

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:3799  
ANSWERED ON:13.12.2002  
DEMAND OF GOLD  
SAMUDRALA VENUGOPAL CHARY

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether the demand of gold in india has fallen significantly;
- (b) if so, the factors responsible for the declining trend; and
- (c) its impact jewellery market and stock market thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) According to the World Gold Council and Gold Fields MineralSurvey (an independent London based market research agency), the consumer demand for gold in India dropped to 363 MT during the period January to September, 2002 from 570 MT in the same period last year.

(b) The adverse factors that affected global demand for gold seem to have had an impact on demand for gold in India also. The rise in the dollar gold price, the price volatility and the weak world economy continued to deter purchases of gold world-wide and in India.

(c): The high and sometimes volatile prices remained a deterrent to jewellery purchases. The jewellery demand (excluding that funded by recycled gold) dropped in tonnage terms by 6.2% during the quarter July to September, 2002 vis-À-vis the first half of the year.

Gold prices have recently reached new highs while increasing volatility on the stock markets worldwide is also visible.