

Proceedings of the 7th Annual IGPC-IIMA Gold & Gold Markets Conference 2024

The 7th IGPC-IIMA Gold & Gold Markets Conference was a two-day event organized at the Bharat Mandapam, New Delhi, on February 15-16, 2024. The India Gold Policy Centre (IGPC or the Centre) is a centre of excellence at IIM Ahmedabad (IIMA) that focuses on research on various aspects of the Indian gold value chain with the aim to drive policy reforms.

The conference saw enthusiastic participation from reputed members of academia, experienced industry participants, and policy-makers alike, spanning across India, UAE, UK, Hongkong and other overseas locations. The lighting of the lamp, in the presence of K Rajaraman, the Chief Guest, heralded the commencement of the ceremony, which was followed by the welcome address by the newly appointed Chairperson, IGPC, Prof. Sundaravalli Narayanaswami. In her welcome address, she highlighted, enunciating a Sanskrit shloka, how the Indian gold market and the economy would benefit from a higher degree of trust among the participants. Optimistic about the prospects, she emphasized how this future is attainable with the way being paved by rising trading volumes at the India International Bullion Exchange and the permission granted to domestic banks to trade at this platform.



It was followed by the inaugural speech by Prof. Bharat Bhasker, Director IIMA. His inaugural speech emphasized the intricate connection between the activities of the IGPC and the overall research agenda at IIMA including at its Centre for Innovation Incubation and Entrepreneurship. Highlighting the macroeconomic and microeconomic aspects, which are under research at the IGPC, he also noted the relevance of the information repositories maintained by the Centre. Referring to his deep interest in instrumentalizing technology to expand horizons, the Director enlightened the audience about the proposed hybrid course at IIMA, the Online MBA Programme, and the plans to further develop the offerings at the Dubai campus beyond the current executive education courses, expressing his hope and confidence about IGPC's similarly broadening reach.





Sh. K Rajaraman, the Chairperson of the International Financial Services Centre Authority (IFSCA), delivered the first keynote address. Citing IGPC's long association with IFSCA and the contribution of its research and databases, he highlighted the various implications of formalizing gold trade in India, namely, its multiplier effect, strategic relevance in global economy and relationship with improved law and order. Interestingly, he also identified prospective areas of research, especially, the consequences of large gold reserves, new products for NRI investors, possibility of a gold index, and strategies for India to become an international price-setter.

Dr T V Somanathan, Financial Secretary & Secretary Expenditure, Ministry of Finance, addressed the audience regarding the age-old scientific rationality that has driven Indian households to invest in gold which is rooted in economic uncertainty, the need to hedge against inflation, a resource with an identity separate from fiat money, and one which is not prone to debasement.

Dr Somanathan also highlighted that current demand trends should be expected to change in light of the changing demographic which consists of younger investors and the rising interest in financial forms of gold, especially gold exchange-traded funds.



Over the two days, the conference proceedings were attended by various functionaries across the WGC. Mr. David Tait, the CEO, WGC attended the event, and, in his keynote address, drew references to the positive trends in global gold markets and noted that the Indian market was set to expand in near future. With expansion in market an inevitability, Mr. Tait noted that the gold industry should collectively concentrate on and cooperate to achieve responsible and sustainable sourcing.

In this regard, he identified four key areas of focus, namely, integrity in value chain, all-round accessibility to consumers, improved fungibility, and global governance, and noted significant steps taken by the WGC in all these respects in the previous year. Following this, P.R. Somasundaram, the Regional CEO of India WGC, presented his thoughts on the unique opportunities and challenges in the Indian gold markets.



In total, there were six panel discussions and a fireside chat organized under the aegis of the conference, along with multiple paper presentations by individual presenters, each of which saw high engagement and interaction from members of the audience.

Briefly, the key topics of panel discussions among the main members are discussed below:

Panel I: "Beyond Lockers" "Strategies for India to leverage its household gold."

With around 30,000 tonnes of idle gold in Indian households, the deliberations engaged with the critical question of how the household stock can be meaningfully leveraged for both the holders as well as the overall economy.

The members of the panel were:

1. Gaurav Mathur, CEO, Safegold
2. Kamlesh Sharma, CGM & Head, Department of Metals & Commodities, IFSCA
3. Mahendran K, Country Head, Precious Metals Division, Karur Vysya Bank
4. Shivaram A, Retail Business Expert
5. Rupa Dutta, I.E.S., Sr. Adviser DPIIT, Ministry of Commerce & Industry

The session, which P.R. Somasundaram moderated, yielded insightful solutions to quickening the circulation of gold in the Indian economy, stressing improved collaboration with banks, faster methods of valuation that reduce value erosion, and marketing efforts targeting more affluent Indians.



Panel II: Gold Value Chain - Integrating Global Best Practices with India-specific Policies

The members of this panel delved comprehensively into the entire gold value to evaluate how global best practices can be best integrated with India-specific policies, keeping in mind the consumer trends, the market dynamics, and the policy environment.

The following members, who spanned across the Indian gold value chain, participated in the discussion:

1. Ankur Goyal, President (Works), MMTC PAMP
2. Sharad Jobanputra, Chairman, Sequel Logistics
3. Atanu Sanyal, Managing Director, Brinks India
4. James Jose, Managing Director, CGR Metalloys
5. Nirupama Soundararajan, Co-Founder & Partner, Policy Consensus Centre

Moderating the proceedings was Prof. Sundaravalli, Chairperson at IGPC. The session brought forth interesting perspectives about how Indian consumers perceive issues of integrity, best practices and hazards associated with gold refining, the mechanisms to ensure chain of custody, and overall trust deficit.

**Panel III: "Development of Exchange Trading for Gold in India – opportunities and challenges for Indian and global banks and traders."**

On February 9, 2024, the RBI permitted domestic banks to trade on the newly established India International Bullion Exchange (IIBX) at GIFT City. The discussions of this panel revolved around the changes that this event is expected to herald in the Indian ecosystem.

The members of the panel were:

1. Haresh Acharya, Managing Director, Parker Group
2. Kamlesh Sharma, Chief General Manager & Head, Department of Metals & Commodities, IFSCA
3. Neville Patel, SVP & Head Bullion Treasury, HDFC Bank
4. Manish Goel, Head Bullion, ICICI Bank
5. Ashok Kumar Gautam, Managing Director & CEO, IIBX
6. Harish Chopra, Vice President & Head, IGPC @ IIM Ahmedabad

Moderating this panel was Sunil Kashyap, Director Finmet. The panellists concluded how the IIBX has improved settlement and the positive impact of institutional participation. Additionally, the panel discussed the possibility of new products, the participation of foreign banks, and their readiness.

Panel IV: "Integrity in Gold and Jewellery Supply Chain"

Given the extensive consumption of jewelry in India and, therefore, the criticality of concerns surrounding a supply chain that ensures integrity, this panel, which consisted of the following members, saw extensive involvement from

The members of the panel were:

1. Kinjal Shah, Head of Asian Development at the Responsible Jewellery Council
2. Prem Nath, Director Finmet
3. Siddharth Kaushik, Chief Risk & Compliance Officer at MMTC PAMP
4. Arindam Goswami, Co-Founder & Partner at Policy Consensus Centre

The discussion was moderated by Sudheesh Nambiath, DMCC. The deliberation revolved around ideal management practices and chain of custody norms, the associated costs, and their impact on the playing field. While there was broad consensus on the role of OECD guidelines on responsible mineral supply in strengthening best practices, the participants also observed the need for India-specific good delivery standards.



Panel V: "Gold Trends - Dynamics in B2B and B2C Markets"

Reviewing a host of issues that prevent large trading in the Indian market was the following panel, which emphasized specifically the role of technology in bringing forth a much-needed change:

The members of the panel were:

1. Keyur Shah, CEO-Precious Metals Business, Muthoot Pappachan Group
2. Shivanshu Mehta, SVP & Head Bullion, MCX & Director IIBX and IIDI
3. Mehul Thakker, Business Head-FI, FirstRand Bank Ltd
4. Archit Mishra, Promoter, Gullak Money
5. Pramod Mohan, Founder & Managing Director, Finmet

This session was moderated by Harish Chopra, the Vice President, IGPC, and concentrated on how technology could be leveraged to promote the financialization of gold and adoption among a larger population. The panellists noted its salience for retail investors and jewellers, especially for hedging and solutions to promote the circulation of gold in the economy. +





Panel VI: "Shifting Business Preferences and Consumer Dynamics: Transforming the Gold Industry"

Concentrating specifically on contemporary consumer behaviour and change agents were the panellists in this session, each of whom has years of niche experience in their respective areas:

The members of the panel were:

1. Prof. A.K. Jaiswal at IIM Ahmedabad
2. DD Karel, Promoter at N. M. Karel & Sons
3. Dileep Narayanan, Head-Bullion & Treasury, Malabar Gold Limited
4. Shayak Mazumdar, CEO & CTO, Shayr Omnichannel.
5. Shweta Pathak, Founder of Aakarshan Gems & Jewels

The session was moderated by Chirag Sheth, Principal Consultant, South & East Asia, Metals Focus, and began with an interesting presentation by Shayak on how an open network for digital commerce (commonly, ONDC) can digitize gems and jewelry transactions. It was particularly interesting to observe diversity in perspectives on how the market comprising the younger generation can be best addressed.



Panel VI: Fireside Chat: "Shifting Business Preferences and Consumer Dynamics: Transforming the Gold Industry"

In addition to the panel discussions, the crucial issue of anti-money laundering (AML) practices, which goes hand-in-hand with gold consumption, was dealt with in a fireside chat moderated by Arjun Raghavendra from IGPC at IIM Ahmedabad. The discussion among the members, Abidh Chappan, AML Expert, Ministry of Economy UAE, Yogpal Singh, retired from Indian Revenue Services, and CA Bhargava Vaidya, Bullion Expert India, evinced thoughtful comments from the attendees.

In addition to the comprehensive panel discussions, which covered a range of topics concerning the Indian gold markets, there was a series of paper presentations. The names of the presenters, along with the titles of their respective papers, are enumerated below:

- ❖ Prof. Biju Varkkey, from the HRM area at IIM Ahmedabad, and Ms. Novel Ansari, a research associate at IIM A, presented a case study on the sensitive topic of "Decent Work Framework & Karigar Management."
- ❖ Prof Subhadip Roy, from the Marketing area at IIM Ahmedabad, elaborated on "Consumer Motivations, Buying Process and Post-purchase Behavior of Gold at the Retail level."
- ❖ Prof Manas Paul, from IMT Ghaziabad, spoke on: "Precious Metal Stocks as Hedges and Safe Havens."
- ❖ Prof Neharika Sobti, from IMT Ghaziabad, spoke on the "Reasons for intraday price jumps and co-jumps in Gold-Market – focussing on Psyche, News and Illiquidity."
- ❖ Siddharth Premkumar, Researcher, IIT Kanpur, presented his findings on "a network analysis of transoceanic trade, wealth accumulation, and early empire building in the South Deccan" in his paper "God, Gold, and Governance."
- ❖ Prof Priya Narayanan, from IIM Kozhikode, spoke about the "Repositioning of Making Charges in Gold Jewellery retailing so as to drive industry change and cover Customer and Jeweller perspectives."
- ❖ Dr. Nithya Joseph, from the French Institute, Pondicherry, spoke about "Ornaments in circulation and the making of moral personhood in South India" in her paper titled "Good as Gold."
- ❖ Prof Imlak Shaikh, Prof Priyanka Vallabh, and Leena Ajit Kaushal from MDI Gurgaon spoke about "Household's Perception and Expectation from India's Gold market-Evidence from RBI Consumer Confidence Survey."
- ❖ Prof R Bala Subramanian from RBS Kochi shared insights from his study on the impact of organized gold showrooms on gold artisans in Madurai.
- ❖ Prof Samaresh Bardhan from IIT Ropar spoke about the "Hedging properties of Gold in an emerging market economy" as observed from an application of the intertemporal capital asset pricing model (CAPM)
- ❖ Prof Abhiman Das, from IIM Ahmedabad, spoke on the relevance of price benchmarking in India.
- ❖ Prof. Anidita Chakrabarti from IIT Kanpur, Isabelle Guerin, Research Director from Oxford University, Bazil Shaikh, a former central banker, and Prof. Peter Phipps from RMIT University, Melbourne presented a multi-faceted scholarly discussion on many lives of Gold in India.
- ❖ Amita and Dinesh Kulkarni, JSS Advanced Jewellery Design & Technology Centre, Bangalore, presented their research on "Sustainable Gold Recovery: Transforming hazardous waste into valuable resources - A comprehensive study."
- ❖ Dr. Adil Shah, Research Associate at IGPC, presented his paper titled "Policy Uncertainty Spillovers across G7 Countries and Central Bank Gold Reserves Demand: An Empirical Exploration with Future Directions."
- ❖ Anumeha Saxena, Research Associate at IGPC, presented her findings in her presentation titled "Does the Neighbourhood Effect Contribute to Participation in the Gold Monetization Scheme: Early evidence from the IGPC PRICE Household Survey."

The conference also involved a ceremony where Shivanshu Mehta, MCX, announced the recipients of the MCX Awards among the presenters from the previous edition of the conference.

The conference was concluded with a vote of thanks from Harish Chopra, who thanked his team for their support in organizing a comprehensive event. He also thanked the participants and all the speakers/ presenters whose contributions were critical to the conference's success.

