

India's love affair with gold continues, demand rose 27 per cent in Jan-March

The World Gold Council (WGC) has said demand for the yellow metal in India, the world's largest consumer, rose by 27 per cent to 256.5 tonnes in the first quarter of 2013.

The demand for the precious metal stood at 202.1 tonnes in the same quarter last year, the latest report by the council says.

In terms of value, WGC said the demand for gold in India during January-March 2013 increased by 32 per cent to Rs 72,899.4 crore, against Rs 55,148.7 crore in the year-ago period.

"Gold demand in India for both jewellery and investment continues to remain strong. The price fluctuations in gold recently have only served to reinforce Indian consumers' appetite for purchasing physical gold," WGC India Managing Director Somasundaram PR said.

Total jewellery demand rose by 15 per cent to 159.5 tonnes from 138.3 tonnes, while investment demand increased by 52 per cent to 97 tonnes from 63.8 tonnes in the review period.

Somasundaram said gold is a time-tested asset class which has helped preserve the wealth of Indian families for generations.

"With the ongoing wedding and festive season, we believe that demand for gold will continue to remain robust," added said.

A total of 21 tonnes of gold was recycled in the January-March quarter of this year, against 25 tonnes in the same quarter of 2012, the report added.

WGC said the global demand for the yellow metal in the first quarter of 2013 fell by 13 per cent to 963 tonnes as strong growth in consumer demand for gold jewellery, bars and coins was exceeded by substantial net outflows from gold exchange-traded funds (ETFs).

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