



## Import & Smuggling of Gold

**For Prelims:** Import of Gold, Smuggling of Gold, North East Smuggling Route

**For Mains:** Smuggling of Gold, Role of North East Area in Gold Smuggling

### Why in News?

Recently, the **Finance Minister of India** has said that officials should find out whether there is a **correlation between higher gold imports and smuggling**, and whether a **pattern is emerging in the detection of smuggling**.

- It has been noted that **whenever there is a surge in gold imports**, gold smuggling also **typically goes up**.

### How much Gold is Smuggled into India?

#### ▪ About:

- According to the Directorate of Revenue Intelligence's (DRI's) **Smuggling in India Report 2021-22**, a total **833 kg of smuggled gold**, worth around Rs 500 crore, was **confiscated in FY 2021-22**.
  - 2020-21 had witnessed a decline in smuggling from the Gulf region because flights were cancelled due to the **Covid-19 pandemic**.
- More than 11 tonnes of gold have been seized in 16,555 smuggling cases at airports across India in the five years ending August 2020.
- The figures reported was of the gold that was seized, the smuggling that succeeded could be much more than what the agencies confiscated.
- According to the **World Gold Council (WGC)**, smuggling could increase by 33% to touch 160 tonnes in 2022 compared to the pre-Covid period due to the increase in the import duty on gold to 12.5% from 7.5%.
- In the last 10 years, Maharashtra has smuggled most of the Gold in India followed by Tamil Nadu and Kerala.

#### ▪ North East Smuggling Route:

- According to the DRI Report, 73% of the gold caught had been **brought through Myanmar and Bangladesh**.
  - 37% of all the gold seized in FY22 was from Myanmar. 20% of it originated from West Asia.
- Many international reports suggest that smuggled gold is brought into Myanmar from **China through the towns of Ruili and Muse** on the Chinese and Myanmar sides of the border respectively.
  - Muse is located in the **Shan State in Northeastern Myanmar** and Ruili is in the **Dehong Dai Prefecture of Yunnan Province, China**.

### How much Gold does India Import?

- Gold imports through official channels, involving a major outflow of foreign exchange, have also been rising.
  - Imports worth **Rs 3.44 lakh crore** were reported in 2021-22, up from **Rs 2.54 lakh crore** in 2020-21.
- According to the **World Gold Council**, India, the world's second-biggest gold consumer after China, imports about **900 tonnes of gold a year**, consumption in India was 797.3 tonnes in 2021 (Highest in past 5 years).
- India imports **gold dore bar** as well as **refined gold**.
  - In the last five years, imports of gold dore bars made up 30% of the total official imports of the yellow metal in India.

## **What is the Directorate of Revenue Intelligence?**

- It is India's chief **anti-smuggling intelligence, investigations and operations agency**.
- It works under the **Central Board of Indirect Taxes and Customs (CBIC)**, Ministry of Finance.
- It is headed by a **Director General** of the rank of **Special Secretary** to the Government of India.
- DRI works to **secure India's national and economic security** by preventing the outright smuggling of firearms, gold, narcotics, fake Indian Currency notes, antiques, wildlife and environmental products.
  - Moreover, it also works to prevent the proliferation of black money, commercial frauds and trade-based money laundering.
- It is headquartered in **New Delhi**.

**[Source: IE](#)**

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