



## **Publication of Gold Survey 2004 - Update 2**

### **Global fabrication demand in 2004 posts impressive gains, rising by 5% year-on-year in spite of higher gold prices**

In its *Gold Survey 2004 - Update 2* report released today, leading precious metals researcher GFMS Limited found that fabrication demand for gold rose by close to 5% to reach 3,179 tonnes in 2004. The report, which provides a preliminary review of last year's gold market, notes that all categories of gold demand saw year-on-year increases. In fact less than one-fifth of the countries measured by GFMS, representing around one quarter of total fabrication demand, recorded year-on-year declines. This broad-based increase was considered all the more impressive given the continued strength of the gold price.

Jewellery fabrication, which is by far the largest component of demand for gold, accounting for 68% of the total in 2004, rose to 2,622 tonnes which was 4% higher than the previous year. This volume was still 19% lower than in the peak year of 2000 but over the same four-year period, the US dollar price of gold has risen by 47% and in fact in value terms total jewellery demand in 2004 rose by 17% year-on-year.

The most important reasons for the increase in jewellery fabrication in 2004 included greater acceptance of a higher gold price and reasonable levels of economic growth in important jewellery consuming regions such as the Middle East, the Indian sub-continent and North America. In terms of individual countries, the best performing were India, Turkey and China with all three benefiting from strong local demand as well as expanding exports.

Continued rapid growth in sales of consumer appliances helped push electronics gold demand higher by a healthy 11% over 2003. Products including mobile phones, home entertainment systems and personal computers were keenly sought by consumers globally, resulting in higher production volumes of components containing gold bonding wire and gold based plating applications. The broadening interest of gold as an investment was behind the rise in coin fabrication by 7% year-on-year.

With GFMS forecasting an average gold price of \$447 during the first six months of 2005, the consultancy expects gold fabrication demand to fall by around 5% for this period as a result of the higher price.

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**Gold Survey 2004 - Update 2** provides a review of the gold market in the first half of 2004 and a forecast for the full year with 40 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 £205 or US\$375 / €315 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](mailto:sales@gfms.co.uk), Web Site: [www.gfms.co.uk](http://www.gfms.co.uk)

**Note to Editors about GFMS Limited:** GFMS Limited is the world's foremost precious metals consultancy, specialising in research into the global gold, silver, platinum and palladium markets. GFMS is based in London, UK, but has representation in Australia, China, India and Russia, and a vast range of contacts and associates across the world.

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