



## **Publication of *Gold Survey 2008***

### ***Global output dips to an eleven-year low as South African production nosedives, though global production set to remain stable in 2008***

GFMS, the leading precious metals consultancy, launched their annual review of the gold market, *Gold Survey 2008*, at events in London, Johannesburg and Toronto today. Their research shows that global mine production in 2007 declined by 0.4% year-on-year. All regions except for Asia recorded declines, with Africa registering the greatest drop of 29 tonnes.

In South Africa, the decline in production was primarily due to the lower grades of mined ore. Temporary mine closures, enforced whilst heightened safety controls were implemented, further hampered production towards the end of the year. Elsewhere in the region, poor weather, labour disputes and processing difficulties served to dampen results. North American production fell for the seventh consecutive year, whilst Latin America also registered a near-23 tonne decline despite strong gains in Brazil, Mexico and Guatemala. Production in the CIS declined modestly, driven primarily by a fall in Russian output, while Australia broadly maintained 2006 levels.

Strong growth was seen in Asia from China, Indonesia, Papua New Guinea and the Philippines. Of note was the fact that China posted a 33 tonne rise to become the top global performer, overtaking South Africa's century-long position as the world's leading gold producer. Executive Chairman of GFMS Philip Klapwijk stated that China is expected to consolidate its lead in 2008, "primarily as a result of further declines expected in South Africa due to its ongoing power supply issues".

Total cash costs increased by a steep 25% from 2006 levels. These rises were greatest in Australia, where total cash costs for the year increased by \$91/oz last year. However, despite the significant cost hikes, average global cash margins actually expanded to \$300/oz, due to the escalating gold price. As highlighted in *Gold Survey 2008*, cost inflation was exacerbated by the willingness of producers to undertake development work and waste stripping activities at a time when healthy margins would be maintained. Consequently, temporary lulls in production were seen at many operations worldwide.

GFMS forecasts that global mine production in 2008 will remain broadly in line with the level recorded in 2007.

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***Gold Survey 2008*** contains over 120 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 £325 or US\$595 / €440 per copy. For orders and to receive further product information please contact Elena Patimova - 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), Online Shop: <http://shop.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, Spain, France, Germany and Russia, and a vast range of contacts and associates across the world.

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