



Publication of Gold Survey 2009

Global scrap supply rose to a record high in 2008; continued growth in recycling forecast for 2009

GFMS estimate that global scrap supply rose by 27% in 2008 to over 1,200 tonnes. This was one of the key conclusions reported in *Gold Survey 2009*, which was launched today, by Philip Klapwijk, GFMS' Executive Chairman, at events in London, Johannesburg and Toronto. Every region reported higher levels of gold recycling last year, largely because of profit taking and distress selling by individuals, although the retail trade and manufacturers also melted larger quantities of unsold jewellery.

The most significant increase was reported by Turkey, due to a combination of soaring local prices and the economic downturn, which saw the country achieve a record level of recycling in 2008. High local prices were also a key driver in other countries, such as India, which saw its recycling rise by nearly a quarter last year.

Elsewhere, western markets saw their scrap supplies exceed the already elevated levels of 2007. In the United States and Europe, a combination of the rapid economic downturn, together with a far greater ease of selling old jewellery, partly because of greater advertising by scrap collectors, produced record levels of recycling in each market. The jewellery supply chain also liquidated larger quantities of unsold product, itself a function of the high gold price and recessionary conditions, which limited the re-sale potential for this jewellery.

Turning to this year, Klapwijk noted that first quarter scrap supply has exceeded the already high levels witnessed at the end of last year. "The pressure on refining capacity this year has been quite tremendous. Several key consuming countries have, at times, emerged as net exporters of gold to the international market. Turkey, the fourth largest jewellery consumer last year, is a prime example of this trend, but by no means unique."

© Copyright GFMS Limited - April 2009.

Whilst every effort has been made to ensure the accuracy of the information in this document, GFMS Ltd cannot guarantee such accuracy. Furthermore, the material contained herewith has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient or organisation. It is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any commodities, securities or related financial instruments. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein. GFMS Ltd does not accept responsibility for any losses or damages arising directly, or indirectly, from the use of this document.

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 1777, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: 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.

Press Contacts: Philip Klapwijk or Paul Walker, GFMS Limited, Hedges House, 153-155 Regent Street, London, W1B 4JE, UK, tel: +44 (0)20 7478 1777, fax: +44 (0)20 7478 1779, email: gold@gfms.co.uk, web site: www.gfms.co.uk

