

PRESS RELEASE

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Gold use in electronics sector slumps to 7-year low

GFMS released its authoritative 2002 Gold Survey at events beginning today in London, Toronto and Johannesburg and then in New York on the 25th. The independent precious metals research consultancy reports that the quantity of fine gold used by the electronics sector fell by 28% from the record level set in 2000. This relatively small sector, in terms of gold consumption, used 203 tonnes of gold, accounting for only 6% of total global gold fabrication demand.

The main reasons for the sizeable fall were related to the bursting on the technology bubble and its associated impact on demand for electronic applications. This was exacerbated by a correction to the high inventory levels carried by companies in the information technology and telecommunications industries during the latter part of 2000 and early in 2001.

The amount of gold used in the manufacture of integrated circuits saw one of the biggest year-on-year declines, whilst the manufacture of gold potassium cyanide and gold bonding wire destined for use in the semi-conductor industry likewise suffered from falling demand for end-products.

The two largest markets, Japan and the United States, were the hardest hit, with electronics gold demand in both countries falling to levels not seen since before the 'tech boom', back in 1994.

Overall gold fabrication demand was 7% lower than in 2001. This fall was more or less matched by lower supply as a result of a net decline in producer hedging and a substantial reduction in physical disinvestment.

Gold Survey 2002 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 £245/US\$360/€95 per copy.

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***Note to Editors:** GFMS (Gold Fields Mineral Services) is an independent London-based commodity research and consulting company, specialising in the analysis of the precious metals markets.*

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