



Publication of *Gold Survey 2009*

Global Jewellery Fabrication Slips 10% in 2008, with Further Weakness Anticipated for This Year

GFMS' latest publication on the international gold market, *Gold Survey 2009*, was launched today at events in London, Johannesburg and Toronto. In the report, GFMS revealed the global jewellery fabrication declined by around 10% or almost 250 tonnes. The bulk of the loss was attributable to the slump of over a fifth in the first half, which offset a near 10% rise in the third quarter and near stability in the fourth. As the *Gold Survey* reveals, record and volatile gold prices, combined with a deteriorating economic environment, were the key drivers for this marked affect on the jewellery market. In terms excluding scrap, which gives a clearer indication of the call on the international gold market, 2008's decline was yet steeper at almost 20%, with the first half loss ramping up to over a third. The second half, however, still managed a rise, if only a modest one.

The analysis in *Gold Survey 2009* reveals that the decline in jewellery fabrication demand was not limited to just historically price sensitive regions with western markets also suffering a significant downturn. Nonetheless, India remained the chief architect of the global decline with offtake from the world's largest gold market slipping almost 100 tonnes on price pressures while jewellery fabrication in Italy fell by almost a fifth, the tenth consecutive year of contraction that has seen fabrication volumes fall to roughly a third of the peak of 1998. Elsewhere, demand in the Middle East slipped around 10%, with the bulk of the fall attributable to Turkey due to a slump in the local economy and a significant rise in the local price due to currency weakness.

The only obvious positive last year was the modest rise in Chinese jewellery fabrication, in the process establishing yet another record, firmly placing China as the world's second largest market behind India. The increase was driven largely by robust local consumption and a rise in the renminbi, coupled with a significant surge in investment driven purchases. Losses elsewhere across East Asia where comparatively restrained, with the whole region's jewellery offtake only just slipping.

Looking ahead to this year, price and economic recovery will remain the key drivers in determining the performance of global jewellery fabrication markets. Already in 2009, GFMS has witnessed a sizable slump in jewellery offtake as economic uncertainty and elevated gold prices continue to impact on end-user demand. Philip Klapwijk, GFMS' Executive Chairman, who delivered the annual findings in London today, commented that global jewellery fabrication could fall substantially in 2009, given the current economic backdrop and the GFMS view that gold prices are likely to again test \$1,000 this year and further advances beyond this level cannot be discounted.

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Gold Survey 2009 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 1750, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: www.gfms.co.uk, Online Shop: <http://shop.gfms.co.uk>

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