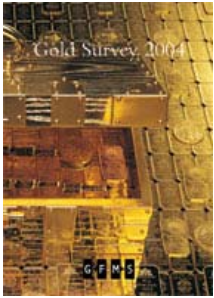




Publication of *Gold Survey 2004*

Jewellery fabrication suffers a 6% fall in 2003 but outlook in 2004 brighter as markets adjust to the higher gold price



Gold jewellery fabrication demand in 2003 fell by 5.5% to 2,533 tonnes. This represents the third year of decline in jewellery offtake and means it was just over 20% or nearly 700 tonnes down from the level reached in 2000.

Jewellery's share of total annual gold demand dropped from 80% to just over 60% over the same three years, a period that saw the dollar gold price rise nearly 50%. The largest falls in volume were recorded in Europe and East Asia (109 tonnes and 57 tonnes respectively) whilst the most impressive gain was seen in Turkish demand which soared by 46% year-on-year. Importantly, the outlook for 2004 is somewhat more positive because more markets are adjusting to a \$400 plus gold price and a recovery in jewellery fabrication is considered more probable than not.

These were some of the key findings concerning gold demand to be found in *Gold Survey 2004*, released by GFMS Limited today. The independent precious metals research consultancy launches the 36th edition of their authoritative annual survey of the world gold market at events held today in London, Toronto and next week in Johannesburg.

The report, which includes a detailed analysis of gold jewellery fabrication on a country-by-country basis, found that jewellery fabrication fell in four out of every five countries measured by GFMS (over 80 countries in total). GFMS Director, Dr Paul Walker, commented that "surprisingly, whilst total jewellery fabrication fell, small gains were recorded in two of the most important gold jewellery markets, being China and India. Rapid adjustment of consumers price expectations and robust economic growth fuelled in part by a good monsoon helped Indian demand rise by 2.5%".

Italian jewellery fabrication suffered the biggest fall of 85 tonnes with blame being centred on intensified competition from countries such as Turkey as well as weaker demand in the important end-markets of the United States and Latin America. North American fabrication fell by 7%, primarily as a result of weak domestic retail sales and in fact could have fallen further were it not for higher than expected sales in the last quarter of 2003. Elsewhere, Turkey proved to be the highlight of 2003, increasing offtake by a phenomenal 67 tonnes to reach 213 tonnes and becoming the third largest jewellery fabricator in the world, behind India and Italy.

The report also notes that the secular decline in jewellery consumption caused by changing fashions and consumer spending habits contributed, at the margin, to the overall fall in fabrication.

© **Copyright GFMS Limited - April 2004.** Whilst every effort has been made to ensure the accuracy of the information used in this document, GFMS Limited cannot guarantee such accuracy and GFMS does not accept responsibility for any losses or damages arising directly, or indirectly, from the use of this document. This document or any parts thereof may not be used on third party web sites without written permission from GFMS Limited.

Gold Survey 2004 contains over 100 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 £265 or US\$495 / €395 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

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.

Press Contacts: Philip Klapwijk or Paul Walker, GFMS Limited, Hedges House, 153-155 Regent Street, London, W1B 4JE, UK, tel: +44 (0)20 7478 1777, fax: +44 (0)20 7478 1779, email: gold@gfms.co.uk, web site: www.gfms.co.uk

