

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 2001 – 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

Annual mine production increased in 2010 by 100 tonnes (4%) over 2009 to reach a record level of 2,689 tonnes. For the first time since 1988, the official sector was a net purchaser (73 tonnes) in 2010.

In recent years, the annual dishoarding of old gold scrap has been particularly high, due mainly to the rise in the gold price.

Category	2001	2010	
	Tonnes	Tonnes	% Split
Mine production	2,646	2,689	62
Old gold scrap	749	1,645	38
Official sector sales*	520	-	-
Net producer hedging	-	-	-
Implied net disinvestment	-	-	-
Total Supply	3,915	4,334	100

Statistics: © Copyright GFMS Limited. Source: GFMS “Gold Survey 2011”. * Official sector: central banks and institutions such as IMF.

END USE GOLD CONSUMPTION

Over the past decade, the key trend has been the growth in annual **Identifiable Investment**, which has increased from 370 tonnes (2001) to 1,514 tonnes (2010). In 2010, it accounted for approximately 38% of world gold demand.

Category	2001	2010	
	Tonnes	Tonnes	% Split
Jewellery Consumption	3,009	2,017	50
Industrial & Dental	363	466	12
Electronics	197	327	8
Other Industrial & Decorative	97	91	2
Dentistry	69	49	1
Identifiable Investment	370	1,514	38
Physical Bar Investment	259	880	22
Investment in Exchange Traded Funds and Related Products*	-	338	8
Official Coin	83	207	5
Medals & Imitation Coin	29	88	2
Total	3,742	3,997	100

Statistics: © Copyright GFMS Limited. Source: GFMS “Gold Survey 2011”.



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.



Kopanang mine
AngloGold Ashanti
South Africa

Gold mine production increased by 4% to reach a record level of 2,689 tonnes in 2010.



Heraeus
Germany

Dishoarded old gold scrap remained high at 1,645 tonnes in 2010.



It can be noted that jewellery's share of end use consumption has fallen from 80% (2001) to 50% (2010).

GFMS notes:

* 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, Dubai Gold Securities, ETFs Physical Precious Metals Basket Shares (GLTR) and Mitsubishi Physical Gold ETF.

PHYSICAL GOLD BAR INVESTMENT

In recent years, physical gold bar investment worldwide has grown substantially, notably in Europe (particularly, Germany), India and China, to reach 880 tonnes in 2010.

By contrast, Japan has dishoarded 30-50 tonnes of gold bars each year since 2006.

Country	2001	2010	
	Tonnes	Tonnes	% Split
Indian Sub-Continent	91.4	273.5	31
East Asia	146.8	268.8	31
Europe	(3.9)	230.6	26
Middle East	21.2	66.0	7
North America	1.6	29.8	3
Latin America	-	4.8	1
Oceania	1.5	4.0	<1
CIS	-	3.1	<1
Total	258.6	880.5	100

Statistics: © Copyright GFMS Limited. Source: GFMS "Gold Survey 2011".

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



Johnson Matthey
USA

Identifiable gold investment increased to 1,514 tonnes in 2010.



Industrial and Commercial
Bank of China

Physical gold bar investment increased to 880 tonnes in 2010.



Tanaka
Japan

For the first time since 1988, the official sector was a net purchaser of gold – 73 tonnes in 2010.



Krugerrand
South Africa

Investment in official coins remained high at 207 tonnes in 2010.

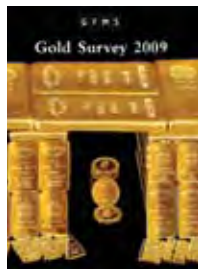




Alukkas
India

Gold jewellery consumption remained low at 2,017 tonnes in 2010 – a decline of 33% over 2001.

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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