

## **Publication of "The Gold Market in China: A New Beginning"**

*An Analysis of How Liberalisation to Date & the Country's Recent Economic Development Have Created Exciting Investment Opportunities*



**China Now:** China, with annual gold output of over 200 tonnes, is today the world's fourth largest producer. Its appetite for gold in jewellery and bullion is large at around 300 tonnes. The Chinese gold market has been extensively liberalised since 2002, following the establishment of the Shanghai Gold Exchange. Trading and private ownership of gold is now permitted. China's mining industry is also going through a period of rapid consolidation, with three companies already floated on the Shanghai and Hong Kong stock exchanges, and foreign investment funds have been allowed to buy shares in these gold mines.

**China the Future:** Another 12 mining companies are being prepared for floatation and foreign mining juniors are again turning their attention China, with major new finds being reported. Furthermore, domestic consumption could easily double over the next decade. Despite this potential, the Chinese gold industry has until recently not been adequately researched.

**The Launch:** GFMS, in conjunction with the World Gold Council (WGC) and China Financial Services (CFS), are therefore pleased to announce the launch on 5th September 2004 in Shanghai of their report: THE GOLD MARKET IN CHINA - A NEW BEGINNING. The launch coincides with the major London Bullion Market Association Precious Metals Conference, being held in Shanghai at the same time.

**An Overview of the Report:** This report contains 80 pages of statistics, commentary and analysis on all aspects of the gold market in China. It draws on the extensive data resources and country analysis of GFMS, as well as the in-depth local knowledge of the WGC through its staff in China and Asia. It is authored by John Adams of CFS (previously Manager for China at the Bank of England). It looks in detail at Chinese mine production, while the increasing role played by foreign mining companies, and the legal and taxation environment under which they operate, are also reviewed. There is extensive coverage of the gold jewellery sector in China, and the WGC's advertising campaigns, as well as the industrial uses of gold. The timetable to deregulation of the gold market, the new government structures underpinning it, and the increasingly important role of the Shanghai Gold Exchange are all examined in detail.

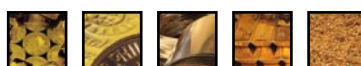
### **Some Highlights:**

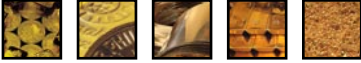
- The Shanghai Gold Exchange's creation - the dramatic change this represented for the process of liberalisation
- Mining company listings to date and the extent of and scope for foreign investment
- The steady growth in mine production and recent fall in bullion imports
- The massive changes in jewellery consumption; the emergence of 18 carat and rise and fall of its rival, platinum
- The recent surge in juniors' activity in exploration and joint ventures as mining deregulation moves forward

**Who Should Read the Report?** This report will be of particular use to bankers and fund managers looking to penetrate the, at times arcane, Chinese gold market, and also to gold miners seeking to begin the process of setting up in China. On the consumption side, jewellery manufacturers, importers and exporters will want to gauge both the opportunity and threat that the growing Chinese market presents.

**How to order:** The publication can be obtained free of charge from GFMS. To receive a copy, please contact Ms L. Perrard on: Tel: +44 (0)20 7478 1777, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk.

**Additional Information:** A companion volume, *Gold Mining in China*, will be launched by GFMS and CFS in the first week of October 2004. Details can be obtained from GFMS.





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**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 and Russia, and a vast range of contacts and associates across the world.

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