

>

Title: Rise in prices of gold.

SHRI A.V. BELLARMIN (NAGERCOIL): Mr. Chairman, Sir, it is a matter of utmost urgency that the Government should address the skyrocketing price rise of gold and the consequent predicaments it has caused for the poor goldsmiths and jewellers. It is a wonderful phenomenon that the gold is priced thrice in a day unlike any other commodity. The price of this yellow metal has risen three times during these five years from Rs. 3,392 per sovereign in 2002 to Rs. 10,672 at present.

Sir, it is quite true that the price of gold has close relevance to the customary factors like inflation, stock market, dollar price bank rate of interest etc. But the traditional factors that propel the market forces, such as supply and demand of this precious commodity play a vital role in its pricing. The major gold producing countries South Africa and Indonesia have made a cut in their production, thus leaving a gap of 400 tonnes every year. 2,600 tonnes are made available in the market every year whereas the global demand is 3,000 tonnes. Further, owing to the global economic meltdown strewn its impact everywhere and the volatility of the Stock Market, the investors have preferred procurement of gold and hoarding it creating an artificial scarcity of the yellow metal in the market. In addition, online trade in the gold market has worsened the situation and the price of the metal registers an increase of Rs. 100 to Rs. 200 per sovereign everyday without showing any sign of decrease. It is stupendous to note that

* Not recorded

online trade in gold is taking place for nearly Rs. Seven lakh everyday. The middle class who cannot avoid gold to comply with their rituals and social conventions and the Goldsmiths who are already languishing in joblessness due to import of foreign jewellery find themselves in jeopardy.

So, the Government should come down heavily on this and ban the online trade in gold.