

Gold rally: Anil Agarwal urges India to boost domestic gold production amid record prices

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Business Today Desk

September 20, 2025



Reviving idle gold mines, Agarwal argued, could fast-track India's journey toward mineral self-reliance, generate large-scale employment.

With global gold prices surging to historic highs, Vedanta Chairman and industrialist Anil Agarwal has called on India to reduce its heavy reliance on imports and revive domestic gold production.

Gold has recently crossed \$3,600 per ounce in inflation-adjusted terms, surpassing the January 1980 record and marking its highest-ever level. Despite this unprecedented rally, India continues to import over 99% of its gold, making it one of the world's largest gold importers.

Agarwal warned that this dependence poses a long-term economic risk and emphasized the urgency for reforms. "Gold has hit record highs more than 30 times this year. Its peak at over USD 3,600 per ounce is the highest ever in inflation-adjusted terms, beating the previous record from January 1980," he noted.

He added, “Unfortunately, India has spent decades as a major importer of gold. We must produce gold domestically. It is in our strong economic interest. While new mines will take several years to start production, we have dormant mines that can be restarted with private sector participation.”

Did you know that gold has hit record highs more than 30 times this year? An incredible run.

It's peak at over 3,600 USD per ounce is its highest ever in Inflation-adjusted terms beating the previous high from January 1980.

Unfortunately, India has spent that entire period... pic.twitter.com/KiOmUY8zIJ

— Anil Agarwal (@AnilAgarwal_Ved) [September 20, 2025](#)

Reviving idle gold mines, Agarwal argued, could fast-track India’s journey toward mineral self-reliance, generate large-scale employment, and help ease the import bill, especially as India remains one of the highest global consumers of gold.

Vedanta, a leading natural resources company in India, has been advocating for policy reforms to unlock the country’s mining potential, aligning with the government’s Atmanirbhar Bharat vision.

India has long struggled with a massive gold import bill, which exerts pressure on foreign exchange reserves. Despite possessing significant untapped gold deposits, domestic production has remained low due to regulatory hurdles, infrastructure gaps, and past policy constraints.

Gold prices have risen due to fears of global inflation, economic uncertainty from US trade disputes, and geopolitical tensions. The World Gold Council notes that falling interest rates and ongoing uncertainty sustain investor interest, particularly through gold ETFs and OTC transactions. Central bank demand remains strong in 2025, though below record levels, while US investors are driving ETF purchases. Jewellery demand declined to 341 tonnes in Q2 2025, as high prices deter buyers, though festival season and GST savings may boost demand. Central bank purchases slowed, with Q2 adding 166 tonnes—a 33% drop from Q1—but still above 2010–2021 averages.