

## Press release

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London, 31<sup>st</sup> January, 2024

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### Geopolitical and economic uncertainty bolster gold demand and prices in 2023

The World Gold Council's *Gold Demand Trends* report reveals that annual gold demand (excluding OTC) fell to 4,448t in 2023, down just 5% from a notably strong 2022. When factoring in demand from the OTC markets and other sources,<sup>1</sup> total demand climbed to a new annual record of 4,899t. Investment from this more opaque source of demand supported 2023's highest annual average gold price on record.<sup>2</sup>

The central bank buying streak continued on from 2022 at a blistering rate. Demand reached 1,037t last year, making it the second highest on record, down just 45t on the previous year.

In contrast to robust OTC and central bank demand, ETF outflows continued in 2023, losing 244t in a third consecutive year of decline, with outflows in Europe dominating the picture.

Turning to bar and coin investment, demand was subdued and down 3% as strength in some markets worked to offset weakness elsewhere. European demand continued to plummet, down 59% year-on-year. This decline was offset by a strong post-COVID recovery in China, where annual demand was up 28% to 280t; combined with notable increases in India (185t), Turkey (160t), and the US (113t).

The global jewellery market proved to be remarkably resilient amidst record-high prices as demand inched up by 3t year-on-year. China played an important role, recording a 17% increase in demand for gold, as it recovered from COVID-19 lockdowns, offsetting a 9% decrease in India.

Mine production was relatively flat in 2023, up 1%. Recycling increased by 9%, which was lower than expected given the high gold price and drove total supply up 3%.

**Louise Street, Senior Markets Analyst at the World Gold Council, commented:**  
"Unwavering demand from central banks has been supportive of gold demand again this year and helped offset weakness in other areas of the market, keeping 2023 demand well above the ten-year moving average.

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<sup>1</sup> This number captures demand in the OTC market (for which data is not readily available), changes to inventories on commodity exchanges, any unobserved changes in fabrication inventories and any statistical residual. It is the difference between total supply and gold demand.

<sup>2</sup> The average 2023 gold price of US\$1,940.54 /oz – also a record – was 8% higher than 2022.



In addition to monetary policy, geopolitical uncertainty is often a key driver of gold demand and in 2024 we expect this to have a pronounced impact on the market. Ongoing conflicts, trade tensions and over 60 elections taking place around the world, are likely to encourage investors to turn to gold for its proven track-record as a safe haven asset.

We know that central banks often cite gold's performance in times of crisis as a reason to buy, which suggests demand from this sector will stay high this year and may help to offset a slowdown in consumer demand due to elevated gold prices and slowing economic growth."

The **Gold Demand Trends Q4 and FY 2023** report, which includes comprehensive data provided by Metals Focus, [can be viewed here](#).

**ENDS**

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**Note to editors**

**World Gold Council**

We are a membership organisation that champions the role gold plays as a strategic asset, shaping the future of a responsible and accessible gold supply chain. Our team of experts builds understanding of the use case and possibilities of gold through trusted research, analysis, commentary, and insights. We drive industry progress, shaping policy and setting the standards for a perpetual and sustainable gold market.

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