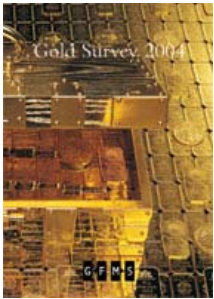




## **Publication of *Gold Survey 2004***

### ***Mixed reactions to the higher gold price in the Middle East in 2003***



Gold demand in the Middle East rose by 9% to reach 631 tonnes in 2003. On the surface, the impressive gain may seem surprising given the advance of the gold price during the year but further analysis shows that only one country, Turkey, was behind the increase. Incredibly, Turkish gold demand in the form of jewellery and coins surged by an amazing 47% or 84 tonnes to reach 260 tonnes. Removing Turkey from the equation results in gold offtake in the Middle East actually falling by 7% to just over 370 tonnes last year.

These were some of the key findings concerning Middle East 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.

Jewellery fabrication, which accounted for 86% of total gold demand in the region, fell by 9% in Saudi Arabia and Yemen, which together represent the region's second largest gold market behind Turkey. Declines of 15% and 7% were also recorded in Egypt and the United Arab Emirates, respectively. The former suffered at the hands of a sharply depreciating currency, the pound dropping by no less than 35% in 2003 alone, resulting in a local gold price some 50% higher year-on-year.

On a positive note, the large increases in scrap supply that were a feature of the region in 2001 and 2002 did not eventuate last year. Scrap rose by a nominal 4% to stand at a still sizeable 341 tonnes but this compares to the near 30% annual surges witnessed in the previous two years. Finally, gold investment (in bar and coin form) grew by an important 34% year-on-year to reach 83 tonnes. This reflected the heightened status of gold as an alternative investment class, particularly by those eager to move away from dollar denominated savings and investments.

This latter trend bodes well for Middle Eastern gold demand in 2004 as it broadens to encompass jewellery as well as gold in bars and coins. It is conceivable that many of the countries that fell in 2003 will recover this year, although it remains to be seen whether Turkey can continue to grow at such a pace.

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***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:

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#### **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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