

## PRESS RELEASE

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### **STRONG OUTLOOK FOR GOLD DEMAND FOR REMAINDER OF 2010**

Global gold consumption for 2010 will be higher than 2009 as a result of increasing levels of demand in India and China, sustained global demand for gold investment, together with growth in jewellery and industrial demand, the World Gold Council ("WGC") said.

According to the WGC's Gold Demand Trends report for Q3 2010, published today, demand for gold in the final quarter of 2010 will be driven by the following factors:

- Increasing demand by the world's two largest markets, India and China, as rising income levels, high savings rates and strong economic growth continue to push up consumption.
- Gold jewellery demand is likely to exceed that of 2009 due to an anticipated recovery in India, the most significant gold jewellery market, and continuing strength in China. While jewellery demand may face challenges ahead, the latest figures show that demand in key markets has shown resilience in the face of higher prices levels.
- Concern over fiscal imbalances and currency tensions will continue to support investment demand for gold. Aside from the recent additional US\$600 billion of quantitative easing by the US, the weakening of the US dollar and associated fears of inflation, demand is also likely to be driven by higher gold price expectations, as well as increasing availability and accessibility of gold investment products to retail investors.
- Industrial demand, which has returned to long-term levels, is expected to remain firm on the back of renewed growth in the electronics industry, due to the majority of semi-conductors being wired by gold.

#### **Marcus Grubb, Managing Director, Investment at the WGC commented:**

"Healthy gold demand growth in the third quarter occurred in the context of record international prices, demonstrating how consumers, particularly in India and China, are continuing to appreciate the enduring value of gold. The rediscovery of gold's properties as both a currency and a monetary asset have been brought into sharp focus. Quantitative easing has forced the adjustment of global imbalances into currency markets and the resulting currency conflict is positive for gold. In addition, we believe demand will be facilitated by the growing number of channels that serve to make gold more easily accessible to a greater number of investors."

#### **Richard Holliday, Director, Industrial at the WGC commented:**

"The recovery of industrial gold demand to pre-crisis levels will continue to be sustained by the rise in demand for high-tech goods, such as the iPad and smart phones. Longer-term exciting advancements in the use of gold in nanotechnology, environmental and biomedical applications are also expected to drive demand."

### **GLOBAL DEMAND STATISTICS FOR Q3 2010**

- Total gold demand was 922 tonnes, an increase of 12% from Q3 2009. In US\$ value terms, demand grew 43% to US\$36.4 billion over the same period.
- Demand for gold jewellery increased by 8% from Q3 2009, with four of the best performing markets - India, China, Russia and Turkey - accounting for 63% of global demand. In value

terms, global demand for the 12 month period ending September 2010 hit a record US\$137.5 billion.

- Retail investment rose 25% from Q3 2009 to 243 tonnes. The largest contribution to total demand growth came from bar hoarding, which increased 44% from the previous year. The total value of net retail investments during the quarter was a record \$9.6 billion, representing a 60% increase from Q3 2009.
- Total gold ETF demand fell by 7% from Q3 2009 to 39 tonnes. Following a remarkable surge in the previous quarter, which was supported by heightened sovereign risk and currency worries, this quieter period for ETFs reflects consolidation in the market, as it contemplated the prospect of QE2.
- Industrial demand has recovered back to pre-crisis levels of 110 tonnes, reflecting an increase of 13% from Q3 2009. This recovery was driven by improving demand for consumer electronics goods globally, in particular from emerging markets such as China and India, as well as an increased range of new technology products with gold components.

**The full 2010 Q3 Gold Demand Trends report, which includes comprehensive data for the third quarter of 2010, can be viewed at: [www.mediacentre.gold.org](http://www.mediacentre.gold.org)**

**ENDS**

**For further information regarding Gold Demand Trends:**

Stephanie Mackrell, Head of Media Relations, World Gold Council, on + 44 (0) 207 826 4763, or [stephanie.mackrell@gold.org](mailto:stephanie.mackrell@gold.org)

Clare Allison, Account Director, MS&L, on +44 (0) 207 307 5342, or [clare.allison@capitalmsl.com](mailto:clare.allison@capitalmsl.com)

**Notes to Editors:**

**World Gold Council**

The World Gold Council (WGC) is the market development organisation for the gold industry. Working within the investment, jewellery and technology sectors, as well as engaging in government affairs, its purpose is to provide industry leadership, whilst stimulating and sustaining demand for gold.

The WGC researches and gives insight on the international gold markets, helping people to better understand the wealth preservation qualities of gold and its role in meeting the social and environmental needs of society.

Based in the UK, with operations in India, the Far East, the Middle East, Europe and the USA, the WGC is an association whose members include the world's leading gold mining companies. For further information visit [www.gold.org](http://www.gold.org).