

WORLD GOLD COUNCIL

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PRESS RELEASE

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Gold demand holds up against economic slowdown

LONDON: August 13, 2001 – In the first half of the year gold demand held up despite the global economic slowdown, the World Gold Council said today. For the six months as a whole, gold jewellery sales and personal investment in the world's leading gold consuming countries was 1,601 tonnes, 1% higher than a year earlier, according to the regular quarterly survey *Gold Demand Trends*, published today. The first quarter was strong with demand 6% higher year on year. Demand in the second quarter was dampened by economic problems in specific countries falling 3% from a year earlier to 764 tonnes.

Despite these conditions, there was encouraging growth during the second quarter in several key consuming countries and regions. These included the Middle East, where demand rose 13% in Egypt, 9% in Saudi Arabia and 8% in the Arabian Gulf, aided by the effect of high oil prices on incomes, by effective promotion campaigns and some deregulation. Demand in Vietnam and India remained strong growing by 21% and 7% respectively. In the US, despite economic slowdown, robust consumer spending coupled with the swing to yellow gold jewellery and a recovery in new coin sales pushed demand to 80 tonnes, 4% higher than a year earlier.

In contrast the global economic slowdown tempered demand growth in South-East Asia, the Euro area and Latin America. In a few countries local economic conditions brought a sharp fall in demand. The most prominent examples were Turkey (down 72%), Taiwan (down 47%), Pakistan (down 19%) and Japan (down 18%).

Commenting on the figures, Haruko Fukuda, Chief Executive Officer of the World Gold Council, said: "Gold demand is not independent of economic conditions. However growth is holding up in key markets such as India, the Middle East and the USA demonstrating the continued importance of gold in these countries. We are increasing our efforts to stimulate demand globally."

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Gold Demand Trends No. 36 is available from the day of publication on the Council's website (www.gold.org). Hard copies of the GDT document can be obtained from the World Gold Council, 45 Pall Mall, London SW1Y 5JG (Tel: 020 7930 5171 Fax: 020 7839 6561) or a PDF file can be downloaded from the website or obtained by e-mail from liz.melville@wgclon.gold.org