

THE INDIAN BULLION MARKET ASSOCIATION (IBMA) was launched at the end of May by the leading bullion and jewellery merchants associations in alliance with the National Spot Exchange Ltd. (NSEL). The IBMA is the national level body being set up to represent the Indian bullion trade and industry – a consortium of India's bullion trade and industry, which has joined hands with the National Spot Exchange Limited, the pan India Electronic Spot Market for commodities. The idea is to promote a professional organisation dedicated to the growth and development of bullion trade and industry. The IBMA is committed to identifying the inefficiencies involved in the Indian bullion market and to creating the momentum to remove them. The IBMA will also approve local refineries and introduce spot delivery contracts on NSEL, where such bars will be acceptable for delivery.

Though India is the leading player in the import and trade of bullion and the export of jewellery, it does not exert any significant impact in the discovery of gold prices on the international market as the country's bullion trade is fragmented and unorganised.

Mr Anjani Sinha, MD & CEO of NSEL, said, "We depend on the international market for the benchmark price which is based on London AM/PM price fixing. India imports around 25% of the world's gold production ... I am very happy that well-known Indian bullion dealers and jewellers have come together with a vision to create a national level association and create a benchmark Indian spot price for bullion."

Mr. Suresh Hundia, President of the Bombay Bullion Association, said, "By bringing together bullion dealers and jewellers, IBMA will address global bullion issues and reduce disparity between domestic prices and international prices. It also aims to create linkages between domestic stock of gold and silver."

With the NSEL as its promoting partner, the IBMA's goal is to establish India's status as a 'price-setter' rather than 'price-taker' in bullion trade.

The IBMA will also have a technical committee for advising its Board on business development, approval of local refineries, code of conduct and other aspects of bullion trading. Regional bullion and jewellery merchants associations from across India have extended their wholehearted support – including the Bombay Bullion

Indian Bullion Market Association Launched

Association, the Madras Jewellers & Diamond Merchants Association, the West Bengal Bullion Merchants & Jewellers Association, the Swarna Shilpa Bachao Committee, Shree Choksi Mahajan, and the Shree Manik Chowk Gold Silver Ornament Association among others.

The main purpose of IBMA is to create a pan-Indian platform for bullion dealers, trading members, banks FIs, FIIs and other strategic investors to trade in bullion in a more organised and transparent manner on the NSEL platform and to enable India to become a significant price-maker.