

GFMS STATISTICS

AN INTRODUCTION TO THE GLOBAL GOLD MARKET

This section provides a broad indication of trends in world gold supply and end use consumption since 2000 – with a focus on the *growth* in identifiable gold investment.

GFMS Limited (London), whose annual Gold Survey is the “bible” for the gold industry, has kindly authorized the inclusion of some of its **copyright** statistics.

GOLD SUPPLY

Although annual mine production increased by 156 tonnes (6%) to 2,572 tonnes in 2009, it still remains below the 2000 level.

In recent years, net official sector sales have declined notably, while the annual dishoarding of old gold scrap has increased substantially – due mainly to the rise in the gold price.

Category	2000	2009	
	Tonnes	Tonnes	% Split
Mine production	2,620	2,572	60
Old gold scrap	619	1,674	39
Official sector sales*	479	41	1
Net producer hedging	-	-	-
Implied net disinvestment	298	-	-
Total Supply	4,017	4,287	100

Statistics: © Copyright GFMS Limited. Source: GFMS “Gold Survey 2010”. * Official sector: central banks and institutions such as IMF.

END USE GOLD CONSUMPTION

A key trend has been the growth in annual **Identifiable Investment**, which has increased from 166 tonnes (2000) to 1,319 tonnes (2009). In 2009, it accounted for approximately 38% of world gold demand.

Category	2000	2009	
	Tonnes	Tonnes	% Split
Jewellery Consumption	3,204	1,759	51
Industrial & Dental	451	373	11
Electronics	283	246	7
Other Industrial & Decorative	99	74	2
Dentistry	69	53	2
Identifiable Investment	166	1,319	38
Investment in Exchange Traded Funds and Related Products*	-	617	18
Other Identified Retail Investment**	- 181	230	7
Official Coin	77	229	7
Bar Hoarding#	242	187	5
Medals & Imitation Coin	29	57	2
Total	3,822	3,451	100

Statistics: © Copyright GFMS Limited. Source: GFMS “Gold Survey 2010”.



GFMS Limited is the world's foremost precious metals consultancy.

In recent years, GFMS has visited more than 50 countries. Its data base includes information provided by 15,000 industry entities.



TauTona mine

AngloGold Ashanti
South Africa

Gold mine production increased to 2,572 tonnes in 2009, but remains below the level in 2000.



Heraeus
Germany

Dishoarded old gold scrap was 1,674 tonnes in 2009 – more than 1,000 tonnes above the level in 2000.



It can be noted that jewellery consumption has fallen by 45% from 3,204 tonnes (2000) to 1,759 tonnes (2009).

GFMS notes:

Identified Bar Hoarding outside Europe and North America.

* Including: Gold Bullion Securities (both traded at LSE and ASX), SPDR Gold Shares, NewGold Gold Debentures, Central Fund of Canada and Central Gold Trust, iShares COMEX Gold Trust, ZKB Gold, ETFS Physical Gold, Xetra-Gold, Julius Baer Physical Gold Fund, Claymore Gold Bullion ETF, Swiss Gold, ETFS (both traded in Tokyo and New York), Sprott Physical Gold Trust, Credit Suisse Xmtch and Dubai Gold Securities.

** Other Identified Retail Investment excludes Bar Hoarding and primary coin offtake and in the main represents "western" activity.

IDENTIFIED BAR HOARDING IN 2009

Outside Europe and North America

Identified net bar hoarding (2009) in countries *outside* Europe and North America fell below 200 tonnes for the first time since 2003 – due mainly to higher gold prices.

Notable declines occurred in India and Vietnam, alongside much net dishoarding in Pakistan, Japan and Thailand, while demand in China remained resilient.

Country	2000	2009	
	Tonnes	Tonnes	% Split
East Asia	138.0	71.9	38
Indian Sub-Continent	89.5	65.6	35
Middle East	19.7	36.2	19
CIS	0.0	4.9	3
Latin America	- 7.0	4.3	2
Oceania	1.4	3.9	2
Total	241.6	186.8	100

Statistics: © Copyright GFMS Limited. Source: GFMS "Gold Survey 2010".

INDICATIVE RETAIL INVESTMENT DEMAND IN EUROPE AND NORTH AMERICA IN 2009

By contrast, retail investment demand (2009) in Europe and North America, as defined by GFMS, continued to grow substantially to reach 414 tonnes – due mainly to the global financial crisis.

Region	2004	2009	
	Tonnes	Tonnes	% Split
Europe	- 18	293	71
North America	21	121	29
Total	3	414	100

Statistics: © Copyright GFMS Limited. Source: GFMS "Gold Survey 2010".

GFMS Caveat: The above estimates should be regarded as broadly indicative rather than truly definitive given the subject's opaque nature.

GFMS Definition: Retail investment includes physical bullion as defined by the EU, individuals' paper transactions with a direct physical counterpart plus OTC activity and changes in metal account holdings where measurable and retail-targeted. It excludes all forms of jewellery and fund purchases.



Johnson Matthey
USA

Identifiable gold investment was 1,319 tonnes in 2009 – more than 1,000 tonnes above the level in 2000.



Tanaka
Japan

Net gold bar hoarding *outside* Europe and North America of 187 tonnes in 2009 was 23% below the level in 2000.



Metalor
Switzerland

By contrast, net retail gold investment demand in Europe and North America increased to 414 tonnes in 2009 – from 3 tonnes in 2004.





Australian Kangaroo
Australia

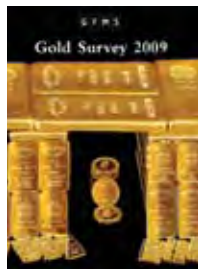
Official gold coin fabrication increased to 229 tonnes in 2009 – 200% above the level in 2000.



Alukkas
India

Gold jewellery consumption fell to 1,759 tonnes in 2009 – a decline of 45% since 2000.

GFMS LIMITED – ANNUAL GOLD SURVEY



To obtain supply, fabrication and other market statistics, broken down by **individual countries** for **each category** and for **each year** over the past 10 years – as well as an extensive commentary and analysis – refer to the GFMS “Gold Survey”, which is published in April each year.

To order a copy, visit: www.gfms.co.uk

STATISTICS IN THIS DOCUMENT

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