

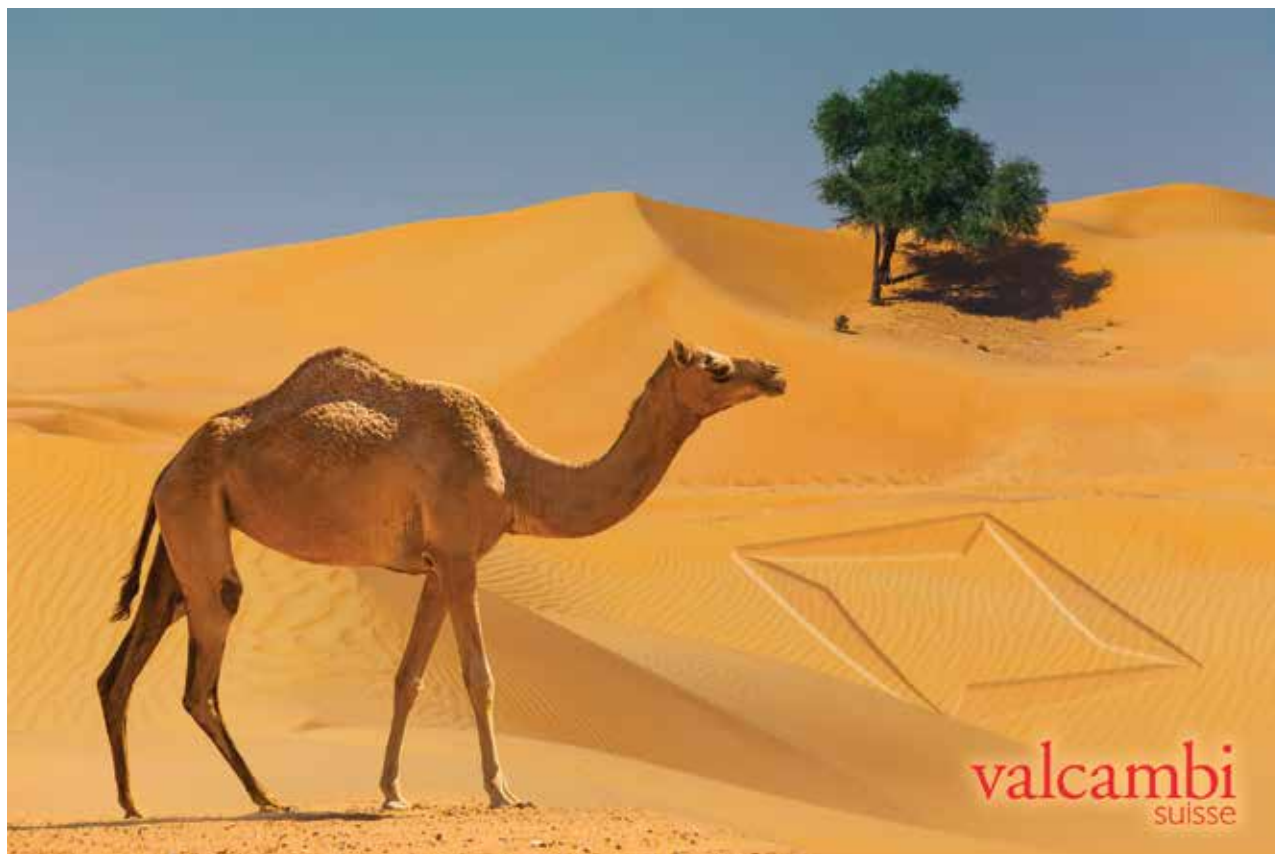
Price Rs 50

Bullion BulletinTM

Information Insights for Bullion Business

a Product of
CELEBRATING 20 YEARS
Foretell
Business Solutions

- | | |
|--|---|
| 06 We have Proposed Lower GST Considering Unique Structure of G&J Industry
Mr. Nitin Khandelwal, GJF | 19 A Review of ASM in Cote d'Ivoire |
| 08 Is Gold Poised to Move up?
G. Chandrashekhar, Commodities Market Specialist | 23 Hydraulic Marking System for Gold Bars
A. Meister, H.W. PickardteK Marking Tools |
| 10 Monetization of Temple Gold
Amrutha Das & Rinusha K Rajan ¹ | 26 Currency Outlook
Ram Pitre, EcoFin Consultant LLP |
| 14 Our P2P Loan Platform is a win-win Situation for Lenders and Borrowers
Gregor Gregersen, Silver Bullion Pte Ltd | 28 Central Banks and Gold
Alasdair Mcleod, Goldmoney |
| | 42 मंदिरों के गोल्ड का मौद्रिकरण
अमृता दास एवं रिनुशा के. राजन |



**MARK
YOUR
DATES**

ASIA PACIFIC PRECIOUS METALS CONFERENCE

4-6 JUNE 2017, GRAND COTHORNE, SINGAPORE

www.asiapacificpmc.com



BRAZILIAN GOLD REFINERY

COMPETENCE AND CONFIDENCE IN GOLD OPERATIONS
PURITY AVAILABLE 999,9 - 999,0 - 995,0



CONTACT US TO TRADE OR TO GET MORE INFORMATION.

CALL: +1 305-728-6406

E-MAIL: export1@rbmmetals.com.br

WEBSITE: www.rbm.net.br

CERTIFICATIONS



Go beyond
join the world class



valcambi
suisse

Bullion BulletinTM

Volume 7 • Issue 4 • DOP 6 April 2017

PRESIDENT
G Srivatsava

VICE PRESIDENT
Vinayak Meharwade

ASST. VICE PRESIDENT
Abhinaya

CONSULTING EDITOR
G Chandrashekhara

EDITOR
Debjit Saha

DESIGNER
Radhika
Praveen

WEB DESIGN
Manivannan
Sankar

CIRCULATION
Shivakumar
Jaisheelan

DATA SUPPORT
Gajendra

ADVISORY BOARD
Bhargava Vaidya
S K Jindal

PUBLISHING OFFICE
Foretell Business Solutions Pvt Ltd
#146, 1-2 Floor, Gopal Towers
Ramaiah Street, HAL Airport Road, Kodihalli
Bangalore - 560008

Tel: + 9180 25276152/53, Fax: + 9180 25276154
Email: info@bullionbulletin.in, abhinaya@fbspl.com
Web: www.bullionbulletin.in, www.fbspl.com

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,

New financial year has commenced. With that a set of guidelines on cash transactions has also come into effect. From April 1 2017, cash transaction of any sort beyond Rs. 3 lakh is prohibited. Besides, customer needs to produce PAN card for any transaction of Rs. 2 lakh and above. It is widely felt that gold demand may get affected as a result in the short term. However, WGC has predicted better gold demand this year compared to last year. In 2016, as per GFMS, India suffered 38% fall in total demand for gold. The report has observed three reasons behind this slump – introduction of excise duty on manufactured jewellery, destocking by retailers in the informal segment and demonetization. New regulations certainly need time to be absorbed by the market. I believe large jewellery retailers will expand their market-share in the meantime.



GST is all set to come to effect from July 1. Though rate on gold or gold jewellery is yet to be decided, maintaining it under the current level, I feel will increase revenue. GJF's proposal of 1.25% is logical considering the fact that high import duty is already levied on gold and majority of industry is unorganized.

Gold jewellery export from India has suffered a major setback in the first two months of 2017. January saw a drop of 24 % on y-o-y basis, while February was much higher at 47.52% on y-o-y basis. Imposition of 5% import duty on gold jewellery by UAE from January 2017 has been cited as one of the main reasons behind drop in demand for Indian gold jewellery. It is time for introspection. Government should review all impediments that add costs and reduce competitiveness. Industry should relentlessly pursue productivity route and leverage technology and market access to innovate on design and delivery. India's jewellery sector has expanded its share in global market in last 15 years. It has the potential to expand further as there is demand for hand-crafted Indian jewellery in global market. Collective action is needed urgently.

Indian rupee has strengthened against US dollar by nearly 5% so far in 2017. Huge dollar inflow from FII's to the tune of \$10 billion (equity and debt combined), clearance of GST bill in Lok Sabha, BJP's thumping victory in UP election together with Federal Reserve's soft economic guidance triggered rupee strengthening. Rise of rupee has kept gold price in Indian market at check despite the rise in gold price in dollar terms. In our view, rupee will continue to strengthen by few percentage points against US dollar this year. This will help both domestic buyers and exporters.

Best Wishes

Debjit Saha
Editor

Foretell Business Solutions Private Limited neither endorses the advertised product, service or company nor any of the claims made by the advertisement or the advertiser. Readers are encouraged to do necessary due diligence before initiating any action. Should you like to share your feedback on any of advertisers, please write to debjit@bullionbulletin.in

ASIA PACIFIC PRECIOUS METALS CONFERENCE

4-6 JUNE 2017, GRAND COPTHORNE, SINGAPORE

Organised by



Supported by



Managed by



In Association with



Title Sponsor



Platinum Sponsor



Cocktail Dinner Sponsor



Delegate Kit Sponsor



Logistics Partner



Media Partner



Information Partner



Supporting Bodies



Myanmar Federation of
Mining Association



- A platform to raise and discuss issues related to the Asia Pacific precious metals market
- Understand and learn about new markets
- Networking opportunities with SBMA members and customers/suppliers from ASEAN, Oceania, and the rest of Asia

www.asiapacificpmc.com

For delegate registration & exhibition queries, abhinaya@fbspl.com, +91 9343734140

For sponsorship & speaker queries, vinayak@fbspl.com, +91 9342820676

We have Proposed Lower GST Considering Unique Structure of G&J Industry

Mr. Nitin Khandelwal, Chairman, GJF, said that they have proposed 1.25% GST rate to government as this will cover 98% of the industry and ultimately will augur revenue realization of 5%. He also emphasized that they are looking at policies which will ensure 'ease at doing business'. Excerpts...



We have made a very strong representation and recommendation for ease of doing business and we are proposing 1.25% for the simple reason that states were happy with 1% VAT and excise duty is not applicable to 95% of the industry. After the proposed GST, if accepted, it will be applicable to 98% of the industry and thus the proposed 1.25% GST will be equal to 5%.

What are your top priorities as chairman of the Federation in the next six to 12-month time?

Thank you very much. My plan is ready for next 12 Months and it consists of the maximum plans that we had mentioned in our agenda during the elections. I want to ensure that old projects which are running since last decade will be continued with new zeal and energy. Smooth working for projects we have been doing like Preferred Manufacturers of India (PMI), National Jewellery Awards (NJA),

Labham, GJF Night, Abhushanam, Board Meetings, Zonal Board Meetings which we have started doing and roadmap is ready in consideration with new COA team which is hard working and full of zeal and energy to do something for the industry we all are working in and to maintain the vision and mission of GJF that is "Support and promote the progress and prosperity of all the members in the Gems and Jewellery Industry across India".

Everyone agrees with the policy direction set by the government and believes firmly that it would be good for the business in the long-run. However, a lot of education and awareness is needed at every level. As Federation, how is your organization reaching out to your members and then to your

customers?

This is very important question. Regarding new policies reach to government, first of all there is lot to do and convince the government. Then we would have to reach to the maximum people from the industry. Through Labham, our pet project, we are planning to reach 30 main cities in India. We are also planning for 100 Webinars to reach maximum people from the industry. We will also be informing through SMS, Mass Mails, Whats App, Magazine (Gems& Jewellery Times). Gjf is connected to maximum people from the Industry and people like you are always supportive.

The industry keenly awaits GST for jewellery. What has GJF proposed the government?

We are completely in support with

Government but this is a very unique industry. Till date we have met 17 Finance Ministers from different state and we have also met Union Finance Minister Honorable Mr. Arun Jaitley. We have also met Revenue Secretary Mr. Hasmukh Adhiya. We have met Additional Secretary and Under Secretary and 9 VAT Commissioners of different state.

A) We have made a very strong representation and recommendation for ease of doing business and we are proposing 1.25% for the simple reason that states were happy with 1% VAT and excise duty is not applicable to 95% of the industry. After the proposed GST, if accepted, it will be applicable to 98% of the industry and thus the proposed 1.25% GST will be equal to 5%.

B) We are strongly recommending government not to introduce so many HSN codes because so many codes will only complicate the entire system. It will be also very difficult to maintain stock. So we are recommending HSN and proposing single rate.

C) We are recommending threshold limit of job workers to be raised to

50 Lac instead of 20 Lac.

D) No search and seizure be allowed in this sector because it is a very soft targeted industry.

E) On the movement like interbranch transfer, removal, sent for different job works, approval should be hassle free.

There are many others but these are the key elements.

GMS has a tremendous potential in India and will succeed in the long run. However, many believe that inclusion of jewelers in GMS is essential to make the scheme popular and successful. Do you agree with that view? If so, has the Federation approached the government on the same issue?

We have recommended government that there are many changes to be made and it can be only possible with the help of jewelers and keeping them in the loop would be very much important.

Compulsory hallmarking will soon be a reality. Two issues stand out. One is restricting the options to only three caratage. And second pertains to the professionalism and quality

of service provided at many of these hallmarking centres. What are your views on both these issues?

As GJF we have always welcomed Hallmarking (Without Inspector Raj). We do not agree with the proposed hallmarking certification with the jewellery as it is very difficult to manage huge inventory.

In Jewellery when people come to shop or showrooms they want modification according to size, length, weight as per their budget and requirement. After given certification with jewellery with details will create a huge confusion and conflicts and record keeping would be a herculean task. So industry should be and must be taken into confidence before making any law.

I strongly believe that jewellery karigars are most vulnerable section of jewellery supply chain. We need right initiatives and incentives for them. Otherwise, there will be serious issues of getting skilled karigars in future. What is your view? How collectively we could do something to karigars in respect of skill enhancement, monetary security, healthcare etc..?

Yes it is very true we have already established along with GJSCI and we are continuously educating our manufacturers and jewelers.

And if you have any idea you are always welcome.



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

As GJF we have always welcomed Hallmarking (Without Inspector Raj). We do not agree with the proposed hallmarking certification with the jewellery as it is very difficult to manage huge inventory.

In Jewellery when people come to shop or showrooms they want modification according to size, length, weight as per their budget and requirement. After given certification with jewellery with details will create a huge confusion and conflicts and record keeping would be a herculean task.

Is Gold Poised to Move up?

G. Chandrashekhar, Commodities Market Specialist



The second quarter will expose the US economy to greater risks and uncertainties which in turn can potentially push gold markedly higher than it is at present. The safe haven appeal of the yellow metal could resurface to take it well above \$ 1300/oz.

Gold prices have struggled to stay afloat, above the psychological level of \$ 1200 an ounce, in recent months given the several headwinds the market has been facing, not the least of which is less-robust demand in major consuming countries such as China and India combining with US Fed rate hike. Is the price situation going to change anytime soon?

Signals from the world's engine of economic growth – the US – are worth considering. Uncertainties are once again rearing their head. In particular are the policies of the Trump administration. While there is little doubt about the pro-business pro-growth credentials of Donald Trump, there are challenges ahead.

The US President wants the economy to grow at 4.0 percent, far higher than the current 2.5 percent. To spur growth, in addition to infrastructure investment, tax cuts are on the anvil. This is sure to boost business confidence further and help

attract fresh investment and jobs. To be sure, the US is said to enjoy near full-employment already with jobless claims at multi-year lows.

However, there is growing belief that tax cuts without tax reforms might not bolster growth. Tax loopholes as also an ageing population could diminish the impact, it is argued.

While deficit spending is as yet unresolved, the contentious debt ceiling issue could yet again become a speed-breaker. How it would be resolved remains to be seen. Its resolution will provide insights on fiscal policy and will send strong signals to equities and bond markets.

Another emerging concern is credit off-take. In recent months, there has been deceleration in the pace of bank lending in the US to residential real estate as well as to corporates in the commercial and industrial space. This is raising anxiety whether policy uncertainty and higher lending rates are impacting corporate activity. In the event further rate hike – anticipated in June – could come under a cloud. It will also have implication for the US dollar.

This is the kind of situation gold usually thrives on. The second quarter will expose the US economy to greater risks and uncertainties

which in turn can potentially push gold markedly higher than it is at present. The safe haven appeal of the yellow metal could resurface to take it well above \$ 1300/oz.

Having said that, the tug of war between bull and bear forces is real. In particular, physical demand conditions are tepid. Demonetization of high value currency in India has sucked out unaccounted cash as a result of which a source of demand has all but evaporated. Other administrative restrictions such as limit on cash transactions too do not support the demand side.

Equity markets are doing rather well and less-committed longs have no hesitation to exit gold and move to equities. Also, central bank purchases are hard to come by.

Despite this gravitational pull, gold has the capacity to defy gravity and move up. Its upward journey is likely to be accelerated by uncertainties relating to the outcomes of Trump administration's policies and programs.

(The author, Consulting Editor, is a commodities market specialist. Views are personal).





**Batik Series - The Intangible Heritage
of Indonesia now stamped on
Logam Mulia's Minted Bars**

THE LEADING PRECIOUS METALS REFINERY

For more information,
please contact us at : www.logammulia.com



LOGAM MULIA
Purity is reliable

Monetization of Temple Gold

Amrutha Das & Rinusha K Rajan¹



Amrutha Das

India is home to several temples which have been built by kings or as a collective effort of a community. Temples built by royal families set aside trade revenue in terms of gold reserves as offerings to the deities, which was also used for the maintenance of such temples. The gold is used to adorn the deity and the sanctum sanctorum. It also found its way into treasury reserves. In line with this tradition, donation of gold in terms of jewelry, especially in temples, has become a predominant part of Indian culture. As per estimates, Indian temples

Gold Monetization scheme is one of several investment options within banks, and the least attractive. Without a marginal return on equity of at least 15 percent, banks can't sustain this scheme over the long term. For private banks with higher risk adjusted return on assets, this scheme is not very attractive. Moreover, it involves a high cost of infrastructure such as expenses on minting, transportation and security of the asset which is not lucrative if the returns are low. In addition, the scheme has not been marketed well to the extent that even bank employees are not aware of the scheme.

have 3000 tons of gold which amounts to two-thirds of the US bullion depository holdings. Another estimate predicts the presence of 2000 tons with the temples.

For a country that produces almost no gold, the import resulting in ballooning CAD was the trigger for the Government to develop a solution that does not limit gold imports but tap the gold within the country. The 3 schemes launched in Nov 2015 were the Gold Monetisation scheme, Gold Sovereign Bond scheme and the Gold Coin and Bullion Scheme. The revised Gold Monetisation scheme, as proposed by the Finance Ministry in November 2015, not only targeted household gold reserves of gold but

also included religious institutions in its scope.

As on March 2017, only 6.4 tons (Business Standard- March 10, 2017) of temple and household gold is known to have been mobilized under the scheme, which is a very meagre share of the reserves stated so far. Eight major temples from Tamil Nadu, Jammu Kashmir, Andhra Pradesh and Maharashtra are known to be part of the scheme as of today. As per the latest reports (Hindustan times- March 7, 2017) Himachal Pradesh government is also persuading their 29 scheduled temples to be part of the scheme.

Interviews conducted across various stake holders in the scheme revealed

certain concerns in adopting the scheme.

Market volatility of gold is a primary issue. Gold Monetization scheme is one of several investment options within banks, and the least attractive. Without a marginal return on equity of at least 15 percent, banks can't sustain this scheme over the long term. For private banks with higher risk adjusted return on assets, this scheme is not very attractive. Moreover, it involves a high cost of infrastructure such as expenses on minting, transportation and security of the asset which is not lucrative if the returns are low. In addition, the scheme has not been marketed well to the extent that even bank employees are not aware of the scheme. When the authors enquired at a few leading banks about Gold Monetization Scheme, the bank employees were completely unaware about the scheme and confused it with gold loans and gold deposits.

From the perspective of temple authorities, they are concerned with the threat of future taxation and hence, prefer to be silent about their reserves. Besides, an element of religious sentiment with respect to temple gold is also present. The gold reserves within Padmanabhaswamy temple, Thiruvananthapuram, Kerala has historical, archaeological and cultural significance. The gold

reserves are centuries old preserved over generations and looked after by the royal household. Around 90 percent of the gold donations in other temples are in the form of newly crafted jewelry and hence it is not easy to surpass the sentiment around it to melt them for the scheme. This jewelry is also used for adorning the deity in smaller temples. 'Used jewelry' too find their way as donations, mainly from the lower income group. These are always melted and are not directly used as adornment.

In terms of trend, the gold donations to religious places is more popular as a practice in South India followed by West, North and East of India. Based on interviews, it was discovered that the decision to donate gold in 75% of households is taken by the male head of the family, who is above 45 years of age.

The initiative while being encouraged by the government as a benign economic move is at the same time being criticized on the other hand as a very non- secular initiative as only temples are being coaxed into buying in to the scheme. Many temple trusts believe that the other religious institutions like the Churches, Gurudwaras and Dargahs also receive gold donations.

An online survey regarding the usage of gold donation to religious



Rinusha K Rajan

An online survey regarding the usage of gold donation to religious institutions revealed that majority of devotees had no issues if the cash generated from the donated gold for such schemes is used for social welfare activities, and devotees are made aware of this in a transparent manner.

A scheme like Gold monetization for temple gold hence is not a far-fetched dream in realizing the hidden gold potential of the country. But it indeed is one which requires more attention to sensitive handling as well as careful policy alignments to cater to the sensibilities of the stake holders involved as their willingness to part with the gold deposits alone can ensure the takeoff of such a scheme.

institutions revealed that majority of devotees had no issues if the cash generated from the donated gold for such schemes is used for social welfare activities, and devotees are made aware of this in a transparent manner.

The administrative hassle around the process of monetization including the documentation at the banks, separate trips to CPTC and refineries for purity checking adds to the bother. CPTCs are also not present uniformly across geographies. Within Karnataka, there is only one CPTC in Bangalore, whereas there are seven in Kerala. There are no CPTCs in North East. Thus the feasibility of a different model where refineries are themselves collection centres should be tested. The tripartite agreement between the three is crucial to enable the smooth functioning of the scheme as distrust or lackadaisical approach from any of the three is detrimental to the scheme's success.

Certain assurances regarding the fiscal implications of partaking in the scheme must be given to the religious institutions as a part of the marketing initiative.

The use of funds generated from involvement with the scheme by the religious bodies have to be done transparently. Our surveys revealed that as donors, devotees are keen to know the amount of revenue generated from the deposits in these religious institutions and its final usages. This ensures general support of the donors to the scheme and mitigates dissent based on religious sentiments. Inclusion of all types of religious institutes with such deposits is crucial for such a scheme.

An active approach from the side of Banks in the scheme is also necessary as they don't consider this scheme feasible. Unless the gold deposits are made part of the RBI's mandates of CRR and SLR, banks are yet to find

feasible reinvestment options for the same. They must also be enabled to sign agreements with refineries like India Govt Mint and MMTC PAMP where large volumes of temple gold could be deposited to achieve cost efficiencies through economies of scale.

A scheme like Gold monetization for temple gold hence is not a far-fetched dream in realizing the hidden gold potential of the country. But it indeed is one which requires more attention to sensitive handling as well as careful policy alignments to cater to the sensibilities of the stake holders involved as their willingness to part with the gold deposits alone can ensure the takeoff of such a scheme.

2

.....
¹ The authors have recently graduated from IIM Bangalore and would like to thank Prof. Charan Singh, for research guidance on this study.

² The detailed working paper published by IIM Bangalore on the gold monetization scheme can be found at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2896586



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

The Team for Precious Metals Analysis

Elemental Analysis Solutions for Precious Metals

X-ray fluorescence (XRF)

Optical Emission (OES)



Portable XRF



**Small-spot XRF
with automation**



**ICP - OES
spectrometer**



**Arc/Spark OES
spectrometer**

Contact Us:

Nucleus Analytics Private Limited

No. 30C, 3rd Floor, 6th Main, J.C. Industrial Layout, Kanakapura Main Road,
Yelachenahalli, Bengaluru - 560 062, INDIA

Tel.: +91 80 2686 1120, 49540648, Fax: +91 80 26761121, Email: nucleus@ntindia.co.in

Our P2P Loan Platform is a win-win Situation for Lenders and Borrowers

Gregor Gregersen shared the benefits of their P2P loan platform and his expectation of emerging bullion market in Singapore with Bullion Bulletin. He also commented on the current status of Singapore gold market from investment perspective. Excerpts...



We accept bullion bars and coins produced by LBMA accredited refineries because this accreditation is one of the criteria for bullion to be exempted from the 7 percent Goods and Services Tax(GST) in Singapore. For our international customers who store gold and silver with us, not needing to pay the GST can be further savings for them. This distinction also benefits our customers since such bullion are very liquid and easily resold given that they are internationally recognised brands.

Bullion Secured peer-to-peer platform. What does it stand for and how bullion owners or lenders get benefited? Please write in details.

Customers who store gold and silver with us are able to obtain a loan using their precious metals as collateral. It gives owners of gold and silver the option to unlock capital without having the need to sell their bullion. For example, if a customer is storing USD10,000 worth of gold in our vault, he is able to request for a USD5,000 loan on our bullion secured P2P loan platform. As you can see, each loan on our platform

would have 200% collateral to loan value. Should the collateral to loan value falls to 125%, the borrower will receive a margin call from Silver Bullion to top up the collateral. If the value falls further to 110%, the loan is closed and the collateral liquidated to pay the lender.

Lenders with available funds are able to see borrowers' requests on our platform and decide which loans to take up. Alternatively, lenders can also list their lending offers on our platform. Loans on our platform have tenures ranging from 1, 6, 12 and 24 months.



Both borrowers and lenders are able to set their own interest rates, desired loan tenure and the amount to borrow/lend. When there is a match between a borrowing request and a lending offer, a loan contract is formed.

Our bullion secured P2P loan platform is very safe. Even in the event if the borrower is late in repayment, we have a sweeper fund that will ensure that the lender receives his funds on time. The platform has matched more than S\$27m across 1,000 loans. There are zero defaults. Lenders have absolute

With the downward pressure on precious metals prices in recent years, I see the road ahead for the industry to be bumpy and mostly driven by external factors. The most important factor is people's own collective assessment of how they see their future. When markets rally and the future is perceived to be rosy, people chase yields and rush into equities and real estate. This is the type of market we are seeing in the short term which results in stagnating sales of bullion. Once people see financial storm clouds ahead, I expect them to switch back into precious metals.



peace of mind lending their funds. Borrowers sleep well because their physical gold and silver are stored in our vault, called the Safe House, with full insurance. We have an uncommonly comprehensive class of insurance at our vault which also insures against inside jobs and mysterious disappearance. Right now, bullion stored in our vault is insured for a maximum of SGD 300 million for any one loss.

It's a win-win situation for lenders and borrowers.

What I observed, only LBMA accredited refinery bars or legal tenders could be transferred to

your vault. Is this for maintaining highest bullion standards with zero risk? Elaborate how it works for clients.

We accept bullion bars and coins produced by LBMA accredited refineries because this accreditation is one of the criteria for bullion to be exempted from the 7 percent Goods and Services Tax (GST) in Singapore. For our international customers who store gold and silver with us, not needing to pay the GST can be further savings for them. This distinction also benefits our customers since such bullion are very liquid and easily resold given that they are internationally recognised

brands. It does strengthen our company's value proposition: store your wealth in a safe asset (physical gold and silver) in a safe location (our vault) within a safe jurisdiction (Singapore).

How full proof is your authentication tests that bars coming for storage are genuine?

As one of the pioneer bullion dealers in Singapore, we have a close business relationship with the largest international refineries and mints. Our bullion products are purchased directly from these suppliers. Silver Bullion has delivered more than 8 million ounces of precious metals since the start of the company and

italtec
GHANA LTD



10 Anum Yemoh Loop East Legon Accra
Direction: Follow sign post, opposite the Mensvic
Grand Hotel, off Lagos Ave
office: + 233 302544094 | cell: +233 244 418922
SKPE: Anas641

Hotline:
+ 233 200946425
info@italtecgold.com / italtecgh@yahoo.com
www.italtecgold.com

our business is still growing. We always inform our customers that their first defence against counterfeit bullion is to buy from a trustworthy source.

We do accept bullion that is not bought from us for storage at our vault. However, the authentication lab at our vault(The Safe House) conducts comprehensive tests on such bullion that are transferred to us from external sources. Beating counterfeit bullion requires our staff to study the material properties of precious metals. No one element has exactly the same material properties. Therefore, we use multi-faceted tests to ensure that the material properties of the precious metals are authenticated. Examples include density tests, ultrasound, X-ray spectrometer and electrical conductivity measurement. This would pretty much be the most rigorous authentication for non-destructive bullion testing.

As per your estimate, how Singapore Bullion market is evolving? What is your growth expectation?

Silver Bullion was the first bullion dealer in Singapore to offer the online purchase of bullion bars and coins with live prices when we first started in 2009. Those were the early beginnings of the Singapore

bullion retail market. Silver bars and coins were very new to the retail market then. Since then, we have seen growing numbers of local and foreign customers buy and also store with us. Today, customers expect Singapore dealers to provide live pricing and are accustomed to placing bullion orders online. With a myriad of resources on precious metals on the Internet, we are also seeing more customers coming to us with a better understanding that buying physical gold and silver preserves purchasing power.

With the downward pressure on precious metals prices in recent years, I see the road ahead for the industry to be bumpy and mostly driven by external factors. The most important factor is people's own collective assessment of how they see their future. When markets rally and the future is perceived to be rosy, people chase yields and rush into equities and real estate. This is the type of market we are seeing in the short term which results in stagnating sales of bullion. Once people see financial storm clouds ahead, I expect them to switch back into precious metals. We will then see growth in the bullion industry go to a new level.

However, it is very difficult to make any predictions on the timing of

when this switch will happen.

Are you looking to expand your business to other Asean countries?

We have operations in Malaysia but our primary business and storage facilities are, and will continue to be, in Singapore. This is because of the tax free status of bullion and the regulatory transparency the island nation has. Singapore is also an ideal jurisdiction for bullion storage since it is a very safe country with laws that strongly enforce property ownership. In addition, it has an open economy that is pro-business. I do not see a better place for our business at this moment.

.....
About Gregor Gregersen

Gregor Gregersen is the founder and CEO of Silver Bullion Pte Ltd and its subsidiary, the Safe House SG Pte Ltd. As CEO of Silver Bullion, Gregor leads the team to ensure that all legal, jurisdictional, counterparty, insurance, authentication and physical security issues are addressed so as to provide bullion owners the worldwide safest place to store silver and gold.

Prior to founding Silver Bullion Gregor was a Senior Data Architect for Commerzbank AG and a Senior Business Intelligence Consultant for major MNCs. He holds a plethora of programming and project management certifications as well as US University degrees in Finance, Economics and Information Technology.



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

A Review of ASM in Cote d'Ivoire

Based on the presentation made at ASM West Africa, a Regional Workshop on Best Practices for the Sustainable Development of Artisanal and Small-Scale Mining

Regional workshop on best practices for the sustainable development of artisanal and small scale mining held in Abidjan, Cote d'Ivoire between 1 and 3 March, 2017 was an eye opener for the mining fraternity having interest in mining business in West Africa region. West Africa is highly fertile land for mining, especially gold mining. However, sustainable development of small and artisanal mining is real issue to address in entire West Africa region. Three day workshop was highly engaging to know about the challenges that every government in the region has been facing due to multiple factors. What has been identified that lack of source of income has forced people to take artisanal mining with hand-held tools and in the bargain has created lot of healthcare and environmental challenges. While mining gold, for example, through artisanal sources, it has been found that there is rampant use of hazardous chemicals like mercury, and cyanide degrading the environment in one hand, and on the other, has been affecting the health of the miners which include women and children. Apart from

this, there are issues of human rights violations.

In this backdrop, organizing this kind of workshop in association with OECD, and other governmental and social organizations is highly fruitful towards creating awareness of sustainable development of small and artisanal mining in the region.

Bullion Bulletin had participated in the workshop. We are bringing in some of the topics that were dealt with during the workshop.

National Program for the Rationalisation of Gold Mining in Côte d'Ivoire

COULIBALY SEYDOU, Technical Advisor, Ministry of Industry and Mines, Côte d'Ivoire

To begin with, National Program for the Rationalisation of Gold Mining in Côte d'Ivoire has revealed the kind of programme the government of Cote d'Ivoire had undertaken to increase the mining productivity.

Cote d'Ivoire has undergone a politically unstable period between

2000 and 2010 and during that time there was lack of administrative hold on mining sector in the northern and western part of the country. Lack of mining administration and rise in gold price to \$1600/oz during this time had encouraged people to go for gold mining, leaving agriculture. This shift had negatively impacted the entire regions. Some of these include:

- Destruction of environment
- Deforestation, destruction of arable land, pollution of water bodies
- Insecurity, drug addiction including proliferation of HIV AIDs
- Child labour

To save mining industry from this malice, Cote d'Ivoire Government had adopted a three year programme (2014-16). The intention is to rationalize the mining sector.

This programme is classified into five categories:-

Preparatory Phase

In this phase, awareness raising programme has been initiated. Under this, local technical committees in each locality, who



have been impacted immensely due to mining activity, have been installed. Training of local mining administration staff has also been undertaken.

Understanding of the environment

People have been trained to get them understand how the environment gets damaged through unscientific mining.

Classification of Organization

In this phase, mining sites are identified and mining characteristics have been studied. Unauthorized miners are evicted. At the same time, unauthorized sites are also

closed. Government has reorganized the entire mining operation to pave way for authorized small and artisanal gold mining.

Training and Supervision

In the first place, training has been given to those miners who got the authorization for continuing the mining activity. One expert has been called from SODEMI to train the budding miners. The whole process has been closely monitored and evaluated.

In the next phase, mining cards have been allocated to working people. Mining and processing activities

have been monitored closely; every possible advice has been given to keep the production records. Emphasis has been put forth for creating cooperative societies. Sites which have failed to comply with were closed after 30 days of formal notice.

Environment and People

Rehabilitation programmes have been done to restore the mining sites. Awareness campaigns have been initiated against worst forms of child labour, de-schooling; people infected with HIV/AIDs, STDs are also taken care of. Mass campaign has been organized to fight illicit drug use.

Under Order No. 139 / PM / CAB of 31 March 2014, institutional framework has been established to determine functional areas under its





Developing, Driving and Connecting ASEAN'S Bullion Market

The SBMA is the principal market development agency for the precious metals trade in Singapore.

Our mission is to develop Singapore as ASEAN's precious metals trading hub.

As the first touch point between governmental/regulatory bodies and market participants, we maintain good links and relationships with fellow associations in ASEAN countries and beyond, further connecting our market participants through networking events and outgoing business missions to these countries.

We are also a source of industry knowledge and information, and can share best practices and industry know-how.

For direct enquiries, please email

Albert Cheng, CEO
albert.cheng@sbma.org.sg

Hidetaka Hawk Namiki, Executive Director
hawk.namiki@sbma.org.sg

For more information, please visit our website at www.sbma.org.sg

Singapore Bullion Market Association

9 Raffles Place, Level 17, Republic Plaza II, Singapore 048619, Telephone: +65 6823 1341



or its representative and the secretariat assured by the DR and DD of the locality

The Result

The programme has delivered a highly encouraging result. This includes:

- 68 Local Technical Committees (LTC) are installed
- 429 gold mining sites have been identified throughout the country, of which about 45% are located within mining titles and potential mining titles.
- The eviction of thousands of clandestine gold miners, the closure of 429 illicit sites, the destruction of seized gold-mining equipment, the arrest of recidivists and taking them to justice.
- Allocation of artisanal mining and semi-industrial permits.
- Training of the RD, DD, and the Mining departments Heads
- Ongoing treatment of recolonized sites and new sites created with the police stations.

purview. This includes:

- The National Steering Committee in abbreviated NOC chaired by His Excellency the Prime Minister;
- The National Technical Committee in abbreviated form CTN chaired by the representative of the Minister of Mines;
- The Implementation Cell under the coordination of a Responsible person designated as the Head of the Implementation Unit appointed by Order of the Minister of Mines;
- The Local Technical Committee chaired by the Prefect of the locality where it is located



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

Hydraulic Marking System for Gold Bars

A. Meister, H.W. PickardteK Marking Tools

This system has been constructed to mark gold and other precious metal bars. We have realized that there is no standard system for marking gold bars all over the world. We have developed a system that can be used to mark a wide variety of bar sizes in a simple and effective manner. It is an extremely robust press and it is build for a long persistence. The weight of the press is approx. 500 kgs.

Standard pressure is 20 t but can be reinforced if desired (up to 50 t and more). The oil pressure is built up via a hydraulic pump and transferred to the cylinder. The pressure is displayed digitally and can be set.

The press can be used as a standalone system or integrated into a production line.

Only high-quality and long-life components are used for this, which are very low-maintenance. So this system is able to press very fine and complicated engravings. Because we work with CAD - CAM systems, we can produce marking units for irregular surfaces. (E.g., to mark hollow or curved surfaces). Irregular surfaces may develop when casting the gold. To a certain extent you can compensate these irregularities with the engraving.

All technically presentable logos and signs can be engraved. All types of numbering heads can be produced. All fonts can be engraved on the wheels of the numbering heads. Possible letter sizes for numbering heads: from 0.5 mm to 100 mm. Also possible are marking units with interchangeable steel types. The applied pressure is adjustable to the metal you want to mark (e.g.

gold, silver, platinum) and also to different bar sizes.

Over the socket for the bars you will find a sledge with the engraved stamp and next to this stamper numbering head for the numbering of the bars. This numbering head you can change by hand or pneumatically. Because of the security the press stroke is less than 5 mms. The press is equipped with two hand control buttons which you have to press synchronic. Other safety precautions such as light barriers or similar are also possible.

The marking system and the holders for the bars are variable so that different bar sizes can be marked (e.g. 50g, 10 Tola, 100 g, 500 g, 1 kg). If you want to mark bigger bars we can build the press in greater external dimensions (e.g. for 12,5 kg bars or more). Of course we are able to design special solutions for you if necessary.

Additional we can control the consecutively numbering of the bars with a special optical control system. It is also possible to integrate an automatic feeding system of the bars. The marking unit has a long persistence (depending on the softness of the metal you want to mark), but it is necessary to clean the surface of the stamp regularly.



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





SAKTHI TRADING GROUP

The Bullion People

IDM Global Group of Companies

IDENTIFY

DEVELOP

MANAGE

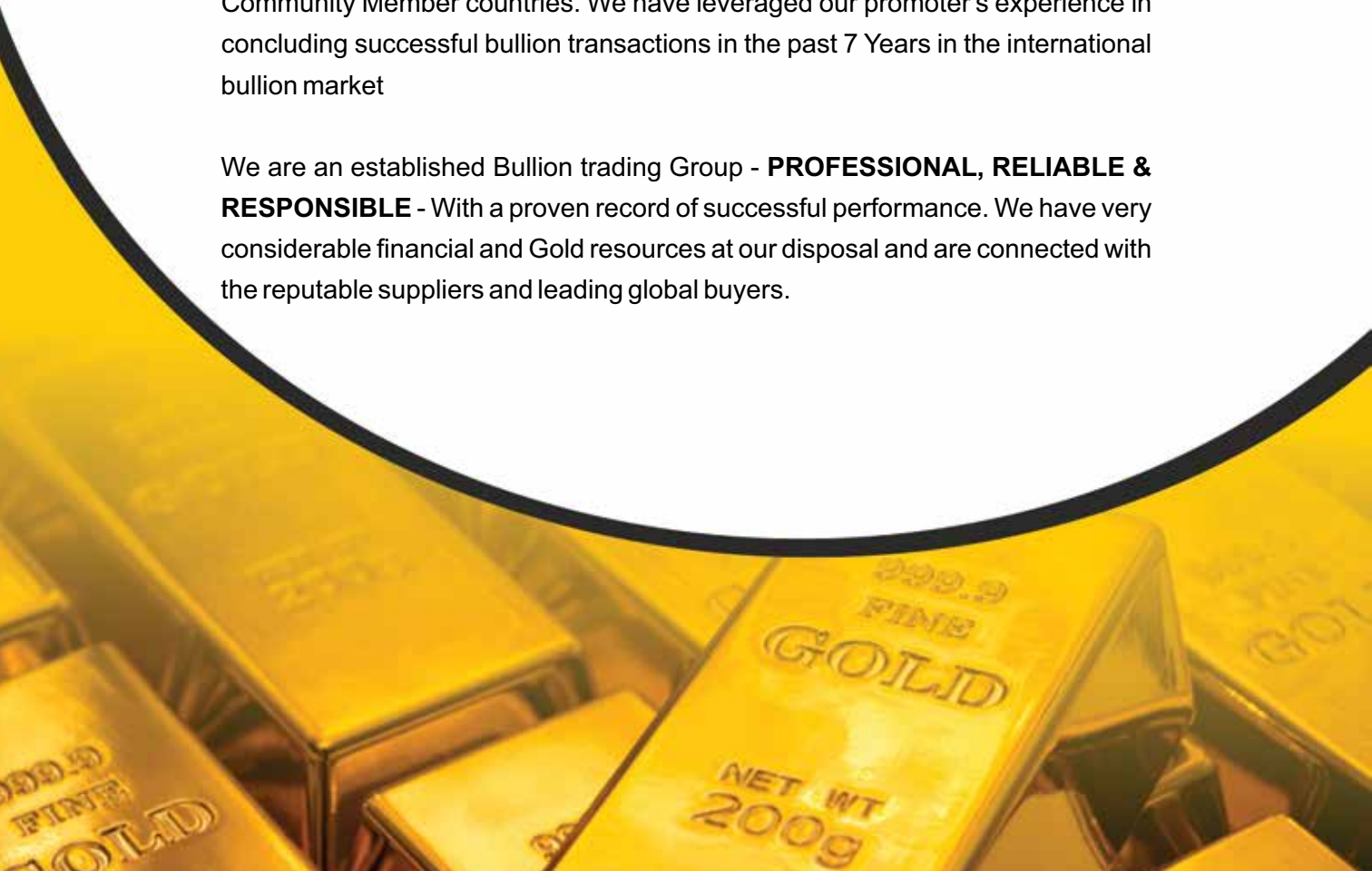
Part of IDM Global Group of Companies

UAE | HONG KONG | SINGAPORE

PROFESSIONAL | RELIABLE | RESPONSIBLE

Sakthi Trading Group is a part of IDM Global Group of Companies now, in to bullion trading situated in Hongkong, Dubai and Singapre, Operating its resources from the conflict free mines of West African and East African Community Member countries. We have leveraged our promoter's experience in concluding successful bullion transactions in the past 7 Years in the international bullion market

We are an established Bullion trading Group - **PROFESSIONAL, RELIABLE & RESPONSIBLE** - With a proven record of successful performance. We have very considerable financial and Gold resources at our disposal and are connected with the reputable suppliers and leading global buyers.





SAKTHI TRADING GROUP

The Bullion People

iDM Global Group of Companies

IDENTIFY

DEVELOP

MANAGE

Part of IDM Global Group of Companies

SAKTHI OFFERING - 2017



HARI IYER

REFINERIES / BUYERS

We shall supply Gold till your doorsteps. We are the most trusted and professional gold sellers from Africa with offices at Dubai, Hong Kong and Singapore. Write to **Hari Iyer** at ceo@sakthitrading.com.



DILIP SHAH

MINERS/ EXPORTERS

Our investment in the Mining sector with the support of necessary equipments and logistics to transport the gold to the export facility and further export to our location. Write to **Dilip Shah** at coo@sakthitrading.com



MAHESH PATIL

INVEST IN GOLD TRADE

We offer the best returns on your investment - as high as 12%* per month. We follow safe methods in trade right from the supply to the end user with the best of international practices. Investment structured through proper legal entities and documentation vetted through the best of the international law firms. Write to **Mahesh Patil** at cfo@sakthitrading.com

Our Offices

HONG KONG

Level 12, 1 Peking Road
Tsim Sha Tsui,
Kowloon Hong Kong, China
Ph: +852 3980 9349
Fax: +852 3980 9333

UAE

Level 23, Boulevard Plaza Tower 2 Sheikh
Mohammed bin Rashid Boulevard
Dubai, United Arab Emirates
Ph: +971 4409 6737
Fax: +971 4409 6850

SINGAPORE

Level 30, Six Battery Road
Singapore
Ph: +65 6725 6337
Fax: +65 6550 9898

Currency Outlook

Ram Pitre, Analyst, EcoFin Consultant LLP

The Euro has rallied back towards its 2017 peak after having traded with a softer bias for most of February. The currency has been underpinned by a combination of the Federal Reserve not becoming more hawkish in its March meeting and the European Central Bank issuing a slightly hawkish tone during its policy meet earlier this month. Looking ahead, movements in the euro in the near term will be impacted by the trajectory of monetary policies in the US and the Euro area as well as by the outcome of French presidential election and more clarity on US President Trump's tax plans.

Part of the euro's underperformance against the dollar towards the end of last year was based on reflationary expectations in the US ever since Trump was appointed as the president. However, such expectations came under cloud last week after Trump did not receive sufficient votes to pass the bill to repeal and replace Obamacare. This in turn has led to worries that it would be more difficult than was initially anticipated for Trump to push through agendas on tax and fiscal stimulus. Until more clarity

emerges, such worries are likely to limit the upside potential in the dollar against the euro.

Meanwhile, the Fed earlier this month maintained its median dots at three rate hikes in both 2017 and 2018. The US central bank announced a 25bp hike during the meet, leaving us with two more rate hikes this year, possibly in July and December. If there is a delay or uncertainty surrounding Trump's tax proposal, risk aversion could take a grip of the markets, something that could hinder the timing of rate hikes by the Fed and thereby undermine the dollar against the euro.

Technical Outlook:

EUR/USD is expected to remain sideways

EURUSD reversed sharply off key resistance early this week at 1.0872-1.0908 – this region is defined by the November high-day close, the June lows, the 2016 open and the



200-day moving average. Note the accompanying break of a support-trigger in daily RSI further highlights the risk for continued weakness in near-term. Key support targets are eyed at 1.0690-1.07 backed by 1.0623/50 (bullish invalidation) – both zones of interest for near-term exhaustion / long-entries. Interim resistance is eyed at 1.0817/20 with a breach / close above 1.09 targeting subsequent topside objectives at 1.0930/36 & 1.0984.



INR/USD is set to strengthen further

After approaching towards 69 levels late last year, the rupee has steadily appreciated against the dollar, climbing to a one-and-a-half year high of 65 as early as this year. Such a sharp surge in the rupee has been due to a combination of domestic as well as international factors. Technically, a triple top seems to be in place for the USDINR.

On the domestic front, the rupee has benefited from strong foreign inflows into equities following BJP's landslide victory in the Assembly elections, most notably in Uttar Pradesh. Introduction of the last batch of legislations in the Lok Sabha for rolling out GST has also boded well for the rupee. Last but not the least, also supporting the rupee rally has been the shift in the RBI's monetary policy stance from accommodative to neutral - the lower the odds of domestic interest rates falling, the higher the incentive to carry.

Meanwhile, on the international front, the rupee has been bolstered by weakness in the dollar against most of its developed and emerging market counterparts. The dollar weakness has come on the back of a fading Trump-induced dollar rally, which has eased inflationary expectations. Markets have also priced in the possibility of three rate hikes by the Fed this year, which has also taken some steam off the dollar. All this has led to a sharp unwinding of long dollar positions, which has also augured well for the rupee.

Technically, the 64.75 - 65.00 area

on a closing basis will be pivotal going forward, at least tactically. The monthly lower band from the Bollinger Bands study is exactly at 65, and this has been tested for the first time in 6 years. Given the sharp plunge we have seen in the dollar already, breaking through this area immediately seems difficult, given that the daily RSI is not beginning to diverge positively with price. However, any close below the 64.75-65 will open the door towards a test of 63.37 in 2017.

In summary, the greenback looks likely to stabilize around the 65 level, atleast in the near term. Forthcoming elections in key euro zone countries are likely to prevent any sharp rally in risk assets, which in turn is likely to prevent any sharp appreciation in the rupee. However, with foreign inflows likely to continue given the overall appetite for domestic assets, a sharp fall in the INR also looks unlikely, making the case that the INR will broadly range between 63.40 - 67 for a large part of the year.



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

Central Banks and Gold

Alasdair Mcleod, Head of Research, Goldmoney



The very near future is likely to see a sea-change in central bankers' attitude to the gold allocation in their reserves. The failure of G20 monetary policy since the financial crisis is causing a general rethink, which may eventually lead to a new policy direction. For now, that is undecided, beyond a growing acceptance that today's monetary policy does not work and the assumptions of recent decades, that gold as money should be phased out, might have been a mistake.

The idea, that Western central banks could banish gold from the monetary scene over time, has been disrupted by the persistence of Asian demand, fuelled by the remarkable economic progress of ex-communist

states embracing capitalist methods. Western financial markets have hardly begun to grasp the wider implications of the shift in economic power from the heavily-indebted welfare economies, to China, Russia and other members of the Shanghai Cooperation Organisation, and their consequences for gold.

The welfare-driven states rely on money and credit expansion to conceal the true costs of their escalating government spending. They have been motivated to deny gold's fundamental role as sound money, because it is superior to their unsound money. The increasing prosperity of Asians of all races, who still value gold for its ability to retain its purchasing power, ultimately undermines Western monetary policy, as well as the propaganda that goes with it.

The shift of physical demand from West to East has been widely chronicled, ever since the Shanghai Gold Exchange became a conduit for escalating physical demand. Inevitably, the West's desire to demonise gold has accelerated the process, and we are now at the point where control of the gold price could

suddenly shift from Western capital markets, trading in futures, deferred settlements and unallocated accounts, to the markets supplying bullion in Asia.

This article discusses the Eurasian geopolitical issues that are becoming increasingly important for the near-term future of the gold price, and why many central banks are likely to increase their gold reserves at a faster pace than in the recent past. It is a story which is partly political, but also now includes the consequences of the future failure of the Eurozone and its currency. The systemic failure of the Eurozone, raising fundamental questions for the euro's future, and the risks attendant to other fiat currencies, can now said to be in plain sight.

Russia

We shall start with Russia.

Something very interesting occurred last week: according to Izvestia, the Russian newspaper, Russia will pay off the only remaining debt of the old USSR. Terms have been agreed with Bosnia and Herzegovina for the payment of \$125 million in final settlement, and this appears to be the last of the old debts, Russia

having paid off the others and written off money owed to her by Cuba and several others indebted countries.

This raises the question as to why Putin, demon to the West, instead of reneging on these old debts, which surely an evil man would do, appears to be removing all international claims on the Russian government. Meanwhile, foreign currency debt owed by the Russian Government was about \$40bn on 1st April 2016, and assuming it is unchanged, the rise in the rouble since then will have reduced it to only \$30-34bn equivalent. Much of this debt is likely to be in currencies other than the dollar. It compares with a current annual trade surplus of \$12bn, and oil exports that alone are worth about \$100bn at today's prices.

Russia's national accounts are in reasonable shape as well, with the budget deficit for this year under 2% of GDP, assuming oil holds the \$50 price per barrel level. Price inflation is forecast to fall to about 4% after hitting 12.9% at end-2015. In short, Russia has one of the healthiest set of government finances in the G20. The central bank, by pursuing sound money policies, has played an important role in stabilising the economy, despite trade and financial sanctions from the West, and the West's attempts to destabilise it.

There is overwhelming evidence Russia was targeted by the American defence and intelligence establishment with a view to bankrupt it. American presence was noted in the Euromaidan clashes in 2014, and according to Seumas Milne of the Guardian, the US selected the administration that followed the ousting of President Yanukovich. Assistant Secretary Victoria Nuland in March 2016 confirmed in some detail the help given to Ukraine following Euromaidan, including over \$760 million in assistance and two \$1bn loans. US advisors served in Ukrainian ministries, as well as being embedded in the National Bank and related institutions.[i]

These advisors were in place when Ukraine's gold went missing, fuelling suspicions it was sequestered by the US. The destabilisation of Syria also had much to do with her relationship with Russia, both civil wars on foreign soil instigated by America and NATO.

There appear to be powerful elements in the US intelligence agencies still bent on driving Russia into bankruptcy, an objective that has failed miserably. It is the logical explanation behind the battle being fought between elements in the intelligence establishment and President Trump over future relations with Russia. Russia has won this one, and can now afford to

await developments in the American government. So, why is the Russian Government paying off all those old USSR obligations?

Surprisingly, Russia has a history of honouring past obligations. But by doing so, Russia has cleared the decks to neutralise the impact of further financial sanctions. Alternatively, she sees global financial and systemic risk escalating, and wishes to insulate herself from it. For the first case, she has eliminated dependency on dollars as much as possible, which is the primary control mechanism deployed by America over regimes she does not like. For the second, there is indeed much to worry about close to her doorstep. It has become increasingly obvious that the EU and the Eurozone, Russia's Western neighbour, have been heading for political disintegration and an economic, systemic and currency crisis, which has become unavoidable. When the worst happens, Russia's banking system will survive, while the West's will not.

Russia's one remaining weakness, in Western minds at least, is foreign obligations in the private sector, and at current exchange rates these are estimated to be about \$400bn. This is certainly a significant sum for an economy with a GDP of \$1,300bn equivalent. But an omnibus figure of this sort tells us nothing about where

and why these obligations exist, and of how much is in euros and dollars as opposed to the currencies of Russia's neighbours.

As a sound money advocate, in relative terms at least, Russia's central bank is likely to take the broad view that the private sector is not the state's business. Instead of hoarding dollars against private sector obligations, she is getting on with accumulating gold in her reserves, and one can see why. The problem with owning dollars, and therefore US Treasuries and T-bills, is Russia becomes a creditor of a strategic opponent, who can potentially render these holdings worthless. The additional problem with owning euros and euro-denominated sovereign debt is Russia can be reasonably certain the euro will become valueless, as the Eurozone disintegrates. Russia is therefore detaching herself from both the dollar and the euro. That will leave Russia ending up with a reserve portfolio of mainly Asian currencies, particularly the yuan, and gold.

Gold has the further benefit to Russia of being the West's Achilles heel. Merely by accelerating the rate at which she accumulates gold, Russia can destabilise the dollar. However, she is unlikely to take this course of action without provocation,

and without acting in concert with China, whose economic future she increasingly shares.

China

Both Russia and China, by their actions, show they understand the strategic power of controlling physical gold, with China also having encouraged its citizens to buy it. And given China's mercantilist plans, which over time should generate substantial wealth for her citizens, public demand for gold will continue to grow. Her problem is she still owns in her reserves about \$1 trillion of dollars and US Government obligations. However, she is reducing it by stockpiling the commodities necessary for her expansionary 5-year plan.

It will take time for China to extricate herself from such a large quantity of dollars and dollar-denominated debt. But there will be a cross-over point, where the losses on these dollar reserves from a rising yuan/dollar exchange rate are less than the fall in the yuan cost of imported industrial materials. At that point, China's interests will shift in favour of a gradual currency appreciation of the yuan, allowing the yuan to become the fiat currency of choice throughout the Asian continent.

Whether and when China follows through with such a policy, only

time will tell. But what's happening with China's dollar reserves is clear to most Asian central banks, who at least liaise with each other in forums such as the Shanghai Cooperation Council, and the Eurasian Economic Union. They know it is only a matter of time before their own dollar reserves will lose value and relevance, because of China's ambitious policy to minimise use of the dollar in both her trade settlements and foreign reserves.

It also places Japan in an awkward position. Notionally an ally of the US and at odds with China politically, her business interests lie very much towards China and South-East Asia. She should therefore on trade grounds reduce her dollar exposure, and she appears to be opting to smooth the path by promising to invest much of the proceeds in the US. In other words, she will swap dollars and dollar bonds for real assets, in the knowledge that her more important trade partners are also sellers of dollar paper.

Therefore, it looks like all Asian central banks are potential sellers of US debt. Central banks for the smaller South-East Asian nations must surely be tempted to jump the gun while they can, undermining confidence in the dollar for the whole region. For example, Thailand has \$66bn of US Treasuries, and

shifting just 10% into gold at current prices requires the purchase of 164 tonnes, difficult to achieve when other central banks are buying in the market.

The choice for central banks throughout Asia, whatever their strategic allegiances, is to replace dollar exposure with Japanese yen, Chinese yuan, or gold. We can eliminate the euro as a major currency, because of mounting doubts over its future. More on this follows below.

Petrodollars – a threatened species

China's dominance in world trade and its voracious appetite for energy has changed forever the focus of the Middle East from the American dollar towards Asian markets and the Chinese yuan. However, it will take time for these oil exporters to have confidence in the yuan as an acceptable trading medium. In this respect, Iran is probably more advanced than Saudi Arabia, because the Saudis have hidden behind a long-standing and close relationship with America, negotiated in the early 1970s.

After Nixon ended the Bretton Woods agreement in 1971, the oil price rose sharply, spurred on by members of OPEC. Recognising the inevitable, President Nixon and Henry Kissinger laid the foundations

for the petro-dollar, whereby Saudi Arabia's surplus oil revenues would be used to purchase US Treasuries, and the Saudi oil fields would remain in the US sphere of influence. This gave an opening in the region for US banks, who also recycled dollars to finance the deficits of Latin-American countries. Thus, the petro-dollar was born.[ii]

Today, little if any oil from the Middle East is exported to America, so the agreement that led to the petro-dollar has little commercial basis today, other than the dollar is the world's reserve currency, and a level of international reserves needs to be maintained. As part of the original deal, Saudi Arabia was protected by the US as a close ally, and her internal affairs would never be challenged, in return for which she would price her oil in dollars. Consequently, a strict and extreme form of Sunni Wahhabism has been allowed to persist, insulated from all social progress. Naturally, there would be increasing strains with a world that was moving on, and there is compelling evidence that Saudi interests have in that backdraft financed extreme Islamic terrorism, from Al-Qaeda to the Islamic State, with the support, tacit or otherwise, of the US.

However, since the twin-towers atrocity in New York in 2001,

American protection of the Wahhabi state has come under increasing strain, particularly following President Obama's unsuccessful ventures in the wake of the Arab Spring. By the time President Trump was elected, the petro-dollar agreement was effectively dead and buried. Furthermore, the oil price collapse in 2014-15 exposed the Saudi Government to a financial crisis, requiring it to dispose of US Government bonds. So here again, we see sellers of dollars, in this case forced by financial circumstances. Furthermore, Saudi Arabian commercial interests, along with those of the Gulf States and Iran, are now realigned with the rest of Asia, which is the market for the bulk of its oil.



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

Fed liftoff unlikely to prevent gold price resuming its upward trajectory

Thomson Reuters publishes GFMS Gold Survey 2017

Today Thomson Reuters released the GFMS Gold Survey 2017, the 50th in the series of annual Surveys, looking at the shifts and developments in the global gold markets, their fundamentals and their drivers, over the year and setting the scene for the future.

Highlights:

- Jewellery fabrication slumped 21% last year to estimated 1,892 tonnes, the lowest level seen since 2009.
- Total identifiable investment, which includes physical bar and coin investment plus ETF movements, gained 52% in 2016 to reach 1,579 tonnes, the highest since 2012.
- Net official sector buying dropped appreciably, to 257 tonnes, chiefly due to lower Chinese purchases.
- Mine production just tipped into positive territory registering a 0.4%, or 14 tonne year-on-year increase.

Demand:

Total physical demand declined for the third successive year, falling by 18% in 2016, largely on the back of sharply lower jewellery fabrication, although all areas of demand were weaker last year. The drop was even more pronounced in India, which suffered a 38% year-on-year fall due to the introduction of excise duty on jewellery manufacturing, destocking by retailers in the informal segment, and demonetisation. For China, higher gold prices, weak consumer sentiment, and a shift to lower carat jewellery were to blame for the 17% drop in annual fabrication volumes, the third fall in succession that has now seen Chinese fabrication retreat more than 40% below the 2013 peak.

This dramatic drop in Asian physical demand in 2016 can, as with many aspects of the market, be viewed as the mirror image of 2013. While in 2013 we saw a headlong rush for the exit by ETF holders and other investors in the western hemisphere, on the view that the financial crisis was abating, the upsurge in geopolitical uncertainty in 2016 saw a widespread return of investors in these regions, evidenced by the 524 tonne build in ETFs, the largest since 2009. As a result, the focus of Swiss exports changed markedly with flows to India plummeting and those to London soaring.

Supply:

Global mine production posted another annual increase and in so doing chalked-up another fresh all-time high to reach 3,222 tonnes. The rise, however, was modest and in our view these record breaking habits are close to an end. The growth rate has roughly halved every year for the last three years, partly as output from new mines has slowed and we expect production to contract in 2017. Highlights last year included an 8% rise in the United States elevating the country to a nine-year high and a 4% increase in Australia taking them to a 16-year high. The biggest losses originated in Mexico, Peru and Mongolia.

Scrap supply rose 8% in 2016 to 1,268 tonnes, aided by the rising gold price and a 50% surge in Indian volumes. Indian flows were at their highest for more than a decade as higher prices encouraged destocking from consumers, as did a lack of available credit from the domestic banking system.

Price and Market Outlook:

Gold prices are likely to remain volatile in the near future, but we do expect the market to regain its composure as investors remain averse to risk. Our forecast of a \$1,259 average for this year is partly predicated on this, but also on the expectation that the Indian market will start to find its feet again, helping to contain price weakness and providing a more stable backdrop for the returning investors. The market is not quite yet out of the woods, but the longer term prognosis is for further price gains even against the headwind of the Federal Reserve raising rates.

World Gold Supply and Demand (tonnes)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Supply										
Mine production	2,538	2,467	2,651	2,775	2,868	2,883	3,077	3,172	3,209	3,222
Scrap	1,029	1,388	1,765	1,743	1,704	1,700	1,303	1,158	1,172	1,268
Net Hedging Supply	-432	-357	-234	-106	18	-40	-39	108	21	21
Total Supply	3,134	3,497	4,182	4,411	4,590	4,544	4,341	4,438	4,401	4,511
Demand										
Jewellery	2,474	2,355	1,866	2,083	2,091	2,061	2,610	2,469	2,395	1,891
Industrial Fabrication	492	479	426	480	471	429	421	403	365	354
...of which Electronics	345	334	295	346	343	307	300	290	258	254
...of which Dental & Medical	58	56	53	48	43	39	36	34	32	30
...of which Other Industrial	89	89	79	86	85	83	85	79	76	70
Net Official Sector	-484	-235	-34	77	457	544	409	466	436	257
Retail Investment	448	937	866	1,263	1,616	1,407	1,873	1,163	1,162	1,057
...of which Bars	238	667	562	946	1,247	1,056	1,444	886	876	787
...of which Coins	211	270	304	317	369	351	429	278	286	271
Physical Demand	2,930	3,536	3,125	3,903	4,635	4,441	5,314	4,501	4,357	3,559
Physical Surplus/Deficit	204	-38	1,057	508	-45	102	-973	-62	44	952
ETF Inventory Build	253	321	623	382	185	279	-880	-155	-125	524
Exchange Inventory Build	-10	34	39	54	-6	-10	-98	1	-48	86
Net Balance	-39	-394	394	73	-224	-167	5	92	217	342
Gold Price (LBMA PM, US\$/oz)	695.39	871.96	972.35	1,224.52	1,571.69	1,668.98	1,411.23	1,266.40	1,160.06	1,250.80

Source: GFMS, Thomson Reuters

Totals may not add due to independent rounding. Net producer hedging is the change in the physical market impact of mining companies' gold loans, forwards and options positions.

To see a copy of the report, arrange an interview with our analysts, or if you have any questions, please contact:

Eddie Dunthorne
Thomson Reuters
+44 20 7542 5204
Eddie.Dunthorne@thomsonreuters.com

© THOMSON REUTERS 2017.

All content provided in this publication is owned by Thomson Reuters and/or its affiliates (the "Thomson Reuters Content") and protected by United States and international copyright laws. Thomson Reuters retains all proprietary rights to the Thomson Reuters Content. The Thomson Reuters Content may not be reproduced, copied, manipulated, transmitted, distributed or otherwise exploited for any commercial purpose without the express written consent of Thomson Reuters. All rights are expressly reserved.



PRESS RELEASE

London, 9 March 2017

World Platinum Investment Council 2017 platinum market deficit forecast increases

- **Automotive demand remains resilient**
- Total supply is predicted to fall by 4% in 2017
- Q4 2016 turnaround in ETF buying boosts investment demand

London, 9th March 2017: The World Platinum Investment Council (WPIC) Platinum Quarterly today raised the predicted platinum market deficit for 2017 to 120 koz for the year. The upward revision comes after confirmation that the market ended 2016 270 koz in deficit, a deeper shortfall than previously estimated.

2017 will be the sixth consecutive year that global platinum consumption has outstripped supply, with total supply, from mining and recycling, this year predicted to fall by 4 per cent compared to 2016.

Today's Platinum Quarterly report, the tenth published by the WPIC since 2014, also reveals that there was a marked increase in the buying of platinum Exchange Traded Funds (ETFs) in the final quarter of 2016, which saw net buying 200 koz higher than in the previous quarter.

Demand from the automotive sector defied some expectations, ending the year up 1 per cent. The report reveals that year-on-year platinum demand from the Western Europe automotive sector has been higher in every quarter since the third quarter of 2015.

Jewellery demand in 2016 was down 11 per cent on 2015, with 2017 predicted to see demand stabilise with only a small 1 per cent decline during the year. However, the Indian market is expected to continue its strong growth with demand predicted to be up by more than 11 per cent this year.

Paul Wilson, chief executive officer of WPIC commented: "The upward revisions of the 2016 deficit and the forecast 2017 deficit, which would be the sixth consecutive annual shortfall, show that the platinum market is tightening amid solid demand and increasingly constrained supply. It is notable to see that buying of platinum ETFs spiked significantly at the end of the year boosting investment demand for platinum. This has continued into the first quarter of 2017 as the price of platinum has risen. Should investment demand in 2017 end up matching that of 2016, this would significantly offset the decrease in total demand currently forecast for 2017. Today's report is also a timely reminder that automotive platinum demand remained strong in 2016."

To download this edition of Platinum Quarterly and/or subscribe to receive the research in the future, without charge, please visit our website: www.platinuminvestment.com

-Ends-

For media requests, please contact CNC Communications:

Claire Maloney or Simon Evans

T: +44 (0) 20 3219 8803 / +44 (0) 20 3219 8809

wpic@cnc-communications.com





PRESS RELEASE

London, 14 March 2017

World Platinum Investment Council and BullionVault launch the lowest-cost physical platinum marketplace

- *The first platinum offering on BullionVault's platform*
- *Provides investors with access to the lowest-cost physical platinum bullion product in the world*
- *Partnership with BullionVault extends WPIC's mission to stimulate investor demand for physical platinum worldwide*

London, 14 March 2017: The World Platinum Investment Council (WPIC) and BullionVault today announced the addition of platinum to BullionVault's online trading marketplace. This marks the first time platinum has been offered on BullionVault, the world's largest online precious metals marketplace for buying, selling and storing physical gold and silver bullion. The launch targets the underlying growth of investor demand. BullionVault will, for the first time, give private individuals access to vaulted platinum at the same low costs currently enjoyed by institutional investors.

From today, individuals will be able to buy and sell platinum bullion at the best possible price via BullionVault – the only precious metals market which stays open 24 hours a day, 7 days a week. More than 65,000 private investors from around the world have invested in gold or silver through BullionVault, with current holdings in excess of 37 tonnes of gold and 650 tonnes of silver, all stored and insured in specialist facilities.

Physical platinum customers can now buy platinum in the form of London Platinum and Palladium Market (LPPM) Good Delivery bars, vaulted in London. Customers are able to buy, hold and sell as little as one gram at a time of professional-grade platinum in GBP, USD, and EUR currencies. Weighing between 1 and 6 kg, these Good Delivery bars are assayed to be 99.95% pure platinum, or better.

With the new offering, the World Platinum Investment Council and BullionVault are delighted to introduce participation in the platinum market to a wider investor audience.

Marcus Grubb, Director of Market Development at the World Platinum Investment Council, said: "One of our primary objectives at the WPIC is to make it simpler for individuals to invest in platinum through cost-efficient investment products. Our partnership with BullionVault represents a significant step forward in our efforts to improve liquidity, accessibility and pricing in the global platinum market, and will go far to address the latent and pent-up demand for platinum investment. Adding platinum to BullionVault's online marketplace now is particularly timely, given the ongoing deficits in the physical platinum market and the price beginning to show modest signs of recovery. BullionVault's successful track record with gold and silver, makes us confident that our partnership will help to further grow global investment demand for platinum."

As part of a multi-year agreement, the WPIC is supporting the continued development and marketing of BullionVault's online platinum market. As of today, BullionVault will offer platinum in multiple currencies and languages through local websites.

Paul Tustain, Founder and Chairman of BullionVault, said: "While many private investors like to hold bullion coins and small bars in their possession, BullionVault's success shows there is a large and growing number who prefer owning precious metals securely in professional storage, ready for sale at full value the moment they choose. Physical platinum has to date been difficult for private investors to trade efficiently, or without incurring VAT in Europe. With platinum currently priced at a historic discount to gold, what has always been an interesting area for development has become compelling. We look forward to helping grow investor demand for platinum in our partnership with the WPIC.

" The partnership with BullionVault is the latest in a series of strategic initiatives announced by the WPIC intended to further stimulate and service the growing investor demand for physical platinum. In March, the WPIC announced a new association with India's Muthoot Exim, the precious metals division of the 130-year-old conglomerate of Muthoot Pappachan Group, to launch India's first platinum deity products. This follows a number of announcements in 2016, including a partnership with the Royal Mint, the world's leading export mint, to develop and launch a range of platinum bullion coins and bars. In July 2016, WPIC also announced that it was supporting the promotion of the Japan Physical Platinum ETF, managed by Mitsubishi UFJ Trust and Banking Corporation (MUTB), to investors in Japan.





GJF successfully organized Preferred Manufacturer of India (PMI 5) – Regional Networking Meet in Kolkata from 27th to 29th March 2017

Sports legend and Ex-Captain of Indian Cricket Team Mr. Sourav Ganguly and accomplished Odissi dancer Mrs. Dona Ganguly graced the Gala Nite on 27th March and performance by Sanjeeda Sheikh on the 28th March Gala Nite was spellbinding.



Lamp Lighting Ceremony

Mumbai, April 03, 2017: All India Gem and Jewellery Trade Federation (GJF) successfully concluded the 5th PREFERRED MANUFACTURER OF INDIA (PMI) of the third edition, Regional Networking Meet at a glittering ceremony at J W Marriott Hotel, Kolkata from 27th March to 29th March, 2017. This was the first major event of GJF post demonitisation of high value currencies in India and also after the formation of the new Committee of Administration (COA).

A true business and leisure initiative by GJF to promote and progress the trade, The PMI program comprised country's best manufacturers of Gold, Diamond, and Studded Jewellery and are renowned for the quality and range of products as well as innovation and exclusive designs, thus providing an excellent marketing platform for Manufacturers & Retailers, providing 360° solutions to participants by fulfilling several business objectives.

Mr. Nitin Khandelwal, Chairman, GJF, said, "The PMI program is a unique opportunity for people engaged in jewellery business as such conference enhances the relationship among jewellers, manufacturers and retailers. My heartfelt thanks to Dona and Sourav Ganguly for gracing this event with their presence. The performance by Dona Ganguly was marvelous and the interaction session between Boria Majumdar and Sourav Ganguly was very enlightening."

Mr. Sankar Sen, Director, GJF & Chairman – East Zone, said, "PMI, Regional Networking Meet Kolkata promised retailers and manufacturers, a much more efficient event in terms of its features and value addition that are being planned to enhance the quality of the programme. The participants are amongst the best manufacturers of the country and hence some of the most exclusive collections



were showcased. The platform provided an opportunity to interact directly with the manufacturer who has thorough knowledge and thus enhances the exchange of ideas, trends, innovation and best business practices”.

Mr Sumeet Anand, Co-Convenor, PMI Conference,



Odissi dance performance by Dona Ganguly and her team



Sourav Ganguly and Boria Majumdar's interaction session

said, “PMI Kolkata was a huge success in terms of business and entertainment. Dona & Sourav Ganguly's presence to the Gala nite added Panache to the event. The motivational session from Rashmi Bansal was very interesting. This has clearly set a new benchmark in the formal business to business event”.



Performance by Sanjeeda Sheikh on gala nite

PMI Kolkata was attended by more than 200 buyers from across the country. GJF has so far organized PMI meets in Jaipur, Chennai, Pune, Bangalore, Hyderabad, Delhi-Gurgaon, Coimbatore, Mumbai, Goa and is likely to organize the same in Delhi and Chennai shortly. The program included Preferred Manufacturers and catering renowned retailers who visited the show. Over 10,000 dedicated meetings were conducted in the entire duration of two years between manufacturers and retailers. Having achieved the objectives of all its participants, PMI has been rightfully declared as one of India's most successful B2B shows by the participants and the visitors alike.

For more details: Mitesh C Dhorda Corporate Communications Manager, GJF, M: 9820410448, e-mail: mitesh@gjf.in





Stricter norms for gold bar sales soon

Bullion dealers who sold gold bars at heavy premiums in exchange for old notes

immediately after demonetisation will soon find that unaccounted cash sales will be more difficult. Industry officials and the head of a bullion federation said the government is formulating new rules that would end unaccounted gold transactions.

The two industry officials, who spoke on condition of anonymity, said the government was keen to stop "physical movement of the metal" and would mandate sales only against delivery orders, entailing buyers taking actual delivery from vaulting agents or a repository where gold is stored. This will leave a trail of transactions.

Additionally, they claimed that the sale of bars would be enabled to entities only to manufacture jewellery and not for trading of bullion.

"The government wants to discourage gold imports, which pressures the current account and consequently the rupee," said one of the officials. "Bureaucrats within the finance ministry are working on the rules under a gold policy, which itself is in the works. Most bullion dealers have made their businesses transparent and are transacting in white, but there are always some rotten apples in every basket."

Surendra Mehta, national secretary of the India Bullion & Jewellers' Association, said he was not aware of this "specific" proposal but that the government was working to make the trade more transparent by instituting a bullion spot exchange, offering sovereign gold bonds and coins as alternative investment avenues.

The other official said the move was a precursor to setting up an electronic bullion spot exchange. "The idea is to create a central repository for gold bars, which can be then traded on the spot exchange. Apart from being able to muster part of the estimated 20,000 tons of gold with Indian residents, the exchange will ensure complete transparency of all transactions," the official said.

A jeweller wanting to buy gold can look at the varieties of bars offered on the exchange platform, make a bid and take delivery, leaving an audit trail.

Harish Acharya, secretary of the Bullion Federation of India, said physical movement of bullion from nominated agencies to dealers would not stop.

Source: *economictimes.indiatimes.com*



WGC cautious on India demand growth

The World Gold Council expects gold demand

to range between 650 and 750 tons this year from the seven-year-low of 675 tons recorded last year.

"While demand is likely to improve, our view for 2017 is cautious and we expect consumers to buy between 650 and 750 tons of gold. Previous attempts by authorities to clamp down on gold have failed," it said.

From April 1, cash transactions of over 3 lakh are prohibited. This will have greater impact in rural India where people do not necessarily have access to cheques and electronic payments.

Besides curbing gold purchases, it could encourage gold shoppers to buy gold in smaller quantities spread over more transactions or it could push a large part of demand

underground and encourage growth in the black market.

Stating that the government's objective of bringing black money into the official economy is praiseworthy, the Council also noted that it has dented economic growth.

However, demonetisation is boosting large jewellery retailers and they will continue to grab a larger market share. Moreover, GST will streamline India's Byzantine tax structure and promises to make gold's value chain more transparent.

Over time, consumers will move away from cash towards digital payments and organised players should benefit from this trend.

This change in market dynamics will result in more transparency and a better deal for consumers, protecting them from shady practices such as under-carating, said the Council.

Source: www.thehindubusinessline.com



Indian gold jewellery exports down 47% in Feb on lower offtake from Gulf
Gold jewellery exports from

India routed through West Asia are being adversely affected because of two reasons: First, because of the 10 per cent import duty levied on imported gold used in making jewellery, and, second, by the 5 per cent import duty on jewellery levied by the United Arab Emirates (UAE) effective January 1.

Gold jewellery exports dropped more than 24 per cent in January and 47.52 per cent in February. India has been losing exports rapidly to competitors including China.

Experts say there has been an increase in the number of manufacturing units set up in the UAE because of this phenomenon. These manufacturing bases are dominated largely by Indians who own similar units in India. As a result, people who work on gold are migrating to the UAE, which accounts for nearly 20 per cent of India's jewellery exports.

"Dubai is no longer a free trade centre. The immediate need of the hour is to reduce the import duty on gold. An import duty on gold beyond 5 per cent is counterproductive. Hence, the government should cut the import duty on gold to below 5 per cent to arrest the fall in gold jewellery exports," said Praveen Shankar Pandya, chairman, Gems and Jewellery Export Promotion Council (GJEPC), the premier jewellery export promotion body under the ministry of commerce.

The data compiled by the GJEPC show gold jewellery exports at ` 2,810.60 crore in February, compared to ` 5,355.47 crore for the corresponding month last year.

In January gold jewellery exports had plunged to ` 2,707.58 crore as against ` 3,566.49 crore in the same month last year.

Most of the gold jewellery exports to the UAE are sent to other destinations in West Asia including Sharjah and Turkey and a host of African and European countries.

Since January 1, however, this routing business has stopped.

"No major Indian manufacturing unit has shifted to the UAE. But we cannot rule out shifting manufacturing there if the current trend continues. Another option with Indian exporters is export to consumers outside the UAE. But the future is not encouraging for gold jewellery exporters," said Pankaj Parekh, former vice-chairman, GJEPC, and a Kolkata-based jewellery exporter.

Source: www.business-standard.com



Big boost for platinum as world's mayors tackle urban air pollution

The plans of the mayors of the world's biggest cities to tackle urban air pollution head-on are a major

plus for platinum, which catalyses the exhaust systems of vehicles and is the key metal in the emergence of emission-destroying fuel cells.

The clean-air programme is being spearheaded by C40 Cities Climate Leadership Group, which connects more than 90 of the world's greatest cities, representing 650-million-plus people and a quarter of the global economy.

Plans to tackle city air pollution were announced this week by Paris mayor Anne Hidalgo, who is also the C40 chairperson, and London mayor Sadiq Khan.

Source: www.miningweekly.com



Productivity at SA gold, platinum mines declined 49% from 1999 to 2014 – Chamber of Mines

Productivity in the platinum and goldmining sectors declined by

49% from 1999 to 2014, while labour costs increased by about 309% during the same period, Chamber of Mines (CoM) modernisation and safety intern **Katlego Letsoalo** noted earlier this month during the Southern African Institute of Mining and Metallurgy Young Professionals conference.

At the conference, held at the Innovation Hub, in Pretoria, he said, during the mining industry's peak in the early 2000s, one miner produced 2 kg/m of gold and about 2.3 kg/m of platinum. The industry's contribution to South Africa's gross domestic product has also dropped significantly over the years, contributing only about 7.7% in 2015.

Letsoalo suggested that the reason for the steady decline in South Africa's production was a lack of change in the industry, which, he stated, had remained much the same in the last 100 years.



War-torn South Sudan gold goes to Dubai: official

Ministry of Petroleum and Mining undersecretary says gold from South Sudan is also illegally being traded in Uganda, Kenya

Large quantities of gold from war-torn South Sudan are being illegally siphoned off to other countries, including United Arab Emirates, a senior Ministry of Petroleum and Mining official told Anadolu Agency Friday.

"We know much gold is going out but the actual amount, we don't; illegal buyers are coming in from other countries to purchase gold and send it on to countries like the United Arab Emirates, especially Dubai," the ministry's Undersecretary Andu Ezbon Adde said in an interview in the capital Juba.

Artisanal mining is especially rife in the country's central, southern and northwestern regions, which in turn finds markets in Uganda and Kenya, Adde said.

Source: <http://aa.com.tr/en/africa/war-torn-south-sudan-gold-goes-to-dubai-official/763633>



Euro zone inflation jumps past ECB target

Euro zone inflation surged to a four-year high last month, zooming past the European

Central Bank's target and piling pressure on rate setters to open talks about when and how extraordinary stimulus measures will be scaled back.

Inflation in the 19 countries sharing the euro rose to 2.0 percent from 1.8 percent in January, Eurostat data showed on Thursday, the highest since the start of 2013 and just above the ECB's target of a rate just below 2 percent.

Producer price inflation, which feeds into overall inflation with a lag, meanwhile surged to an annual 3.5 percent rate from 1.6 percent, hinting at building pressure for underlying price growth.

Source: Reuters



मंदिरों के गोल्ड का मौद्रिकरण

अमृता दास एवं रिनुशा के. राजन



एक अनुमान के अनुसार, भारत में मंदिरों के पास लगभग 3 हजार टन गोल्ड है जो कि अमेरिकी बुलियन रिजर्व का लगभग दो तिहाई है। एक और अनुमान के अनुसार भारतीय मंदिरों के पास २ हजार टन गोल्ड मौजूद है।

एक ऐसे देश में जहाँ गोल्ड का उत्पादन लगभग नहीं के बराबर होता है वहाँ पर गोल्ड के भारी आयात से चालू खाता घाटा या सीएडी में विषमता की स्थिति उत्पन्न हुई जिसके चलते सरकार को देश के भीतर रखे गोल्ड को बाजार में लाने के लिये कदम उठाने की जरूरत पड़ी है। नवंबर 2015 के तीन योजनायें शुरू की गयी हैं जो कि गोल्ड मॉनेटाइजेशन स्कीम, गोल्ड सोवरिन बॉन्ड स्कीम तथा इंडिया गोल्ड कॉइन एंड बुलियन स्कीम है। संशोधित गोल्ड मॉनेटाइजेशन स्कीम, जिसे कि वित्त मंत्रालय द्वारा नवंबर माह में प्रस्तावित किया गया है, में न केवल घरों में रखे गोल्ड बल्कि धार्मिक संस्थानों के गोल्ड को भी लक्ष्य बनाया गया है।

मार्च 2017 तक महज 6.4 टन गोल्ड (बिजिनेस स्टैंडर्ड- मार्च 10, 2017) ही धार्मिक संस्थानों तथा घरों से इस स्कीम के अंतर्गत बाहर लाये जा सके हैं जो कि अनुमानित रिजर्व की तुलना में काफी कम है। तमिलनाडू, जम्मू-कश्मीर, आन्ध्र प्रदेश तथा महाराष्ट्र के प्रसिद्ध आठ मंदिर इस योजना में शामिल हुये हैं। ताजा रिपोर्ट के अनुसार (हिन्दूस्तान टाइम्स- 7 मार्च 2017) हिमाचल प्रदेश की सरकार भी

अपने अधीनस्थ 29 मंदिरों को इस योजना में शामिल करने के लिये प्रयास कर रही है।

इस योजना के संबंध में अनेक हितधारकों के साथ बातचीत की गयी जिससे कुछ मुद्दें सामने आये हैं।

गोल्ड में उतार-चढ़ाव एक प्रमुख मुद्दा है। गोल्ड मॉनेटाइजेशन या मौद्रिकरण बैंको में उपलब्ध अनेक निवेश विकल्पों में से कम आकर्षक योजना है। इक्विटी में न्यूनतम 15% मार्जिन के बिना बैंक इस योजना को दीर्घकाल तक चला पाने में समर्थ नहीं हो सकते हैं। निजी बैंको के लिये उच्च जोखिम धारित परिसंपत्ति आय की यह योजना प्रभावी नहीं है। इसके अलावा इसमें अवसंरचनाओं की भारी लागत भी लगती है जैसे कि ग्लार्ड, परिवहन तथा गोल्ड की सुरक्षा जो कि आकर्षक नहीं रहेंगे यदि रिटर्न कम मात्रा में होता है। इसके साथ ही, यह योजना उतने अच्छे ढंग से प्रचारित नहीं की गयी है यहां तक कि बैंको के कर्मचारी भी इसके संबंध में अधिक नहीं जानते हैं। जब लेखकों ने गोल्ड मॉनेटाइजेशन स्कीम के बारे में अग्रणी बैंको के साथ बात की तो इनके कर्मचारी भी योजना से अभिनज थे कि यह गोल्ड जमा की योजना है या फिर लोन देने की।

मंदिर प्राधिकरणों की ओर से, वे भविष्य में टैक्स के डर से भयभीत हैं अतः चुप्पी साधे बैठे हुये हैं। इसके साथ ही

भारत में अनेकों मंदिरों हैं जो कि यहां के राजाओं या फिर विभिन्न समुदायों द्वारा निर्मित किये गये हैं। राजपरिवारों द्वारा बनवाये गए मंदिरों में व्यवसायिक राजस्व से मिले गोल्ड से देवताओं को दान के रूप में चढ़ाया जाता था, इसका उपयोग बाद में मंदिरों के रख-रखाव पर भी किया जाता था। गोल्ड का उपयोग देवताओं के आभूषण एवं गर्भगृहों की साज-सज्जा पर होता था। यह एक प्रकार से खजाने के रिजर्व के लिहाज से भी होता था। इसी परंपरा के अनुरूप भारत में गोल्ड तथा इससे बने ज्वेलरी का दान विशेषकर मंदिरों में करना एक संस्कृति बनी है।

मंदिरों चढ़ावे के रूप में आये गोल्ड पर धार्मिक भावनायें भी एक प्रमुख मुद्दा है। केरल के तिरुअनंतपुरम में पद्मनाभस्वामी मंदिर में रखा गोल्ड ऐतिहासिक, पुरातत्व तथा सांस्कृतिक दृष्टि से काफी महत्वपूर्ण है। यहां का सदियों पुराना गोल्ड रिजर्व पीढ़ियों से राजपरिवार के संरक्षण में है। अन्य मंदिरों में दान दिये गये 90% गोल्ड नयी बनावट के है इसलिये इनसे जुड़ी धार्मिक भावनाओं को परे रखकर गलाकर उपयोग में लाना आसान कार्य नहीं है। इन ज्वैलरियों को छोटे मंदिरों में देवताओं को भी पहनाया जाता है। पहनी गयी ज्वैलरियां भी मंदिरों में दान की जाती है जो कि कम आय वर्ग के लोग देते है। ये ज्यादातर गला दी जाती है तथा इसे पहनाने में उपयोग नहीं किया जाता है।

ट्रेन्ड के अनुसार, मंदिरों में गोल्ड दान देने का प्रचलन सर्वाधिक दक्षिण भारत में तथा इसके बाद पश्चिम, उत्तर तथा पूर्वी भारत में है। साक्षात्कार के आधार पर, यह पाया गया है कि मंदिरों में गोल्ड दान करने का निर्णय ७५% परिवारों में 45 वर्ष से अधिक उम्र के पुरुष सदस्य लेते है।

आर्थिक बेहतरी के लिये सरकार का यह कदम एक ओर जहां ठीक दिखायी पड़ता है वहीं दूसरी ओर इस रवैये को लेकर आलोचना भी हो रही है कि इसमें केवल मंदिरों को ही क्यों लक्ष्य बनाया गया है। अनेक मंदिर न्यासों का यह मत है कि अन्य धार्मिक संस्थानों जैसे कि चर्च, गुरुद्वारा, दरगाह इत्यादि भी गोल्ड का दान प्राप्त करते है।

धार्मिक संस्थानों को गोल्ड दान देने वालों के मध्य किये गये एक ऑनलाइन सर्वे से यह बात सामने आयी है कि अधिकतर दानदाताओं को ट्रस्ट के द्वारा इस योजना से नगद प्राप्त कर इसे सामाजिक हित में

लगाये जाने से कोई आपत्ति नहीं है तथा यह कार्य पारदर्शी तरह से किया जाना चाहिये।

मौद्रिकरण की कुछ प्रशासकीय अड़चने जैसे कि बैंक में कागजी कार्यवाही, सीपीटीसी तथा रिफायनरी में शुद्धता जांच के लिये अलग-अलग समय में आना जाना चिंता का सबब रहा है। सीपीटीसी भी सभी स्थानों पर मौजूद नहीं है। कर्नाटक में केवल बैंगलोर में ही एक सीपीटीसी है जबकि केरल में सात सीपीटीसी है। उत्तर-पूर्वी राज्य में कोई सीपीटीसी नहीं है। इस दशा में रिफायनरों को ही संग्रहण केन्द्र बनाये जाने कि व्यवहार्यता का अध्ययन किया जाना चाहिये। तीनों पक्षों के मध्य समझौता काफी महत्वपूर्ण है क्योंकि इससे योजना सुचारु ढंग से चल सकती है, इनके मध्य किसी भी प्रकार का अविश्वास इस योजना की सफलता के लिये नुकसानदेह साबित हो सकता है। धार्मिक संस्थानों को मार्केटिंग पहल के रूप में इस योजना में भाग लेने हेतु प्रोत्साहित करने के लिये कुछ निश्चित वित्तीय सुरक्षा प्रदान किया जाना चाहिये।

धार्मिक संस्थानों द्वारा इस योजना से प्राप्त धन के उपयोग के संबंध एक पारदर्शी प्रक्रिया अपनायी जानी चाहिये। हमारे सर्वे में दानदाताओं ने यह प्रतिक्रिया दी है कि वे धार्मिक संस्थानों द्वारा इस जमा से प्राप्त आय तथा इसके उपयोग के बारे में जानना चाहते है। इससे दानदाताओं के मध्य एक सामान्य सहमति बन सकेगी तथा धार्मिक भावनाओं का मिथक खत्म हो सकेगा।

इस योजना के संबंध में बैंको की ओर से एक सक्रिय दृष्टिकोण भी आवश्यक है क्योंकि वे इसे व्यवहार्य नहीं मानते है। जब तक गोल्ड जमा को आरबीआई



बैंको के सीआरआर तथा सीएलआर का अनिवार्य भाग नहीं बनाता है तब तक यह उनके लिये फिजिबल नहीं बन सकेगा। इस योजना में भारत की अग्रणी रिफायनरियों जैसे कि इन्डिया गोल्ड मिनट तथा एमएमटीसी पैम्प के साथ समझौता अनुबंध किया जाना चाहिये जहां मंदिरों के गोल्ड को जमा किया जा सके और बड़ी मात्रा से लागत किफायती हो सके।

मंदिरों के गोल्ड को ध्यान में रखकर बनी योजनाएं जैसे कि गोल्ड मॉनेटाइजेशन से देश के भीतर रखे गोल्ड को बाहर लाने में उतनी निष्प्रभावी नहीं है। लेकिन, इसके साथ यह भी जरूरी है कि जुड़ी नीतियां तथा संवेदनशीलता पर विशेष ध्यान दिया जाये जिससे कि इसमें शामिल हितधारकों इस योजना में भाग लेने की प्रेरणा मिल सके।

लेखकों के बारे में
इस आलेख के लेखकों ने हाल में आईआईएम बैंगलोर से अपना ग्रेजुएशन पूरा किया है। लेखकों ने इस अध्ययन के दिशा-निर्देश तथा सहयोग के लिये डा. चरण सिंह का आभार व्यक्त किया है।

■■■

Bullion - Data & Statistics

Gold Spot Market, International (Per Troy Ounce)			
Spot gold	01 st Mar	31 st Mar	% Change
Australia (AUD)	1628.37	1635.67	0.45
Britain (GBP)	1016.20	994.79	-2.11
Canada (CAD)	1665.41	1661.95	0.21
Europe (Euro)	1183.61	1171.08	-1.06
Japan (Yen)	142302.30	139138.10	-2.22
Switzerland (CHF)	1259.90	1253.21	-0.53
USA (USD)	1247.19	1248.78	0.13

Silver Spot Market, International (Per Troy Ounce)			
Spot Silver	01 st Mar	31 st Mar	% Change
Australia (AUD)	23.99	23.90	-0.38
Britain (GBP)	14.96	14.54	-2.90
Canada (CAD)	24.53	24.28	-1.03
Europe (Euro)	17.43	17.10	-1.90
Japan (Yen)	2097.31	2030.37	-3.30
Switzerland (CHF)	18.55	18.30	-1.37
USA (USD)	18.38	18.25	-0.72

Monthly Exchange Data (Gold) (From Mar 01-31)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Gold June'17	1254.30	1264.20	1198.00	1251.20	-0.72
SHANGHAI –SHFE ⁴	Gold June'17	279.10	282.25	270.75	279.30	0.02
Singapore- ICE (ICESA) ⁵	Gold June'17	40.11	40.57	38.62	40.04	-0.27
MCX ¹	Gold June'17	29412.00	29485.00	27970.00	28742.00	-2.97
NCDEX HEDGE	Gold July'17	27456.00	27456.00	25806.00	26546.00	-3.44
TOCOM ³	Gold June'17	4517.00	4560.00	4420.00	4467.00	-1.21

1- Rs/10 gms, 2- \$/oz, 3- Jpy/gm 4 (RMB) Yuan/gram 5 - \$/gram

Monthly Exchange Data (Silver) (From Mar 01-31)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Silver May'17	18.36	18.51	16.83	18.26	-1.17
MCX ¹	Silver May'17	43800.00	44151.00	39808.00	42326.00	-3.85
TOCOM ³	Silver June'17	66.50	67.10	62.20	65.00	-2.13

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

Gold Spot Market, India			Rs/10gm
Spot Gold	01 st Mar	31 th Mar	% chg
Ahmedabad	29464.00	28527.00	-3.23
Bangalore	30000.00	29090.00	-3.08
Chennai	30490.00	29600.00	-2.96
Delhi	30000.00	29050.00	-3.22
Mumbai	31230.00	30090.00	-3.72
Hyderabad	30490.00	29600.00	-2.96
Kolkata	30990.00	30340.00	-2.12

Currency Change (Monthly)		
	01 st Mar	31 st Mar
EUR/USD	1.0548	1.0652
USD/AUD	1.3025	1.3109
USD/GBP	1.2295	1.255
USD/INR	66.82	64.85
USD/JPY	113.73	111.39

Silver Spot Market, India			Rs/kg
Spot Silver	01 st Mar	31 st Mar	% chg
Mumbai	43300.00	41330.00	-4.55

Bullion - Data & Statistics

LBMA Gold & Silver Price (Per Troy Ounce)										
GOLD AM			GOLD PM				SILVER			
DATE	USDAM	GBPAM	EURAM	USDPM	GBPPM	EURPM	DATE	USDPM	GBPPM	EURAM
03/1/2017	1246.05	1182.50	1007.18	1240.40	1008.32	1177.02	03/1/2017	18.33	14.89	17.40
03/2/2017	1243.30	1181.14	1013.17	1238.10	1009.30	1178.05	03/2/2017	18.33	14.93	17.42
03/3/2017	1228.75	1168.05	1005.12	1226.50	1001.81	1161.62	03/3/2017	17.66	14.44	16.76
03/6/2017	1231.15	1162.82	1004.74	1230.95	1004.09	1161.16	03/6/2017	17.81	14.53	16.83
03/7/2017	1223.70	1157.62	1003.56	1216.65	998.99	1151.80	03/7/2017	17.70	14.52	16.74
03/8/2017	1213.30	1149.00	997.70	1209.20	993.84	1145.84	03/8/2017	17.40	14.32	16.48
03/9/2017	1204.60	1140.64	991.39	1206.55	990.82	1139.35	03/9/2017	17.14	14.10	16.23
03/10/2017	1196.55	1127.15	983.56	1202.65	988.94	1131.09	03/10/2017	16.89	13.91	15.92
03/13/2017	1207.80	1132.07	989.79	1204.20	985.04	1129.06	03/13/2017	17.02	13.92	15.95
03/14/2017	1203.55	1130.86	992.33	1204.60	991.99	1132.44	03/14/2017	17.00	14.02	15.99
03/15/2017	1202.25	1132.04	986.69	1198.80	982.42	1128.07	03/15/2017	16.91	13.87	15.92
03/16/2017	1225.60	1143.24	998.74	1229.35	994.42	1144.65	03/16/2017	17.46	14.21	16.28
03/17/2017	1228.75	1140.53	991.85	1229.60	994.25	1144.27	03/17/2017	17.40	14.08	16.21
03/20/2017	1233.00	1146.57	993.92	1232.40	995.16	1146.13	03/20/2017	17.23	13.92	16.03
03/21/2017	1232.05	1141.37	989.21	1241.60	996.88	1148.36	03/21/2017	17.31	13.88	16.01
03/22/2017	1246.10	1154.76	999.50	1249.05	1003.36	1154.62	03/22/2017	17.58	14.12	16.30
03/23/2017	1247.90	1157.93	997.95	1247.50	996.38	1156.43	03/23/2017	17.55	14.04	16.27
03/24/2017	1244.00	1150.82	996.20	1247.50	999.62	1155.31	03/24/2017	17.63	14.11	16.31
03/27/2017	1256.90	1157.86	1000.49	1257.55	998.62	1155.56	03/27/2017	17.94	14.25	16.51
03/28/2017	1253.65	1154.49	996.15	1257.25	1001.65	1156.92	03/28/2017	17.94	14.29	16.53
03/29/2017	1252.90	1161.19	1007.71	1251.10	1005.88	1163.27	03/29/2017	18.13	14.58	16.81
03/30/2017	1250.90	1165.34	1005.72	1248.80	998.17	1163.26	03/30/2017	18.10	14.53	16.85
03/31/2017	1241.70	1161.98	996.46	1244.85	998.62	1164.93	03/31/2017	18.06	14.50	16.91

Disclaimer: All references to LBMA Gold Price are used with the permission of ICE Benchmark Administration Limited and have been provided for informational purposes only. ICE Benchmark Administration Limited accepts no liability or responsibility for the accuracy of the prices or the underlying product to which the prices may be referenced.

LBMA Silver Price ("Benchmark") is owned by The London Bullion Market Association ("LBMA"), calculated by CME Benchmark Europe Ltd. ("CMEBEL") and administered by Thomson Reuters Benchmark Services Ltd. ("TRBSL").

None of LBMA, CMEBEL, TRBSL, their group companies, nor any of their or their group companies' respective directors, officers, employees or agents (collectively the "Disclaiming Parties") shall be liable in respect of the accuracy or the completeness of the Benchmark or the market data related thereto ("Market Data") and none of the disclaiming parties shall have any liability for any errors, omissions, delays or interruptions in providing the Benchmark or market data.

Sources:

www.mcxindia.com
 www.Ncdex.com
 www.cmegroup.com
 www.tocom.or.jp/Indian
 www.barchart.com

www.forexpros.com
 Domestic Spot precious metals prices Newspaper
 www.lbma.org.uk/index.html
 www.netdania.com

MARK YOUR DATES

BACK TO GOA

Organised by

Foretell
Business Solutions

In Association with



INDIA BULLION AND JEWELLERS
ASSOCIATION LTD.

Title Sponsor



Partner Exchange



Refinery Partner



AL ETIHAD
GOLD REFINERY

Gold Sponsor



WORLD
GOLD
COUNCIL

Cocktail Dinner Sponsor



Supported by



Media Partner

Bullion BulletinTM

Lunch Sponsor



Delegate Kit Sponsor



Information Partner



Knowledge Partner



Media Partner



14TH INDIA INTERNATIONAL



GOLD[®] CONVENTION

11 - 13 August 2017, Grand Hyatt, Goa

www.goldconvention.in

love
that lasts
Forever
like gold



5 GRAMS
in 5 Ingots-
Flowers

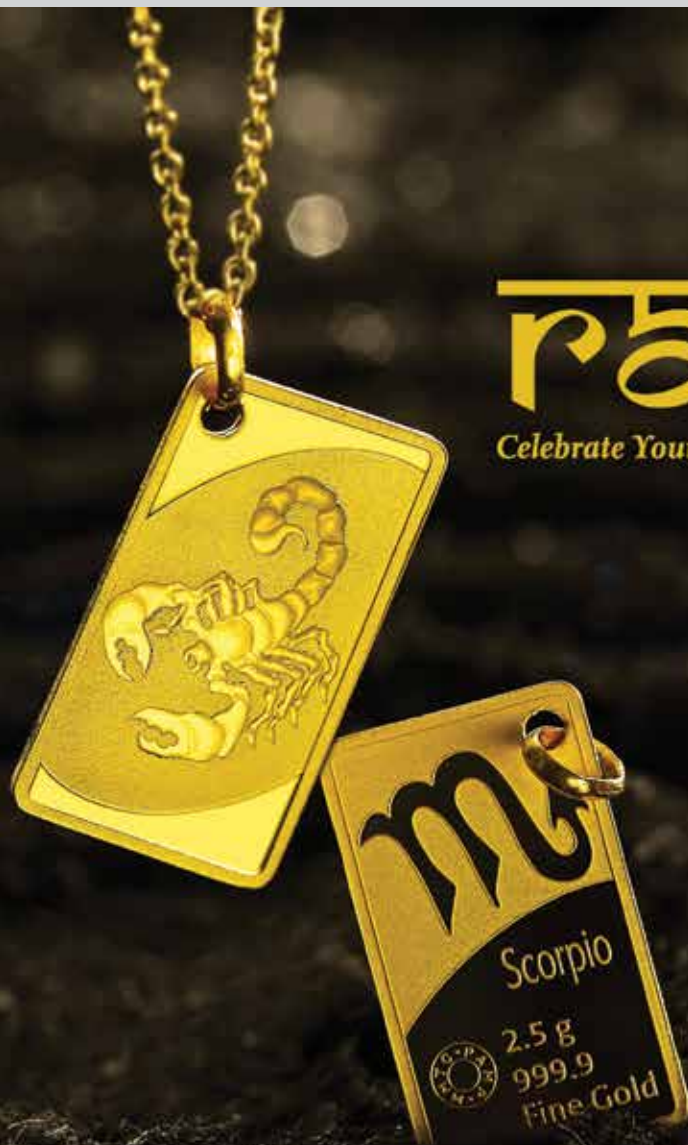


الإتحاد جولد

AL ETIHAD
GOLD REFINERY

Tel: +971 4 3419084
Fax: +971 4 3419085
P.O. Box: 283648, Dubai, UAE.
Email: info@aletihadgold.com
Web: www.aletihadgold.com






rasi
Celebrate Your Individuality



LBMA
GOOD DELIVERY
REFINER

India's Only Good Delivery
Gold and Silver Refinery

Visit us at www.mmtcpamp.com

An MKS PAMP GROUP Company



Refining | Minting | Distribution