

India Seeks 0% Import Duty on Lab-Grown Seeds



India's jewelry industry is asking the government to abolish import duty on seeds for growing synthetic diamonds, claiming the move would boost the country's manufacturing sector.

Most importers currently pay 5% tax on those materials, compared with 0% for natural or lab-grown rough, Gem & Jewellery Export Promotion Council (GJEPC) chairman Vipul Shah told *Rapaport News* on Monday. This is because many customs offices categorize them as “preforms” — shaped but unfinished stones — rather than as rough lab-grown diamonds. The GJEPC wants all ports to treat diamond seeds as rough stones.

Seeds are laser-cut on one side and rough on the other, which qualifies them as rough stones, Shah argued. “We are asking for more clarification as far as the seeds are concerned,” he said.

The lower rate would “help in the growth of the lab-grown diamond industry in India

manifold and also help them in reverse engineering the technology in future,” the executive added in a statement.

The GJEPC has previously [stated](#) its intention to expand India’s synthetics market, saying it wanted local companies to manufacture synthesis machines in the future.

The recommendation comes ahead of the government’s Union Budget, a review of fiscal policy that takes place on February 1 every year. The council is also seeking measures to ease the duty-free import of natural rough diamonds and has recommended a reduction in import tax on polished diamonds from 5% to 2.5%.

Image: Lab-grown diamond seeds. (Lightbox)