

Record-High Gold Prices Cool India's Jewellery Demand, Imports Expected Lower

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India's gold import volumes are forecast to decline in 2026 as steep bullion prices curb demand for jewellery, analysts and industry reports suggest. According to data compiled by the *World Gold Council* and covered by *FashionNetwork*, higher global and domestic gold prices have put pressure on buyers who traditionally account for a large share of India's demand for the precious metal.

In 2025, soaring prices made gold less affordable for many consumers, particularly for jewellery purchases, leading to a notable drop in volumes. As buyers prioritize value and affordability, they have either scaled back their purchases or sought lighter, less expensive pieces — a trend that is translating into a meaningful impact on import numbers.

Industry observers expect total gold imports to fall to between **600 and 700 tonnes in 2026**, down from roughly **710.9 tonnes in 2025**. This would mark a significant decline for the world's second-largest bullion market, driven largely by subdued jewellery demand amid price volatility.

The shift in consumer behaviour is also reshaping how gold is used in India. With jewellery sales dampened, investor interest in gold as a financial asset has risen. Investment purchases — including bars, coins, and exchange-traded funds (ETFs) — have grown as market participants seek safe-haven assets amid economic uncertainties. This change highlights a broader evolution in how Indians engage with gold, balancing cultural significance with fiscal prudence in a high-price environment.

Economists warn that while lower imports may ease pressure on India's trade deficit, the jewellery sector — a major part of the country's manufacturing and retail landscape — could face challenges if demand stays muted. Retailers and artisans may need to adapt strategies as traditional gold buying patterns shift in response to ongoing price headwinds.

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