

## PRESS RELEASE

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### ***Robust Indian investment and industrial demand make up for fractional decline in jewellery fabrication***

Indian gold jewellery demand oscillated dramatically over the course of 2001, peaking in the first half at record levels, only to fall sharply later in the year, leaving total (jewellery) offtake down marginally year-on-year. By contrast, heightened interest in investment products saw bar and coin demand rise, which, together with stronger industrial demand, combined to leave total gold offtake up by just over 1.5% for the year. These are some of the key conclusions in Gold Survey 2002 that GFMS (Gold Fields Mineral Services) released today. The independent precious metals research consultancy launched the 34th edition of their authoritative annual survey of the world gold market at events today in London, Toronto and Johannesburg.

The report, which gives a detailed breakdown of trade flows into India, points out that total bullion imports last year were up by only 2 tonnes, although the composition of these shipments changed markedly from the previous year. In particular, the Survey notes that unofficial imports of gold fell sharply in 2001, by over 50%. Lower imports were compensated for by a rise in locally generated scrap and higher recovery of gold from base metals concentrates.

GFMS Director, Paul Walker, who is also the India analyst, noted "the strength of demand in the first half and the weakness in the second can partly be explained by movements in the rupee gold price and the number of auspicious and inauspicious periods during which to get married last year". He went on to say that "...in the medium term, the main driver of demand has been the agricultural sector, and this is likely to remain the case for the foreseeable future. India's WTO commitments have seen a reduction in subsidies and import restrictions on agricultural products, which have in turn pushed prices dramatically lower, hitting rural incomes and purchasing in these areas. GFMS believe that this is one of the main reasons for India's gold offtake not having grown in the past few years".

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*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.*

*For orders and to receive further product information please contact Ms L Perrard on:*

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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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