

# Should you add silver instead of gold after the duty hike-triggered price rally? Experts say, 'a tactical addition...'

By Sanchari Ghosh, Published on: May 14, 2026



India has increased import tariffs on gold and silver to 15%, up from 6%, to reduce imports and protect foreign exchange reserves. This tariff increase led to a nearly 6% price surge in both metals, impacting demand for gold jewellery and prompting investors to consider silver as an alternative.

India, the world's second-largest gold consumer, has raised tariffs on gold and silver to 15% from 6% to curb imports and ease pressure on its foreign exchange reserves. The move immediately pushed up precious metal prices, with both gold and silver surging nearly 6% on Wednesday.

Despite the recent sharp rally, silver remains significantly cheaper than gold. Even at its peak, silver prices touched around ₹4 lakh per kg and are currently hovering near ₹2.9 lakh per kg. In comparison, gold prices have climbed to nearly ₹1.5 lakh to ₹1.6 lakh for 10 grams.

Demand for gold jewellery was already weakening due to high prices, and further gains are likely to hit purchases in the short term and push buyers towards lower-carat items. And, now, many small investors are wondering whether silver could be a better investment option than gold.

Silver prices in India declined on Thursday, 14 May, on profit booking after the white metal jumped over 6% in the previous session, following the Indian government's unexpected increase in import tariffs on gold and silver, a move aimed at protecting the rupee and strengthening the country's foreign exchange reserves.

Silver prices on MCX fell 1.9% to ₹2,94,450 per kg, while gold prices fell 0.7% to ₹1,61,027 per 10 grams.

## Should smaller investors invest in silver rather than gold?

Answering this, Abhishek Kumar, SEBI RIA, Founder- SahajMoney, said, "Silver does experience higher industrial demand and growth potential, but it also makes its return extremely volatile, making it riskier than gold for small investors."

But if one is looking for capital preservation despite higher entry costs, gold offers a safer choice, he added. "So small investors should treat silver as a tactical addition rather than a primary alternative to gold's stability."

## What investors should do if they already have silver in their portfolio

The sharp increase in silver prices over the last year was driven partly by its status as a safe-haven precious metal and partly by its industrial demand, shares Vishal Dhawan, Founder & CEO, Plan Ahead Wealth Advisors.

“With inflation impacts starting to show globally due to the higher oil prices and supply chain disruptions due to the West Asia war, there is a likelihood that a global slowdown could follow, resulting in lower industrial demand.”

He advises that investors in silver should be comfortable with the high volatility silver displays and be cautious about adding more.

### **Why is Centre targeting gold and silver imports?**

India's current account deficit (CAD) is under pressure from imports of precious metals, which the Centre considers non-essential.

Although import volumes of gold and silver have remained almost the same, rising international prices have sharply inflated the import bill, increasing foreign exchange outflows and putting pressure on the rupee.

According to Commerce Ministry data, India spent a record \$84 billion on gold and silver imports in FY2025–26, up from \$35.5 billion a decade earlier