

Bullion BulletinTM

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Volume 4 • Issue 10 • October 2014

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Printed, Edited & Published and owned by G. Srivatsava,
published from No.146, 1st Floor, Gopal Towers, Ramaiah
Street, HAL Airport Road, Kodihalli, Bangalore - 560 008,
Printed at Hamsanikethan Printers, No. 126, CT Bed,
Banashankari 2nd Stage, Bangalore - 560070.

Dear Readers,

India's Gross Domestic Product currently stands at USD 2 trillion. India's current savings rate is around 30% of GDP which roughly translates into USD 600 billion. Out of these total savings, roughly 8% comes to gold in various forms – jewellery, bar, coins etc. So, gold is an important instrument for people to save their money for future need. India has been struggling hard to contain current account deficit (CAD). This precisely was the reason that Indian government put a restriction on import of gold last year through 80:20 scheme and hiking the import duty to 10% on ad valorem basis to contain the import. Since then Industry has been going through a rough time to source gold to meet domestic demand. Though CAD has come down to accepted level of RBI to 2% of GDP, central bank is still maintaining protective policies. Indian bullion industry had gathered at India International Gold Convention **(which was in its 11th year and is considered most valuable platform for bullion industry in India)** in Pune held between Sep 12th and 14th and discussed this issue to create bigger consensus on how industry can move from here on. The stakeholders suggested that government must abolish 80:20 scheme and better implement the quota system. In this, government could set a target of total import for a year and divide the same in 12 months period. Authorized import agencies will get their share of quota on a monthly basis based on their past performance.

Bringing above ground gold available in the country (grossly estimated around 25000 tons at present) into the market to cut down the import and keep the adequate supply in the market at the same time was another theme of discussion. A concept note on gold monetization scheme was proposed which, if implemented well, could reduce demand for imported gold by one third and save precious forex reserve. A discussion paper on changes needed in 'Gold Deposit Scheme' (GDS) was also brought out. A representation to the government was made, opinion sought, and feedback taken. The same will be presented to the government agencies.

At last, as presented by Thomson Reuters GFMS, average gold and silver prices are expected to remain around \$1230/oz and \$20/oz respectively this year. It looks very logical citing the performance of both the metals so far.

Good Luck

Debajit Saha
Editor





MADE FOR TRADE

OUR GOLDEN RULE IS RESPONSIBLE SOURCING.

DMCC is committed to working with global stakeholders to develop and promote the implementation of industry best practices; our responsible sourcing accreditation programme is globally recognised and fully aligned with the OECD guidance.

DMCC's responsible sourcing accreditation will allow your company to comply with conflict-free gold sourcing regulations globally, thereby enabling your products to be traded anywhere in the world.

Our goal is to create an inclusive gold industry that is responsible and able to provide assurances on the adequacy of its due diligence procedures and supply chain management practices. If you are a company that deals with any form of gold in your supply chain you are eligible to become one of our accredited members.

DMCC has three accreditation initiatives for responsible sourcing of gold based on DMCC's Practical Guidance and Review Protocol as follows:

- **Responsible Market Participant (RMP)**

Accreditation of responsible sourcing practices based on 3rd party independent assurance, designed for all gold market participants, traders, jewellers, processors and aggregators.

- **Market Deliverable Brand (MDB)**

An accreditation initiative available to refiners demanding to certify their production quality and technical capabilities as well as their responsible sourcing practices.

- **Dubai Good Delivery (DGD)**

Regarded as the international benchmark for large refineries that deliver to financial institutions and hold the highest quality and technical capabilities for the production of gold. This accreditation goes beyond responsible sourcing practices to review all aspects of a refinery's operations. Open to refineries with a minimum of 3 years of operations and producing at least 10 tonnes of gold annually.

For further information on how to become a member email commodityservices@dmcc.ae; call +97144336711 or visit dmcc.ae.



DGD has Transformed itself from Regional to Global Standard

Franco Bosoni, Director, Commodity Services, DMCC, discussed, about DMCC's initiatives to establish DGD as global standard as well as introducing MDB certification to help budding refiners to comply with responsible sourcing practices and technical refining requirements so that they could introduce themselves to responsible market participants, with **Bullion Bulletin** during IIGC'14 in Pune. Excerpts...



DGD was launched in 2005 and now it is almost 10 years. What reputation you accrued in last ten years?

In last ten years DGD (Dubai Good Delivery) has really grown from regional standard, that is 1 kg 995 standard to satisfy the local market requirements, to a global standard. We have now DGD approved 14 refineries spanning across 10 countries. The Standard itself has gained international accreditation from companies like Signet in USA, Responsible Jewellery Council, Gems and Jewellery Export Promotional Council (GJEPC) in India. The Standard started focussing on things such as financial trust worthiness,

DGD is the only 1kg 995 standard in the world and I guess it suits exactly the Indian market since India is 995 market. Trade of the bars is predominantly focussed on India and I think in that sense gives lot of support to traders here to have this 'standard' that is essentially looking after their needs.

technical capabilities, and since 2012, we are also focussing on 'responsible sourcing of gold' as a key criteria that actually supported the implementation of global best practices for refiners and members of the standard. It also supported our partners such as India so that it can source gold bars of DGD approved and ensure that they comply international regulation such as Dodd Frank ACT in US for example.

What is the relevance of DGD now in India?

I already mentioned that DGD is the only 1kg 995 standard in the world and I guess it suits exactly the Indian market since India is 995 market. Trade of the bars is predominantly focussed on India and I think in that sense, it gives lot of support to traders here to have this 'standard' that is essentially looking after their needs.

While you have already DGD, in 2014 you also launched Market Deliverable Brand or MDB? What is the need for additional certification when you already have DGD?

Two elements are there. First, there has been a strong emphasis in last few years to improve and develop very strong responsible sourcing practices. DMCC has been working closely with OECD on development of guidelines on responsible sourcing since the beginning and we realized that since lot of new refineries have emerged throughout Middle East and Asia and these refineries would not be able to apply for Dubai Good Delivery Standard, we wanted to create a standard that focuses on an entry towards market deliverable conditions. So, we eliminated elements like financial worthiness and other hurdles, that I guess, new refiners would not be able to achieve. We focus exclusively on 'Responsible

Sourcing Practices' and technical refining requirements. Through the process, we created another standard that is as robust as Dubai Good Delivery for accrediting a refinery for production of bars (on the quality side) and professional practices in terms of meeting international sourcing benchmarks without adding additional sort of requirements into that. In the process more refiners have been able to identify themselves and get accreditation to introduce themselves to responsible market participants. Traders now have more options for procurement in market that has increased focus on compliance and regulatory practices.

What is the criteria to apply for DGD?

To Apply for Dubai Good Delivery a refiner should have minimum of 3 years of operations. They have to meet certain benchmark in terms of production volumes and financial network and in addition to that they have to go through a thorough testing and inspection process where we look at their technical capabilities such as refining, assaying and environmental safety practices. Finally they have to go through an audit in responsible sourcing practices criteria that we have produced. (DMCC has responsible sourcing guideline and protocol) Once the refiners meet all the criteria they are able to apply for becoming Good Delivery. Dubai Good Delivery was developed for financial institutions for delivering

to financial markets and exchanges and hence we wanted to create something that represents refineries that have history in the market, they are trusted and well-known and people trade with confidence. In short, the idea of having such a brand is that to say gold is gold which has certain amount of fungibility and if you are buying DGD gold you don't need to worry about which brand you are buying – essentially you are buying the best quality gold of 1kg 995 purity.

What is the feedback you are getting from refiners whom you are targeting and what kind of benefits that refiners being accorded from MDB certification?

The feedback has been extremely positive so far. We have yet to encounter a refiner who does not find the accreditation attractive. There are many refineries in the pipeline which we hope to announce soon. All of them are very busy preparing themselves to go through the process and essentially ensure that they meet our criteria. But we have identified that there is a gap in the market and refiners themselves sought to have a recognition and in this case accreditation that can

Dubai Good Delivery was developed for financial institutions for delivering to financial markets and exchanges and hence we wanted to create something that represents refineries that have history in the market, they are trusted and well-known and people trade with confidence.

essentially to put them in playing field in terms of their practices and refining capabilities. I think that it has been a key for them to selling our Market Deliverable Brand. We look forward to make many announcements in coming months and hopefully learning from refiners themselves about Market Deliverable Brand.

Finally, share your views about 11th India International

Gold Conference. Do you think that it is truly an international conference?

Indeed this conference provides an opportunity to meet everybody around the world. This is an excellent platform not only to meet our Indian counterpart and partners, but from Europe, Latin America (lot of companies have come from that part of the world which is very interesting). It is always an event which is very professionally organized. It is a very good business opportunity development for us and it is a chance to network and essentially develop new plans for the rest of the year.

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80:20 Scheme Creating Hurdles for Efficient Running of the Business

Satish Bansal, Director- MD Overseas, talked about the effect of 80:20 rule on trade, GDS and GMS schemes and the gold market revolution over the years while interviewed by **Bullion Bulletin** during IIGC 2014, Pune. Excerpts...



As you have been in the business for a long time now, what kind of revolution are you seeing in the market?

We are in the industry for almost 50 years. Our operation started in 1965 with silver as gold trade was prohibited under Gold Control Act. Between 1965 and 1979, silver used to be exported from India. There was a big evolution when government scrapped the Gold Control Act in 1992 and allowed import of gold silver into the country. Initially it was allowed under a different scheme where people could import under special import license. Then government put the OGL scheme where import was done by nominated agencies. Government allowed premier trading houses and star trading houses to be classified as nominated agencies in 2007. So since 2007, we are again importing in our own name.

As an importer, what kind of difficulty are you facing because of the 80:20 rule? What is your suggestion on the issue?

The 80:20 restriction and other restrictions started from 2013 as government was facing problem on CAD. The first restriction came in July 2013 and the subsequent notice was issued on 14th August 2013 whereby they disallowed the premier trading houses and star trading houses from import of gold for domestic use and they were allowed to import only for export purposes. But recently on 21st May 2014, government has again included both the trading houses to be classified as nominated agencies under 80:20 scheme.

Coming to the 80:20 scheme, it is certainly creating lot of practical difficulties and paper work. My suggestion is that the 20% component out of the total import that is to be exported should be delinked with the imports.

Government is planning to launch the GDS and GMS in India. What is your view in this regard?

I would tell that government needs only to outline the frame work of the scheme and then it can decide whom they allow the scheme to be run. The running of the scheme should be left to the financial stake holders.

What is current scenario of the domestic business after the 80:20 rule and high customs duty?

Lot of smuggling is taking place due to these restrictions and the high customs duty charge. The 80:20 scheme is creating problem in the efficient running of the business.

In China, all the gold that is imported is distributed through Shanghai Gold Exchange. Do you think a similar manner can be applicable in India making the trade more transparent and hassle free?

In India, gold that is coming to the country is passed through only one agency that is the Customs Department. The department has complete record of what is coming, from where it is coming, in how much quantity it is coming. Routing it through the exchange will not help because ultimately this product is going to the end consumers.

Finally, what is your comment on the 11th India International Gold Convention?

I am very happy attending this event as I can see all my friends at one place. Year over year the event is making good progress. I wish all the best for the event that it should grow exponentially in times to come.

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India Needs to Upgrade Infrastructure for Secured Logistics

Lars Johansson, Director- Air Courier, Brinks- Switzerland and **Samir Hosangady**, Managing Director- Brinks India Pvt. Ltd stressed upon upgradation of infrastructure for movement of precious metals within India as well as to compete with global destinations like Dubai, Singapore, Hong Kong with **Bullion Bulletin** during IIGC'14 in Pune. Excerpts...



We talked about gold moving from West to East and at one point it will again turn to go back West again. So we have to analyze the challenges due to these movements as a service provider and have to tackle with it tactfully and that is the beauty of the business.

What is the size and structure of the logistics market in precious metals sector in India? What kind of growth are you looking for?

Samir Hosangady: In terms of growth, secure logistic has tremendous scope in India. If you look at companies like us which are across various segments of secure logistics, then we see 20-25% growth every year. The recent changes in legislation for gold imports has certain extent impacted import trade into India, but I see a huge opportunity for domestic logistics services

and export of jewellery. We are extremely bullish and positive about the secure logistics industry.

As the largest logistic service provider in the world, what kind of improvements are you looking for in India?

Samir Hosangady: The infrastructure is something that we are dependent on. It is my forment request to the government and to the authorities to help us with the infrastructure like- air ports, sea ports, approach roads to the ports etc. No doubt that there is a lot being done and there is lot of scope for improvement as well. The development should be done in a faster pace. Today India is competing with neighboring countries to attract storage of precious metals. We have free ports

in Malaysia, Dubai, Singapore and Hong Kong. As in India it has not taken off so far, so it is a necessity for the trade in India to have free ports.

Share your experience in Dubai and Singapore about its free port concept. How has that helped the business in those places?

Lars Johansson: A free port or a bonded warehouse offers opportunity for the owner of the material to decide what he wants to do with it and who he wants to sell it to. By doing so, the goods that he wants to clear through custom and deliver to his customer can be decided at the very last moment. What we send to India is what is going to that particular consignee. So there is no flexibility there. The bonded warehouse and the free



In terms of growth, secure logistic has tremendous scope in India. If you look at companies like us which are across various segments of secure logistics, then we see 20-25% growth every year.

zone offers all the flexibility that a customer and seller would like. To be able to compete with the market of Dubai, Singapore, Hong Kong etc., the above mentioned facilities are required.

Secured logistic service in India is not so old. But the big part of the industry is still relying on the unorganized means as they find your service expensive. So, how the unorganized sector can be encouraged to use your secured logistic services?

Samir Hosangady: It is a misconception that we are expensive. There is no one size that fits all when it comes to logistics. We have different products for different types of customers; we have a very sophisticated product when the values and risks are very high, we have other products that suits lower value segment. Also we have products that suit the domestic market and medium to small jewelers and small traders in the business. We have enhanced our local presence in tire-ii and tire-iii cities over the last 5-6 years. So our penetration with the smaller customers has also increased. We have sales people across these locations who are actually going out and meeting with these customers and trying to impress them upon the benefits of doing business with the organized sector. Hence, we are making serious attempts to reach out to this customer base.

As an international service provider, what kind of infrastructure development are you looking for to make Indian bullion industry dynamic?

Lars Johansson: We are adapting to the Indian market on in terms of- where the material is going, where is it going from and in which form and context. In the DPMC 2014 in Dubai, we talked about gold moving from West to East and at one point it will again turn to go back West again. So we have to analyze the challenges due to these movements as a service provider and have to tackle with it tactfully and that is the beauty of the business.

How much are you enjoying the 11th India International Gold Convention this time?

Samir Hosangady: The response has been very positive. We see a number of our customers, we see new players who are trying to enter the market.

Lars Johansson: I think this year is the right time to be here as it is a melting point of ideas and it is an important platform to share ideas to work together towards a common goal.

■ ■ ■

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Our Focus will Always be There in India

Afshin Nabavi, Executive Senior Vice President of Trading- MKS Switzerland, discussed about India's importance in global market, opportunity in gold refining and gold price outlook while giving an interview to **Bullion Bulletin** during IIGC 2014 in Pune. Excerpts...

How important is Indian market for MKS?

India loves gold and we believe in gold; so we look at India as a very important market.

As an overseas supplier of gold, what do you expect from India to increase the efficiency of bullion market?

There is a lot of things that India can do. Every single person in India has large or small amount of gold as it is associated with their culture. So we should be able to bring them the best that exists in gold which also involves a LBMA accredited refinery.

How do you compare Chinese market with India? Can we adapt few things from China and introduce in India?

Till date China is a very much closed market, they are not following India. India started importing gold in 1998; so in that way India is ahead of China. China is an important market but it is just now started opening up where as India opened up many years ago.

Indian market has been very active ever since the trade started; it is just that recently because of some new regulations import of gold has not been so regular.

Gold has failed to attract investors this year and we are seeing a subdued

There is a lot of things that India can do. Every single person in India has large or small amount of gold as it is associated with their culture. So we should be able to bring them the best that exists in gold which also involves a LBMA accredited refinery.



gold price below \$1300/ounce. How are you looking at the situation?

My humble opinion is that gold market performed fantastically from \$500/ounce to \$1900/ounce. Now things have changed, the USD has strengthened a bit and from \$1900/ounce the market has been correcting itself. I would not be surprised if we see little bit correction downside. But as long as people of India and China believe in physical gold, gold will return to its upward trend.

MMTC PAMP has got LBMA accreditation and now you have two LBMA accredited refineries in your kitty. Share your joy.

We are very happy for this achievement. We always believe in India and we are amongst the foremost suppliers of India that started in 1998 when they opened up the trade. Our focus will always be there in India.

As you have a big presence in Dubai, how are you looking at Middle East market? How can it integrated with other major markets of the world in a better way?

Middle East has always been a big believer in gold. At the moment, the situation is little bit tensed geo politically. Once the situation calms down, the trade in the region will resume.

How are you enjoying the 11th India International Gold Convention?

Pune is a very beautiful place. I am very happy to see an impressing number of participants. Both foreign and Indian players have participated in a big way that shows India's importance in the world trade. I wish good luck and hope to come here in the next year.



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We are Positive About the Jewellery Export Growth

Konal Doshi, Co-convener, Jewellery panel- GJEPC, talked about the country's jewellery export scenario, India's competency with worldwide partners and future of the industry after import restriction etc. while giving an interview to **Bullion Bulletin** during IIGC 2014, Pune. Excerpts...

We have observed that the US economy is on an upbeat and the USD is stronger day by day. Also there is a call of Quantitative Easing happening there. For these reasons, the US market which was sluggish for so many years, is now showing trends of change and the same is being reflected in the increased demand of the country.

India's gold jewellery export has decreased by 50% from 2012 to 2013. What are the reasons behind this significant drop?

After 80:20 rule came into play in 22nd July 2013, the first clarification on the notification was issued on the second week of September 2013. Because of this, from July 2013 to September 2013, there was a gap in the gold that was supplied for exports. So this is the main reason why we are seeing a drop in export performance.

In the first quarter of 2014, export of gems and jewellery has been increased by 23% due to better demand in US and UK. What are the major reasons to substantiate this when the overall global jewellery demand is coming down?

We have observed that the US economy is on an upbeat and the USD is stronger day by day. Also there is a call of Quantitative Easing happening there. For these reasons, the US market which was sluggish for so many years, is now showing trends of change and the same is being reflected in the increased demand of the country. We have seen better demand from UK as well but the main thrust right now is US.

In India, given the 10% customs duty, 1% VAT and other making charges, the operational charges are high. With this, do you think that we can compete with the worldwide partners and traders?

At the time of export of jewellery from India, the gold price which is quoted is international prices. That is what we have replenished



now. Yes, the cost of production will definitely increase as our cost of the material is higher. But then that cost is marginalized because the total effect on the product is minimal. However, in case the duty goes down, we will be more competitive and some of the products that we are unable to do as on today can be done.

1st quarter of 2014 has seen growth both in imports and exports. Will it be sustained in the future as well?

This trend should continue for another two years. By that time the US economy will also see the actual trend in which it is going. So we are positive about the growth in export in the future.

Tell us about the silver jewellery export demand overseas.

A lot of consumers in the US are converting to silver jewellery. White

gold and white gold products are being manufactured in the form of silver now to bring down the cost of the material of the final jewellery piece. Also silver has got a very good scope as it is now being consumed by everyone across the world in the form of jewellery and articles. So we are very bullish about silver exports.

As a GJEPC member, what is your view on the 80:20 restriction imposed by government of India on gold imports? What is the overall effect on the domestic industry due to the above?

80:20 scheme has been imposed from July 2013 as the quarter before July, we have faced a serious CAD problem. The government had continuous discussion with the industry bodies together with GJEPC and RBI to think of the ways to reduce the gold consumption in the country. That time government was thinking of closing gold imports and to avoid that issue 80:20 was proposed by GJEPC along with other members to give an initial start. And 80:20 is not here permanently, it is only muted for a short period. When the government will be comfortable, it

can again be reviewed.

How are you looking at the future of the industry after these restrictions?

I think we are now comfortable with our forex position and the CAD level is increasing again. So the 80:20 rule can definitely be looked at now by the government to review.

Finally, share your view on the 11th India International Gold Convention?

This is an ideal platform for all the stake holders of the industry to come together, share their views, to discuss the current problems that the industry is facing, the newer trends that the industry is adapting etc. The event is conducted successfully and three cheers to the organizers.



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80:20 is not here permanently, it is only muted for a short period. When the government will be comfortable, it can again be reviewed.

Import Restrictions Not to be Abolished Soon

Rajan Venkatesh, Managing Director, Scotia Mocatta, provided a banker's perspective about the impact of 80:20 restriction, possible solution and financialization of gold in India to **Bullion Bulletin** during IIGC 2014, Pune. Excerpts...



There is just a little bit of divergence in the fact that for the banks, it depended upon their export performance (which effectively means how much in earlier years, did the bank supply to the exporters, on that basis the present import limit was decided). On the other hand, for the premier trading houses, it depends upon their import performance over the last two years, which we feel little unfair.

The 80:20 restriction on gold imports in India has been quite a shock for the industry. As a banker, how do you see at the situation? What is your view on the issue?

The government, the RBI and the authorities were quite worried about the Current Account Deficit and the worsening situation as far as foreign exchange reserves are concerned.

As we are aware, gold import is the second largest after oil and therefore something necessarily had to be done for curtailing the imports.

After a lot of deliberation between the government, RBI and the trade, they came up with the 80:20 rule.

As far as the government is concerned, definitely it has made the

situation better; the CAD level has come down from 4.8% to 1.7%. Gold imports have shrunk significantly by 50%. Due to this there was initially a liquidity squeeze for the trade. There was lack of clarity on the regulation front and the fact that everybody who has to import has to export 20% of the gold, created supply shortage in the market. As a result the premium shot up sky high.

There was bigger problem for bankers to import in this scenario, but all the banks together have worked their way around it and they sought clarification from regulators. Finally the imports have started commencing and subsequently in May 2014, the RBI has allowed all the premier trading houses to

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- 📍 The DGCX is one of five financial exchanges in the UAE.
- 📍 DGCX is majority owned by the Dubai Multi Commodities Centre (DMCC), an entity of the Government of Dubai.
- 📍 DGCX launched its maiden contract on gold futures in November 2005 & has since added derivatives on other Precious Metals, Base Metals, Currencies, Petrochemicals & Equity Indices.
- 📍 The exchange is one of the largest liquidity pools globally for Indian Rupee futures trading.
- 📍 In March 2013 DGCX migrated to an industry leading exchange platform called EOS powered by Cinnober, the leading technology provider.

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import gold. There is just a little bit of divergence in the fact that for the banks, it depended upon their export performance (which effectively means how much in earlier years, did the bank supply to the exporters, on that basis the present import limit was decided). On the other hand, for the premier trading houses, it depends upon their import performance over the last two years, which we feel little unfair.

CAD has been come down to 2% of GDP and forex reserve has also been improved. Is this the time to remove the gold import restrictions?

The CAD has definitely come down close to 2% but I do not think that the government would feel confident enough to remove these restrictions right now. There are geo political crisis in Ukraine, Libya, Iraq and also the oil prices have tapered off little bit. But if the oil prices start going up due to these crises, then it is going to be a big drain for the foreign exchange reserve. If gold prices continue to fall as they have been for the last 6-8 months and the imports again shoot up, the government would be very concerned about the worsening CAD.

What is your take on the operationalization of GDS and GMS in India? How can we make it more popular?

The discussions are going on both with the government and the RBI but the big issue that needs to be surmounted is sourcing gold. For that, hopefully we will come up with some ideas and solutions by continued discussions.

Given the Chinese model of gold financialization and the quota basis imports, can it be a viable option in Indian context as well?

To some extent, the government of India has also done the similar thing. In China, licenses have been given to select individuals or entities and here in India, government has done the same thing by imposing the 80:20 rule. Effectively the alternative for the 80:20 is the government could have simply imposed quotas to different agencies.

European central bank and other European banks have again renewed their CBGA scheme for the next 5 years. How do you look at this development as far as worldwide gold trade is concerned?

Apart from Germany and few other

banks, there was no other seller for gold while many of the central banks have been actively adding gold to their reserves (ex: - Turkey, Ukraine etc.). Despite the recent move on CBGA, the prices have not really gone up. ETFs have been globally downsizing also. So it is not going to have any significant impact on the global gold trade.

How much are you enjoying the 11th IIGC event?

This convention has always been very informative. From the number of delegates, it is clear that people really value this convention. They think that this event adds value to them and that is why they all are here. I am sure people will go with lots of hope from here.



Disclaimer: Views are personal and not the views of the publisher.

India could Adopt Quota System for Gold Import

S K Jindal, Director, Jindal Dychem, emphasized on the need to re-look at 80:20 scheme and suggesting government could adopt quota system after deciding over how much gold it wants to import in a year, while talking to **Bullion Bulletin** during IIGC'14, Pune. Excerpts...

What does India expect from overseas suppliers? What is your observation in this regard?

The theme was what we expect from our foreign partners and what they expect from us. My answer to this is very simple- both of us want business from each other. To do business, the basis has to be there and relation has to be strong. Any relationship should be based on faith, trust and respect and also the mutual concern. If we have these fundamentals placed very rightly, then any relationship will be fruitful. For that, we need to talk to them more and both ways visit is necessary. We need to discuss, find out the common ground and work forward. Lot of potential exists; foreign players are expert in production, supply where as we are expert in import, distribute, and consumption. So this is a highly compatible situation for the business to flourish.

On the 80:20 front, what can be done further to make it more simplified to do business?

We can always ask and request the government to relook, to correct the things where they went wrong. We have been suggesting the government to look at the Chinese model which is very simple with an upper limit for

the importing quantity. For example if government wants only 600tons to be imported into India in a year, then government can cap it, divide in 12 and release licenses for 50 tons each month to the people who have been importing from last 5-10 years. If our policy and acts are supporting smuggling, then it is not in the interest of nation, economy and the local industry. So government should impose the quota system and reduce the customs duty to 2% as it was before so that no smuggling happens. It should let the market operate freely by allowing who wants to import and who wants to export.

How are you looking at the subject of Gold Monetization Scheme?

What is your view on this?

Anything and everything which improves the efficiency of the trade and industry should be done. Gold should not remain idle, we should bring out schemes, we should deliberate on them. There should be a high level discussion at least once in a quarter where representatives of the government, finance ministry, commerce ministry and RBI should sit along with the trade bodies and work out. That is the best and natural way of doing it.

Lastly, few words for 11th India International Gold Convention.



Anything and everything which improves the efficiency of the trade and industry should be done. Gold should not remain idle, we should bring out schemes, we should deliberate on them.

I would like to congratulate Mr. Srivastava and his team for the very good team work. I find all of you very focused, very dedicated and well coordinated. The preparation was well done as we did not find anything missing. It is a good idea to do it year after year and the event is evolving every year and I wish all the best to all your future endeavors.



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Platinum Jewellery Demand is Growing Every Year in India

Gautam A Choksi, Vice President- Finance, Hindustan Platinum Pvt. Ltd., shared about PGM refining business, demand and the joy of being India's first LPPM accredited refiner to **Bullion Bulletin** during IIGC 2014, Pune. Excerpts...



How are you sourcing the raw material for refining purpose?

We are currently sourcing raw material through secondary supplies. Apart from platinum and palladium we also do a bit of silver. For platinum and palladium, our primary source of raw material is from spent catalyst from petrochemicals, oil refineries, fine chemicals industries and scrap metals. We have not entered into anticatalyst segment, but this is certainly one sector that we are looking at. We are collecting the raw material for refining purpose basically from domestic market, but we import as well. We supply the finished product to all over the world.

to platinum jewellery from gold. So, we are optimistic that demand of platinum jewellery will improve in coming days. Even investment demand is picking up. But, certainly it will be long time to go to catch up the gold jewellery and investment demand in India.

What is the industrial demand of platinum and palladium in India?

Hindustan platinum caters mainly in industrial sector and we are supplying catalyst products to pharmaceutical companies; platinum rhodium bushing to glass and fibre industry. In my view, demand of PGM group metals for industrial usage will certainly grow.

We would like to congratulate you for getting LPPM Good Delivery Accreditation for Platinum and Palladium. Tell our readers what does this LPPM Good Delivery stand for?

Like LBMA which accredits gold and silver refinery, LPPM (London Platinum and Palladium Market) accredits refineries for platinum and palladium. We are the first Indian refinery to be accredited as LPPM Good Delivery for said metals and probably first in Asia (Ex. Japan) to be in the good delivery list. We are one of the 30 refineries worldwide in the Good Delivery List of LPPM. It is really a proud moment for us.

What is the import duty on platinum and palladium?

Like gold and silver, import duty on platinum and palladium is exactly same, i.e. 10%. There is no restriction on import or export of platinum and palladium.

What is the current demand of platinum and palladium in India?

See PGI (Platinum Guild International) markets platinum jewellery in India and we are one of the accredited suppliers of two metals to PGI. As far as demand of platinum jewellery is concerned, it is growing every year. Lot of awareness drives are conducted by PGI every year and we are seeing people getting attracted

How many entities are currently operating in the segment?

There are handful of players who are currently operating in platinum and palladium segment. But the kind of products that Hindustan Platinum is catering, there is only few.

What is your view on 11th IIGC?

The conference is outstanding. I have been here earlier, but I did not attend last few years. Lot of friends from overseas are here and I will be looking forward to meet them. It is the best platform for networking in India.



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We are not Against Gold Import Restrictions; we are Against 80:20

Mayank Khemka, MD, Khemka Group of Companies, discussed on industry's concern over 80:20 rule, gold monetization scheme and so on with **Bullion Bulletin** during IIGC 2014, Pune. Excerpts...



Suggestion that comes from the panellists is that government should identify a nodal authority, say RBI, who will fix how much gold they want to import in a year and subsequently can issue licence or quota to bullion importers based on their past performance.

How has been the impact of 80:20 rule in gold business in India?

In one of our panel discussion in this conference (IIGC'14), we discussed this issue thoroughly and recommended that 80:20 rule should be abolished to maintain the health of bullion business. A trader who is not an exporter originally, has been forced to become exporter with this rule so that he could source raw material. Suggestion that comes from the panellists is that government should identify a nodal authority, say RBI, who will fix how much gold they want to import in a year and subsequently can issue licence or quota to bullion importers based on their past performance (For example, if nodal authority decides to import 500 tons in a year, it should be distributed on a quota or licence basis).

What can be done for better integration of stakeholders?

It always helps the business if there is integration amongst stakeholders. But this 80:20 rule has distorted the integration. Now only few handful of players could import gold. Jewellers

who are sitting away from metros have been facing tremendous problem of sourcing the raw material.

Government is not seen in any mood to revise the 80:20 rule in near future. How industry will run the business in the current environment?

We are not telling that restrictions imposed by the government to counter the CAD are wrong. We fully support the government to restrict gold supply for the sake of economy. What we are pleading that the way it is done, should be revised. The country is more important for us and we will continue to support the government in bringing gold in restricted quantity.

What is your view on the concept of Gold Monetization Scheme?

Gold monetization scheme is a wonderful concept. It did not get success earlier for various reasons. Primary aspect that should be considered inclusion of jewellers into the scheme; the scheme can not be successfully run only through banks because in case of jewellery, normal

customers have more faith on his/her jewellers than banks. So, if jewellers would be allowed to monetize the gold, it would be really helpful. And secondly, certain rules should be changed by RBI for banks. Banks which sell coins can not buy back that at present. It should be allowed if that gold comes back in tamper proof form.

FMC has not allowed exchange to launch gold contract beyond Dec 2014. Will it affect the market?

Commodity exchange is a very good platform for counter the business risk arising out in gold trade. This is here that all kinds of participants, be it bullion dealers, jewellers, refiners can participate. Specifically for MCX there might be some compliance issue, but even if there are no MCX contracts, there are other exchanges that have gold contracts.

Lastly, your views on 11th India International Gold Conference.

This is an excellent event, thanks to the organizers. Every year we are coming and every year is becoming better than previous. It is excellent news for the industry that we have such a concrete platform to discuss issues and this conference has gained worldwide acclamation. As LBMA conference is world's best event in bullion, it can be said that this event is LBMA of India.



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The London Bullion Market Association PRESS NOTICE 24th SEPTEMBER 2014

For immediate release

Clearing Turnover Statistics: Daily Averages for AUGUST 2014

Overview

Demand for both metals was broadly flat during the holiday period in August, with the volume of gold ounces transferred up marginally by 0.4% and the volume of silver ounces transferred falling by 0.6%.

Gold

The average price of gold in August fell by 1.1% to an average price of \$1,295.99 an ounce. The volume of ounces traded increased marginally by 0.4% to 18.0 million ounces, with the value of gold transferred falling by 0.8% to \$23.3 billion. The number of transfers outturned 24.2% higher at 5,198, with the number of ounces per fell transfer falling significantly by 19% to 3,463.

Silver

In August the average price of silver fell by 5.4% to \$19.80 an ounce. The volume of ounces transferred fell marginally by 0.6% to 121.0 million ounces, whilst the value of ounces transferred fell by 5.9% to \$2.40 billion. The number of transfers fell by 1.4% to an average 709, with the clearers settling on average 170,692 ounces per transfer.

Notes

ALL CLEARING STATISTICS ARE DAILY AVERAGES FOR THE MONTH.

The figures contain:

- Loco London book transfers from one party in a clearing member's books to another party in the same member's books or in the books of another clearing member
- Physical transfers and shipments by clearing members
- Transfers over clearing members' accounts at the Bank of England.
- Prices referred to in the text refer to the \$ monthly average London p.m. fixing price for gold and the \$ monthly average LBMA Silver Price.

Excluded from the statistics are:

- Allocated and unallocated balance transfers where the sole purpose is for overnight credit
- Physical movements arranged by clearing members in locations other than London

London Bullion Market Clearing Statistics - (Daily Averages)

	GOLD						SILVER				
OUNCES TRANSFERRED (MILLIONS)	2010	2011	2012	2013	2014		2010	2011	2012	2013	2014
January	19.8	19.2	22.2	20.8	16.8		70.4	119.7	149.2	151.7	144.7
February	18.0	18.1	19.5	20.7	17.8		89.0	141.2	160.0	122.0	185.7
March	16.5	19.0	20.2	21.8	18.9		94.0	145.7	157.2	132.5	134.0
April	16.0	22.5	17.9	24.1	19.6		92.7	179.2	141.1	165.2	122.1
May	24.7	18.4	19.5	28.2	19.0		104.3	258.3	135.3	142.6	136.9
June	20.8	18.9	19.1	29.0	17.9		85.0	172.9	149.4	153.3	163.4
July	17.6	19.7	17.9	23.2	17.9		57.2	160.0	141.5	122.7	121.7
August	17.0	25.9	17.8	22.2	18.0		65.5	171.7	119.5	122.4	121.0
September	16.8	22.3	22.4	18.5			88.5	175.6	124.3	137.4	
October	17.1	21.3	19.9	17.4			92.2	197.4	98.1	110.1	
November	18.1	21.4	19.3	17.5			108.6	164.8	104.4	110.5	
December	18.0	22.0	21.8	20.0			99.7	197.1	134.1	168.0	

VALUE OF OUNCES TRANSFERRED (a) (US\$ BILLIONS)

	2010	2011	2012	2013	2014		2010	2011	2012	2013	2014
January	22.1	26.1	36.7	34.7	20.9		1.23	3.40	4.59	4.72	2.88
February	19.8	24.8	33.9	33.7	23.2		1.41	4.34	5.50	3.71	3.87
March	18.3	27.1	33.8	34.7	25.3		1.60	5.22	5.20	3.82	2.78
April	18.3	33.1	29.6	35.8	25.4		1.68	7.52	4.45	4.17	2.41
May	29.8	27.8	30.9	39.8	24.4		1.92	9.53	3.88	3.28	2.65
June	25.6	28.9	30.6	38.9	22.9		1.57	6.19	4.19	3.24	3.23
July	21.0	30.9	28.6	29.8	23.5		1.03	6.07	3.88	2.42	2.55
August	20.6	45.5	28.9	29.9	23.3		1.20	6.92	3.43	2.67	2.40
September	21.3	39.5	39.2	25.0			1.82	6.70	4.18	3.10	
October	23.0	35.6	34.7	22.9			2.16	6.31	3.26	2.41	
November	24.8	37.3	33.3	22.3			2.88	5.45	3.42	2.29	
December	25.0	36.4	36.8	24.5			2.92	5.99	4.29	3.29	

NUMBER OF TRANSFERS

	2010	2011	2012	2013	2014		2010	2011	2012	2013	2014
January	1,800	2,034	2,461	2,686	3,770		298	597	795	764	733
February	1,776	1,841	2,631	3,320	4,503		351	591	841	776	907
March	1,563	1,948	2,947	3,358	4,738		307	685	927	765	779
April	1,481	1,944	2,223	5,395	4,728		300	799	715	1,007	732
May	2,098	2,136	2,687	5,088	4,744		410	1,227	796	1,027	898
June	1,740	1,853	3,162	4,624	4,049		333	708	912	900	843
July	1,684	2,135	2,764	5,613	4,184		290	756	755	862	719
August	1,527	3,200	2,469	5,172	5,198		318	884	732	1,096	709
September	1,630	3,064	2,911	5,034			389	919	967	902	
October	1,775	2,412	2,453	4,815			441	879	757	769	
November	1,943	2,338	2,570	3,721			560	718	721	764	
December	1,822	2,641	2,852	4,741			570	811	815	828	

(a) Based on the monthly average London p.m. fixing price for gold and the monthly average LBMA Silver Price.

■ ■ ■



DGCX to launch first spot gold contract in Nov: The Dubai

Gold and Commodities Exchange (DGCX) said it would launch its first spot gold contract in November. "The gold contract will be for 1 kilogram having 99.5% purity. There will be a cash settlement with an option for physical delivery on T-2 basis," DGCX Chief Business Officer Ian Wright told PTI. The physical delivery of gold would be done from three locations in Dubai, he said.

Asked if the exchange plans to launch spot silver contract, Wright said: "Not immediately. First we want to see the response for our spot gold contract and later decide on silver and other commodities." He also mentioned that the gold contract would create a competitive market, which is right on the backyard of India, the world's largest consumer of the yellow metal. Currently, DGCX offers futures trading in gold, silver, copper, Brent crude, polypropylene and currencies.

Source: www.business-standard.com



Gold imports surge to \$2.03 billion in August:

After registering decline, gold imports surged in India to \$2.03 billion in

August from \$738.7 million in the same month last year. However, in July, gold imports declined by 26.39 per cent to \$1.81 billion. Last time in June, the imports were up after declining for continuous seven months.

The high imports have marginally pushed up the country's trade deficit to \$10.83 billion in the month under review. The government had imposed restrictions on inbound shipments of the precious metal to narrow the Current Account Deficit. India's CAD, which is the excess of foreign exchange outflows over inflows, touched a historic high of 4.8 per cent of GDP in 2012-13, mainly due to rising imports of petroleum products and gold. However, it narrowed sharply to 1.7 per cent of GDP in the April-June quarter of this fiscal due to decline in gold imports.

Source: Economietimes.Indiatimes.com



Govt not to abolish 80:20 gold import scheme:

The Centre is unlikely to end the stipulation that requires a person importing gold to re-export 20 per cent of it in value-added form anytime soon, according to an official in the Department of Revenue, Ministry of Finance, GOI. Also called the 80:20 scheme, it was imposed by the Government in July last year to curb imports of gold following imbalance in merchandise trade leading to current account deficit (CAD).

"We may come up with measures that will ease import procedures but the scheme will continue," said Krishna Pratap Singh, Additonal Director, Directorate-General of Export Promotion. He also ruled out any move to either scrap or cut the 10 per cent import duty on gold.

According to official sources, the Government's thinking is that gold is being purchased only to be kept idle by consumers at home. Since idling of gold serves no purpose, it would be better to curb foreign exchange outgo on bullion purchase. Sources said there are far more pressing issues that need to be attended to instead of thinking about facilitating gold imports. The Centre is keener on ensuring trade balance and keeping the CAD under control.

Source: Hindu business line.



Daily gold transfers edge up in August – LBMA:

Gold transferred between accounts held by bullion clearers climbed slightly to an average volume of 18 million ounces a day in August, up 0.4 percent from July's figure, the

London Bullion Market Association (LBMA) said. The clearing statistics measure how much gold and silver are transferred on a net basis between accounts held by bullion clearers, and the figures are released monthly by the LBMA.

On a year-on-year basis, bullion transfers were down by nearly 20 percent. A 12-year high of 29 million ounces

was recorded in June 2013, when gold prices fell by 11 percent. In June, the value of gold traded dipped by 0.8 percent to \$23.3 billion, the LBMA said. Gold prices dropped 1.1 percent last month to an average \$1,295.99 an ounce, the LBMA said. In silver, the volume of ounces transferred edged down by 0.6 percent, to 121 million ounces.

Source: <http://in.reuters.com/>



Silver imports into Gujarat nosedives by 86% in Aug 2014: GSEC:

Import of silver into Gujarat, a major jewellery market, has nosedived by 86% in

August 2014, a year after the then Congress-led United Progressive Alliance (UPA) government hiked the import duty on the white metal to 10%. The duty has been retained since then even by the new regime at the Centre despite clamour from the gems and jewellery industry to reduce import duty.

"Import of silver into Gujarat in August 2014 stood at 7.98 metric tonnes (MTs), down by 86.41%. In August 2013, 58.76 MTs of silver was imported into Gujarat," the data shared by the Gujarat State Export Corporation (GSEC) suggests. The import numbers for silver into Gujarat for August 2014 is the lowest for the last five years, the data suggests. In August 2010, 54.82 MTs of silver was imported into Gujarat while, the import of white metal in August 2011 stood at 26.78 MT. August 2012 saw import of 35.01 MTs of silver into the state.

Source: *Business-Standard.*

Gold bulls extend longest 2014 exit as prices drop:

Hedge funds extended this year's longest exit from bullish gold bets as slumping prices and investor outflows since June erased \$6.7 billion from the value of exchange-traded funds backed by the metal. The net-long position in New York futures and options fell for a fifth straight week, with speculators boosting short bets to the highest since June, U.S. government data show. Investors sold 7.75 metric tons of gold held in ETPs in third week of September, sending holdings to the lowest in five years.

Prices tumbled to an eight-month low on Sept. 19 after the Federal Reserve raised its outlook for interest rates, crimping demand for an inflation hedge. The appeal of gold also is waning as the U.S economic recovery sends the Standard & Poor's 500 Index of shares to a record and the dollar to the highest since 2010. Gold's 60-day volatility is near a four-year low, and open interest was almost the lowest since 2009.

Source: <http://www.mineweb.com>



Mali to boost funding and policing of artisanal gold mining:

Mali plans to boost funding opportunities for its artisanal miners and to improve the

policing of a sector that produces about a third of the country's gold exports, officials said at the start of a mining reform meeting.

Artisanal gold mining is plagued by frequent fatal accidents, smuggling and reports of child labour. Nor are the miners restricted on where they dig their pits, resulting in widespread environmental damage. Mali is Africa's third largest gold miner behind South Africa and Ghana and from about 350 sites contributed about 30 percent of the 67.4 tons it exported in 2013.

Artisanal mining is on the rise in Mali as neighbours including Ghana, Senegal and Burkina Faso have imposed restrictions on the sector, driving more miners into Mali. Speaking at the meeting, Abdoulaye Pona, president of Mali's chamber of mines, and mines minister, Boubou Cisse, said the government was negotiating with banks to give miners easier access to financing for equipment and newly formed cooperatives would be supervised and revenues distributed equitably.

Source: <http://www.reuters.com>



डीजीडी का क्षेत्रीय से वैश्विक मानक स्तर में रूपान्तरण

फ्रैंको बोसनी, डॉयरेक्टर, कमोडिटी सर्विस, डीएमसीसी, ने डीजीडी को एक वैश्विक मानक स्तर के रूप में स्थापित करने के लिये डीएमसीसी द्वारा की गयी पहल के साथ-साथ नये रिफायनरियों को रिस्पॉन्सिबल सोर्सिंग प्रैक्टिस के अनुपालन तथा रिफायनिंग की तकनीकी जरूरतों को पूरा करने के लिये सहायता प्रदान करने के उद्देश्य से लाये गये एमडीबी सर्टिफिकेशन जो कि इन्हे एक रिस्पॉन्सिबल बाजार प्रतिभागी का दर्जा प्रदान कर सके, के बारे में **बुलियन बुलेटिन** के साथ पूना में आयोजित **आईआईजीसी-14** के दौरान विस्तृत बातचीत की। सारांश...



साल 2005 में लॉन्च किये गये डीजीडी को अब दस साल पूरे हो चुके हैं। इस दौरान इस स्टैंडर्ड को किस प्रकार का प्रतिसाद मिला है?

पिछले दस सालों के दौरान डीजीडी (दुबई गुड डिलीवरी) वास्तव में क्षेत्रीय स्तर के मानक, स्थानीय जरूरत के हिसाब से 1 किलो 995 स्टैंडर्ड, से उपर उठकर एक वैश्विक मानक/स्टैंडर्ड बन चुका है। वर्तमान में डीजीडी मान्यता प्राप्त 14 रिफायनरियां 10 देशों में फैली हुयी हैं। इस स्टैंडर्ड को प्रमुख कंपनियों जैसे कि सिग्नेट यूएसए, रिस्पॉन्सिबल ज्वेलरी काउन्सिल, जेम्स एन्ड ज्वेलरी एक्सपोर्ट प्रमोशन काउन्सिल

(जीजेईपीसी) भारत के द्वारा अपने आप अंतरराष्ट्रीय मान्यता प्राप्त हो चुकी है। इस स्टैंडर्ड की शुरुवात से ही इसमें वित्तीय विश्वसनीयता, तकनीकी क्षमता इत्यादि जैसे पहलुओं पर ध्यान दिया गया है तथा साल 2012 से हम गोल्ड की रिस्पॉन्सिबल सोर्सिंग जैसे महत्वपूर्ण मानदंडों पर जोर दे रहे हैं जो कि वास्तव में रिफायनर व हमारे कारोबारी सदस्यों के द्वारा वैश्विक स्तर के बेस्ट प्रैक्टिस के क्रियान्वयन को समर्थित करता है। इसके साथ ही यह हमारे पार्टनरों जैसे कि भारत के लिहाज से भी अच्छा है कि वे डीजीडी मान्यता प्राप्त रिफायनरियों से गोल्ड बार खरीद सकते हैं तथा इस बात को लेकर निश्चित हो सकते हैं कि ये विक्रेता अंतरराष्ट्रीय नियमों जैसे कि डोड फ्रैंक एक्ट का अनुपालन करते हैं।

भारत के लिये अब डीजीडी का क्या महत्व है?

मैंने यह पहले ही कहा है कि डीजीडी केवल 1 किलो 995 स्टैंडर्ड है और मेरे हिसाब से यह भारतीय जरूरत के ठीक अनुरूप है क्योंकि भारत में 995 मानक चलते हैं। बार का कारोबार मुख्य रूप से भारत पर केन्द्रित है और मैं समझता हूँ कि इस स्टैंडर्ड से यहां के कारोबारियों

को काफी लाभ मिल रहा है जो कि इनकी जरूरत के अनुरूप है।

आपके पास डीजीडी पहले से ही मौजूद है, इसके साथ ही आपने साल 2014 में मार्केट डिलीवरेबल ब्रान्ड या एमडीबी की भी शुरुवात की है? आपके अनुसार एक स्टैंडर्ड के रहते अन्य सर्टिफिकेशन की क्या आवश्यकता है?

यहां दो तत्व हैं। पहला यह कि, पिछले कुछ सालों से एक मजबूत तथा प्रभावी रिस्पॉन्सिबल गोल्ड सोर्सिंग प्रैक्टिस लाये जाने की जरूरत पर जोर दिया जा रहा था। डीएमसीसी शुरुवात से ही काफी निकटता के साथ ओईसीडी से मिलकर रिस्पॉन्सिबल सोर्सिंग के लिये गाइडलाइन के निर्माण की दिशा में कार्य कर रहा था और बाद में हमें यह महसूस हुआ कि मिडिल-ईस्ट व एशिया में कई नयी रिफायनरियां स्थापित हुयी हैं तथा ये सब दुबई गुड डिलीवरी के लिये आवेदन नहीं कर पायेंगी इसलिये हम एक ऐसे स्टैंडर्ड का निर्माण करना चाहते थे जो प्रवेश स्तर पर बाजार में डिलीवरी की शर्तों पर ध्यान केन्द्रित कर सके। इसलिये हमने वित्तीय विश्वसनीयता जैसे व अन्य तत्वों को निकाल दिया है, जिसका मेरी समझ से, नये रिफायनर अनुपालन नहीं कर

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सकते थे। इसके चलते हमने यहां पूरा ध्यान "रिस्पॉन्सिबल सोर्सिंग प्रैक्टिस" तथा रिफायनिंग तकनीक की जरूरत पर दिया है। इस प्रक्रिया के माध्यम से हमने एक और स्टैंडर्ड का निर्माण किया है जो कि दुबई गुड डिलीवरी जैसा मजबूत है व इससे रिफायनरियों को बार के निर्माण (क्वालिटी की ओर) के लिये मान्यता दी जा सके और इसमें कोई अतिरिक्त प्रकार की जरूरत को जोड़े बिना अंतरराष्ट्रीय सोर्सिंग बेन्चमार्क के अनुरूप प्रोफेशनल प्रैक्टिस से संबद्ध किया जा सके। इस प्रक्रिया के चलते अनेक रिफायनर अपनी पहचान रिस्पॉन्सिबल बाजार प्रतिभागी के रूप में स्थापित करने में सफल हो सके हैं। कारोबारियों को अब बाजार में खरीदी के लिये कई विकल्प प्राप्त हुये हैं जिससे कि कम्प्लायन्स तथा रेग्युलेटरी प्रैक्टिस को बढ़ावा मिला है।

डीजीडी मान्यता प्राप्त करने की क्या शर्तें हैं?

डीजीडी की मान्यता प्राप्त करने के लिये रिफायनर को कम से कम तीन सालों के संचालन का अनुभव होना अनिवार्य है। इन्हें कुछ निश्चित उत्पादन मात्रा तथा फायनान्सियल नेटवर्क का बेन्चमार्क प्राप्त करना होता है तथा इसके अलावा इन्हें टेस्टिंग व इन्स्पेक्शन के परीक्षण दौर से भी गुजरना होता है जहां हम इनकी तकनीकी योग्यता जैसे कि रिफायनिंग, परख तथा वातावरण सुरक्षा को जांचते हैं और आखिर में इन्हें हमारे द्वारा निर्मित एक रिस्पॉन्सिबल सोर्सिंग प्रैक्टिस मापदंड के ऑडिट के दौर से गुजरना होता है (डीएमसीसी ने रिस्पॉन्सिबल सोर्सिंग के लिये एक गाइडलाइन व प्रोटोकाल बनाया है)। एक बार जब रिफायनर इन सभी मापदंडों को पूरा कर

लेता है तब वे दुबई गुड डिलीवरी के लिये पात्र हो जाते हैं। दुबई गुड डिलीवरी वित्तीय संस्थानों के लिये बनाया गया है जो कि वित्त बाजार व एक्सचेंज में डिलीवरी करते हैं और इसलिये हम कुछ ऐसा करना चाहते थे ताकि प्रधिनिधित्व करने वाले रिफायनरों की बाजार में पहचान रहे, इनकी विश्वसनीयता हो तथा कारोबारी इनके साथ यकीन से लेन-देन कर सकें। कम शब्दों में, ऐसा ब्रान्ड बनाने का विचार यह है कि गोल्ड को गोल्ड कहा जा सके जो एक तय मात्रा में फंजिबल है तथा यदि आप डीजीडी गोल्ड खरीद रहे हैं तो आपको इस बात की चिंता करने की जरूरत नहीं है कि आप कौन सा ब्रान्ड खरीद रहे हैं— आप आवश्यक रूप से उच्च गुणवत्ता के 1 किलो 995 शुद्धता का गोल्ड खरीद रहे हैं।

आपके द्वारा लक्ष्य किये गये रिफायनरियों से किस प्रकार की प्रतिक्रिया प्राप्त हो रही है तथा एमडीबी सर्टिफिकेशन के माध्यम से रिफायनरियों को किस प्रकार का लाभ हो रहा है?

अब तक मिली प्रतिक्रिया काफी सकारात्मक रही है। हमें अभी तक ऐसा कोई रिफायनर नहीं मिला है जिसे यह मान्यता आकर्षक नहीं लगी हो। हमें आशा है कि जल्द ही कई अन्य रिफायनरियां भी अपनी मान्यता घोषित करेंगी। ये सभी मान्यता प्राप्त करने की प्रक्रिया के लिये अपने आप को तैयार करने में जुटी है ताकि वे इस प्रक्रिया से गुजर सकें और इसमें सफल भी हो सके। लेकिन हमने यह पाया है कि बाजार एक तरह का गैप या अंतर है तथा रिफायनरों को खुद पहचान बनाने की आवश्यकता है और इसके लिये मान्यता

चाहिये। यह रिफायनरियों की उनकी रिफायनिंग क्षमता तथा प्रैक्टिस के आधार पर बाजार में स्थापित होने में मदद प्रदान करेगा। आगे आने वाले महीनों में हम कई अन्य घोषणाएँ करने की सोच रहे हैं तथा यह आशा करते हैं कि हमें मार्केट डिलीवरी ब्रान्ड के बारे में रिफायनरों से और भी सीखने को मिलेगा।

11वें इंडिया इन्टरनैशनल गोल्ड कन्वेंशन में आपका अनुभव कैसा था? क्या आपको लगता है कि वास्तविकता में यह एक अंतरराष्ट्रीय सम्मेलन है?

वास्तव में यह ऐसा है। यह सम्मेलन दुनिया भर के लोगों से मिलने का अच्छा अवसर प्रदान करता है। यह एक उच्चस्तरीय प्लेटफॉर्म है जहां हम न केवल अपने भारतीय बल्कि यूरोप, लैटिन अमेरिका, के ही सहकारोबारियों से मिलते हैं (विश्व के अनेक भागों से कई कंपनियां यहां आयीं हैं जो हमारे लिये काफी दिलचस्प हैं)। यह हमेशा से एक ऐसा सम्मेलन रहा है जो कि प्रोफेशनल तरीके से आयोजित किया गया है। यह हमारे लिये एक अच्छा व्यवसायिक विकास तथा नेटवर्क का अवसर के साथ ही हमें बाकि साल के लिये नयी योजनाओं के विकास का भी अवसर देता है।



सिक्वोर्ड लॉजिस्टिक्स के लिये भारत को अपने बुनियादी ढांचे में सुधार लाने की जरूरत

लार्स जॉनसन, डॉयरेक्टर-एयर कुरियर, ब्रिक्स-स्विट्ज़रलैंड व समीर होसानादे, मैनेजिंग डॉयरेक्टर, ब्रिक्स इंडिया प्रा. लि, ने आईआईजीसी-14 के दौरान बुलियन बुलेटिन के साथ की गयी बातचीत में भारत में बहुमूल्य धातुओं के परिवहन के लिये बुनियादी ढांचे में सुधार लाने की जरूरत तथा दुबई, सिंगापुर व हांगकांग जैसे वैश्विक बाजारों के समकक्ष सुविधा बढ़ाने पर जोर दिया। सारांश...



भारत में बहुमूल्य धातुओं के परिवहन या लॉजिस्टिक्स के कारोबार का आकार कितना बड़ा है व इसकी संरचना कैसी है? आप यहां किस तरह का ग्रोथ देख रहे हैं?

ग्रोथ के लिहाज से, भारत में सिक्वोर्ड लॉजिस्टिक्स का काफी बड़ा अवसर व्याप्त है। अगर आप हमारे जैसे कंपनियों को देखें जो कि सिक्वोर्ड लॉजिस्टिक्स के लगभग सभी क्षेत्रों में मौजूद है तो हमें 20-25% सालाना की दर से ग्रोथ दिखायी पड़ती है। हाल के समय में गोल्ड के आयात पर नियामक बंदिश से भारत में कुछ हद तक आयात कारोबार प्रभावित हुआ है, लेकिन हमें घरेलू परिवहन सेवा, निर्यात परिवहन में भी खासा अवसर दिखायी देता है तथा हम इस लिहाज से भारतीय बाजार के लिये सिक्वोर्ड लॉजिस्टिक्स उद्योग में बड़ा अवसर मान रहे हैं।

वैश्विक स्तर पर सबसे बड़ा

लॉजिस्टिक्स सेवा प्रदाता कंपनी होने के नाते आपको भारत में किस तरह की सुधार की आवश्यकता महसूस होती है?

बुनियादी ढांचा या इन्फ्रास्ट्रक्चर ऐसी चीज है जिस पर हम निर्भर होते हैं। मेरा यह सरकार तथा संबद्ध प्राधिकरणों से अनुरोध

है कि हमें एयरपोर्ट, समुद्र पोर्ट, पोर्ट तक पहुंच रोड इत्यादि जैसा इन्फ्रास्ट्रक्चर प्रदान करें। यह बात सत्य है कि अब तक काफी कुछ किया जा चुका है लेकिन आगे भी सुधार की जा सकने की संभावना मौजूद है। विकास कार्य तेज गति से की जानी चाहिये। आज भारत अपने पड़ोसी देशों के साथ बहुमूल्य धातुओं के भंडारण को आकर्षित करने के लिये प्रतिस्पर्धा कर रहा है। मलेशिया, दुबई, सिंगापुर व हांगकांग में फ्री पोर्ट की सुविधा है। भारत में ऐसा अब तक नहीं हो सका है इसलिए भारतीय कारोबारी लिहाज से यह जरूरी है कि यहां भी फ्री पोर्ट की स्थापना हो।

लार्स जॉनसन- दुबई व सिंगापुर में मौजूद फ्री पोर्ट के बारे में समझाइये। उन जगहों में इससे कारोबार में किस तरह का लाभ हुआ है?

फ्री पोर्ट या अनुबद्ध वेयरहाउस यहां रखे जाने वाले वस्तुओं के मालिक को यह अवसर प्रदान करता है कि वह इसे किसी भी तरह से उपयोग में ला सकता है तथा किसी को भी बेच सकता है। इस तरह से, मालिक जो कस्टम से क्लियरेंस लेकर अपने किसी ग्राहक को डिलीवरी करना चाहता है यह निर्णय आखिरी समय में भी लिया जा सकता है। हम जो भारत

अनुबद्ध वेयरहाउस तथा फ्री जोन ग्राहक तथा विक्रेता द्वारा चाहे गये सभी सुविधायें प्रदान करता है।



मे भेजते हैं वह किसी निर्दिष्ट प्रेषी या कन्साइनी को ही जाता है। जिससे कि यहां फ्लेक्सिबिलिटी नहीं मिलती है। अनुबद्ध वेयरहाउस तथा फ्री जोन ग्राहक तथा विक्रेता द्वारा चाहे गये सभी सुविधायें प्रदान करता है। दुबई, सिंगापुर, हांगकांग जैसे बाजारों के साथ प्रतिस्पर्धा करने के लिये भारत के पास उपर्युक्त सुविधायें होना जरूरी है।

समीर- भारत में सिक्वोर्ड लॉजिस्टिक्स सर्विस उतना पुराना नहीं है। उद्योग का

एक बड़ा हिस्सा अब भी असंगठित क्षेत्र पर भरोसा करता है क्योंकि उन्हें आपकी सेवा महंगी लगती है। इसलिये, असंगठित क्षेत्र द्वारा सिक्वोर्ड लॉजिस्टिक्स सेवा के उपयोग को बढ़ावा देने के लिये क्या किया जाना चाहिये?

यह एक भ्रम है कि हमारी सेवा महंगी है। लॉजिस्टिक्स के लिहाज से ऐसा कोई एक आकार नहीं है जो सबमें फिट हो सके। हमारे पास अलग-अलग ग्राहकों के लिये अलग-अलग प्रकार के उत्पाद व सेवा है; हमारे एक विशिष्ट उत्पाद भी है यदि मूल्य व जोखिम ज्यादा है तथा अपेक्षाकृत कम मूल्य के लिये भी उत्पाद है। इसके अलावा हमारे पास ऐसे सेवा या उत्पाद भी है जो घरेलू बाजार तथा मध्यम व छोटे ज्वैलरों तथा छोटे कारोबारियों के लिये ठीक है।

हमने पिछले 4-5 सालों के दौरान दूसरे व तीसरे दर्जे के शहरों में अपनी उपस्थिति बढ़ायी है। इसलिये छोटे ग्राहकों के मध्य भी हमारी खासी पकड़ है। हमारे सेल्स कर्मचारी इन सभी जगहों पर मौजूद है तथा वे लगातार इन कारोबारियों से संपर्क कर उन्हें संगठित क्षेत्र के साथ व्यवहार रखने से होने वाले फायदों के बारे में बताते रहते हैं। इस तरह से हम इस क्षेत्र में प्रवेश के लिये भरसक प्रयास कर रहे हैं।

लार्स जॉनसन- एक अंतरराष्ट्रीय सेवा प्रदाता होने के लिहाज से आप भारतीय बुलियन उद्योग को डायनामिक बनाने के लिये किस प्रकार के इन्फ्रास्ट्रक्चर की उम्मीद करते हैं?

हम अब भारतीय बाजार के अनुसार अनुकूलित हो रहे हैं जैसे कि, मटेरियल कहां जा रहा है, कहां से जा रहा है और किस प्रकार तथा संदर्भ में जा रहा है,

मामलों के लिये। डीपीएमसी 2014 में हमने गोल्ड के पश्चिम से पूर्व की ओर जाने तथा एक समय बाद इसके फिर से वापस पश्चिम की ओर लौटने की बात कही थी। इसलिये हमें इन गतिविधियों को ध्यान में रखकर एक सेवा प्रदाता होने के नाते चुनौतियों के बारे में सोचना होगा तथा इसका चतुराई से समाधान निकालना होगा, यही इस कारोबार की खुबसूरती है।

इस ११वें इंडिया इन्टरनैशनल गोल्ड कन्वेंशन में आकर आपको कैसा लगा?

समीर: यहां हमें काफी सकारात्मक प्रतिसाद मिला है। हम यहां अपने कई मौजूदा ग्राहकों से मिल सके तथा कुछ नये लोगो से भी मिले जो बाजार में प्रवेश की कोशिश कर रहे हैं।

लार्स जॉनसन- मेरे खयाल से यह साल का काफी अनुकूल समय है जहां विचारों का अच्छे से आदान-प्रदान हो सकता है।

■ ■ ■

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Bullion - Data & Statistics

Gold Spot Market, International (Per Troy Ounce)			
Spot gold	01 st Sep	24 th Sep	% Change
Australia(AUD)	1378.00	1372.32	-0.41
Britain(GBP)	774.10	744.52	-3.90
Canada(CAD)	1398.17	1346.62	-3.76
Europe(Euro)	979.52	951.46	-2.91
Japan(Yen)	134230.70	132876.00	-1.01
Switzerland(CHF)	1182.67	1141.73	-3.52
USA(USD)	1286.40	1214.92	-5.72

Silver Spot Market, International (Per Troy Ounce)			
Spot Silver	01 st Sep	24 th Sep	% Change
Australia(AUD)	20.84	19.94	-4.43
Britain(GBP)	11.70	10.81	-7.92
Canada(CAD)	21.15	19.56	-7.78
Europe(Euro)	14.81	13.82	-6.93
Japan(Yen)	2031.85	1932.88	-4.99
Switzerland(CHF)	17.88	16.70	-6.83
USA(USD)	19.47	17.67	-9.68

Monthly Exchange Data (Gold) (From Sep 01-24)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
MCX	Gold Dec'14	28095.00	28144.00	26525.00	26726.00	-5.16
NCDEX New	Gold Dec'14	28115.00	28115.00	26710.00	26710.00	-5.49
COMEX	Gold Dec'14	1288.50	1290.90	1208.80	1219.50	-5.42
TOCOM	Gold Oct'14	4293.00	4318.00	4237.00	4269.00	-0.61

1- Rs/10 gms, 2- \$/oz, 3- Jpy/gm

Fortnightly Exchange Data (Silver) (From Sep 01-24)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
MCX	Silver Dec'14	42890.00	42950.00	38831.00	39265.00	-8.96
NCDEX	Silver Dec'14	43120.00	43120.00	39671.00	39934.00	-9.01
COMEX	Silver Dec'14	19.54	19.57	17.33	17.70	-9.63
TOCOM	Silver Oct'14	65.10	65.30	61.80	61.80	-5.05

1- Rs/kg, 2- \$/oz, 3- Jpy 0.1/gm

Gold Spot Market, India Rs/10gm			
Spot Gold	01 st Sep	24 th Sep	% chg
Delhi	28175.00	27200.00	-3.52
Mumbai	28000.00	26950.00	-3.82
Bangalore	28180.00	27109.00	-3.87
Chennai	28210.00	27035.00	-4.25
Kolkata	28270.00	27085.00	-4.28
Hyderabad	28250.00	27050.00	-4.34
Ahmedabad	27761.00	26645.00	-4.10

Currency Change (Monthly)		
	01 st Sep	24 th Sep
EUR/USD	1.3128	1.2780
USD/JPY	104.36	109.03
USD/INR	60.53	60.965
USD/AUD	1.0716	1.1258
USD/GBP	1.6607	1.6340

Silver Spot Market, India Rs/kg			
Spot Silver	01 st Sep	24 th Sep	% chg
Mumbai	43600.00	40100.00	-8.37

Gold Forward Offer Rate (GOFO)		
	01 st Sep	24 th Sep
1m	0.08400	0.10500
2 m	0.09800	0.10750
3 m	0.11800	0.10750
6 m	0.14600	0.12000
1 y	0.21800	0.21750

Gold Lease Rate		
	01 st Sep	18 th Sep
1m	0.07250	0.00550
2 m	0.09875	0.05195
3 m	0.11560	0.08310
6 m	0.18340	0.16640
1 y	0.34660	0.34520

Bullion - Data & Statistics

LONDON FIXING (Per Troy Ounce)										
	GOLD AM			GOLD PM					SILVER PM	
DATE	USD	GBP	EUR	USD	GBP	EUR	DATE	USD	GBP	EUR
09/01/2014	1287.25	1286.50	774.47	773.84	979.34	979.44	09/01/2014	19.49	11.73	14.84
09/02/2014	1277.75	1267.00	773.27	767.23	974.42	965.70	09/02/2014	19.20	11.61	14.64
09/03/2014	1268.50	1265.50	769.39	768.65	965.67	962.72	09/03/2014	19.10	11.60	14.53
09/04/2014	1271.00	1271.50	772.36	774.08	966.69	977.48	09/04/2014	19.21	11.68	14.64
09/05/2014	1264.00	1266.00	774.80	775.21	975.69	975.87	09/05/2014	19.13	11.73	14.77
09/08/2014	1267.25	1259.00	786.57	778.99	978.87	972.65	09/08/2014	19.19	11.90	14.82
09/09/2014	1256.00	1255.75	779.79	780.07	974.78	974.51	09/09/2014	19.00	11.78	14.74
09/10/2014	1254.25	1251.00	779.91	774.52	968.46	967.97	09/10/2014	19.01	11.79	14.68
09/11/2014	1247.00	1241.25	767.53	764.79	964.20	959.75	09/11/2014	18.70	11.51	14.48
09/12/2014	1237.25	1231.50	760.87	758.73	957.11	951.85	09/12/2014	18.64	11.48	14.42
09/15/2014	1234.75	1234.25	759.43	759.73	955.62	953.16	09/15/2014	18.64	11.47	14.43
09/16/2014	1238.75	1232.25	765.70	760.13	956.93	951.84	09/16/2014	18.75	11.58	14.49
09/17/2014	1236.50	1236.00	758.73	756.52	954.24	953.70	09/17/2014	18.63	11.42	14.38
09/18/2014	1223.00	1220.50	749.99	744.57	949.61	946.49	09/18/2014	18.50	11.33	14.37
09/19/2014	1222.50	1219.75	745.38	746.34	949.22	948.85	09/19/2014	18.45	11.26	14.34
09/22/2014	1214.00	1213.50	743.51	742.29	944.75	945.31	09/22/2014	17.74	10.86	13.82
09/23/2014	1225.00	1222.00	748.09	746.26	951.01	948.76	09/23/2014	17.92	10.93	13.91
09/24/2014	1224.00	1217.25	746.11	744.31	952.83	952.47	09/24/2014	17.76	10.83	13.83

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