study's hypothesis that duty-driven arbitrage, rather than structural export capacity, explains India's export behaviour.

Table 1. India's Gold Trade Performance (in value), FY2017–18 to FY2025–26

Financial Year	Gold Exports (US\$ Mn)	Gold Imports (US\$ Mn)	Gold Trade Deficit (US\$ Mn)	Export YoY Growth (%)	Import YoY Growth (%)
2017–18	1,499.90	33,657.21	32,157.31	—	—
2018–19	20.75	32,910.05	32,889.30	–98.62	–2.22
2019–20	80.72	28,229.64	28,148.92	+289.00	–14.22
2020–21	257.17	34,603.94	34,346.77	+218.61	+22.58
2021–22	6.23	46,165.49	46,159.26	–97.58	+33.41
2022–23	145.86	35,016.10	34,870.24	+2,241.48	–24.15

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2023–24	98.25	45,542.07	45,443.82	–32.64	+30.06
2024–25	916.78	58,006.26	57,089.48	+833.09	+27.37
2025–26	242.55	71,977.29	71,734.74	–73.54	+24.09

Source: Government of India, Ministry of Commerce and Industry, Department of Commerce, Directorate General of Commercial Intelligence and Statistics (DGCI&S), Export Import Data Bank (TRADESTAT), HS Code 7108 (Gold), accessed August 2026.

Note: Gold trade deficit is calculated as gold imports minus gold exports. Year-on-year growth is calculated from the preceding financial year's value.

The TRADESTAT data reveal a pronounced divergence between India's gold imports and exports over the study period. While gold imports increased substantially from FY2017–18 to FY2025–26, gold exports remained comparatively small and highly volatile, with sharp increases followed by equally substantial contractions. This divergence provides the empirical basis for the subsequent analysis of India's widening gold trade deficit, export volatility, physical gold trade flows, and the structural constraints affecting bullion export competitiveness.

Table 2. India's Gold Trade Performance (in quantity), FY2017–18 to FY2025–26

Financial Year	Gold Import Quantity (kg)	Import Quantity YoY Growth (%)	Gold Export Quantity (kg)	Export Quantity YoY Growth (%)	Physical Export-to-Import Ratio (%)
2017–18	955,336	—	36,927	—	3.87
2018–19	982,697	+2.86	507	–98.63	0.05
2019–20	719,905	–26.74	1,730	+241.22	0.24
2020–21	651,238	–9.54	4,191	+142.25	0.64
2021–22	879,010	+34.98	126	–96.99	0.01
2022–23	678,299	–22.83	2,623	+1,981.75	0.39
2023–24	795,246	+17.24	1,521	–42.01	0.19
2024–25	757,037	–4.80	11,381	+648.26	1.50
2025–26	721,033	–4.76	2,228	–80.42	0.31
CAGR	–3.46%	—	–29.60%	—	—

Source: Government of India, Ministry of Commerce and Industry, Department of Commerce, Directorate General of Commercial Intelligence and Statistics (DGCI&S), Export Import Data Bank (TRADESTAT), HS Code 7108 (Gold), accessed September 2026.

Note: Quantity figures are reported as recorded in TRADESTAT. The physical export-to-import ratio is calculated as gold export quantity (kg) divided by gold import quantity (kg) × 100. CAGR is calculated over eight financial-year intervals.

To further distinguish changes in the monetary value of India's gold trade from changes in reported physical quantities, Table 3 compares the value-based and quantity-based growth of gold imports and exports.

Table 3. Value–Quantity Growth Comparison of India's Gold Trade, FY2017–18 to FY2025–26

Indicator	Gold Imports	Gold Exports
Initial value, FY2017–18 (US\$ Mn)	33,657.21	1,499.90
Final value, FY2025–26 (US\$ Mn)	71,977.29	242.55
Value change (%)	+113.85	–83.83
Value CAGR (%)	+9.97	–20.37
Initial reported quantity, FY2017–18 (kg)	955,336	36,927
Final reported quantity, FY2025–26 (kg)	721,033	2,228
Quantity change (%)	–24.53	–93.97
Quantity CAGR (%)	–3.46	–29.60

Source: Government of India, Ministry of Commerce and Industry, Department of Commerce, Directorate General of Commercial Intelligence and Statistics (DGCI&S), Export Import Data Bank (TRADESTAT), HS Code 7108 (Gold), accessed September 2026.

Note: Value figures are in US\$ million. Quantity figures are reported in Kilograms (kg). Percentage changes compare FY2017–18 with FY2025–26. CAGR is calculated over eight financial-year intervals.

3. Analytical Framework

By combining qualitative policy evaluation with quantitative trend analysis, the study aims to provide a holistic view of IIBX's role in strengthening India's bullion export policy. The descriptive approach enables the identification of regulatory gaps, institutional challenges, and opportunities for India to transition from a predominantly price-taking position toward greater influence in international bullion markets.

3. OBJECTIVES

1. To analyze India's gold trade performance and import dependence by examining trends in gold imports, exports, and the trade deficit using commodity-level trade data under HS Code 7108 (Gold).
2. To assess the structural constraints affecting India's bullion export competitiveness, with particular emphasis on refining capacity and utilization, LBMA accreditation, duty-structure distortions, and regulatory fragmentation.
3. To examine the role of the India International Bullion Exchange (IIBX) in strengthening India's bullion market through transparent price discovery, formalized trading, market integration, and the development of outbound bullion trade channels.
4. To compare India's bullion framework against established global models (Switzerland, Japan, and the UAE's Dubai Good Delivery standards) to extract actionable governance insights.
5. To formulate a coordinated policy framework that integrates domestic refining, sovereign certification (IFSCA Good Delivery Guidelines), and duty rationalization to position India as a global bullion hub by 2030.

4. REVIEW OF LITERATURE

4.1 Gold Market Dynamics, Import Dependency, and India's Structural Paradox

The theoretical foundation for examining India's bullion export competitiveness draws from the export competitiveness literature, which Paul and Dhiman (2021), in a systematic review spanning three decades of research, define as a nation's sustained ability to create and maintain advantages in international markets through value addition, institutional quality, and strategic positioning. Applied to India's bullion sector, this framework exposes a structural paradox: a country with the world's second-largest gold demand and substantial installed refining capacity remains systemically unable to convert these endowments into export competitiveness.

Narayanaswami and Agarwal (2025) directly address this paradox, documenting that India's annual gold demand of approximately 800 tonnes vastly exceeds domestic production of 1.5 tonnes, creating persistent current account pressure. Their comparative analysis of international refining models is particularly instructive: Switzerland achieves substantial value addition by refining imported doré into finished bullion for re-export, while Japan — despite negligible domestic mining — achieves remarkable export capacity through complete vertical integration, importing gold ores, recycling approximately 500 tonnes of gold scrap annually, and recovering precious metals from electronic waste. These two models represent the twin strategic pathways available to India: doré-based value addition (Switzerland model) and recycling-led circular integration (Japan model). Narayanaswami and Agarwal (2025) argue that India possesses the scale to pursue both, yet policy and institutional barriers have prevented either from taking root.

The UAE offers a third comparative model, distinct from both Switzerland's doré-refining and Japan's recycling-led approaches: institutional aggregation through a dedicated commodities-trade free zone. The Dubai Multi Commodities Centre (DMCC), established in 2002, administers the Dubai Good Delivery (DGD) standard — a regional accreditation, complementary to the LBMA's, covering purity, weight, and assay criteria for small gold bars traded across the Gulf and wider region (Gulf News, 2014; DMCC, 2026). Since 2021, this has operated alongside the UAE Good Delivery (UAEGD) standard, a federally administered scheme overseen by the UAE Ministry of Economy through the Emirates Bullion Market Committee — a structure combining industry-level accreditation (DGD, DMCC-administered) with a separate, government-backed national standard (UAEGD) (DMCC, 2025). This dual-track model is instructive for India's own certification strategy: it demonstrates that a jurisdiction can operate an industry-administered regional standard alongside a sovereign national standard without the two being mutually exclusive, closely paralleling this study's recommendation (Suggestion 7) that India pursue LBMA-aligned certification and the IFSCA Good Delivery Guidelines in parallel rather than treating one as a substitute for the other. Dubai's approach has also embedded responsible-sourcing due diligence directly into its accreditation architecture, requiring DGD-accredited refiners to comply with a Practical Guidance for Responsible Sourcing of Precious Metals, audited by DMCC-approved independent firms (DMCC, 2023) — mirroring the OECD-aligned due-diligence structure of both the LBMA Responsible Sourcing Programme and the proposed IFSCA Guidelines (see Section 4.6).

4.2 Policy Evolution, Duty Structures, and Institutional Fragmentation

Padmanabhan, Satyarth, and Narayanaswami (2024) provide the most comprehensive historical account of India's gold policy failures, tracing development from independence through five distinct phases: restriction, prohibition, liberalization, intervention, and transparency. Their central finding — that successive governments created policies benefiting select refiners while missing opportunities to develop a self-sufficient precious metals ecosystem — is directly relevant to this study's argument about regulatory fragmentation as a structural barrier. They identify the Gold Control Act's failure, duty structure anomalies creating unintended incentives, and bureaucratic capture by interested parties as recurring pathologies in Indian gold policymaking.

Narayanaswami and Saxena (2024) extend this analysis to the contemporary period, presenting empirical evidence of blatant flaws in India's multi-duty structure using 2023–24 trade data, demonstrating how

differential duties on gold doré versus finished bullion continue to create arbitrage opportunities that distort formal trade flows. Padmanabhan (2024) further documents the consequences of abrupt duty changes, showing how the Union Budget 2024 reduction of gold and silver duties from 15% to 6% — a rate that was itself reversed back to 15% in May 2026 (CNBC, 2026) — created significant financial risks for nominated banks operating under consignment models, with potential losses running into hundreds of crores. His analysis positions IIBX's prefunded trading model as a structural solution that shifts duty-change risk from banks to market participants, a finding that supports this study's recommendation for IIBX expansion.

Susai and Daniel (2024), in the only peer-reviewed empirical study using causal modelling on this topic, examine gold smuggling patterns using Granger causality analysis across macroeconomic variables. Their findings reveal that smuggling is not a random phenomenon but is systematically driven by India's gold demand, jewelry export levels, GDP growth, and — critically — customs duty policies. The study documents that smuggling is concentrated on Fridays, predominantly in October through December, with West Bengal, Delhi, Maharashtra, and Tamil Nadu accounting for the majority of cases. This evidence reinforces the duty-structure argument: high or unstable import duties do not suppress demand but redirect it through informal channels, undermining the formal refining and trading ecosystem that IIBX seeks to build.

4.3 Refining Capacity, Certification, and the LBMA Accreditation Gap

Mukherjee and Mukherjee (2020), conducting the only primary survey-based study of India's organized-sector gold refining industry, found **27 operating refiners** with a total surveyed capacity of 1,467 tonnes, but an average capacity utilization rate of only 20%. This survey-based evidence is critical because it reframes the policy diagnosis: India's refining gap is not primarily a capacity investment problem but a utilization problem driven by restricted doré supply, certification barriers, and market structure distortions. This distinction — underutilization rather than underinvestment — is not made in prior descriptive treatments of India's refining sector and forms a central analytical contribution of the present study.

Narayanaswami (2025) synthesizes these findings into actionable policy recommendations for 2025, arguing that India's path forward requires simultaneous action on doré sourcing, certification standards, and IIBX integration, and cannot be achieved through any single policy lever in isolation.

4.4 IIBX, GIFT City, and Institutional Market Development

Narayana et al. (2024) provide the foundational descriptive study of the India International Bullion Exchange at GIFT IFSC, analyzing its operational framework, regulatory environment, technological infrastructure, and market dynamics. Their analysis establishes that IIBX's transparent price discovery mechanisms and structured trading environment represent a material improvement over the informal bilateral import arrangements that preceded it. Shah and Chugan (2023) contextualize IIBX within the broader GIFT City ecosystem, examining India's maiden IFSC at Gandhinagar as a regulatory and institutional experiment and identifying both the structural advantages of its special economic zone status and the operational challenges of achieving genuine international participation in a newly established financial centre.

The existing literature nevertheless focuses predominantly on IIBX as an institutional and market-development initiative rather than examining its potential role within a broader bullion export strategy. This distinction is important because the exchange operates within an ecosystem whose competitiveness also depends on refining capacity, internationally recognized certification, duty structures, regulatory coordination, and access to export markets. Accordingly, IIBX is examined in this study as an enabling institutional platform that can facilitate the integration of these components rather than as an independent determinant of export competitiveness.

Mahadevi et al. (2020), examining export challenges faced by gems and jewellery exporters in Coimbatore, identify recurring structural barriers — gold price volatility, international certification requirements, regulatory complexity, and logistical inefficiencies — that mirror those documented at the macro level in the bullion export literature. Their micro-level evidence reinforces the systemic nature of India's export competitiveness challenge, suggesting that the barriers IIBX must help address are embedded across the value chain rather than confined to the exchange itself.

4.5 Gap in Literature

While the existing body of work provides valuable insights into India's gold price dynamics, import dependency, duty distortions, illicit trade, refining capacity, certification barriers, and the institutional development of IIBX, these dimensions have largely been examined separately. Limited attention has been given to how these interconnected factors collectively constrain India's transition from a predominantly import-oriented bullion market toward sustained export competitiveness. In particular, existing studies have not sufficiently integrated IIBX's institutional role with empirical evidence on India's gold trade deficit, export volatility, refining capacity utilization, and LBMA accreditation gap. Nor does the existing literature adequately quantify the divergence between India's potential refining and export capacity and its realized export performance using commodity-level HS Code 7108 trade data. This study addresses this gap by combining CAGR and volatility analysis of TRADESTAT trade data with an assessment of refining capacity, utilization, certification, duty structures, regulatory fragmentation, and the institutional role of IIBX. The study consequently treats IIBX not as a standalone solution, but as a potential platform for integrating the policy reforms required to strengthen India's bullion export competitiveness.

4.6 Domestic Certification Pathways: The IFSCA Good Delivery Guidelines

While Sections 4.3 and 4.5 identify the LBMA accreditation gap as a structural barrier to India's bullion export competitiveness, a parallel regulatory development addresses this gap directly. In late November 2025, the International Financial Services Centres Authority (IFSCA) released a Consultation Paper proposing the IFSCA Good Delivery Guidelines 2025, which establish a domestic "Accredited Refiner" status independent of LBMA membership (IFSCA, 2025). It states that any Indian or global refinery becomes eligible to deliver gold on the IIBX, provided it adheres to responsible sourcing best practices and is certified by a Reviewing Organisation (RO) following a mandatory Third-Party Audit. The framework operationalizes the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas through a five-step due-diligence structure: (1) establishing a Risk-Focused Regulatory Compliance (RFRC) Framework, (2) identifying and evaluating supply-chain risk through a Risk-Based Operational Excellence (RBOE) Framework, (3) implementing risk control and mitigation strategies, (4) undergoing Third-Party Audit, and (5) annual reporting under ISAE 3000 assurance standards (IFSCA, 2025).

This development is significant for the present study's argument in two respects. First, it endorses the diagnosis in Section 4.3 that India's refining gap is a certification and utilization problem rather than a capacity problem since IFSCA's own stated objective is explicitly to "promote refining in India and abroad as per the responsible sourcing guidelines and deliver the refined bullion on IIBX" (IFSCA, 2025, Section D). Second, it represents the beginning of exactly the LBMA-equivalent domestic certification system that this study recommends (see Section 6, Suggestion 7), suggesting that regulatory momentum already exists for the kind of reform this paper advocates, and that the marginal contribution of this study lies in strengthening, sequencing, and integrating that reform with IIBX outbound trade facilitation, duty rationalization, and diversified sourcing.

5. FINDINGS OF THE STUDY

1. **Import Dependence and Widening Deficit:** Using DGCI&S trade data (HS Code 7108), India's gold import value increased from US\$33,657.21 million in FY2017–18 to US\$71,977.29 million in FY2025–26, representing a compound annual growth rate (CAGR) of **9.97%**. However, this increase in import value was not accompanied by a corresponding increase in reported physical import quantity. Gold import quantity declined from 955,336 kg in FY2017–18 to 721,033 kg in FY2025–26, representing a decline of **24.53%** and a quantity CAGR of **-3.46%**. This divergence indicates that the expansion of India's gold import bill was not driven by an equivalent increase in physical import volumes and was substantially influenced by the rising value of gold per unit. Gold exports over the same period fell from US\$1,499.90 million to US\$242.55 million, representing a CAGR of **-20.37%**, while reported export quantity declined from 36,927 kg to 2,228 kg, a contraction of **93.97%** and a quantity CAGR of **-29.60%**. As a direct consequence, India's gold trade deficit widened from US\$32,157.31 million to US\$71,734.74 million, growing at a CAGR of **10.55%**. Gold's share of India's total merchandise imports also rose over the period, from 7.23% in FY2017–18 to 9.28% in FY2025–26, indicating that gold is consuming a growing, rather than shrinking, share of India's import bill and potentially intensifying current account pressure. The physical export-to-import ratio also declined substantially, from **3.87%** in FY2017–18 to **0.31%** in FY2025–26, further indicating the widening divergence between India's inbound and outbound gold flows. (See Tables 1, 2 and 3, and Figure 1.)

2. **Export Volatility and Evidence Consistent with Policy-Driven Arbitrage:** Beyond the aggregate decline, India's gold exports display extreme year-on-year volatility in both monetary value and reported physical quantity. The standard deviation of annual export value growth is approximately **804%**, compared with approximately **22%** for import value growth over the same period, making export value growth more than **36 times as volatile** as import growth. Reported export quantity exhibits a similarly unstable pattern, with the standard deviation of annual quantity growth at approximately **666%**, compared with approximately **19%** for import quantity growth, making export quantity growth more than **35 times as volatile** as import quantity growth. It should be noted that this volatility measure is calculated on a comparatively thin monetary and physical base — India's gold export quantity across the study period ranges from 126 kg to 36,927 kg, and export value from US\$6.23 million to US\$1,499.90 million — such that the standard deviation of year-on-year percentage growth is inherently more sensitive to small absolute changes than the equivalent measure for imports, which operate on a base two to three orders of magnitude larger. The reported volatility figures should therefore be read as evidence of the instability of a structurally thin, policy-sensitive trade flow, rather than as a claim that India's exports swing by a proportionally equivalent magnitude in absolute terms. This consistency between value and quantity volatility indicates that the instability in India's gold exports is not merely attributable to fluctuations in the monetary value of gold, but is also reflected in substantial changes in reported physical export volumes. India's export series is characterized by sharp, short-lived spikes — most notably an 833% year-on-year increase in export value in FY2024–25, the financial year in which the Union Budget 2024 reduced gold import duty from 15% to 6%, followed by a 73.5% decline in FY2025–26. A similar pattern is visible in reported export quantities, which increased by 648.26% in FY2024–25 before declining by 80.42% in FY2025–26. While the descriptive data do not establish a causal relationship between the duty reduction and the subsequent export surge, the spike-and-reversal pattern in both value and quantity is consistent with the study's broader finding on duty-structure distortions (Section 5, Point 6), which identifies policy changes as creating opportunities for short-term arbitrage rather than sustained export capacity. Taken together, the evidence suggests that India's bullion exports remain highly sensitive to policy and market conditions, with limited evidence of sustained structural export competitiveness. (See Tables 1 and 2.)

Update - May 2026 Duty Reversal: This volatility pattern gained a further, more direct explanatory factor after the close of the initial analysis window. On May 13, 2026, the Government of India more than doubled the gold and silver import duty from 6% to 15%, reversing the July 2024 cut entirely, in response to rupee depreciation and current-account pressure linked to the West Asia crisis (Business Standard, 2026a; World Gold Council, 2026b). Because this hike took effect approximately ten and a half months into FY2025–26, it applied to the substantial majority of that financial year, and offers a considerably more direct explanation for the 73.5% export contraction recorded in FY2025–26 (Table 1) than policy-driven arbitrage alone. This strengthens rather than weakens the study's central finding: it confirms that India's bullion export performance is acutely sensitive to duty policy in both directions — a sharp cut produced an 833% export spike, and an equally sharp reversal produced a comparably sharp collapse — reinforcing the case that duty-structure

instability, not a lack of underlying refining capacity, remains an important potential driver of India's export volatility (see Finding 6).

3. **Refining Capacity and Utilization Gap:** India's installed gold refining capacity grew approximately six-fold — from around 300 tonnes in 2013 to approximately 1,800 tonnes by 2021, a compound annual growth rate of roughly 25% (World Gold Council, 2022). However, capacity and utilization are not the same thing. A survey-based academic study of India's organized-sector gold refining industry found actual surveyed capacity of 1,467 tonnes across 27 operating refiners, but an average capacity utilization rate of only 20% (Mukherjee & Mukherjee, 2020). Applying this utilization rate to surveyed capacity implies that Indian refiners process approximately **293 tonnes of gold annually**, a figure that closely corroborates independent industry estimates of **292 tonnes refined as of 2017**. Viewed against India's own reported physical trade in FY2025–26 — gold imports of 721,033 kg ($\approx$ 721 tonnes) against gold exports of just 2,228 kg ($\approx$ 2.2 tonnes) — this 293-tonne estimated refining throughput represents less than half of the physical gold entering the country in a single year, while realized exports amount to under 1% of estimated annual refining throughput and a negligible fraction of installed capacity. This estimate represents refining throughput derived from surveyed capacity and utilization, and is therefore distinct from the reported physical trade quantities recorded in TRADESTAT, but the comparison is instructive: even a modest improvement in utilization, absent any new capacity investment, would allow India to process a considerably larger share of its import volume domestically. This underutilization — rather than a lack of installed capacity per se — is the more precise diagnosis of India's refining gap, and it reframes the policy problem: the binding constraint is not building more refining capacity, but addressing the doré/scrap supply, certification, and duty-structure barriers that leave existing capacity idle. (See Figure 2.) Despite this substantial installed base, only one Indian refiner — MMTC-PAMP (Mewat, Haryana), a joint venture between MMTC Ltd. (a Government of India undertaking) and Switzerland's MKS PAMP Group — holds LBMA Good Delivery accreditation for both gold and silver, a status it has held without a second Indian entrant since the refinery's establishment in 2008 (MMTC-PAMP, 2026). MMTC-PAMP's own reported refining capacity has grown substantially in recent years, from approximately 150 tonnes of gold annually in earlier reporting to over 300 tonnes as of 2026 — meaning India's sole LBMA-accredited facility alone now accounts for roughly 17% of the country's total installed refining capacity, underscoring both the concentration of accreditation in a single entity and the scale of opportunity in extending LBMA-equivalent standards to the remaining 26 organized-sector refiners identified in Mukherjee and Mukherjee's (2020) survey.

4. **Export Potential vs. Realized Performance:** India's refining and bullion-market infrastructure indicates substantial potential to expand gold exports, but this potential has not translated into sustained export performance. The TRADESTAT data show that India's reported gold export quantity declined from **36,927 kg** in FY2017–18 to **2,228 kg** in FY2025–26, representing a **93.97%** decline and a quantity CAGR of -29.60% . Over the same period, gold export value declined from **US\$1,499.90 million** to **US\$242.55 million**, corresponding to a value CAGR of -20.37% . The physical export-to-import ratio also fell from **3.87%** in FY2017–18 to only **0.31%** in FY2025–26, indicating that India's outbound gold flows remain extremely small relative to its import requirements. The scale of this gap becomes sharper when expressed in tonnes: FY2025–26 exports of approximately 2.2 tonnes stand against an installed refining capacity of approximately 1,800 tonnes and an estimated actual refining throughput of approximately 293 tonnes (see Finding 3) — meaning realized exports represent roughly 0.12% of installed capacity and under 1% of even the underutilized throughput India already achieves. This is particularly significant when viewed against India's substantial refining capacity and the development of institutional infrastructure such as IIBX. The divergence between available refining capacity and realized export volumes therefore suggests that India's export constraint is not simply a question of physical processing capacity, but of the broader policy and market ecosystem governing the movement of refined bullion into international markets. Certification requirements, access to internationally recognized good-delivery standards, duty structures, sourcing constraints, and the integration of domestic bullion markets with global trading centres collectively influence whether India's refining capacity can be converted into internationally competitive export supply. The persistence of very low export-to-import ratios despite substantial domestic refining infrastructure highlights a significant unrealized export opportunity for India. (See Tables 2 and 3 and Figure 2.)

5. **International Certification Concentration and the Imperative for Sovereign Benchmarks:** As of August 2026, the London Bullion Market Association maintains a current Good Delivery List of 67 globally

accredited gold refiners (LBMA, 2026a). India accounts for exactly one of these refiners: MMTC-PAMP (MMTC-PAMP India Pvt. Ltd.), a joint venture between MMTC Ltd. (a Government of India undertaking) and Switzerland's MKS PAMP Group, headquartered in Mewat, Haryana. This represents approximately 1.49% of the world's LBMA-accredited gold refiners. For context, the global distribution is highly concentrated. China leads with 16 LBMA-accredited refiners (23.9% of global total), followed by Japan with 11 (16.4%), Switzerland with 5 (7.5%), Germany with 4 (6.0%), and Canada and Italy with 3 each. Fifteen countries, including India, share the bottom tier with exactly one LBMA-accredited refiner each (LBMA, 2026a). (See Figure 3.) However, this disproportionality highlights the vulnerability of relying exclusively on a private, overseas industry association for international market access. Rather than viewing LBMA accreditation as the sole benchmark of refining credibility, this concentration underscores the imperative for India to establish its own statutory, government-backed certification framework. MMTC-PAMP's facility demonstrates that Indian refiners possess the technical capability to meet top-tier global standards. The institutional barrier for the remaining 26 organized refiners identified in survey data lies not in technical refining capability, but in the lack of a domestic, internationally aligned responsible-sourcing due diligence architecture, a deficiency that statutory domestic regulation, rather than foreign private membership, is best positioned to resolve.

6. **Duty Structure Distortions:** The evolution of import duties — cut from 15% to 6% in the 2024 Union Budget, then reversed back to 15% in May 2026 amid rupee-defence measures (Business Standard, 2026a) — has created arbitrage opportunities, incentivized smuggling, and limited formal refining development. This whiplash pattern itself constitutes a structural barrier: even well-intentioned duty rationalization is vulnerable to reversal under macroeconomic pressure, underscoring the need for a stable, predictable duty framework (see Suggestion 4) rather than reactive rate changes.

7. **Policy Fragmentation:** Multiple institutions (RBI, DGFT, BIS, SEBI, IFSCA) currently regulate bullion with overlapping jurisdictions, creating inefficiencies that hinder India's transition to a global bullion hub.

8. **Strategic Role of IIBX:** IIBX can serve as an important institutional platform for strengthening India's bullion ecosystem by facilitating transparent price discovery, formalized trading, market integration, and linkages between international suppliers, domestic refiners, banks, jewellers, and export channels. However, its contribution to export competitiveness depends on complementary reforms in refining, certification, duty structures, regulatory coordination, and outbound trade facilitation. IIBX should therefore be positioned as an enabling mechanism within a broader bullion export strategy rather than as a standalone solution.

9. **International Benchmarking:** Comparative models such as Switzerland and Japan highlight how India lags in leveraging refining and recycling for exports.

10. **Market Integration:** IIBX strengthens India's integration with global bullion markets by enabling transparent price discovery, prefunded trading models, and direct access for international participants.

11. **Emerging Domestic Certification Framework (IFSCA Good Delivery Guidelines 2025):** In November 2025, IFSCA released a Consultation Paper proposing Good Delivery Guidelines that would allow any Indian or global refinery meeting prescribed responsible-sourcing and audit standards, certified as an "Accredited Refiner" by an IFSCA-recognized Reviewing Organisation, to deliver gold on IIBX, without requiring LBMA accreditation (IFSCA, 2025). The proposed framework mandates a five-step due-diligence process aligned with OECD guidance, covering policy adoption, supply-chain risk mapping (across large-scale mines, artisanal/small-scale mines, aggregators, and recycled/mixed gold sources), risk mitigation, independent Third-Party Audit, and annual ISAE 3000-based assurance reporting. This represents a direct regulatory response to the LBMA accreditation concentration problem identified in Finding 5: rather than requiring India's 26 non-LBMA-accredited organized-sector refiners to individually pursue LBMA Good Delivery status, the Guidelines create a domestically administered, internationally aligned equivalent standard. As of this study, the Guidelines remain in consultation stage and their eventual effectiveness will depend on the rigour of RO/auditor empanelment, enforcement of the Third-Party Audit regime, and integration with IIBX's outbound trade mechanisms, the latter being a gap this study's recommendations (Section 6) directly address.

12. **Two Components of Good Delivery Standards — Technical Compliance vs. Responsible Sourcing:** Good Delivery status, whether under LBMA or the proposed IFSCA framework, rests on two distinct pillars: (i) technical specifications governing bar fineness, weight, dimensions, and manufacturing quality, and (ii)

responsible-sourcing due diligence covering supply-chain traceability, AML-CFT compliance, and adherence to OECD-aligned conflict-mineral guidance (IFSCA, 2025, Chapter III). India's refining sector is comparatively well positioned on the first pillar: BIS-grade hallmarking infrastructure and ISO-certified refining capability are already established across a meaningful share of the organized sector. The second pillar — documented, auditable responsible-sourcing systems — is markedly underdeveloped, reflecting the near-total absence, prior to the IFSCA Guidelines, of a domestic framework requiring Accredited-Refiner-level due diligence, chain-of-custody documentation, and Third-Party Audit (IFSCA, 2025, Steps 1–2). This distinction sharpens the diagnosis in Finding 5: India's LBMA accreditation gap is not primarily a technical-capability gap but a responsible-sourcing infrastructure gap, which is precisely the deficiency the IFSCA Good Delivery Guidelines are designed to close.

6. SUGGESTIONS OF THE STUDY

1. To establish a unified regulatory framework, the aim is to establish a formal inter-institutional coordination mechanism across institutions such as RBI, DGFT, BIS, SEBI, and IFSCA. This will harmonize fragmented mandates, reduce policy uncertainty, and provide clear signals for industry stakeholders, fostering a more predictable and efficient bullion ecosystem.
2. To strengthen the integration of the International Bullion Exchange (IIBX), the goal is to position IIBX as an institutional platform connecting India's bullion imports, domestic refining, market participants, and export channels. This will involve strengthening its links with domestic jewellers, refiners, banks, and international participants while expanding the range of bullion transactions that can be efficiently routed through the exchange. Greater integration would enable IIBX to support broader reforms in India's bullion ecosystem and improve the efficiency and transparency of formal bullion trade.
3. To upgrade domestic refining standards and responsible-sourcing infrastructure, the goal is to provide targeted technical assistance, institutional support, and operational guidance to Indian refiners to achieve statutory domestic accreditation under the IFSCA Good Delivery framework. Rather than treating private foreign accreditations (such as LBMA) as a mandatory national milestone, policy support should focus on enabling domestic refiners to meet OECD-aligned supply-chain due diligence, AML-CFT compliance, and third-party audit standards domestically. Upgrading **8–10 of India's approximately 27 organized-sector refiners** (27 total – 26 non-accredited, 1 LBMA accredited) to IFSCA Accredited Refiner status by 2030 would build a critical mass of internationally compliant refining capacity, establishing sovereign credibility while leaving foreign private certifications as an optional, market-driven choice for individual commercial entities.
4. To reform the duty structure, the focus is on correcting distortions that currently incentivize bullion imports over doré imports. A rationalized and graduated duty system will reward domestic refining and value addition while discouraging arbitrage-based trade flows, ensuring India benefits from refining activities within its borders.
5. To diversify strategic sourcing, the plan is to strengthen partnerships with underutilized suppliers in regions like Latin America and Africa. Building long-term agreements with countries such as Argentina, Peru, and Ghana will reduce overdependence on a few suppliers and secure access to competitive, stable doré supply chains.
6. To enable outbound bullion trade through IIBX, the aim is to develop appropriate regulatory and operational mechanisms for refined gold and silver exports through the exchange, subject to applicable DGFT, RBI, and IFSCA frameworks. This would allow IIBX to function as a two-way institutional gateway for bullion trade, connecting internationally sourced bullion and domestically refined products with global markets. The objective is not merely to expand IIBX's trading activity, but to integrate the exchange into a broader export-oriented bullion ecosystem. This is consistent with the direction of the IFSCA Good Delivery Guidelines 2025, which already extend IIBX delivery eligibility to Accredited Refiners meeting responsible-sourcing standards; the regulatory and operational framework for using such Accredited Refiner bullion for outbound/export transactions through IIBX remains the missing link that this study recommends be prioritized.
7. To operationalize and strengthen statutory domestic certification standards, IFSCA's November 2025 Consultation Paper on Good Delivery Guidelines represents a substantive first step toward establishing an Accredited Refiner framework based on Reviewing Organisation certification and mandatory Third-Party Audit under OECD-aligned due diligence. This study recommends that the final Guidelines be strengthened in three respects: **(i)** publishing a transparent, public registry of empanelled Reviewing Organisations and auditors from inception, to enhance transparency and preserve market confidence in the rigour of the standard; **(ii)** explicitly benchmarking the Accredited Refiner framework against relevant LBMA Good Delivery criteria in published documentation, while recognizing that IFSCA accreditation and LBMA accreditation remain institutionally distinct, so that internationally active counterparties can better assess the comparability of the standards; and **(iii)** linking Accredited Refiner status with IIBX export eligibility, subject to the applicable regulatory framework (see Suggestion 6), so that certification and export capability develop as complementary components of the same bullion-export ecosystem. Combined with BIS hallmarking, this dual-track approach can extend credible domestic certification from the single existing LBMA-accredited refiner (MMTC-PAMP) to a substantially larger share of India's **approximately 27 organized-sector refiners**.

This distinction carries structural weight: LBMA is a London-based private trade association whose Good Delivery framework is administered through industry standards and membership rather than governmental or treaty authority (LBMA, 2026; London Bullion Market Association, n.d.). By contrast, the IFSCA Good Delivery framework, once finalized, would operate within India's statutory regulatory architecture under the International Financial Services Centres Authority Act, 2019. This gives the resulting Accredited Refiner status a **domestic statutory and regulatory foundation**, while international recognition would still depend on acceptance by foreign counterparties, regulators, exchanges, and trade partners. This study therefore recommends pursuing such recognition through bilateral and regulatory-cooperation channels rather than assuming that domestic statutory status alone would confer international equivalence.

8. To build global branding for Indian bullion, the goal is to launch government-industry-led campaigns highlighting India's refining capabilities, ethical sourcing practices, and the unique positioning of GIFT City. Strong branding will improve international perception, attract investment, and increase demand for Indian bullion products in global markets.

9. To introduce an Import Duty Credit Mechanism for Gold Doré: Under India's customs structure, gold doré imports have historically attracted a duty rate slightly below that applicable to finished gold bullion. Following the July 2022 duty revision, the effective customs duty on gold doré was **14.35%**, compared with **15% on finished gold**, reflecting a 0.65 percentage-point differential. The July 2024 Union Budget subsequently reduced these rates to **5.35% for gold doré and 6% for finished gold**, effective from 24 July 2024 (World Gold Council, 2024). Following the May 2026 reversal of the 2024 duty reduction, the effective duty on finished gold was restored to **15%**, while the duty on gold doré increased from **5.35% to 14.35%**, maintaining the 0.65 percentage-point differential between refined gold and doré (Business Standard, 2026a). For refiners importing doré for domestic refining, the duty represents an upfront cost embedded in the landed price, and the existing framework does not, under the mechanism examined in this study, provide a dedicated facility for carrying this duty forward as a credit against subsequent doré imports. This study therefore recommends the introduction of an Import Duty Credit Mechanism, under which duty paid on qualifying doré imports is credited to the importing refiner's account and made available for offset against duty liabilities on subsequent qualifying doré imports. Such a mechanism would reduce the effective working-capital cost of formal doré sourcing, strengthen the price competitiveness of domestic refining relative to informal or smuggled channels, and directly address the study's broader finding that duty-structure distortions are an important contributor to India's persistent export underperformance (see Section 5, Point 6).

10. To pursue bilateral recognition of the India Good Delivery Standard, modeled on CEPA-style trade frameworks: India's existing trade diplomacy offers a precedent worth extending from tariffs to standards. Under the India–UAE Comprehensive Economic Partnership Agreement (CEPA), in force since May 2022, India granted the UAE a Tariff Rate Quota of up to 200 tonnes of gold annually at a preferential duty rate one percentage point below the standard rate, formalized under DGFT Public Notice No. 39/2025–26 dated December 17, 2025 (Directorate General of Foreign Trade, 2025; Business Standard, 2026b). While the CEPA's gold provisions to date are limited to tariff concessions rather than standards recognition, the framework demonstrates that India is willing to negotiate gold-specific bilateral terms with key trading partners. This study recommends that, once finalized, the IFSCA Good Delivery Guidelines be actively positioned within future CEPA-style trade negotiations, not merely as a domestic certification scheme, but as a standard India seeks partner countries to **assess** for equivalence and, where appropriate, formally recognize through mutual-recognition or regulatory-cooperation arrangements, analogous to mutual-recognition provisions found in other regulatory chapters of comprehensive trade agreements. Such recognition would allow India Good Delivery-certified bullion to access partner markets without requiring separate LBMA accreditation, directly addressing the concentration risk identified in Finding 5 and the single-point-of-failure risk illustrated by LBMA's August 2026 suspension of Shandong Gold Smelting Co. Ltd from its Gold and Silver Good Delivery Lists, triggered by the refiner's addition to the U.S. Uyghur Forced Labor Prevention Act Entity List (LBMA, 2026b).

7. LIMITATIONS

This study is subject to several limitations that should be considered when interpreting its findings. First, the quantitative analysis relies entirely on secondary trade data sourced from TRADESTAT (HS Code 7108) and institutional reports; no primary data collection was conducted through refiner interviews, exchange participant surveys, or regulatory consultations. Primary fieldwork would provide deeper insight into the operational and behavioral constraints on India's gold refining and export ecosystem.

Second, the quantitative analysis in this study is confined to gold trade classified under HS Code 7108 (Chapter 71); it does not capture gold that enters India through other customs classifications, notably Chapter 26 (ores and concentrates) and Chapter 28 (inorganic compounds, including gold compounds), which have periodically served as alternative import channels when duty differentials make them attractive. Because trade can reclassify and shift toward these channels rapidly following a policy change, the Chapter 71-only scope of this study may understate the true responsiveness of gold trade to duty changes, and by extension, the degree to which channel-switching, rather than genuine demand suppression, limits the effectiveness of duty policy in containing the current account deficit.

Third, the 20% capacity utilization estimate, drawn from Mukherjee and Mukherjee's (2020) survey, reflects conditions as of 2017–2020 and may not fully capture the post-IIBX regulatory environment or the impact of the 2024 duty reduction on refining activity. More recent survey-based evidence on utilization rates would strengthen the analysis.

Fourth, while this study uses CAGR and year-on-year volatility as analytical tools, it does not employ econometric modelling — such as vector autoregression or cointegration analysis — to formally test causal relationships between duty changes, export volatility, and smuggling flows. Future research employing such methods would provide stronger causal inference.

Fifth, the international benchmarking comparisons with Switzerland, Japan, and the UAE are drawn from secondary literature and institutional reports rather than primary country-level data, limiting the depth of comparative analysis. In addition, the reported gold export quantities in TRADESTAT display extreme swings even in absolute terms (e.g., 126 kg in FY2021–22 versus 11,381 kg in FY2024–25). Such volatility is plausible for a genuinely thin, policy-sensitive trade flow, where a small number of large one-off consignments, re-export shipments, or occasional reclassification at the margin between adjacent HS codes could dominate an otherwise negligible annual total. However, this study relies on aggregated annual commodity-level data and is unable to verify the underlying transaction-level composition of these figures. Transaction-level TRADESTAT data, or direct engagement with DGCI&S and IIBX on individual large shipments, would be needed to confirm whether the observed year-to-year swings reflect genuine trade behaviour or reporting artifacts. Finally, the study's policy recommendations are forward-looking and normative; their feasibility depends on political economy factors — including inter-agency coordination and industry lobbying — that are beyond the scope of this descriptive analysis.

8. CONCLUSION

India's position in the global bullion market presents a significant structural paradox: despite being one of the world's largest gold consumers and possessing substantial installed refining capacity, the country remains overwhelmingly dependent on gold imports and has a negligible share in global bullion exports. The analysis of HS Code 7108 trade data demonstrates a widening imbalance, with gold import value increasing substantially while export value declined over the study period. Importantly, the quantity analysis reinforces this divergence: reported gold import quantity declined by **24.53%** between FY2017–18 and FY2025–26, while reported export quantity declined by **93.97%**. The physical export-to-import ratio consequently fell from **3.87% to 0.31%**, indicating that India's outbound bullion flows remain extremely small relative to its inbound flows. At the same time, India's refining sector operates well below its installed capacity, while the limited presence of internationally accredited refiners restricts access to recognized bullion markets. These constraints are compounded by duty-structure distortions and regulatory fragmentation.

The findings indicate that India's bullion export challenge is therefore not simply a question of insufficient installed refining capacity. Rather, it reflects the difficulty of connecting existing refining capabilities with reliable doré and scrap supply, credible domestic and international certification, competitive duty structures, coordinated regulation, and global market access. The simultaneous decline in reported export quantity and export value, together with the extreme volatility observed in both measures, further indicates that India's bullion exports have not developed into a stable and sustained structural export capability. The substantial gap between installed refining capacity and realized export flows therefore represents an important unrealized opportunity for India.

Within this broader policy context, the India International Bullion Exchange (IIBX) represents an important institutional enabler rather than a standalone solution. Its technology-driven trading, clearing, settlement, vaulting, and price-discovery functions provide a foundation for greater formalization and integration of India's bullion market. However, the ability of IIBX to contribute meaningfully to export competitiveness depends on its integration with domestic refiners, international suppliers, banks, jewellers, certification systems, and outbound export channels. IIBX can therefore serve as a platform through which broader bullion-policy reforms are operationalized and connected to international markets, rather than being treated as an isolated exchange-level intervention.

International experience reinforces the need for an integrated approach. Switzerland demonstrates the potential of doré-based value addition and re-export, while Japan illustrates the role of recycling and vertical integration in building a competitive precious-metals ecosystem. These models suggest that India can strengthen its position by combining its large domestic market with greater refining utilization, diversified sourcing, internationally credible certification, and stronger integration between domestic and international bullion markets.

Accordingly, strengthening India's bullion export policy requires a coordinated strategy rather than reliance on a single institutional intervention. Regulatory coordination, rationalized duty structures, operationalization of the IFSCA Good Delivery Standard, diversified doré sourcing, global branding, and the development of outbound bullion channels must operate alongside the continued expansion and integration of IIBX. Encouragingly, IFSCA's November 2025 Consultation Paper indicates that regulatory momentum toward a domestic Accredited Refiner framework is already underway. This study's findings suggest that this momentum should be extended toward **outbound export integration, duty rationalization, domestic refining certification, and stronger IIBX–refiner linkages** to convert India's substantial market scale and refining potential into more sustained participation in international bullion trade. Given the descriptive nature of the study, these measures should be understood as policy directions supported by the observed trade and institutional evidence, rather than as interventions whose causal effects have been formally established.

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APPENDIX

APPENDIX A: DETAILED TRADESTAT DATA

Table A1. India's Gold Export Performance, FY2017–18 to FY2025–26

Financial Year	Gold Exports (US\$ Mn)	Share of India's Total Exports (%)	YoY Growth (%)	India's Total Exports (US\$ Mn)
2017–18	1,499.90	0.4942	—	303,526.16
2018–19	20.75	0.0063	–98.62	330,078.09
2019–20	80.72	0.0258	+289.00	313,361.04
2020–21	257.17	0.0881	+218.61	291,808.48
2021–22	6.23	0.0015	–97.58	422,004.40
2022–23	145.86	0.0323	+2,241.48	451,070.00
2023–24	98.25	0.0225	–32.64	437,072.03
2024–25	916.78	0.2095	+833.09	437,704.58
2025–26	242.55	0.0549	–73.54	441,452.14

Table A2. India's Gold Import Performance, FY2017–18 to FY2025–26

Financial Year	Gold Imports (US\$ Mn)	YoY Growth (%)	India's Total Imports (US\$ Mn)	Gold's Share of Total Imports (%)
2017–18	33,657.21	—	465,580.99	7.2291
2018–19	32,910.05	–2.22	514,078.42	6.4018
2019–20	28,229.64	–14.22	474,709.28	5.9467
2020–21	34,603.94	+22.58	394,435.88	8.7730
2021–22	46,165.49	+33.41	613,052.05	7.5304
2022–23	35,016.10	–24.15	715,968.90	4.8907
2023–24	45,542.07	+30.06	678,214.77	6.7150
2024–25	58,006.26	+27.37	721,200.22	8.0430
2025–26	71,977.29	+24.09	775,713.17	9.2789

Source: Government of India, Ministry of Commerce and Industry, Department of Commerce, DGCI&S, Export Import Data Bank (TRADESTAT), HS Code 7108 (Gold), accessed August 2026.

Note: Gold exports' share of India's total exports is calculated using the corresponding annual total merchandise exports. Gold's share of total imports is calculated using the corresponding annual total merchandise imports.

Table A3. India's Gold Import and Export Quantity, FY2017–18 to FY2025–26

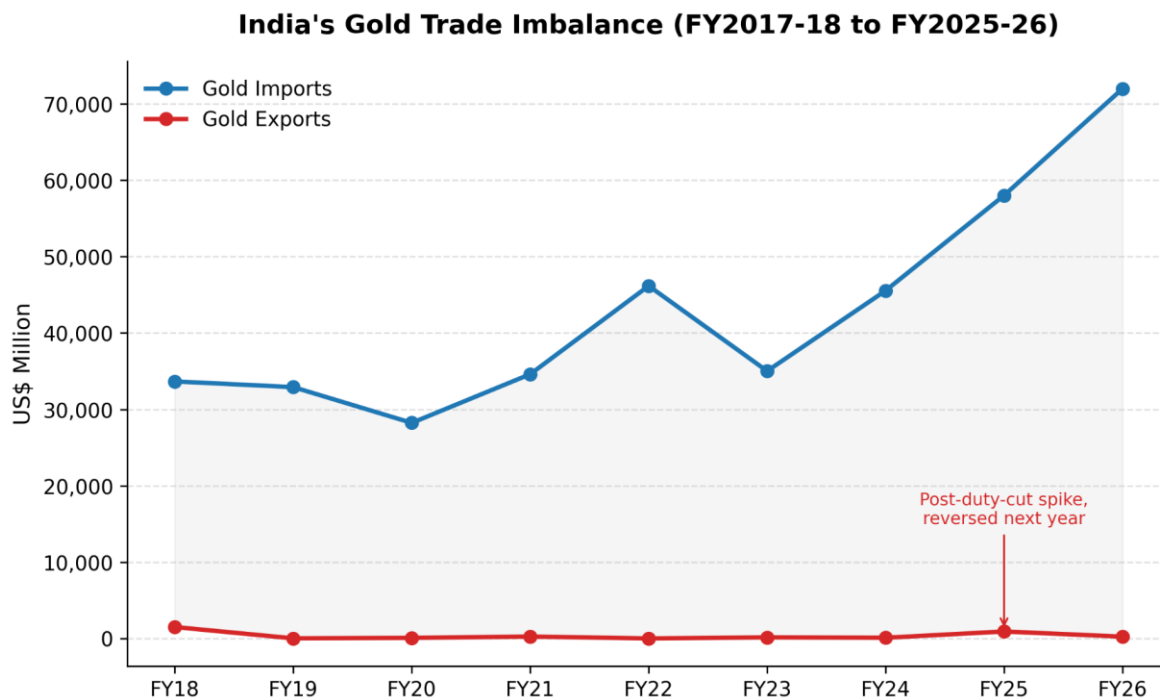
Financial Year	Gold Import Quantity (kg)	Gold Export Quantity (kg)
2017–18	955,336	36,927
2018–19	982,697	507
2019–20	719,905	1,730
2020–21	651,238	4,191
2021–22	879,010	126
2022–23	678,299	2,623
2023–24	795,246	1,521
2024–25	757,037	11,381
2025–26	721,033	2,228

Source: Government of India, Ministry of Commerce and Industry, Department of Commerce, Directorate General of Commercial Intelligence and Statistics (DGCI&S), Export Import Data Bank (TRADESTAT), HS Code 7108 (Gold), accessed September 2026.

Note: Quantity figures are reported as recorded in TRADESTAT.

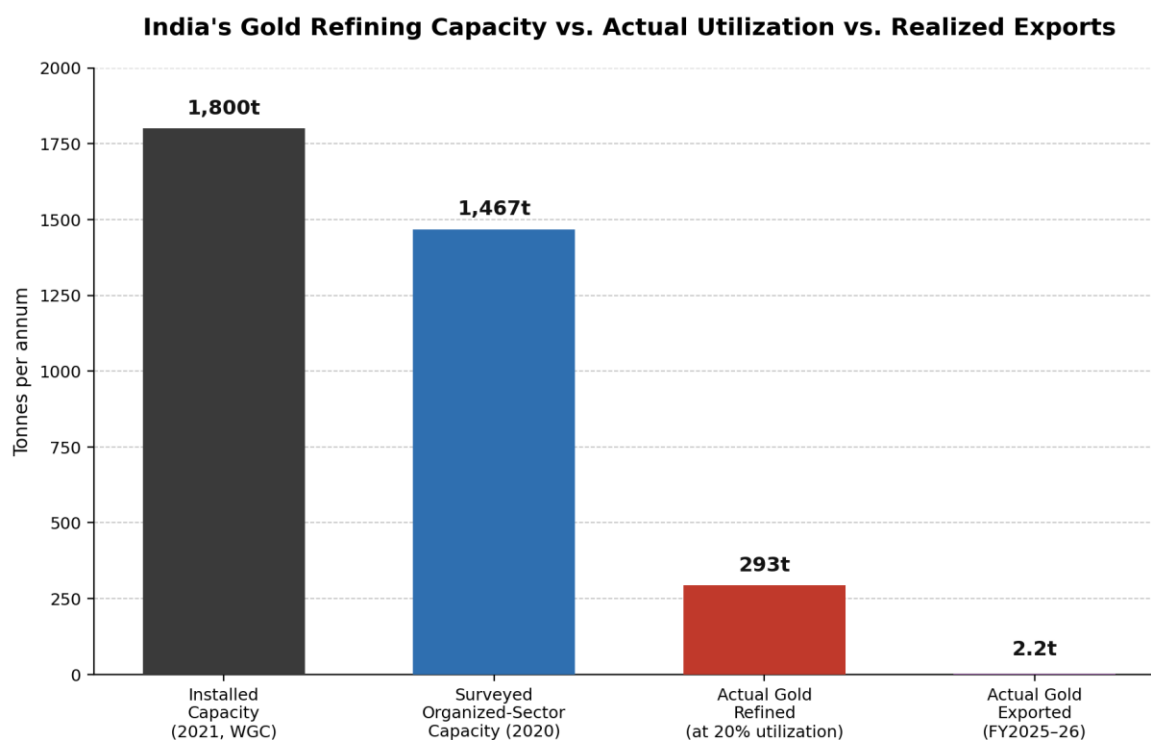
FIGURES

Figure 1. India's gold imports versus exports, FY2017–18 to FY2025–26 (US\$ million). Source: Government of India, Ministry of Commerce and Industry, Department of Commerce, Export Import Data Bank (TRADESTAT), HS Code 7108, accessed August 2026.



Source: Government of India, Ministry of Commerce and Industry, Department of Commerce, Export Import Data Bank (TRADESTAT), HS Code 7108, accessed August 2026.

Figure 2. India's gold refining capacity (installed vs. surveyed organized-sector) against estimated actual gold refined at a 20% average capacity utilization rate, compared with India's realized physical gold exports in FY2025–26. Sources: World Gold Council (2022), Gold Refining and Recycling: India Gold Market Series; Mukherjee, P., & Mukherjee, V. (2020), Assessing the Scope of Gold Refineries in India: Evidence from Survey Data, Resources Policy, 69; Government of India, Ministry of Commerce and Industry, Department of Commerce, Directorate General of Commercial Intelligence and Statistics (DGCI&S), Export Import Data Bank (TRADESTAT), HS Code 7108 (Gold), quantity reported in kg and converted to tonnes, accessed September 2026.



Sources: World Gold Council (2022), Gold Refining and Recycling: India Gold Market Series; Mukherjee & Mukherjee (2020), Resources Policy, 69 (survey-based capacity and 20% utilization estimate); Government of India, DGCI&S, Export Import Data Bank (TRADESTAT), HS Code 7108, quantity in kg, converted to tonnes, accessed September 2026.

Figure 3: Global distribution of selected LBMA-accredited gold refiners (August 2026), showing India's isolated position despite being the world's second-largest gold consumer. Source: London Bullion Market Association (2026a), Good Delivery Current List – Gold.

