

# Building Trust and Transparency: How the World Gold Council is Transforming Gold Investment in ASEAN

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Gold has long been revered as a secure investment, a hedge against inflation, and a symbol of wealth and stability. In recent years, influenced by economic uncertainties and global structural changes, the World Gold Council has observed a dynamic shift in gold consumption patterns within the ASEAN market, underscoring the growing importance of this precious metal in the region. As detailed in World Gold Council's Q1 2024 Gold Demand Trends report, global gold demand reached its highest first-quarter level since 2016. This uptick is driven primarily by significant purchases from central banks, alongside increased consumer demand in the ASEAN region.

In Singapore, the Monetary Authority of Singapore (MAS) added 2 tons to its gold reserves, potentially reflecting a strategic move amidst macroeconomic volatility. Other notable buyers in Asia included the Reserve Bank of India, the National Bank of Kazakhstan, and central banks from Oman and the Kyrgyz Republic. Consumer demand for gold in Singapore also surged by 20% year-on-year to 4 tons, with bar and coin demand increasing by 29% and jewellery consumption up by 14%. Other notable buyers in Asia included the Reserve Bank of India, the National Bank of Kazakhstan, and central banks from Oman and the Kyrgyz Republic. Gold ETFs in the region saw a 16% increase in total assets under management, reaching US\$11 billion, indicating a healthy appetite for gold investments amid financial uncertainties.

The trend towards gold as a safe-haven asset is particularly pronounced among younger investors in the ASEAN region who are facing inflation and economic instability for the first time. It makes sense for younger investors to explore assets that perform well during periods of uncertainty like gold as a way to diversify and protect their assets. We have observed this trend in China, Japan, and other countries, and it may become a more widespread phenomenon if the economic conditions become less certain in other markets.

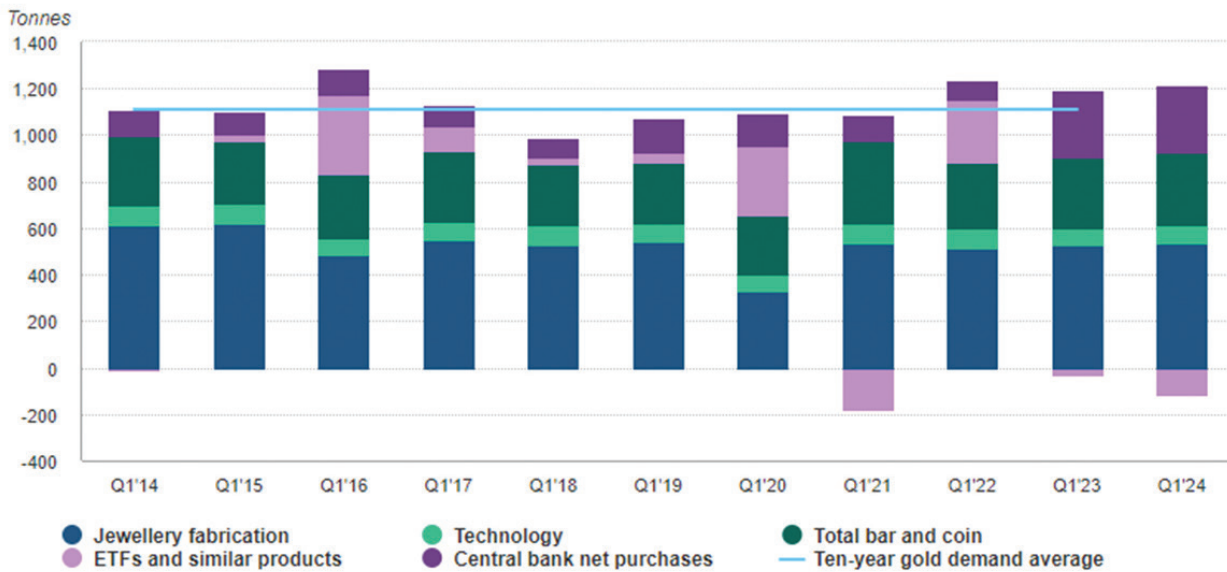


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In response to these evolving market dynamics, World Gold Council has implemented several strategic initiatives to increase consumer confidence in gold and elevate its perception in the ASEAN market. These initiatives focus on building trust and transparency, reducing barriers to access, and establishing Southeast Asia as a leading global hub for gold.

## Quarterly gold demand by sector and 10-year quarterly average



Source: Metals Focus, World Gold Council

\*Data as of 31 March 2024

### Building Greater Trust and Transparency

The World Gold Council is committed to fostering trust and transparency in the gold market through the implementation of its Retail Gold Investment Principles (RGIPs). In Singapore, these principles provide gold suppliers with a detailed set of best practices, aimed at ensuring ethical and professional conduct in the gold industry. The potential expansion of RGIPs to other regional markets is expected to further solidify trust in the regional gold market.

Another key component of our strategy is the Gold247 initiative, which focuses on the digitalisation and traceability of gold. Gold247 envisions a transformed global gold market that meets the demands of modern consumers and investors. This initiative is built on three pillars: integrity, accessibility, and fungibility, all underpinned by the digital transformation of gold market infrastructure. By enhancing trust in gold through digital means, we aim to unlock substantial demand and ensure the gold market remains robust and reliable.

### Reducing Barriers to Access

To make gold more accessible, the World Gold Council is working with Vietnam to evolve its gold market towards more accessibility, making it easier for consumers to invest in gold. We are also increasing awareness of gold through targeted outreach to institutional investors. Our recent consumer insights surveys conducted in Vietnam and Thailand, with similar plans for Indonesia this year, have been pivotal in helping us understand and address

the unique needs of each market, facilitating better access and investment opportunities for consumers.

### Establishing Southeast Asia as a Leading Global Hub for Gold

Our efforts are also focused on establishing Southeast Asia, particularly Singapore, as a leading global hub for gold trading. We are working closely with Singapore stakeholders to grow local market infrastructure and capabilities. Enhancing Singapore's role as a global gold trading center not only benefits the local economy but also strengthens the region's position in the global gold market.

As economies in the ASEAN region continue to navigate financial uncertainty, gold remains a valuable asset for diversification and protection. The World Gold Council's strategic initiatives aim to build trust, reduce barriers, and establish a thriving gold market in Southeast Asia, ensuring that gold remains a reliable and attractive investment for consumers and institutions alike.

In the face of a multitude of macro and geopolitical challenges, the World Gold Council's initiatives are crucial in ensuring that gold remains a trusted and accessible investment for all. With the abovementioned strategies, the World Gold Council is committed to enhancing the gold market's resilience and appeal, fostering a stable and prosperous future for gold investment in the ASEAN region.

