



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalsivam Kamarajar"

World Gold Council Report

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Context:

According to the **World Gold Council's report** released on **February 7, 2025**, India's gold investments surged by **60%** in 2024, reaching a staggering **Rs 1.5 lakh crore**. This surge is largely due to strong demand in India and China, which offset slowdowns in Europe and the US. Here are the key highlights of the report:

Highlights:

1. Global Demand Growth:

- Global gold demand increased by **25%** in 2023.
- **Investment demand** for gold rose by **29%** in the same period.

1. Global Supply:

- The global supply of gold grew by **1%**, driven mainly by **mine production** and **recycling**.

1. Outlook for 2025:

- **Central banks** and **Gold Exchange-Traded Funds (ETFs)** are expected to drive demand for gold in 2025.

1. India's Gold Reserves:

- The **Reserve Bank of India (RBI)** added **73 tonnes** of gold to its **forex reserves**, increasing gold's share in the reserves to a record **11%**.

Reasons for Increased Gold Demand in India:

1. Symbol of Wealth and Status:

- Gold has long been a symbol of wealth and status, particularly in Indian culture, where it plays an essential role in **rituals** and **traditions**. For example, it is sacred in **Hindu** and **Jain** traditions.

1. Investment and Security:

- Gold is highly valued for its **portability**, making it an attractive investment, especially in rural areas where access to other forms of investment may be limited.

1. Wedding Purchases:

- Around **50%** of India's annual gold demand comes from **wedding-related purchases**, reflecting the cultural importance of gold in matrimonial ceremonies.

Gold Resources:

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- **India** has substantial gold ore resources, with **Bihar** holding the largest share (44%), followed by **Rajasthan** (25%), **Karnataka** (21%), and smaller shares in **West Bengal**, **Andhra Pradesh**, and **Jharkhand**.
- **Globally**, the top holders of gold reserves include countries such as **USA**, **Germany**, **Italy**, **France**, **China**, **Switzerland**, and **India**.

World Gold Council (WGC):

- Founded in **1987** by leading gold mining companies, the WGC's main objective is to promote gold as a **strategic asset** and ensure a **responsible** and **transparent** gold supply chain.
- The organization operates in **45+ countries** and is headquartered in **London**, UK.

Top Gold Exporters:

- The **top exporters** of gold include **Germany**, **European Union**, **Switzerland**, **United States**, and **Japan**.

The surge in gold investments in India reflects the strong cultural, financial, and social importance of gold in the country. The global rise in demand, driven by both retail and institutional buyers, along with India's robust investment in its gold reserves, underscores the growing strategic role of gold in financial markets worldwide. The **World Gold Council** continues to advocate for gold's role in creating a more secure and diversified investment portfolio.