

IRANIAN GOLD BARS

TRADED IN UNUSUAL MESGHAL WEIGHTS

Gold dealers in Iran buy and sell, in large quantities, **melted scrap bars** with variable weights that are denominated in **mesghals**, an Iranian unit of weight.

1 mesghal = 4.603 g

These rough bars, derived mainly from the melting down of old gold jewellery, are assayed by recognized private Assay Laboratories so they can be traded with confidence.

The bars, normally in the shape of short or long rods with variable dimensions, can range in weight from a few mesghals to 100 mesghals (460 g) or more. Their millesimal gold purity typically ranges between 700 and 800.

On each bar are marks that record the purity of the bar and the name of the Assay Laboratory. Dealers normally use an electronic weighing machine to determine the weight.

The bars are manufactured by approximately 100 small melting units nationwide. The daily output of a unit, which typically employs 2-5 workers, can range from a few kilos to more than 50 kg. Melting a kilo of old gold scrap takes around 15 minutes.

Although the trade deals in these bars in mesghals, it can be noted that the gram weight is used to price bars and jewellery at the retail level.

The Industry Collection has acquired a melted scrap bar, given the importance of these bars to the Iranian gold market.

BACKGROUND ON IRANIAN GOLD MARKET

The Iranian gold market is substantial, its importance to the international gold market largely unrecognized outside Iran until 2005, as no research company had previously been able to investigate the market since the establishment of the Islamic Republic of Iran in 1979.

In 2004, Iranian gold consumption in all its forms was conservatively estimated by GIR* at around 139 tonnes.

Apart from melted scrap bars and a small quantity of locally-refined bars, the market also relies heavily on imports of 995 purity kilobars, as well as on London Good Delivery 400 oz bars imported by the Central Bank of Iran.

Although bar hoarding is reported as significant, most bars are used for the manufacture of gold jewellery. According to a survey, conducted by the Iran Trade Promotion Organization (ITPO) in early 2005, there were 15,500 licensed gold jewellery retail outlets, and at least 4,700 gold jewellery fabrication units, in Iran. Population: 69 million.

* Grendon International Research (GIR) investigated the Iran gold market during 2004-2005, undertaking four fieldtrips with the support of the Iran Trade Promotion Organization.



Melted scrap bars are important to the Iranian gold market.



Melting old gold scrap into tradable bars.



The Tehran Bazaar is the hub of the national gold market.



TECHNICAL DESCRIPTION

Weight	Type	Fineness	Shape	Dimensions mm
16.067 mesghals (equivalent to 73.96 g)	Cast	747	Irregular rod	53 x 21 x 4*

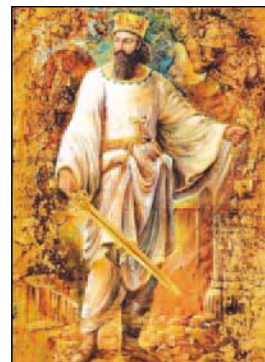
Source: Grendon International Research * Indicative as dimensions are irregular. Manufactured by melting unit in Tehran Bazaar.



Melted scrap bars have variable weights and purities, and are normally traded in rials per mesghal.



16.067 mesghals
Melted scrap bar from
Tehran Bazaar



Gold has been part of the culture of Iran for more than 5,000 years.

Illustration: Skakiba Gallery

THE INDUSTRY COLLECTION OF GOLD BARS WORLDWIDE

The Industry Collection of Gold Bars Worldwide is the culmination of a worldwide effort to create a unique collection of standard, innovative and unusual gold bars to support the promotion of gold.

Since 1993, manufacturers from across the globe have supported this international project by making their bars available. The Founder was **N M Rothschild & Sons (Australia) Limited**, associated with N M Rothschild & Sons Limited, London. The Custodian and Official Location is **The Perth Mint**, wholly owned by the Government of Western Australia.

The Curator is **Grendon International Research Pty Ltd (GIR)**. Apart from acting as a consultant within the gold industry, GIR has published several reference books on gold, including *The Industry Catalogue of Gold Bars Worldwide*.

Refer to disclaimer on website: www.goldbarsworldwide.com

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