



Publication of *Platinum & Palladium Survey 2007*

Platinum jewellery fabrication fell for the fourth year in succession - further losses expected in 2007

Today in London and Johannesburg, GFMS launched their fourth *Platinum and Palladium Survey*. One of the key findings of the report was the price related contraction of platinum jewellery fabrication, with the global total last year declining by 8%. World fabrication has not only fallen for four consecutive years, but 2006's total was some one million ounces, or 39%, below the level seen in 1999, which marks the beginning of GFMS' supply/demand series.

Higher **platinum** prices took their toll in nearly every key market with the greatest decline, in absolute terms, seen in China. However, the 8% fall in Chinese demand was in fact less than expected due to a rise in the number of marriages, inspired by the Lunar Year of the Dog, which partially offset lower demand in other areas of the local market. Elsewhere, the 7% decline in Japanese fabrication, which was affected by higher metal prices and rising import competition, resulted in the country's platinum jewellery output for last year standing at a little over a third of the level seen just seven years ago.

In the **palladium** jewellery sector, the decline in global fabrication was even greater last year. A modest increase (in volume terms) in the United States (due to growth in palladium jewellery produced almost entirely for the wedding market) was easily offset by a sharp decline in China, with the country's 2006 total falling back to near the level seen in 2004. While this might suggest that palladium jewellery has failed to build on recent gains, it is worth remembering that the country's 2005 total was boosted by stocking of the supply pipeline, and the depletion of these inventories last year partially substituted for fabrication.

Turning to the outlook for 2007, the greatest threat in the platinum jewellery market, will come from a continued rise in platinum prices. As Peter Ryan, who presented the *Survey's* findings in London, noted "given that we are forecasting platinum prices to break through \$1,400 this year we would not be surprised to see further losses in platinum jewellery. For palladium, we are forecasting a recovery in global jewellery demand, although much will depend on whether palladium gains greater acceptance in the US. And of course for China, we will be looking for a recovery as the inventory effect unwinds and the marketing campaign gathers momentum."

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Platinum & Palladium Survey 2007 contains 84 pages of statistics, commentary and analysis on all aspects of world platinum & palladium supply/demand and on PGM prices in various currencies. The publication can be ordered from GFMS for £275 / US\$495 / €395 per copy. For orders and to receive further product information please contact Ms L. Perrard on: 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>

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Press Contacts: Peter Ryan, 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: info@gfms.co.uk, web site: www.gfms.co.uk

