Why is the price of Indian gold different in the UK?

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The price of **Indian gold** often differs from that in the **UK** due to a combination of economic, regulatory, and market-based factors. While gold is a globally traded commodity, several region-specific variables influence its final retail price.

Here's why Indian gold prices differ from those in the UK:

1. Currency Exchange Rates

Gold is globally priced in **US dollars**, so local rates are affected by the strength of the **British Pound (GBP)** or the **Indian Rupee (INR)**. A weaker currency means higher local prices, even if the global rate remains unchanged.

2. Import Duties & Taxes

India imposes **high import duties and GST** (Goods & Services Tax) on gold, which inflates its retail price. In contrast, **investment-grade gold (e.g., bars and coins)** in the UK is **VAT-exempt**, making it relatively cheaper in certain contexts.

3. Local Market Demand

Gold holds **deep cultural and religious significance** in India, especially during weddings and festivals. This high seasonal demand often leads to price spikes. In the UK, demand is more consistent and largely driven by investment and heritage purchases.

4. Making Charges & Hallmarking Standards

Indian gold jewellery often includes **higher making charges**, which are not always standardised. In the UK, jewellers like **PureJewels** use **London Assay Office hallmarking**, offering regulated and transparent pricing, particularly on **22ct and 24ct gold**.

5. Gold Quality and Certification

In India, purity can vary between 22ct, 916, or even lower in unregulated markets. In the UK, hallmarking ensures gold meets strict quality standards, which may impact pricing but guarantees authenticity.