

Gold imports increase threefold to \$15 billion

The country's gold imports recorded a three-fold jump to \$15.24 billion during the April-August period of the current fiscal, Commerce Ministry data showed.

Gold imports, which has a bearing on the country's current account deficit (CAD), stood at Rs. 5.08 billion in April-August 2016-17.

In August this year, imports of the precious metal rose to Rs. 1.88 billion from Rs. 1.11 billion in the same month of the previous fiscal.

Surge in gold imports last month contributed to the widening of trade deficit to \$11.64 billion as against \$7.7 billion in August 2016.

The imports are expected to increase on account of the forthcoming festival season, which will start from the end of this month.

Increase in inbound shipments of gold is also one of the reasons for higher CAD.

CAD rose sharply to \$14.3 billion — or 2.4% of GDP — at the end of first quarter of 2017-18. In general terms, CAD refers to the difference between inflow and outflow of foreign exchange that has an impact on exchange rate.

Worried over surge in gold imports from South Korea, with which India has a free trade agreement, the government has restricted inbound shipments of the precious metal.

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