

## Gold Import Dynamics in India: Growth Trends over Fifteen Years

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### ABSTRACT:

This paper examines the nature and growth of gold imports in India over 15 years from 2009–10 to 2023–24. Using descriptive statistics, compound annual growth rate (CAGR), index numbers, and regression analysis, the study highlights the variability, contribution, and long-term trend of gold imports. Results show that gold imports increased at an average annual rate of Rs. 93.918 billion, with a CAGR of 7.04 per cent. Despite fluctuations driven by cultural demand, policy restrictions, and external shocks such as COVID-19, gold remained a significant component of India's import basket, contributing Rs. 35,533.90 billion to total imports over the study period..

**Keywords** - Nature, Growth, Imports, Gold, Annual Growth Rate.

### INTRODUCTION

Gold, a chemical element, is a dense, lustrous, yellow precious metal that has several qualities that have made it exceptionally valuable throughout history. It is attractive in [colour](#) and brightness, durable to virtual indestructibility, highly [malleable](#), and usually found in nature in a [comparatively](#) pure form. The history of gold is unequal to that of any other metal because of its perceived value from the earliest times. Gold has traditionally occupied a central position in India's socio-economic and cultural fabric, serving not only as a medium of adornment but also as a store of value and hedge against inflation. India is consistently ranked among the world's largest gold consumers. According to the World Gold Council, imports accounted for nearly 86 per cent of India's total gold supply during 2016–2020, underscoring the structural import-intensive nature of the sector.

Over the past fifteen years (2009–10 to 2023–24), India's gold import pattern has undergone a significant transformation, influenced by fluctuations in global prices, exchange rate volatility, import duty revisions, and macroeconomic cycles. The Reserve Bank of India has frequently highlighted gold imports as a critical factor affecting India's current account deficit and external sector stability. The present study examines the nature and growth of gold imports in India over the fifteen years from 2009–10 to 2023–24

### Objectives

The objectives of the present study are

1. To analyse the trend and growth of India's gold imports over the period 2009–10 to 2023–24.
2. To examine the variability and contribution of gold imports to India's total import basket.
3. To measure the compound annual growth rate (CAGR) and assess fluctuations in year-on-year growth.

### Methodology

The study is based solely on secondary data and covers 15 years from 2009-10 to 2023-24.

Specific statistical tools are used in the analysis. They are

- Descriptive Statistics, to summarise import values, variability, and contribution,
- CAGR to measure average annual growth.
- Index Numbers to visualise cumulative changes relative to the base year.
- Regression Analysis- linear regression fitted to estimate the trend in gold imports.

### Import of Gold

Table 1 provides a descriptive statistical summary of India's gold imports over the 15 years from 2009-10 to 2023-24. The table presents key measures for gold imports, including the value of imports, their percentage share, total imports, percentage growth, minimum, maximum, mean ( $\bar{x}$ ), standard deviation ( $\sigma$ ), and index values. The growth rate shows the year-on-year percentage change in import value, while the index (base year 2009-10=100) helps visualise the relative scale and cumulative movement in imports over time. This provides a comprehensive overview of the volume and variability of these imports during the study period.

**Table 1**

#### Import of Gold

Commodity / Year	Imports (Rs. Billion)	% share	% growth	Index	Total Imports (Rs. Billion)	% growth
2009-10	1358.83	9.96		100	13637.36	
2010-11	1847.42	10.97	35.96	136	16834.67	23.45
2011-12	2699.01	11.51	46.10	199	23454.63	39.32
2012-13	2921.53	10.95	8.24	215	26691.62	13.80
2013-14	1662.43	6.12	-43.10	122	27154.34	1.73
2014-15	2106.58	7.70	26.72	155	27340.49	0.69
2015-16	2074.88	8.33	-1.51	153	24903.06	-8.92
2016-17	1844.39	7.16	-11.11	136	25776.75	3.51
2017-18	2170.72	7.23	17.69	160	30010.33	16.42
2018-19	2294.49	6.38	5.70	169	35943.73	19.77
2019-20	1992.50	5.93	-13.16	147	33609.54	-6.49
2020-21	2542.88	8.72	27.62	187	29159.58	-13.24
2021-22	3440.94	7.52	35.32	253	45727.75	56.82
2022-23	2804.81	4.88	-18.49	206	57498.01	25.74
2023-24	3772.50	6.72	34.50	278	56160.42	-2.33
Total	35533.90				473902.28	
CAGR	7.04					
Minimum	1358.83					
Maximum	3772.50					
Mean	2368.93					
Std. Deviation	663.44					

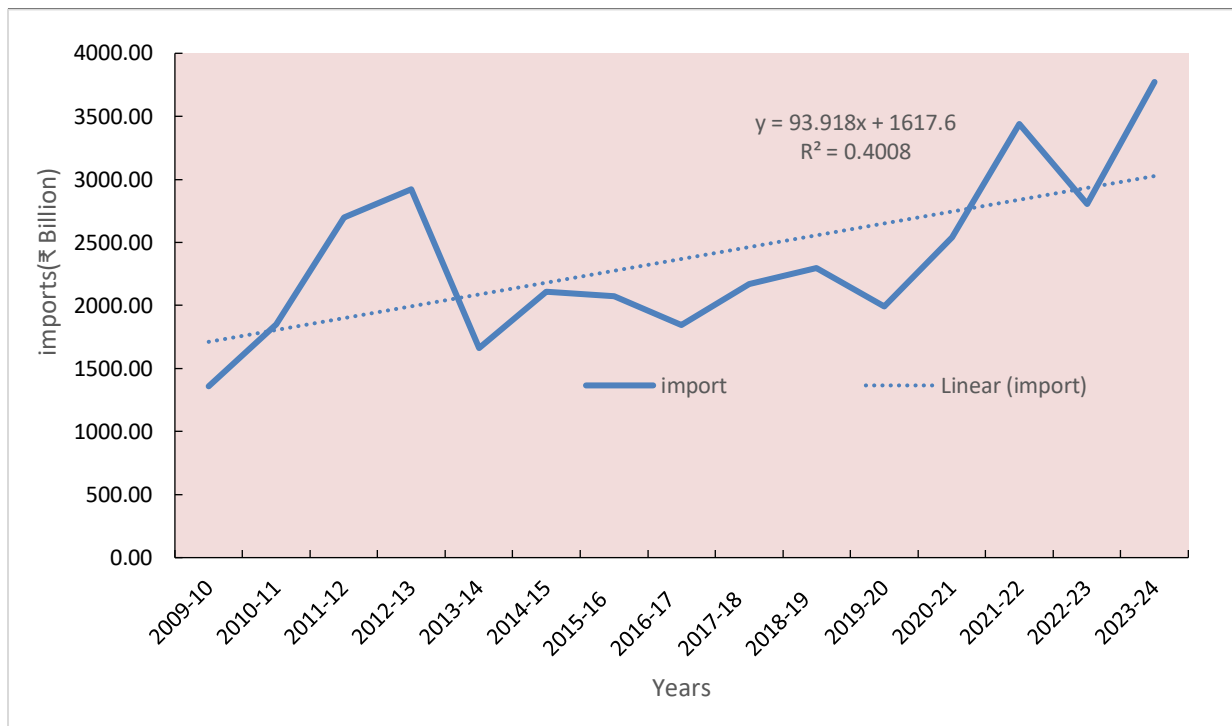
Source: Directorate General of Commercial Intelligence and Statistics 2024.

In 2009–10, India imported Rs. 1,358.83 billion worth of gold; by 2023–24, India's gold imports increased to Rs. 3,772.50 billion. The Compound Annual Growth Rate (CAGR) for gold imports in India was 7.04 per cent. The highest share was in 2011–12, at 11.51 per cent, primarily due to cultural events, weddings, and festivals. While the lowest was in 2022–23, at 4.88 per cent, due to COVID-19 lockdowns that stalled economic activity and constrained consumer spending. After peaking in 2011–12 (46.10 per cent), the category declined sharply in 2013–14 (-43.10 per cent) and 2016–17 (-11.11 per cent), but later rebounded with growth in 2020–21 (27.62 per cent), 2021–22 (35.32 per cent), and 2023–24 (34.50 per cent), taking the index to 278 by the end of the period. Gold also contributed significantly to the import basket, with a total value of Rs. 35,533.91 billion and an average annual import ( $\bar{x}$ ) of Rs. 2,368.93 billion. The standard deviation ( $\sigma$ ) of 663.44 suggests moderate variability.

The nature and growth of imports of gold in India is presented in Figure 1.

Figure 1

Nature and Growth of the Import of Gold



The nature and growth of gold imports in India are analysed through a linear regression model. The regression fitted for the total import of gold is

$$Y = 93.918x + 1617.6$$

The regression coefficient for gold imports, calculated from 2009-10 to 2023-24, is 93.918. It denotes that the import of gold in India increased at a rate of 93.918 per year from 2009-10 to 2023-24. The  $R^2$  value calculated is 0.4008, indicating that the regression equation is reliable at 40.08 per cent. Thus, there has been a positive trend in gold imports to India during the study period.

The analysis of gold import dynamics in India over the fifteen years from 2009–10 to 2023–24 clearly demonstrates that gold continues to occupy a structurally significant position in India’s imports. The study reveals that gold imports increased from Rs. 1,358.83 billion in 2009–10 to Rs. 3,772.50 billion in 2023–24, registering a Compound Annual Growth Rate (CAGR) of 7.04 per cent. The positive regression coefficient (93.918) further confirms a steady upward trend in imports, despite notable year-to-year fluctuations.

In conclusion, while gold imports contribute significantly to economic activity and reflect deep-rooted socio-cultural preferences, they also pose challenges for trade balance management and foreign exchange stability. Therefore, policy measures aimed at encouraging gold monetisation, promoting financial alternatives to physical gold, and improving domestic recycling mechanisms are essential to reduce excessive import dependence. A balanced approach that recognises both the cultural importance of gold and its macroeconomic implications will be crucial for ensuring sustainable external sector management in the future

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