

**Embargoed for publication or distribution by wire until
13.00 hrs London time on Thursday 16th January 2003**

Publication of *Gold Survey 2002 – Update 2*

Global scrap supply surges 14% on higher dollar and local gold prices

Global scrap gold generation in 2002 increased by 14% in line with the higher US dollar gold price and localised currency weakness. This is one of the developments outlined by GFMS in *Gold Survey 2002 – Update 2*, released today. Old gold scrap contributed 778 tonnes to gold supply in 2002, accounting for over 20% of total supply. GFMS Director Paul Walker pointed out “At over 20%, scrap’s share of total gold supply was it’s highest since 1998, when the Asian financial crisis resulted in a scrap spike. The surge in scrap volumes last year illustrates the price sensitive nature of key markets. Without this response, the gold price would probably be above even its current level.”

“The rise in global scrap volumes relates largely to a surge in scrap from the Middle East, with Egypt and Saudi Arabia recording substantial increases” Walker added. The large amount of scrap generated led Egypt to become a substantial exporter of gold in 2003, whilst shipments of fresh gold into Saudi Arabia were significantly lower. High prices and distress selling also caused Indian scrap volumes to rise sharply.

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Gold Survey 2002 – Update 2 provides an initial review of the gold market in 2002 and a forecast for the first half of 2003 with 30 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 £190 or US\$280/€295 per copy.

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Note to Editors: GFMS (Gold Fields Mineral Services) is an independent London-based commodity research and consulting company, specialising in the analysis of the precious metals markets.

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