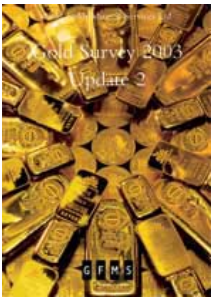




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Publication of Gold Survey 2003 - Update 2

Jewellery fabrication is forecast to fall by more than 9% during the first half of 2004



GFMS released *Gold Survey 2003 - Update 2* today, their latest report on the gold market. Bruce Alway, an analyst with the London-based precious metals consultancy, gave a summary of the findings at a conference in Toronto.

GFMS estimate that world jewellery fabrication fell by 7.1% in 2003 to its lowest level since 1991. Much of the drop can be attributed to Italy and East Asia though fabrication in the Arab Middle East and the United States was also noticeably lower. Higher prices were a major hindrance across Asia, although SARS hit East Asia hard and the Iraq war also affected offtake in the Middle East, whilst slack consumption and export competition (mainly for Italy) undermined western fabrication. The overall fall would have been that much greater but for the near 60 tonne gain in Turkish demand, stemming largely from a more secure political and economic situation domestically. Surprisingly, Indian fabrication was not as adversely affected as might have been expected given the sharp rise in rupee gold prices (although this should be seen in the light of very weak offtake in 2002). This was due to a combination of robust economic growth and rapidly adjusting consumer expectations to the higher domestic gold price.

Higher gold prices saw scrap being substituted for new bullion on a significant scale in a number of key markets and, as a result, jewellery fabrication excluding scrap fell to its lowest level since 1989.

Looking ahead to 2004, Philip Klapwijk, Managing Director of GFMS Ltd, noted that "rising gold prices and sluggish economic growth will continue to impact on jewellery demand. As a result, GFMS is forecasting a sharp year-on-year fall of more than 9% over the first six months."

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Gold Survey 2003 – Update 2 provides an initial review of the gold market in 2003 and a forecast for the first half of 2004 with 30 pages of statistics, commentary and analysis on all aspects of world gold supply/demand and on gold prices in various currencies. The publication can be ordered from GFMS for £195 or US\$295 / €290 per copy. For orders and to receive further product information please contact Ms L Perrard on Tel: +44 (0)20 7478 1777, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: www.gfms.co.uk

About GFMS Limited

GFMS Limited is one of the world's foremost precious metals consultancies, specialising in research into the global gold, silver, platinum and palladium markets. GFMS is based in London, UK, but has representation in Australia, India and Russia, and a vast range of contacts and associates across the world.

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