

**Publication: Financial Chronicle**

**Headline: Gold imports surge 27%...demand**

**Edition – Mumbai & All Editions**

**Date: 22<sup>nd</sup> December, 2010**

**Coverage –**

# Gold imports surge 27% to 2007 level on high demand

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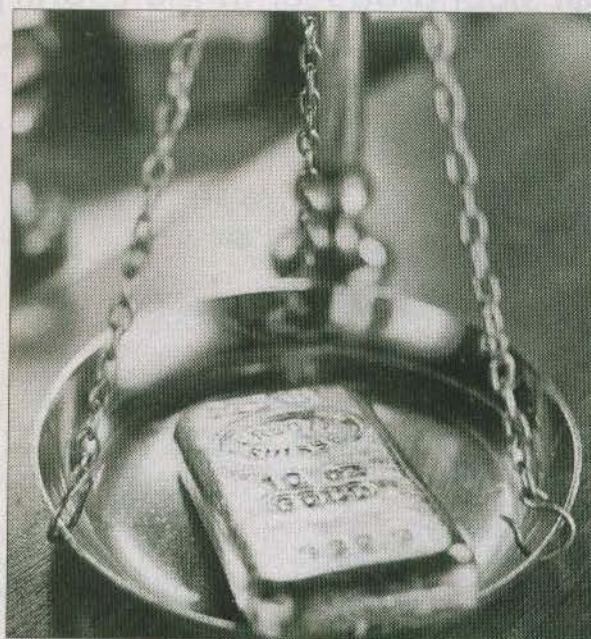
*Chennai*

GOLD imports have reached back to 2007 levels surging over 75 per cent after two years of declining demand.

According to Bombay Bullion Association, the country has upto November this year, imported 741 tonnes of gold and by the end of the year total annual imports are likely to be around 780 tonnes. This is more than the 759 tonnes imported in 2007.

According to the data available with the association, in 2008, imports had declined to 481 tonnes and in 2009 it had further dipped to 439 tonnes due to recessionary sentiments in the market and price gain in the safe haven asset.

While the economy has got back into track in 2010, investors have become



**STEEP FALL:** In 2008, imports declined to 481 tonnes and in 2009 it dipped further to 439 tonnes due to recessionary sentiments

confident about the bullish trend in the yellow metal

“Earlier investors in physical gold waited for a

major correction and postponed their purchases till then. Now they believe that prices are only going to

move up and they make the purchases whenever the market stabilises after a rise,” said L K Syed Ahmed, chief advisor, Tamil Nadu State Jewellers Federation.

The gold imports were highest in March at 94 tonnes and in October and August it was 90 tonnes. In October the domestic price of 99.9 purity gold had crossed Rs 20,000 mark. The festival season also boosted the imports in October.

According to Ajay Mitra, managing director (India) of World Gold Council, despite the gold price peaking several times in 2010, the sale of old gold has remained at usual levels. “This shows the confidence of people in gold as they want to hold back to their asset,” he said.

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