WORLD GOLD COUNCIL

GOLD DEMAND TRENDS

A Quarterly Publication

Issue No. 25 November 1998

THIRD QUARTER 1998 HIGHLIGHTS

Recovery in gold demand continues
Total just 1% below record Q3'97

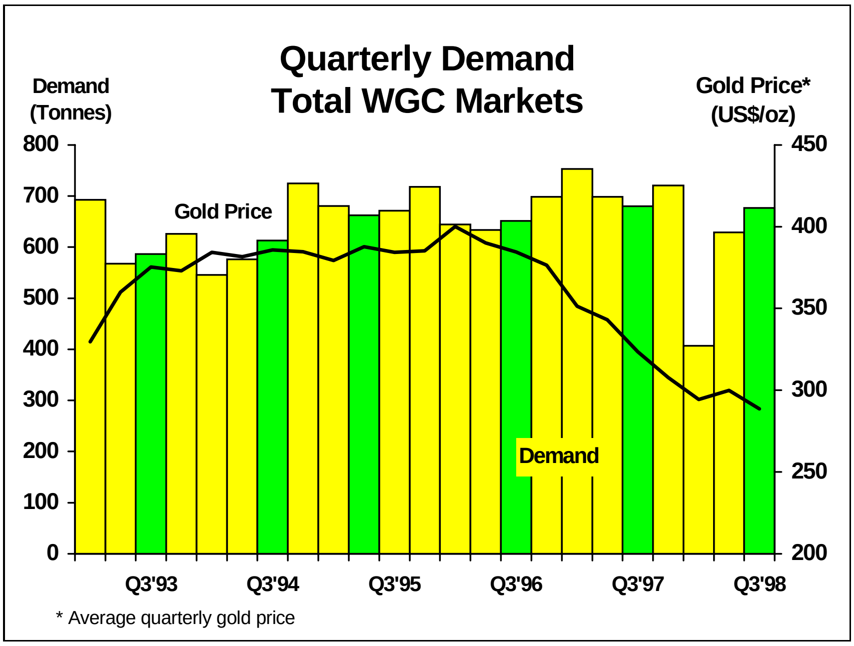
Gold demand in Q3'98 continued to recover from the poor start to the year, although the economic and currency crisis in Asia kept demand below normal levels in several countries. Total demand was 676 tonnes, thanks to a steady performance by jewellery and a surge in investment, notably in the USA where coin sales rose to near record levels.

Developing Markets

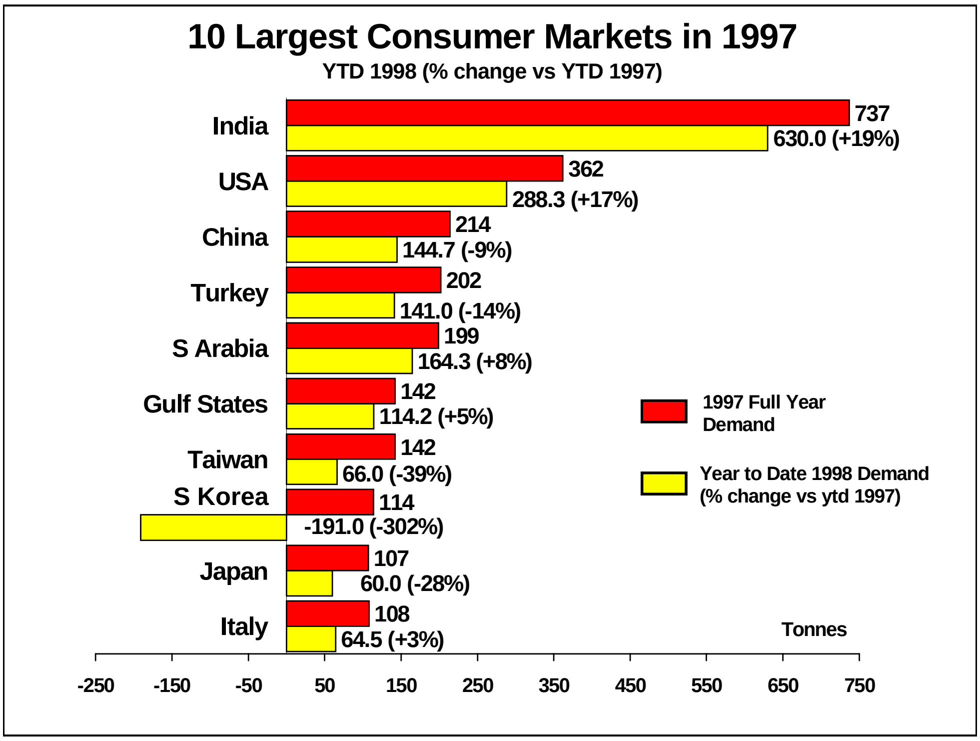
- ***Total:*** *At 468.5 tonnes, total demand was 6% below the record level of Q3'97, but close to Q3 levels of earlier years.*
- ***Jewellery:*** *Demand was 8% lower than Q3'97, but in line with 1995 and 1996 levels for the same period.*
- ***Investment****: Rose to 65 tonnes, up 3% from Q3'97.*

Developed Markets

- ***Total:*** *At 207.8 tonnes, total demand was 16% higher than Q3'97 and just 5% below the record in 1993.*
- ***Jewellery:*** *Up 3% year-on-year to 166.5 tonnes. Continued growth in North America and Europe offset softness in Japan.*
- ***Investment:*** *Rose 144% to 41.3 tonnes.*



DEMAND FOR GOLD IN THE KEY MARKETS



Demand in the twenty-five key markets for gold consumption monitored by the World Gold Council totalled 1,712.2 tonnes (1) in the first three quarters of 1998. The performance for the year to date represented a decline of 20% from the same stage of last year, but this should not be allowed to mask the fact that there has been a steady improvement in gold consumption statistics as the year progressed. At the close of the first quarter, when the worst impact of the Asian economic and currency crisis was felt, gold consumption was running 46% behind the 1997 level. After the first half, consumption was still 29% below the same stage of last year. Demand in the third quarter was just 1% behind that for the same period of 1997, when the first effects of the Asian crisis were starting to become apparent.

The recent performance of the ten largest consumer markets, each of which accounted for more than 100 tonnes of gold demand in 1997, is shown in the chart above. The most significant changes in Q3 demand were:

- Demand in India was 171.8 tonnes, 8% below the record level of Q3'97, reflecting the economic uncertainty and the decrease in consumers' disposable income following the surge in the prices of necessities.
- In the USA, demand rose 19% to 113.5 tonnes, helped by near-record coin sales.
- In China, demand fell 12% to 43.1 tonnes in response to the devastating floods in the Yangtze basin and several adverse socio-economic developments.
- Rising investment lifted total demand in Saudi Arabia to 49.1 tonnes, 29% above Q3'97.
- Demand in Japan rose 31% to 21.0 tonnes following a surge in investment towards the end of the period.

[1)] *The Council no longer monitors dental demand in Europe, USA or Japan and has therefore revised aggregate demand statistics.*

Developing Country Markets

Covers India, China, Hong Kong, Taiwan, SE Asia & S Korea, Saudi Arabia, The Gulf States (UAE, Kuwait, Bahrain, Oman & Qatar), Turkey, Brazil & Mexico

- **A mixed pattern of demand was evident in the third quarter**. Some signs of recovery were apparent in several of the countries that were first hit by the Asian crisis, while the situation deteriorated further in others. Elsewhere, while demand remained robust in some cases, the spread of the emerging markets crisis, low oil prices and the effects of inflation on consumers' purchasing power dampened demand in others. Total offtake, at 468.5 tonnes, was 6% lower than in Q3'97 but very close to the levels in Q3 '96 and Q3 '95.

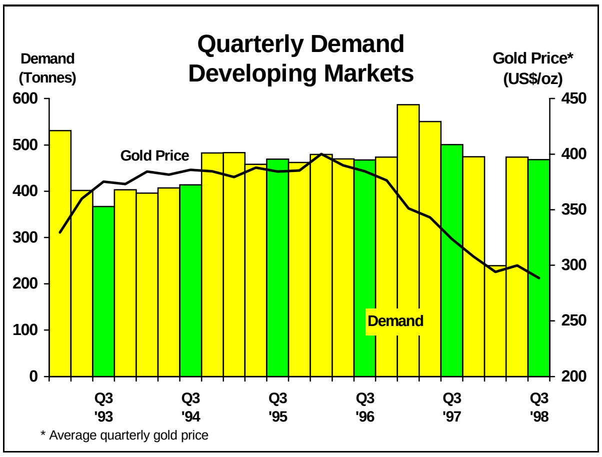
- **In South-East Asia and South Korea, demand was 55.6 tonnes**, 11% higher than a year earlier, although still well below pre-crisis levels. Dishoarding has virtually dried up. Investment demand, while still small relative to normal levels of jewellery demand, grew strongly in some countries including Indonesia. **Demand in China, Taiwan and Hong Kong** fell further to 68.5 tonnes, 26% below Q3'97.

- **Q3 demand was lower in India at 171.8 tonnes, 8% below Q3'97** with economic uncertainty as well as the rising prices of basic foodstuffs limiting discretionary purchases, mainly in the urban areas. However, year-to-date offtake was 19% higher than in the first three quarters of 1997.

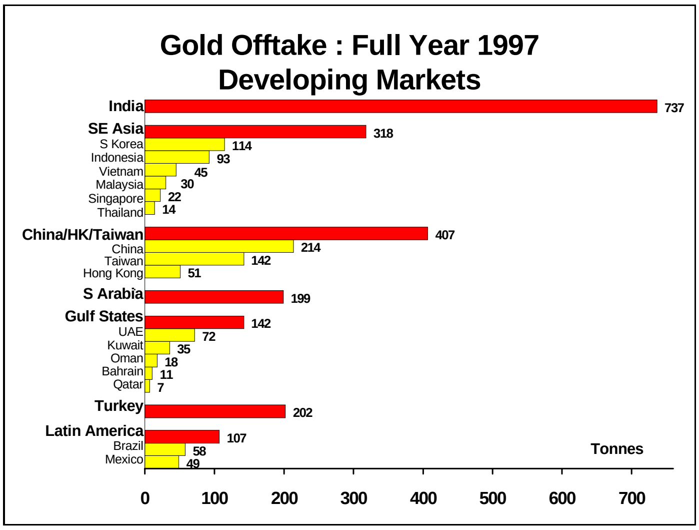
- **Demand was strong in Saudi Arabia (29% up on Q3'97)** boosted by strong investment, but more subdued in the Gulf States (7% lower than Q3'97) as falling oil prices and slower economic growth took their toll.

- **In Latin America,** offtake amounted to 25.0 tonnes, 6% higher than a year earlier. Despite its economic troubles demand was strong in Brazil but it was weaker in Mexico.

In this issue data on Egypt (page 9) and Pakistan (page 4) are presented for the first time. To preserve comparability, statistics for these countries have not yet been incorporated into overall totals.

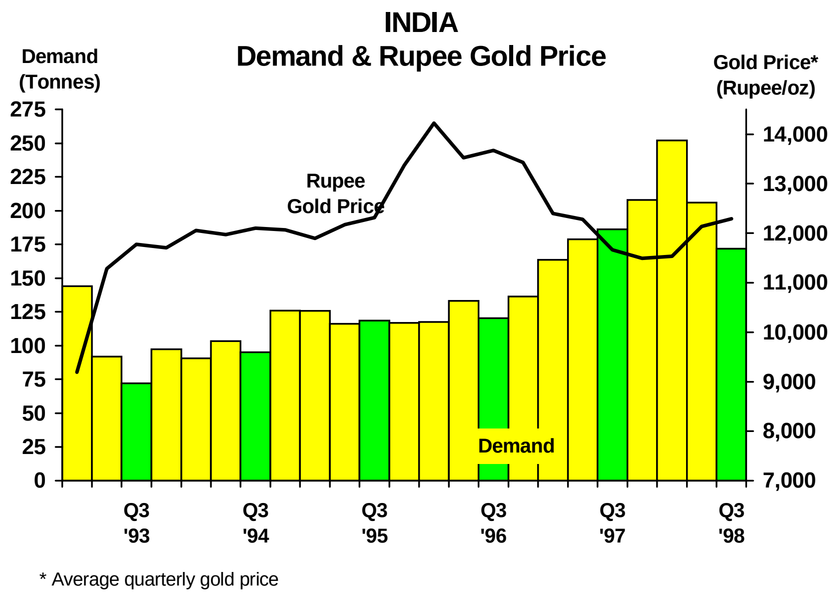


* Average quarterly gold price



India

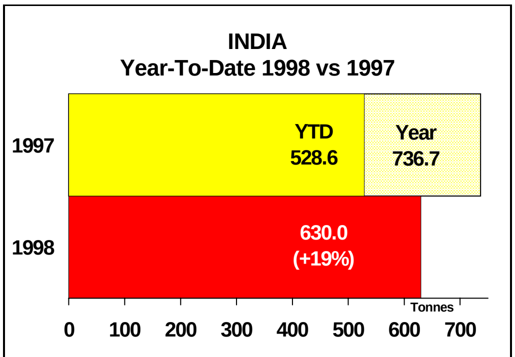
Following two quarters of exceptionally buoyant growth, gold demand in **India** was less lively in the third quarter. At 171.8 tonnes, demand fell 8% below the level of Q3'97 (which was a Q3 record) but remained substantially higher than Q3 demand in earlier years. Year to date, demand was 19% higher than in the first three quarters of 1997.



The liberalisation of imports and the consequent improved method of measuring demand introduced last quarter make direct comparisons between 1997 and 1998 less appropriate. Import data are now collected directly from gold importing banks and official bodies rather than being based on estimates of imports from Dubai.

However, apart from any statistical distortions, economic problems appear to have dampened consumer demand in Q3. Tensions with Pakistan and the effect of sanctions, imposed following nuclear tests, along with domestic political uncertainties have hit confidence. The rupee's depreciation since the beginning of the year, and a rise in general import tariffs caused a surge in prices of basic foodstuffs draining consumer purchasing power. The price of gold in rupee terms rose and this was aggravated by the rise in import tariffs imposed during the budget.

The State Bank of India has started to retail gold bars to the public.



Gold Imports Into India

	1996 Year	1997 Q1	Q2	Q3	Q4	Year	1998 Q1	Q2	Q3	Q4	YTD
Tonnes	**279.8**	123.9	122.3	132.6	147.6	**526.4**	200.5	156.9	121.9		**479.4**

The difference between official imports and overall demand is met by other imports and recycled scrap gold.

Pakistan

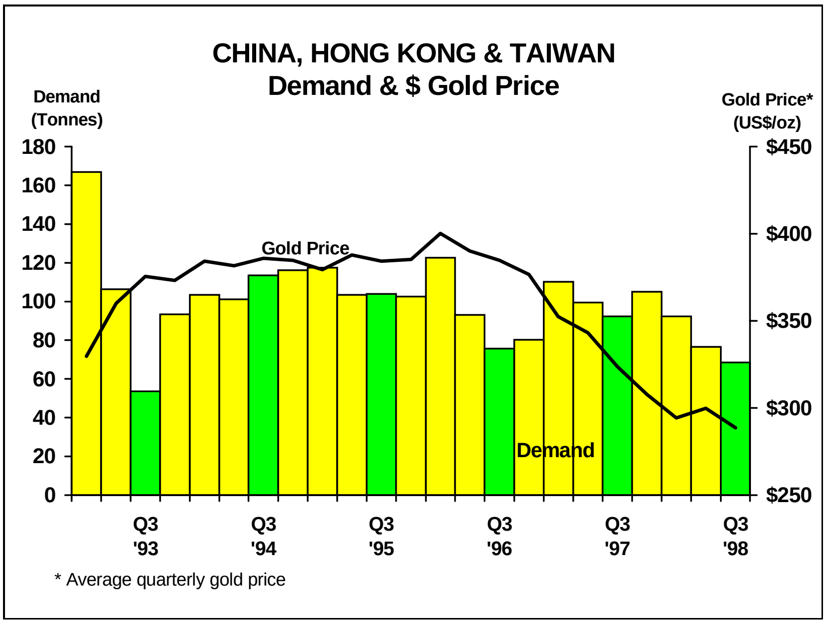
The World Gold Council is now able to provide statistics for Pakistan gold demand. Based on official import data and estimates of unrecorded imports and scrap recovery, demand is estimated at 28.3 tonnes in the first quarter of 1998, 29.8 tonnes in the second but, paralleling the decline in India, only 16.0 tonnes in the third - a total of 74.1 tonnes for the year to date. As in India the increase in regional tensions and the imposition of sanctions hit political and economic confidence. The economy was also hurt by the imposition of a general sales tax of 12%. While the effective impact of this on the price of gold products was less than 1% a retailers' strike lasting about a month will have hurt gold purchases along with those of other non-essential goods.

An introduction to the market in gold in Pakistan will be published in a forthcoming issue of Gold Demand Trends. Pakistan data are not included in the table at the back or in total figures.

North Asia

Covers China, Hong Kong & Taiwan

Demand in **North Asia** remained depressed with third quarter offtake 26% lower than a year earlier - the third consecutive quarter showing a year-on-year decline. The economic crisis, the disastrous Yangtze floods, the adverse effect of the Year of the Tiger, considered inauspicious for marriages and other celebratory events, and the "Hungry Ghost" festival all helped to limit consumers' purchases. Year-to-date demand was 21% lower than in the first three quarters of 1997.



In **China**, Q3 demand totalled 43.1 tonnes, 12% lower than one year earlier. The devastating floods in the Yangtze basin were a major cause of the decline. In addition, the promotion of private home ownership coupled with the withdrawal of subsidised state housing encouraged consumers to save, reducing the potential for jewellery purchases. Year to date demand totalled 144.7 tonnes, 9% down on the first three quarters of 1997.

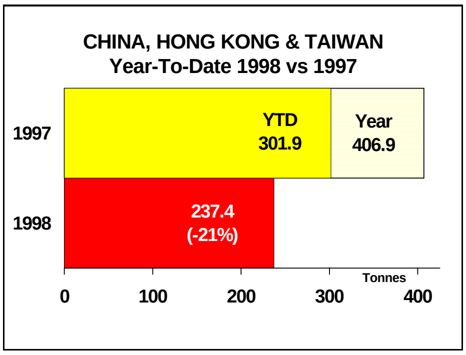
Gold Imports Into Hong Kong & Taiwan

Tonnes	1996 Year	1997 Q1	1997 Q2	1997 Q3	1997 Q4	1997 Year	1998 Q1	1998 Q2	1998 Q3	1998 Q4	YTD
Hong Kong	**219.7**	119.9	83.7	165.8	129.6	**499.0**	151.6	38.3	*18.9		**208.8**
Taiwan	**96.2**	33.7	24.3	25.0	26.1	**109.1**	24.2	12.3	10.5		**47.0**

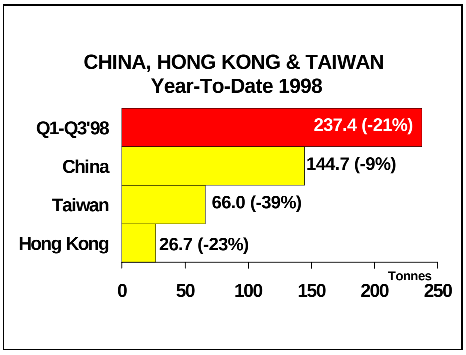
*July/August only

In order to deter smuggling, the People's Bank of China is now following a policy of changing its allocation price for gold periodically so that it has just a small margin (around 3%) over international prices.

Demand continued to be very subdued in **Taiwan** with third quarter offtake just 17.8 tonnes, 46% down on a year earlier. The inauspicious "Hungry Ghost" festival, causing a sharp fall in the number of weddings, added its negative effect to that of the Year of the Tiger while the Chinese Valentine's day and Fathers' day failed to stimulate sales. Economic growth (forecast at a 5.3% increase in real GDP for 1998) is low by Taiwanese standards and this hit discretionary consumer purchases. Imports, at 10.5 tonnes, were less than half year-ago levels.



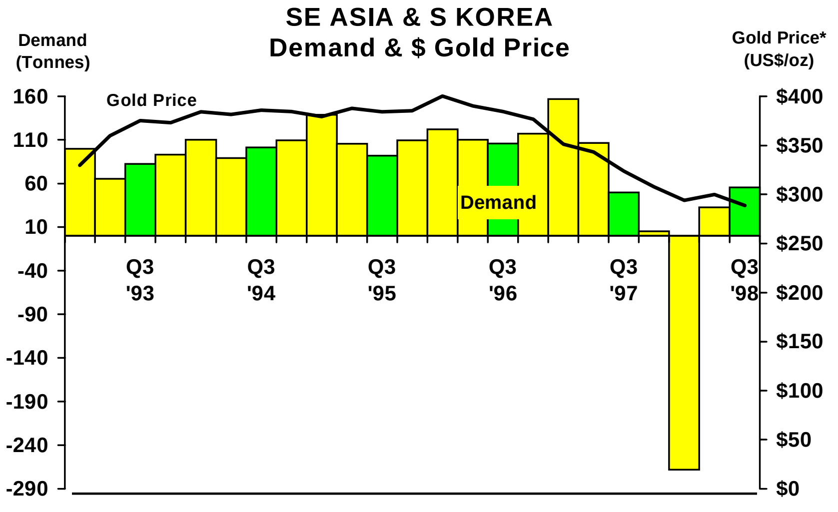
Demand in **Hong Kong** continued to be badly hit by the domestic economic situation aggravated by a fall in tourist numbers. Third quarter offtake was 7.6 tonnes, 21% lower than a year earlier. Imports in July and August were only a quarter of year-earlier levels.



SE Asia & S Korea

Covers Thailand, Indonesia, Singapore, Malaysia, Vietnam & South Korea

With the exception of **Malaysia,** there were signs of the start of a recovery in demand throughout the region although net offtake remained subdued. Dishoarding has now almost ended. New consumption is, however, hampered by high local prices. In addition the 7th Moon or "Hungry Ghost" festival, considered inauspicious by the Chinese for significant purchases, had an adverse effect on demand.



* Average quarterly gold price

S KOREA, INDONESIA & THAILAND
1998 to Date Demand Perspective

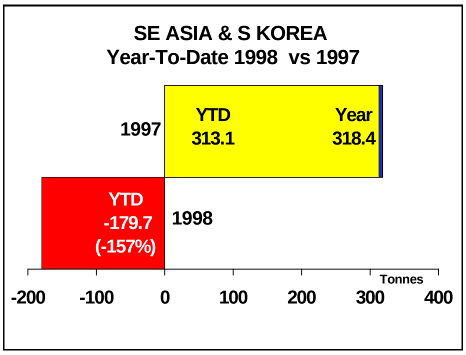
Tonnes	S Korea	Indonesia	Thailand	Total
Q1-Q3 '97 Demand	94.5	94.5	45.0	234.0
Q1'98				
- New Demand	22.0	8.0	8.0	38.0
- Selling Back	-250.0	-72.0	-6.5	-328.5
Q2'98				
- New Demand	26.5	10.0	5.0	41.5
- Selling Back	-12.0	-11.0	-2.0	-25.0
Q3'98				
- New Demand	27.5	11.0	8.0	46.5
- Selling Back	-5.0	-	-2.0	-7.0
Net Offtake 1998 to date	-191.0	-54.0	10.5	-234.5

Total demand in the region in the third quarter amounted to 55.6 tonnes. This was 11% higher than in the corresponding quarter of 1997, although that was a quarter already affected by the start of the Asian crisis. Total offtake for the year to date remained negative at -179.7 tonnes, due to the first quarter dishoarding.

In S Korea, gross jewellery demand recovered to 25 tonnes, only slightly below pre-crisis levels. Investment demand was also relatively strong at 2.5 tonnes making gross demand of 27.5 tonnes. Dishoarding amounted to 5.0 tonnes, reducing net offtake to 22.5 tonnes. Loopholes in the VAT refund scheme encouraged some gold export but this seemed likely to have ended in September.

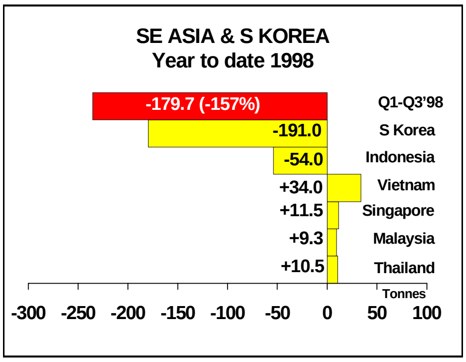
With the political situation improved, a steady rupiah and a good harvest, dishoarding seems to have effectively ended in **Indonesia.** Jewellery sales, largely for gifts, amounted to 4.5 tonnes. Investment demand remained high at 6.5 tonnes due to concerns over the fragility of the banking sector and increasing awareness of the value of gold as an asset of last resort. Investment in the first three quarters totalled 18.5 tonnes; already 61% higher than the record 11.5 tonnes for the whole of 1997. The political, economic and social situation remains, nevertheless, precarious and the outlook for gold sales correspondingly uncertain.

In Thailand, the economy continued to contract, although less rapidly than in previous quarters; lower interest rates and additional credit helped some companies in difficulties. There was a further small improvement in net gold offtake to 6.0 tonnes although this remained well below normal levels. Gross demand totalled 8 tonnes (6.0 tonnes jewellery, 2.0 tonnes investment); dishoarding amounted to 2.0 tonnes (1.5 tonnes jewellery, 0.5 tonnes investment), the same level as in Q2. The Gold Traders Association reported that 300-400 gold shops have gone out of business since the onset of the crisis in July 1997.



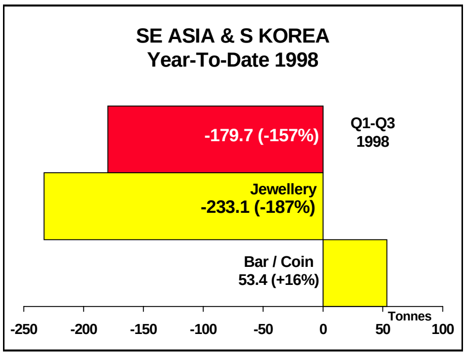
In contrast to the rest of the Far East, demand remained buoyant in **Vietnam.** At 10 tonnes, demand was 43% higher than in Q3'97. While jewellery demand was unchanged from a year ago, investment demand was boosted by the continuing failure of domestic interest rates to match inflation. Gold imports, other than of grain for jewellery manufacturers, are still banned although a new decree of gold management is currently being drafted.

In Malaysia, net demand was 3.5 tonnes, marginally higher than Q2 but 26% lower than Q3'97. Jewellery purchases, at 3.0 tonnes, were adversely affected by confusion following the surprise imposition of capital controls on September 1, which resulted in bullion imports almost ceasing until the final days of the month. As well as economic uncertainty the difficult political climate, following the dismissal and arrest of the deputy prime minister on September 2, also hit consumer confidence. The "Hungry Ghost" festival also hurt gold demand. In contrast to the general trend, investment demand, at 0.5 tonnes, was 67% higher than a year ago.



Gold demand in **Singapore** remained adversely affected by the impact of the general regional troubles which have resulted in negative economic growth, rising unemployment, falling property prices and declining tourist arrivals. Jewellery purchase was largely confined to traditional gifts for celebratory occasions with very limited purchases for personal adornment. Investment demand was also subdued. Total offtake was 2.6 tonnes, only half of year-ago levels.

Imports in the third quarter were just 29% of those in Q3’97.

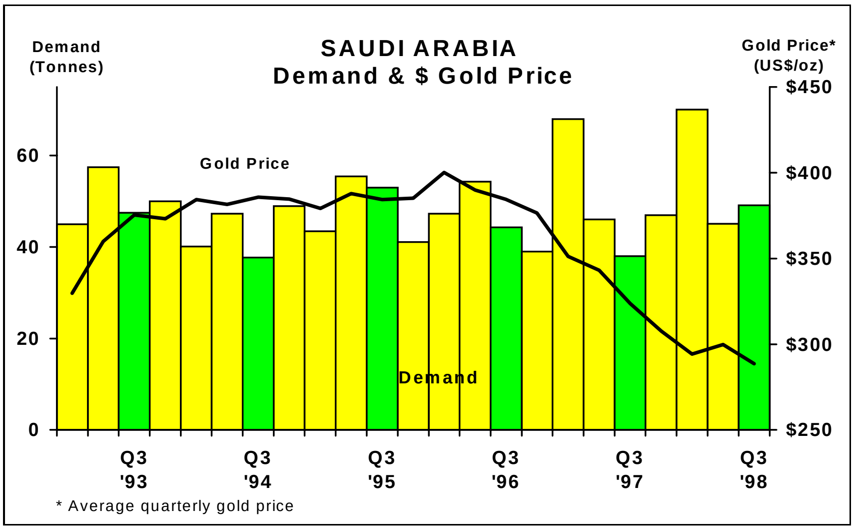


Gold Imports Into Singapore

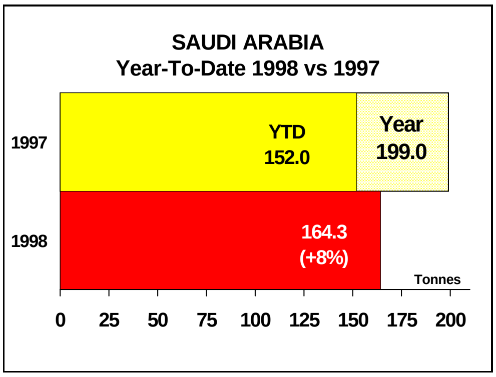
	1996	1997					1998				
	Year	Q1	Q2	Q3	Q4	**Year**	Q1	Q2	Q3	Q4	**YTD**
Tonnes	**357.8**	136.9	107.1	101.1	58.8	**403.5**	58.1	36.2	29.8		124.1

Saudi Arabia

Demand in **Saudi Arabia** rose to 49.1 tonnes, 29% higher than in Q3'97 following two quarters in which demand was close to year-ago levels. Year-to-date demand was 164.3 tonnes, 8% higher than in the first three quarters of 1997. The increased purchases were mainly due to rising investment demand, fuelled partly by rumours of a riyal devaluation which would have boosted the price of gold in domestic currency. The rise in demand may prove temporary since lower oil prices are hitting the Saudi economy.

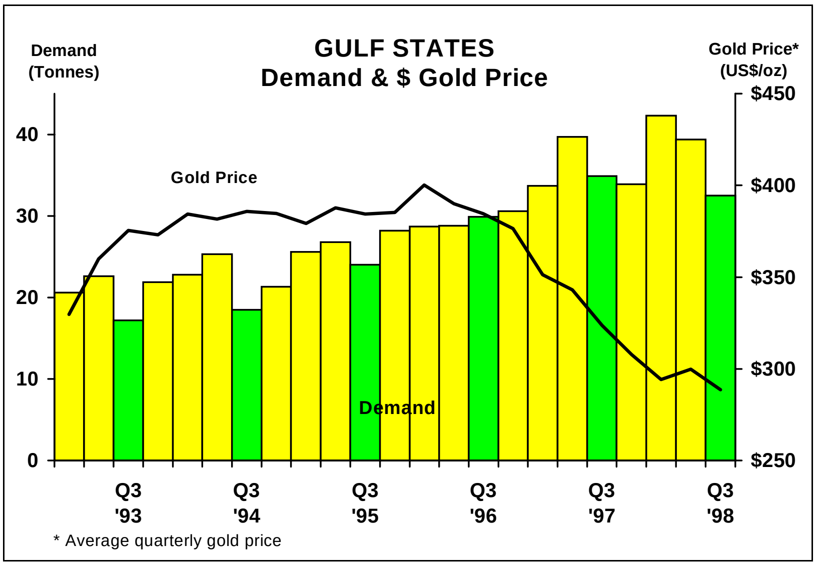


Local production remained stable at around 2 tonnes a quarter while scrap recovery was 16.0 tonnes. Imports, both official and unrecorded, totalled 34 tonnes.



Gulf States

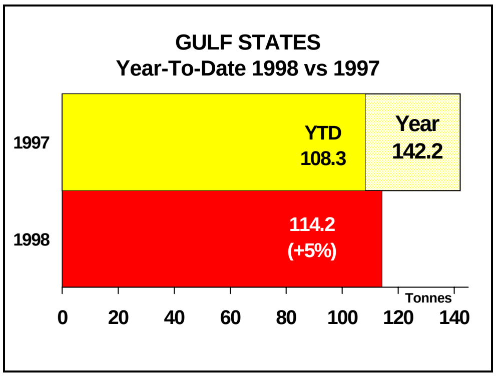
Covers UAE, Bahrain, Kuwait, Oman & Qatar

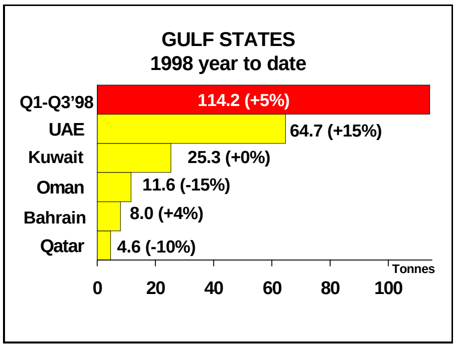


Demand in the **Gulf States** in Q3 was 32.5 tonnes, 7% lower than in Q3'97. Purchases were inhibited by slower economic growth and the effect of the fall in the price of crude oil. Year to date offtake, boosted by the strong demand of the first two quarters was 114.2 tonnnes, 5% higher than in the corresponding period of 1997.

Demand in the **UAE**, which accounts for over half of the Gulf total, remained robust at 17.4 tonnes, marginally higher than in Q3'97. Year-to-date offtake totalled 64.7 tonnes, 15% higher than in the first three quarters of 1997. Demand in **Qatar** also remained at year-ago-levels but purchases in **Kuwait, Bahrain** and **Oman** were all lower than in Q3'97.

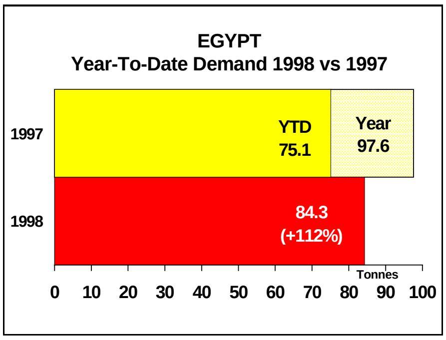
Gold imports into **Dubai** totalled 73.3 tonnes in Q3. Import levels remained well below 1997 levels since the liberalisation of imports in India means that gold is now imported direct into that country rather than transitting via Dubai.





Gold Imports Into Dubai

	1996	1997					1998				
Tonnes	**Year**	Q1	Q2	Q3	Q4	**Year**	Q1	Q2*	Q3	Q4	**Year**
Dubai	**350.5**	154.9	152.9	165.8	186.7	**660.3**	153.0	66.8	73.3		**317.2**

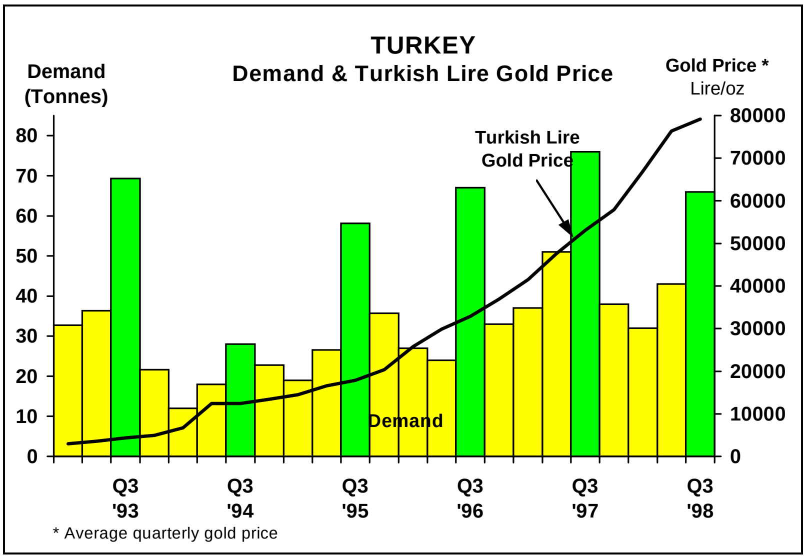


Egypt

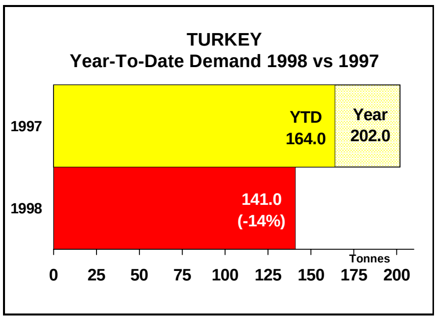
Gold demand data are now available for **Egypt**. Demand was 16.9 tonnes in Q3. Year-to-date offtake was 84.3 tonnes, 12% higher than in the corresponding period of 1997. The rise in demand was due partly to the low gold price, partly to the introduction of new products and partly to recovery in the number of tourist arrivals following the Luxor massacre in November 1997.

An introduction to the market in gold in Egypt will be published in a forthcoming issue of Gold Demand Trends. Egyptian data are not included in the table at the back or in total figures.

Turkey



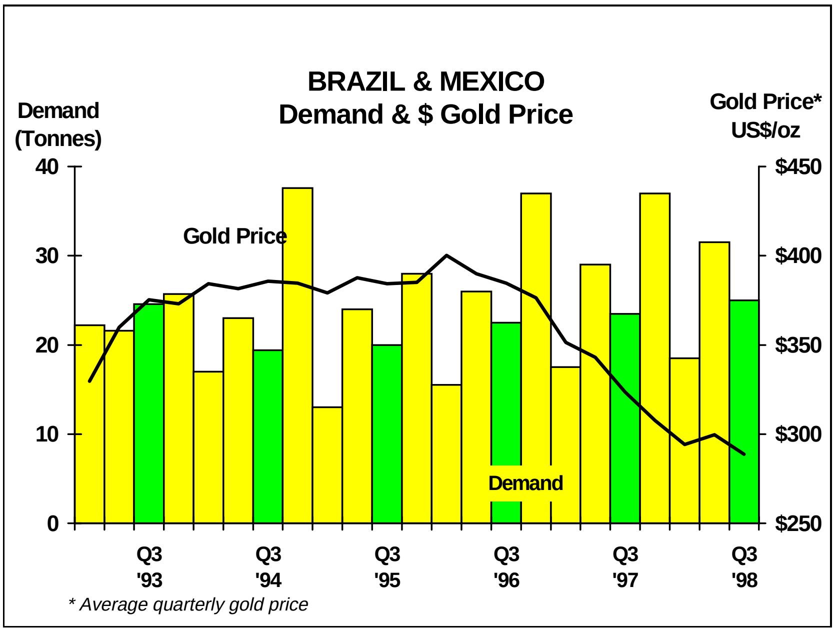
Demand in **Turkey** remained subdued in Q3, reaching 66 tonnes, 13% lower than in Q3'97. Trade adjustments due to previous overstocking by retailers, lower tourist purchases and sluggish domestic demand continued to be the factors behind the fall.



Brazil & Mexico

Covers Brazil & Mexico only. Products are jewellery, small bars/bullion coins.

Aggregate Q3 demand in **Brazil** and **Mexico** totalled 25.0 tonnes, 6% higher than the 23.5 tonnes recorded for Q3'97. Despite Brazil's financial crisis, demand remained strong in the third quarter, although offtake in Mexico weakened.

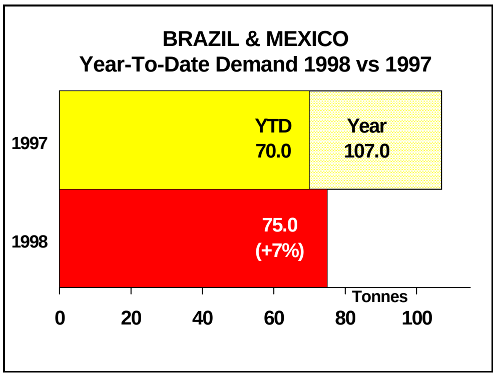


* Average quarterly gold price

Jewellery purchases in **Brazil** totalled 15 tonnes (the same level as an upwardly revised figure for Q2). Increasing by 15% over Q3'97 they appeared unaffected by the financial and economic crisis - not the first time in Brazil that jewellery sales have appeared to buck an adverse economic trend - although since the crisis only became fully apparent in the last weeks of the quarter there may be a delayed impact later in the year. Local manufacturers reported a 10% fall in sales compared with Q3'97 but this was more than compensated for by increased imports, mainly from Italy and Thailand.

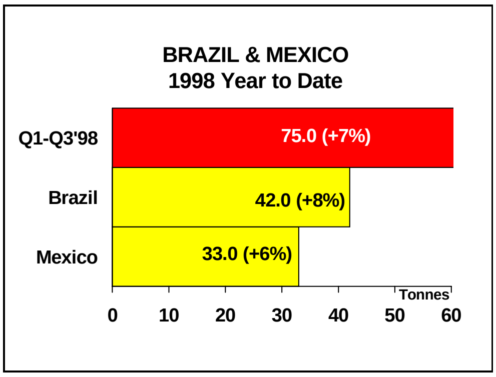
Investment demand rose, albeit from low levels. The turmoil in financial markets coupled with the depreciation of the real and the need to diversify portfolios helped to push demand to 2.0 tonnes, 33% higher than a year earlier. Altogether total demand in Brazil was 17.0 tonnes, 17% higher than a year earlier.

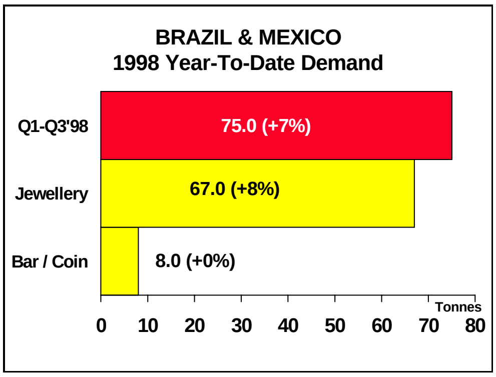
In **Mexico** economic uncertainties and concern over the future dampened demand for gold jewellery which, at 6.0 tonnes, was 14% lower than in Q3'97. Rising prices of basic products hit consumers' ability to fund discretionary purchases. School holidays and the subsequent return to school also limited household disposable income, Higher caratage jewellery - 18 and 14 carat - proved more resistant



than 10 carat, partly due to the relative availability of new products.

Investment demand was unchanged from Q3'97 at 2.0 tonnes. Total offtake in Mexico was 8.0 tonnes, 11% below year-ago levels.

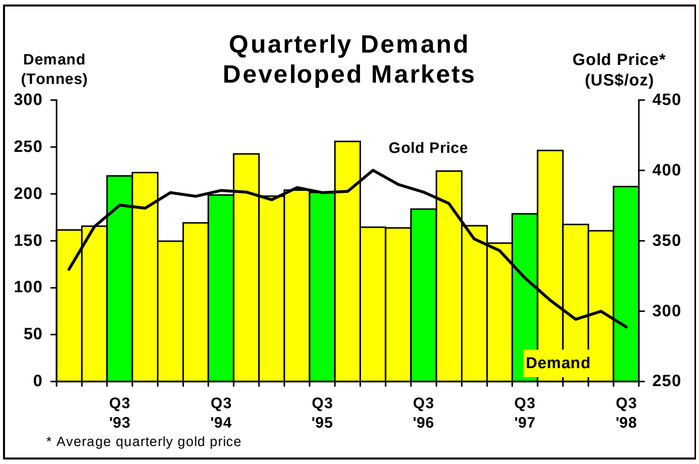


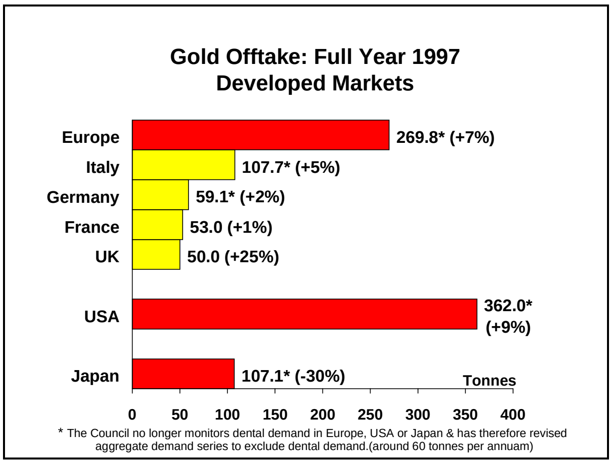


DEVELOPED COUNTRY MARKETS

Covers Europe, US & Japan. Products reported on are jewellery, gold bullion coins and bars (Japan).

- **At 207.8 tonnes, demand was 16% higher than in Q3'97 and almost equal to the Q3 record in 1993.** Jewellery sales totalled 166.5 tonnes, 3% higher than in Q3'97 while investment demand, at 41.3 tonnes, was a massive 144% higher than a year earlier. This was principally due to near record coin sales in North America although investment was also buoyant in Europe and Japan.
- **Despite varying economic circumstances, overall demand was higher in all three regions than in Q3'97.**

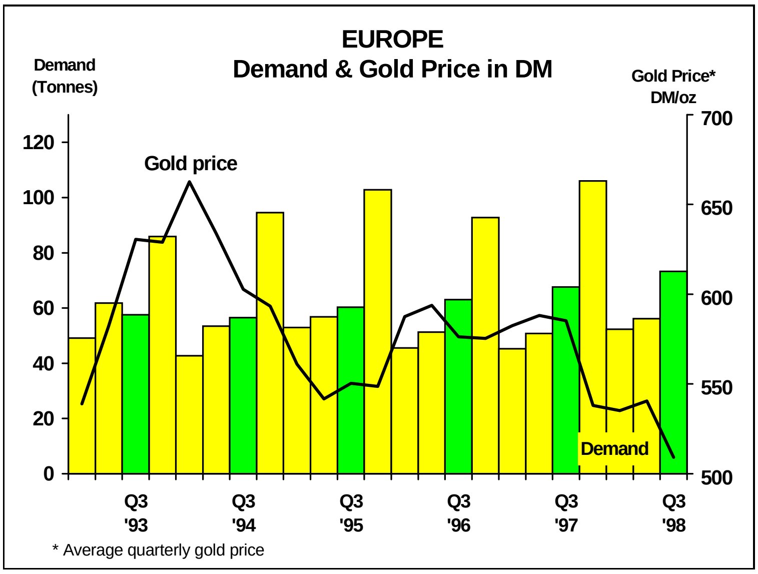




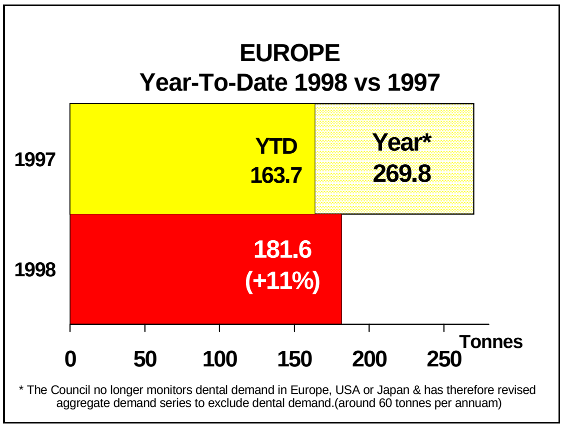
Europe

Covers jewellery demand in Italy, France, Germany & UK, bullion coin demand in Europe.

Gold demand in **Europe** continued to rise strongly with Q3 offtake totalling 73.3 tonnes, 8% higher than in Q3'97 and a record for the third quarter. Year-to-date offtake totalled 181.6 tonnes, 11% higher than in the first three quarters of 1997.



Jewellery demand was 68.5 tonnes in Q3'98, 7% higher than in Q3'97. There was little or no growth in Germany and Italy but strong rises in France and the UK. **Investment** demand (based on bullion coin sales mainly into Germany) was buoyant. Coin sales totalled 4.8 tonnes, 32 % higher than in Q3'97.

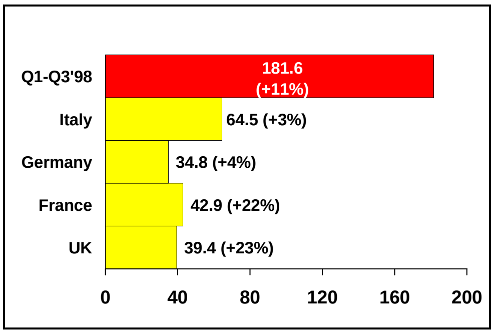


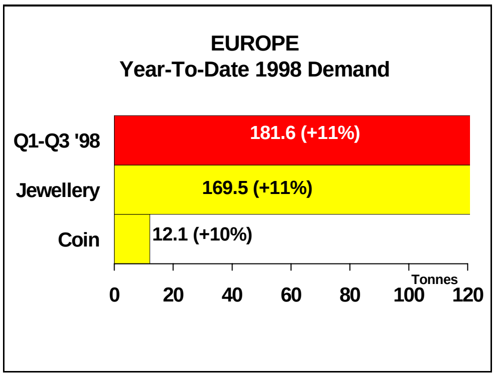
In Italy, Q3 demand was 31.9 tonnes, the same as in Q3'97. A less robust economic recovery than previously thought affected consumer confidence and hence demand. Overall offtake was also affected by a trend to market articles with proportionately less gold and more value-added. In contrast to the domestic picture, export demand remained vibrant pushing total fabrication to 128 tonnes, 19% up on a year earlier. While sales to the Far East were hit by the crisis, these account for only 8% of Italian exports and deliveries to all other major markets, apart from Germany, remained buoyant.

Economic recovery in **Germany** seems less firmly based than in other EU countries. Overall consumer spending reacted negatively to the 0.7% increase in value added tax rates in April. Jewellery demand was correspondingly lacklustre at 8.6 tonnes, just 1% higher than in Q3'97 although continuing recovery should support it in future quarters. In contrast, investment was booming with coin purchases 4.8 tonnes in Q3, 32% up on Q3'97.

Demand remained strong in **France** with jewellery purchases rising to 13.0 tonnes, 30% higher than in Q3'97. The economy appears to have grown rapidly in Q3 and this translated into buoyant household spending, although unemployment remained stubbornly high. Fabrication rose by 26% year-on-year and imports, especially from Italy, also grew rapidly.

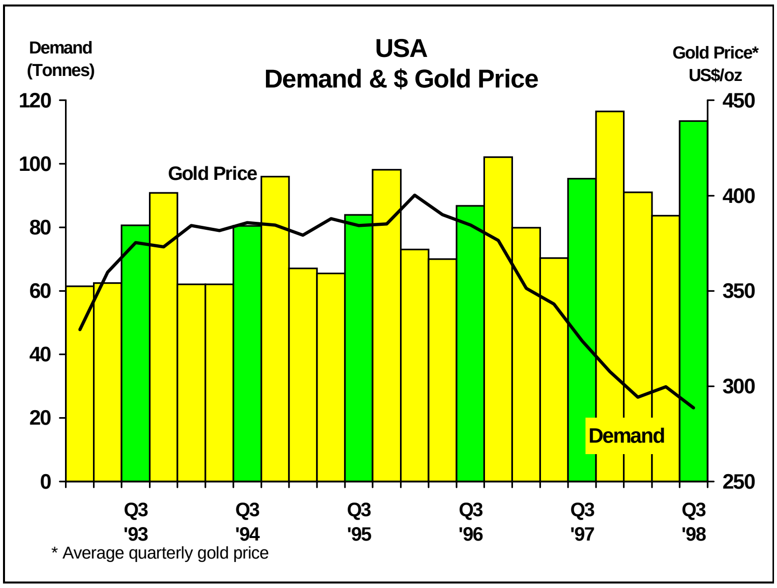
Economic growth is slowing in the **UK** but from a high level. Consumer demand generally is still growing albeit at a less heady pace than at the height of the boom. Gold jewellery purchases therefore remained buoyant in Q3, totalling 15.0 tonnes, 10% higher than in Q3'97. There was a 5% average increase in the weight of 9 carat articles contributing to the overall increase. Assay office data indicate an 8% year-on-year rise in British-made gold jewellery.





USA

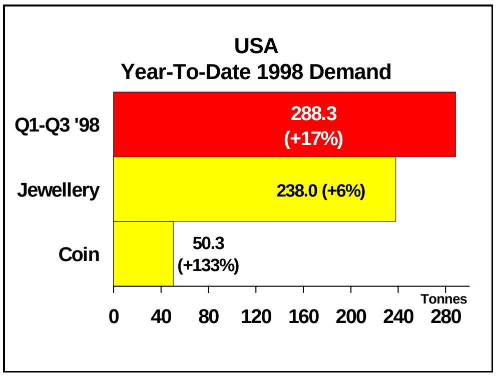
Covers jewellery and coin demand in the US



Demand in the **USA** continued to surge ahead setting a further third quarter record. At 113.5 tonnes, offtake was 19% higher than in Q3'97.

Jewellery demand was 90 tonnes, a third quarter record and 3% higher than offtake in Q3'97, in line with growth in overall retail sales (excluding automobiles). In spite of the deterioration in the global economy, the US economy and real disposable income continued to grow rapidly. Consumer confidence started to fall but from a high level, with little apparent impact on spending patterns.

Investment demand, as measured by coin sales from the issuing mints, rose strongly in the third quarter. At 23.5 tonnes, this was almost three times the previous record for a third quarter (8.7 tonnes in 1997) since the WGC started to collect quarterly data. Year-to-date, investment demand totalled 50.3 tonnes and 1998 looks likely to challenge previous record years such as 1986 and 1978. Financial market turmoil and a growing appreciation of the value of gold in helping to diversify investment portfolios were two reasons underlying this demand; fears over potential chaos to be caused by the millenium computer bug, with gold seen as a safe haven, were a third important factor.



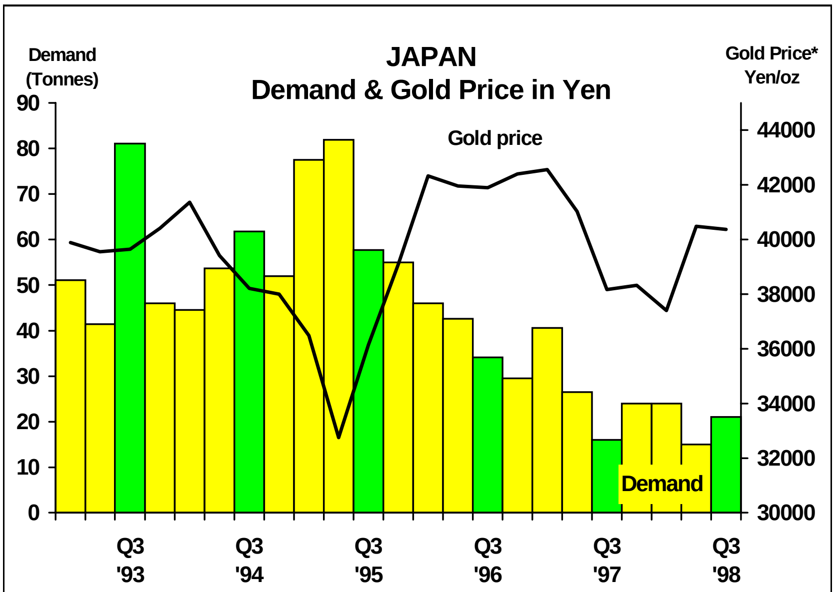
Japan

Covers jewellery, coin and bar demand in Japan

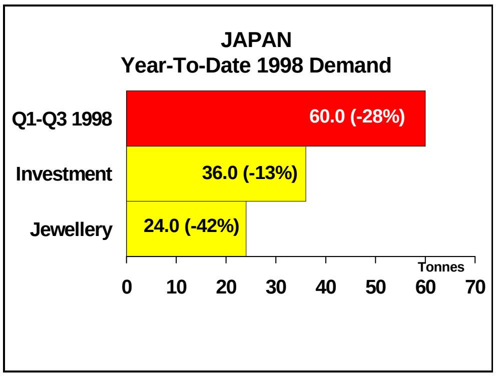
While demand remained low in **Japan** due to the prolonged economic crisis, an upsurge in investment in the last few weeks of the quarter boosted total Q3 offtake to 21.0 tonnes, 31% higher than a year earlier.

With overall private consumption falling, jewellery purchases for Q3 totalled 8.0 tonnes, similar to levels during the first two quarters but 27% lower than Q3'97. Demand remained strongest for white gold reflecting the current fashion for white jewellery.

Investment demand also remained weak during the first two months of the quarter but the picture changed in September. The banking crisis and loss of confidence in paper assets prompted an upsurge in gold purchases. High-net-worth individuals looked to gold to diversify portfolios. Major newspapers' comments about gold also became more favourable.



* Average quarterly gold price



Investment Demand in Japan

Tonnes	1996 Year	1997 Q1	1997 Q2	1997 Q3	1997 Q4	1997 Year	1998 Q1	1998 Q2	1998 Q3	1998 Q4	1998 Year
Bar	52.0	24.0	11.0	4.0	12.0	51.0	15.0	6.0	12.0		33.0
Coin	5.2	0.6	1.0	1.0	1.0	3.6	1.0	1.0	1.0		3.0
Total	57.2	24.6	12.0	5.0	13.0	54.6	16.0	7.0	13.0		36.0

The Gold Price and Interest Rates

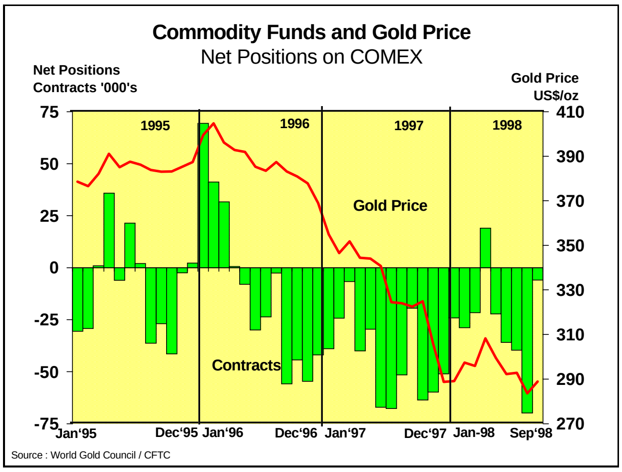
Despite the volatility in prices, trading activity continued to decline during the third quarter of 1998, and while part of this downturn can probably be attributed to seasonal factors it was nevertheless larger than expected. The average net daily turnover in trades cleared through the London market was 961 tonnes, a 9% decline on the second quarter of the year and 12% below the same period of the previous year. The range between the highest and lowest London afternoon fixings over the period was $24.70, about 10% less than during the previous quarter. The average gold price for the third quarter was $288.64, more than $11 below the average of the previous quarter and $34 below the average for the third quarter of 1997.

In contrast with previous months where trading conditions were largely dominated by speculation over central bank sales of gold, the main market influence over the third quarter was the rapid deterioration in the global economy, reflected in the extraordinary gyrations seen in both currency and equity markets. The period opened with the US dollar/yen exchange rate the main focus of attention; the relative strength of the yen, the key currency for the Asian region, being adopted as a proxy for likely East Asian demand for gold, with yen weakness being seen as negative for gold. At the same time the marked weakness of both the South African rand and the Australian dollar was also impacting the market, raising the prospect of increased forward selling by producers seeking to lock in higher domestic gold prices.

After fixing at $297.10 on July 1 the market settled into a gradual decline that extended to the end of August. During early July the plunge of the rand to a new low of 6.75 against the dollar following the appointment of Tito Mboweni as governor-elect of the Reserve Bank, the long-awaited news that gold would comprise 15% of the European Central Bank's initial reserves of 39.5 billion euros - initially seen as disappointing - and another downturn in the yen on the resignation of Japan's prime minister Hashimoto combined to put further downward pressure on gold prices, which touched a low of $288 on July 13. Producer selling out of South Africa was seen during this period with Avgold later confirming that it had sold 1.1 million ounces.

The currency markets then began to stabilise, however, and gold quickly bounced back above $290. The news that the IMF had approved extra credits for Russia lent additional support and recoveries in the rand and Australian dollar also helped improve sentiment, lifting gold to $295 on July 16. Over the rest of the month gold held mostly within a $290-295 trading range with increased activity in the silver and platinum markets diverting attention away from gold. The election of Keizo Obuchi as Japanese prime minister was seen as a conservative choice by a slightly disappointed market looking for radical reforms in the Japanese economy, and quotations moved to the lower end of the trading range towards the end of July; with the OTC options expiry looming there was talk of a large volume of "strangles" in place, with call options having been sold above the market and puts below in the hope that neither would be triggered. In the event, gold held around $290 until after the expiry but thereafter, with the price freed of option-related constraints, prices began to weaken as the yen came under renewed pressure on foreign exchanges.

By August 3 gold had retreated to $282, but then bounced as short-covering emerged. A 300-point drop in the Dow lent the recovery fresh impetus on the next day and by August 5 prices were pushing up



towards $290. The development of a steadier tone in stock markets then served to check the recovery and fears of a Chinese devaluation, together with the slide in the yen to a new low beneath 145 to the dollar, pressured prices down to $284 by August 14. Russia's economic problems then came to the fore with the effective devaluation of the rouble and the dollar's consequent strength weighed on gold. Nevertheless, prices managed to hold nervously between $280 and $285 until August 27, when Russia's sudden financial meltdown raised fresh concern over the outlook for the global economy.

Speculation that Russia could be forced to sell gold from its reserves - there had already been rumours of extensive swaps estimated at up to 200 tonnes - sparked heavy short selling; gold tumbled to a 19-year low of $270.75 as the net short position of the large speculators on Comex surged to 69,789 contracts (equivalent to 217 tonnes), the largest speculative short position seen on Comex since a brief period in mid-1997 when it reached about 250 tonnes. At the same time there were reports of producer selling out of Australia, where the fall in the Australian dollar had pushed local prices above A$500.

With the world's major financial markets in turmoil the sentiment for gold suddenly changed, however; on August 31 the Dow suffered its second largest points loss ever, falling by more than 510 points at the same time as the previously robust US dollar turned sharply weaker. This last development was seen as reducing the risk of producer hedging from Australia and South Africa and triggered heavy short-covering in gold. The market broke above $280 on September 2 and encouraged by renewed dollar and stock market weakness continued up to $285, where it consolidated until September 10. The dollar then endured another heavy sell-off ahead of the release of the US independent counsel's report on the Clinton scandal which, it was feared, could lead to the President's impeachment. Gold rallied once more, shrugging off the news that the Czech republic had sold most of its gold holdings (see next section) to move up to $294 on September 11.

Quotations then eased as the dollar adopted a steadier tone and traded narrowly around the $290 level as attention was concentrated on the volatile US stock market and the dollar. Comments by Federal Reserve chairman Alan Greenspan to the effect that he saw no commitment for concerted action on reducing interest rates caused gold to dip below $287 on September 16, but renewed stock market weakness checked the move and prices bounced back towards $294 by September 21. CFTC figures later showed that by this time the net short position of the large speculators on Comex had fallen to only 19,013 contracts (59 tonnes). Recommendations that China should raise its gold reserves from the current 397 tonnes to between 1,000 and 1,500 tonnes, made by Liu Shanen of the Chinese State Metallurgical Industry Bureau, also lent a measure of support at this time, but gold subsequently eased until September 23 when news of the near collapse of Long Term Capital Management (LTCM), a major US hedge fund, started gold on an upward course once more.

Prices initially strengthened from $287 to $291 on the implications of huge losses for LTCM's investors as well the damage to investor confidence, and despite a package being put together to bail out the fund concern over global financial liquidity was not easily allayed. At the same time rumours that LTCM might have to cover a short position in gold of up to 400 tonnes surfaced, and as other speculators raced to cover their own positions in response gold surged, fixing at $298.10 on September 25. The market then quietened down once more and after dipping towards $292 in response to the 0.25% cut in the federal funds rate, recovered to end the quarter at $294, by which time the net short position of the large speculators on Comex had fallen to 5,911 contracts (18 tonnes).

Longer-term gold lease rates, usually taken as an indication of producer hedging activity, were slightly more volatile over the quarter, the 12-month rate ranging between 1.43% and 2.19% in response to bouts of currency-related forward sales and buy-backs by producers. Short-term rates turned generally weaker, however, with liquidity becoming more plentiful on increased central bank lending and swapping. Russia and Venezuela are thought to have been particularly active over this period. Starting the quarter at 1.2%, the one-month rate dropped below 1.0% in mid-July and remained below this level until the end of September, reaching a low point of 0.29% on August 27. The LTCM affair had a sharp impact on one-month lease rates, which spiked up to 1.65% on September 25 as central banks, nervous at the losses reportedly made by investment banks on both emerging markets and the LTCM collapse, recalled gold that had been on deposit with the market. Over the remainder of the quarter rates held at around 1.3%.

Following the release of IMF statistics showing a jump of 74.5 tonnes in the level of Poland's gold reserves, up from 28.2 to 102.7 tonnes, the National Bank of Poland confirmed on August 13 that it had bought "large amounts" of gold earlier in the year. In a brief statement the NBP said that the decision to purchase gold had been made for economic and strategic political reasons and in order to diversify reserves, and that the purchase had been made outside the commercial banking system. This implies, of course, that the NBP bought the gold from another central bank; without knowing the exact timing it is difficult to tie down who the seller may have been, but it will be remembered that Belgium's last sale, reportedly made to five other unnamed central banks, involved deliveries up until March 1998.

In a move possibly linked to the recent weakness of the Canadian dollar the Canadian government, which has a long-standing policy of gradually replacing its gold reserves with interest-bearing assets, resumed the sale of gold from its reserves after a 21-month hiatus. Once a major holder of gold, the Bank of Canada disposed of 594 tonnes of gold between 1980 and 1996; these latest sales, 5 tonnes in July, 4 tonnes in August and 7 tonnes in September, brought the level of Canadian gold reserves down to just 81 tonnes.

A news report that Luxembourg's new central bank had sold a proportion of its gold reserves during July for a book "profit" of 1.5 billion Luxembourg francs was confirmed on September 4. No details of the volume involved have been made available, but estimates of up to 11 tonnes of Luxembourg's 12 tonnes holding have been made. Some gold will have been retained for transfer to the European Central Bank on European Economic and Monetary Union, while the cash raised will provide a high proportion of the 2.4 billion francs also due to be transferred to the ECB.

On September 11 the Czech National Bank announced that it had sold 31 tonnes of gold "during the previous week" with delivery being made on September 15. This sale, following the earlier disposal of 25 tonnes announced last February, reduced the Czech Republic's holdings to 14 tonnes, 5 tonnes of which is subject to dispute with its former federal partner Slovakia. At the time of the first sale the CNB said that it had pledged a further 31 tonnes against a possible fall in world gold prices, an option that was obviously exercised.

Gold holdings of "All Countries", as published by the IMF, showed a net rise of 3.56 million ounces (111 tonnes) between May and July 1998. Two major increases occurred over the period, the 2.4 million ounce (74.5 tonnes) purchase by Poland and a 3.25 million ounce (101 tonnes) rise in Brazil's reported reserves; it is possible that this move reflects the unwinding of swaps, but it may also involve some fresh purchases. On the downside there was a 1.3 million ounce (40 tonnes) fall in reported Russian reserves, almost certainly as the result of swap transactions, a 0.3 million ounce (9 tonnes) fall in Canadian holdings and smaller reductions in Austria and Venezuela, both of whom are active in the swaps market.

Official Holdings of Gold - IMF Statistics

Fine Gold, oz million end of period	1995 Year	1996 Year	1997 Year	1998 June	1998 July	1998 August
All Countries	909.8	907.6	890.6	882.5	884.7	884.4e
of which Industrialised Countries	*755.0*	*748.2*	*732.5*	*724.7*	*724.9*	*724.6e*
International Financial Institutions	204.4	202.0	199.1	197.1	197.1	197.1e
Total	1114.2	1109.6	1089.7	1079.7	1081.8	1081.5e

Note: The table covers all countries reported on in "International Financial Statistics" (IFS), published by the IMF. The item "International Financial Institutions" includes the IMF, the European Monetary Institute and the Bank for International Settlements. The statistics exclude: (1) a few member countries, (2) non-members of the IMF and (3) investment and monetary agencies of various national governments.

China Should Increase Gold Reserves

By Liu Shanen, Deputy Director, Gold Economic Development Research Centre

The full version of this article appeared in the May 1998 issue of *China Gold Economy*

The financial crisis has brought severe damage to many Asian economies and the negative impact will continue for a long time. The harsh reality has taught us a serious lesson. As China has not yet fully integrated its financial system into that of the world and has maintained a relatively independent financial regulation system, we were, in a sense, separated from the international financial market. This has alleviated, to a large extent, the direct impact of the crisis. But this financial crisis has greatly changed the external economic environment facing China and brought a lot of new difficulties. Therefore, we shall keep a close eye on the latest developments of this crisis so as to draw lessons and take corresponding measures.

Foreign Exchange Reserves and Financial Security

One serious lesson we must learn from the Asian financial crisis is that we should pay great attention to the security and stability of our financial sector, which is of vital importance to the stable economic development of our nation. Comprehensive and diversified measures should be taken to improve a nation's financial security. In this context, foreign exchange reserves are a very important issue.

(1) They can enhance a country's ability to service debt and protect itself from financial crisis. With world economic integration and an accelerated flow of international funds, a local problem may result in global crisis.

(2) They can improve a country's credit rating and help to maintain confidence in the currency. Thus they can, to a large extent, prevent large scale capital flight and help to stabilise the financial sector.

(3) They can help to stabilise the local currency, thus contributing to the stability of the overall economy.

The Current Situation of Gold Reserves in China

From 1949 when the People's Republic of China was founded until the early 1980s, gold in China was mainly owned by the state. Not until 1984 when the gold jewellery market was opened did gold become available to most Chinese, who have seen good growth in incomes. Therefore, for a long time, it was the government's prerogative to own gold. Before the reform, China's external reserves were at an extremely low level and foreign exchange was in grave shortage. In addition, the reserves consisted mainly of gold. At market prices of the day, gold accounted for more than 50% of total reserves each year. For example, China's gold reserves stood at 9 million ounces in 1973, equivalent to US$1.6 billion at then price, while the foreign exchange in the form of US dollar amounted to only US$83 million. Thus gold represented 95% of all the foreign exchange reserves.

This meant that for a long time gold was the principal component of our foreign exchange reserves. More gold meant more foreign exchange, and that was why China attached such importance to gold output. Since the adoption of the reform and opening up policy, China has had increased opportunities to obtain foreign exchange through trade and has attracted more foreign direct investment, causing a fundamental change in the foreign exchange balance Especially in the 1990s, thanks to the trade surplus every year, China's foreign exchange reserves have increased year by year. Now they stand at US$141.1 billion, ranking second in the world. The increase is a result of the growing amount of foreign exchange owned by the state, while the gold reserves of 397 tonnes have remained unchanged since the early 1980s, thus leading to a dramatic fall in the proportion of gold in our foreign exchange reserves. At the average gold price for 1997 of US$331 per ounce, gold accounted for about 3% of China's foreign exchange reserves, and China's gold reserves ranked 12th in the world.

In summary, China's gold reserves are marked by two main features: First, we have maintained a policy of long term stability in our gold reserves. Since the 1980s, our gold reserves have stayed at 12.67 million ounces without much change. Even when some European countries sold some of their gold reserves in recent years, the relevant informed sources in China made it clear that China would not follow suit, but would rather maintain stable gold reserves. Second, the ratio of China's gold reserves to total foreign exchange reserves is too low by international standards. The value of China gold reserves is equivalent to a mere 3% of the foreign exchange reserves of the country. This is much too low as compared with many other major economies of the world. Among the top 12 gold reserve countries, only Japan's ratio of gold to foreign exchange is roughly the same as ours.

Comments and Suggestion

China's foreign trade has been expanding more rapidly than that of any other country in the world. In the future, along with the expansion of foreign trade, the country's openness to and dependence on the outside world will also increase. It is therefore necessary to re-examine our long-term policy of keeping our gold reserves unchanged in light of two requirements. One is that foreign exchange reserves must be maintained at an appropriate level. The other is that the current global financial crisis demands greater financial stability.

At present, only gold has the kind of time-tested stability that naturally makes it our primary means for avoiding financial risk and increasing financial stability. It is absolutely correct and necessary to increase gold reserves.

My personal recommendation is that we should consider raising the percentage of our gold reserves from 3% to around 10%, thus bringing the quantity of our total gold reserves to between 1,000 and 1,500 tonnes and making China the sixth largest holder of gold in official reserves in the world. This level of gold reserves is commensurate with the pace of growth in our foreign trade. Even then, China's gold reserve ratio would still be relatively low compared with many other countries.

In the past when our economy was weak, we found it very difficult to earn foreign exchange. In those circumstances, it was difficult for us to increase gold reserves. Right now, we have much larger foreign exchange reserves and our production capacity has improved by a large margin. As a result, increasing our gold reserves is not only necessary but also highly feasible .

Sources and Reliability of Data

Category / Country	Source	Reliability
Developing Country Markets		
- India China, Taiwan, Hong Kong S.E. Asia / S. Korea, Saudi Arabia Gulf States, Turkey	Import statistics / trade sample	Measured / Indicated
- Brazil, Mexico, Vietnam	Trade sample	Inferred
Developed Country Markets		
Europe		
- Jewellery UK & France	Hallmarking	Measured
Germany,	Trade Panel	Inferred
Italy	Trade sample	Indicated
- Bullion Coins	Issuing Mints' sales data	Measured
USA		
- Jewellery	Trade Panel (Representative)	Indicated
- Bullion Coins	Issuing Mints' sales data	Measured
Japan		
- Jewellery	Import statistics/trade sample	Measured/Indicated
- Bars & Coins	Import statistics/trade sample	Measured/Indicated
	Gold Accumulation Plan sales	Measured

* **Measured** : Data fully based on statistics believed to be reliable, such as Government import and hall-marking statistics
* **Indicated** : Information projected from a representative sample of data
* **Inferred** : Information derived from a small sample of data and/or informed contacts in the local market-place.

Definitions

Tonnes (mt): Metric ton = 1,000 kg or 32,151 ounces of fine gold.
Import Data: Volume of gold imported into key bullion trading centres which serve as an important supply source for gold in the region.

Fabrication: Total volume of gold, either newly-mined or scrap, converted into the end-use products being reported on.
Trade Purchases: Total volume of gold contained in products purchased by the trade, either retail or wholesale, for ultimate sale to consumers.

Consumer Purchases: Volume or value of gold purchased by consumers in a given market. Usually measured by WGC's representative panel of retail shops or by WGC surveys of consumer buying behaviour.

The aim of Gold Demand Trends is to review the latest state of demand for gold in the leading gold-consuming countries of the world. The areas covered are those where the World Gold Council is currently best positioned to provide a perspective on demand trends through a field staff located in the key demand centres and in contact with the major entities in the gold business.

The primary focus of the data is on the state of retail purchases of gold for the onward sale to the consumer, this being the common measurement parameter of demand in all World Gold Council markets and a proxy for consumer demand. At a subsidiary level, other data are provided, as available, which can help shed light on market trends e.g. gold imports, jewellery fabrication, consumer purchases.

No attempt is made to arrive at a global demand figure. This is because the Council cannot track between 15% and 20% of global demand where it is not represented (Africa, parts of Latin America, the former Communist bloc and parts of the Middle East) or where demand is difficult to measure (investment demand in Western markets).

Gold Demand in Key Markets Worldwide (Tonnes) : 1992-1998

	1992	1993	1994	1995	1996	1997	95-4	96-1	96-2	96-3	96-4	97-1	97-2	97-3	97-4	98-1	98-2	98-3
Gold Price ($)	*343.45*	*359.18*	*384.14*	*384.08*	*387.87*	*331.26*	*385.12*	*400.13*	*390.05*	*384.62*	*376.47*	*351.28*	*343.07*	*323.66*	*307.72*	*294.18*	*299.78*	*288.64*
India	**454.3**	**405.4**	**415.0**	**477.2**	**507.8**	**736.7**	**116.8**	**117.5**	**133.3**	**120.4**	**136.6**	**163.6**	**178.8**	**186.2**	**208.1**	**252.1**	**206.1**	**171.8**
China, Taiwan, HK	**497.8**	**420.0**	**433.8**	**427.3**	**374.4**	**406.9**	**102.5**	**122.5**	**93.1**	**75.6**	**83.2**	**110.1**	**99.5**	**92.3**	**105.0**	**92.3**	**76.6**	**68.5**
- China	250.0	223.0	224.3	223.9	210.7	213.8	47.4	59.3	58.1	48.9	44.4	55.3	54.3	49.0	55.2	52.3	49.3	43.1
- Taiwan	191.2	160.6	162.0	160.2	123.3	142.1	43.0	52.0	26.4	17.5	27.4	41.3	33.6	33.7	33.5	28.0	20.2	17.8
- Hong Kong	56.6	36.4	47.5	43.2	40.4	51.0	12.1	11.2	8.6	9.2	11.4	13.5	11.6	9.6	16.3	12.0	7.1	7.6
SE Asia & S.Korea	**306.0**	**340.8**	**410.7**	**445.7**	**455.1**	**318.4**	**109.5**	**122.1**	**110.2**	**105.7**	**117.1**	**156.8**	**106.4**	**49.9**	**5.3**	**-268.1**	**32.8**	**55.6**
- Thailand	87.0	96.0	124.0	116.0	106.0	14.0	24.5	34.5	24.5	22.5	24.5	41.5	18.5	-15.0	-31.0	1.5	3.0	6.0
- Singapore	25.0	21.4	23.9	24.1	20.0	22.4	4.6	7.1	4.3	3.8	4.8	8.9	4.5	5.2	3.8	6.4	2.5	2.6
- S Korea	73.5	90.0	106.0	121.0	125.5	114.4	32.2	30.0	31.5	30.5	33.5	31.5	30.5	32.5	19.9	-228.0	14.5	22.5
- Malaysia	22.5	22.4	24.8	29.6	33.6	30.1	8.2	11.5	5.9	6.9	9.3	14.9	5.9	4.7	4.6	3.0	2.8	3.5
- Indonesia	70.0	80.0	97.0	119.0	129.0	92.5	32.0	29.0	35.0	32.0	33.0	42.0	37.0	15.5	-2.0	-64.0	-1.0	11.0
- Vietnam	28.0	31.0	35.0	36.0	41.0	45.0	8.0	10.0	9.0	10.0	12.0	18.0	10.0	7.0	10.0	13.0	11.0	10.0
Saudi Arabia	**225.0**	**200.0**	**174.0**	**193.1**	**184.9**	**199.0**	**41.1**	**47.3**	**54.3**	**44.3**	**39.0**	**68.0**	**46.0**	**38.0**	**47.0**	**70.1**	**45.1**	**49.1**
Gulf States	**101.4**	**82.3**	**87.9**	**104.6**	**118.0**	**142.1**	**28.2**	**28.7**	**28.8**	**29.9**	**30.6**	**33.7**	**39.6**	**34.9**	**33.9**	**42.3**	**39.4**	**32.5**
- UAE	37.0	32.7	33.2	39.2	52.6	71.5	11.0	13.3	12.0	13.9	13.4	16.9	22.2	17.3	15.1	25.3	22.0	17.4
- Kuwait	35.0	20.0	25.0	35.1	34.7	35.4	8.9	8.1	9.4	8.4	8.8	7.2	9.2	9.0	10.0	7.6	10.2	7.5
- Bahrain	7.0	7.2	7.4	7.8	8.0	10.6	2.2	1.8	1.8	2.1	2.3	2.6	2.2	2.9	2.9	2.8	2.5	2.7
- Oman	16.5	16.5	16.5	16.5	16.5	17.8	4.3	4.1	4.1	4.0	4.3	4.8	4.4	4.4	4.2	4.5	3.5	3.6
- Qatar	6.0	6.0	6.0	6.1	6.2	6.8	1.8	1.4	1.5	1.5	1.8	2.2	1.6	1.3	1.7	2.1	1.2	1.3
Turkey	**128.1**	**159.9**	**80.8**	**139.4**	**153.0**	**202.0**	**35.7**	**27.0**	**24.0**	**69.0**	**33.0**	**37.0**	**51.0**	**76.0**	**38.0**	**32.0**	**43.0**	**66.0**
Latin America	**74.0**	**94.0**	**97.0**	**85.0**	**100.0**	**107.0**	**28.0**	**14.5**	**26.0**	**22.5**	**37.0**	**17.5**	**29.0**	**23.5**	**37.0**	**18.5**	**31.5**	**25.0**
Brazil	41.0	52.0	50.0	54.0	59.0	58.0	16.0	8.5	15.0	14.5	21.0	9.5	15.0	14.5	19.0	8.5	16.5	17.0
Mexico	33.0	42.0	47.0	31.0	41.0	49.0	12.0	6.0	11.0	8.0	16.0	8.0	14.0	9.0	18.0	10.0	15.0	8.0
Developing Mkts	**1786.6**	**1702.4**	**1699.2**	**1872.3**	**1893.2**	**2112.2**	**461.8**	**479.6**	**469.8**	**467.3**	**476.5**	**586.7**	**550.4**	**500.8**	**474.3**	**239.2**	**474.5**	**468.5**
Europe	**282.5**	**254.3**	**247.2**	**272.7**	**252.4**	**269.8**	**102.8**	**45.5**	**51.2**	**63.0**	**92.7**	**45.3**	**50.8**	**67.6**	**106.0**	**52.2**	**56.1**	**73.3**
- Italy	125.0	106.0	103.0	108.0	102.2	107.7	46.1	14.4	17.3	29.0	41.5	14.6	16.4	31.9	44.8	15.8	16.8	31.9
- France	42.0	48.9	50.5	52.0	52.5	53.0	18.0	12.1	13.8	9.8	16.8	11.7	13.5	10.0	17.8	13.4	16.5	13.0
- Germany	80.9	66.5	58.9	73.4	57.7	59.1	26.2	12.1	11.2	13.4	21.0	10.8	10.6	12.1	25.5	11.4	10.0	13.4
- UK	34.6	32.9	34.8	39.3	40.0	50.0	12.5	6.9	8.9	10.8	13.4	8.2	10.3	13.6	17.9	11.6	12.8	15.0
USA	**272.2**	**295.5**	**300.6**	**314.7**	**331.9**	**362.0**	**98.2**	**73.0**	**70.0**	**86.8**	**102.1**	**79.9**	**70.4**	**95.3**	**116.5**	**91.1**	**83.7**	**113.5**
Japan	**186.3**	**219.6**	**212.1**	**272.1**	**152.2**	**107.1**	**55.0**	**46.0**	**42.6**	**34.1**	**29.5**	**40.6**	**26.5**	**16.0**	**24.0**	**24.0**	**15.0**	**21.0**
Developed Mkts	**741.1**	**769.4**	**759.9**	**859.5**	**736.6**	**738.9**	**256.0**	**164.5**	**163.7**	**183.9**	**224.4**	**165.9**	**147.6**	**178.9**	**246.5**	**167.4**	**154.8**	**207.8**
WGC Mkt Total	**2527.7**	**2471.8**	**2459.1**	**2731.8**	**2629.8**	**2851.1**	**717.8**	**644.1**	**633.5**	**651.2**	**700.9**	**752.6**	**698.0**	**679.7**	**720.8**	**406.6**	**629.3**	**676.3**

Some data may have been revised since the last issue of Gold Demand Trends *N.B. Figures may not add due to rounding*

World Gold Council Offices

HEAD OFFICE

1, rue de la Rôtisserie
CH-1204 Geneva, Switzerland
Tel. +41.22.311.96.66
Fax. +41.22.310.81.60
Web site: http://www.gold.org

THE AMERICAS & EUROPE

Regional Office & USA
444 Madison Avenue
New York, NY 10022
Tel. +1 212.317.3800
Fax. +1 212.688.0410

Brazil
Avenida Paulista 1499
Conj. 706
01311-928 Sao Paulo
Tel. +55.11.285.5628
Fax. +55.11.285.0108

Mexico
Av. Reforma No. 382
Despacho 701
Col. Juarez
11700 Mexico D.F.
Tel. +52.5.514.2172
Fax. +52.5.514.2172

United Kingdom
Kings House
10 Haymarket
London SW1Y 4BP
Tel. +44.171.930.5171
Fax. +44.171.839.4314

FAR EAST

Regional Office & Singapore
6 Battery Road No. 24-02A
Singapore 049909
Tel. +65.227.2802
Fax. +65.227.2798

China (Beijing Office)
Room 507, Sciteck Place
22 Jian Guo Men Wai Da Jie
Beijing 100 004
Tel. +861.0.6515.8811
Fax. +861.0.6522.7587

China (Shanghai Office)
Room 203B, Central Place
No. 16 He Nan Road (S)
Shanghai, PRC 200 002
Tel. +86.21.6355.1007/1008/1009
Fax. +86.21.6355.1011

Vietnam
No 6 Phung Khac Khoan St, Room G7
District 1, Ho Chi Minh City
Tel. + 848 8256 653/654
Fax + 848 8221 314

Hong Kong
13th Floor, Printing House
6 Duddell Street, Central
Hong Kong
Tel. +852.2521.0241
Fax. +852.2810.6038

Indonesia
Tamara Center Level 6, No 602
Jl. Jenderal Sudirman Kav 24
Jakarta 12920
Tel. +62.21.520.3693/94/95
Fax. +62.21.520.3699

Japan
Shin Aoyama Building / W21F
1-1-1 Minami-Aoyama
Minato-ku, Tokyo 107
Tel. +81.3.3402.4811
Fax. +81.3.3403.2477

Malaysia
Menara Dion No. 12-05
27 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel. +60.3.381.2881
Fax. +60.3.381.2880

South Korea
19th Floor, Young Poong Bldg.
33, Seorin-dong, Jongro-ku
Seoul 110 752
Tel. +82.2.399.5377
Fax. +82.2.399.5372

Taiwan
Room 808
205 Tun Hwa N. Road
Taipei
Tel. +886.251.47.400
Fax. +886.251.47.466

Thailand
14th Floor, Thaniya Plaza
52 Silom Road, Bangrak
Bangkok 10500
Tel. +662.231.2486/7
Fax. +662.231.2489

MIDDLE EAST & INDIA

Regional Office & UAE
Dubai World Trade Centre
P.O. Box 9209 – Level 28
Dubai, United Arab Emirates
Tel. +971.4.314.500
Fax. +971.4.315.514
E-mail: wgcdubai@emirates.net.ae

Turkey
Mim Kemal Öke Caddesi
Dost Apt. 8/4
Nisantasi, 80200 Istanbul
Tel. +90.212.225.1960
Fax. +90.212.225.1913

India (Bombay Office)
101, Maker Chamber VI
10th fl.
220, Nariman Point
Mumbai 400 021
Tel. +91.22.287.2955
Tel. +91.22.204.8525
Fax. +91.22.204.5613

India (Madras Office)
B-2 Alexander Square
34/35 Sardar Patel Road
Guindy
Chennai 600 032
Tel. +91.44.230.0083/0084
Fax. +91.44.230.0086

India (New Delhi Office)
47, Basant Lok
Vasant Vihar
New Delhi 110 057
Tel. +91.11.614.9394/95
Fax. +91.11.614.8281

India (Calcutta Office)
World Trade Center Calcutta
Somnath Building, 4th Floor
8/1A, Sir William Jones Sarani
Calcutta 700 016
Tel. +91.33.249.4318
Fax. +91.33.292.793

Gold Demand Trends **is compiled and produced in-house by the World Gold Council, Geneva & distributed worldwide through Council offices.**