

# Gold demand on the rise despite hike in prices

Likely to be 25% higher than last year, says WGC

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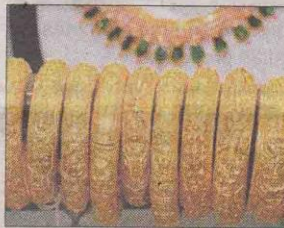
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Demand for gold has picked up in the run-up to the festival season following good monsoons this year, according to information available from the jewellery trade.

According to the World Gold Council, gold demand during the ongoing festival season would be 25% higher than last year. Rural India accounts for the bulk of gold buying, the WGC said. Analysts feel that good monsoons after last year's severe drought could result in a lot of pent-up demand for the yellow metal.

"Gold demand is expected to touch 603 tonnes during the second half of 2016 despite a 26% rally in local prices," the WGC said.

Jewellers across the country have also announced schemes to take advantage of the rising demand for gold. Many retail-



## Good monsoon to jack up demand

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ers have announced severe reduction in making charges and have also come up with gifts for purchase of high-value jewellery.

"During the wedding season, which will come after Diwali,

the demand of gold is expected to be good for the rest of the year," says Dharmesh Choksi, a jeweller from Opera House in South Mumbai.

Even the Indian government has gotten into the act and is actively pushing the sale of gold coins in place of gold jewellery. The Indian gold coin launched by Prime Minister Narendra Modi last year is being pushed aggressively by public sector banks this year. Complete with the Ashok Chakra on one side and the image of Mahatma Gandhi on the other, the Indian Gold Coin produced by the government mint promises a degree of authenticity which is not available from ordinary jewellers.

According to an official statement, gold for the coin is sourced under the Gold Monetisation Scheme which has found takers among big holders like the Tirupati temple trust