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Strategic Acquisition and Value Addition of Gold Resources for India

Anmaya Agarwal
India Gold Policy Centre (IGPC) at IIM Ahmedabad

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Agenda

1. Current State of the Gold Industry in India
2. Analyzing the Trade Data for Other Nations: Switzerland
3. Analyzing the Trade Data for Other Nations: Japan
4. Key Strategic Insights

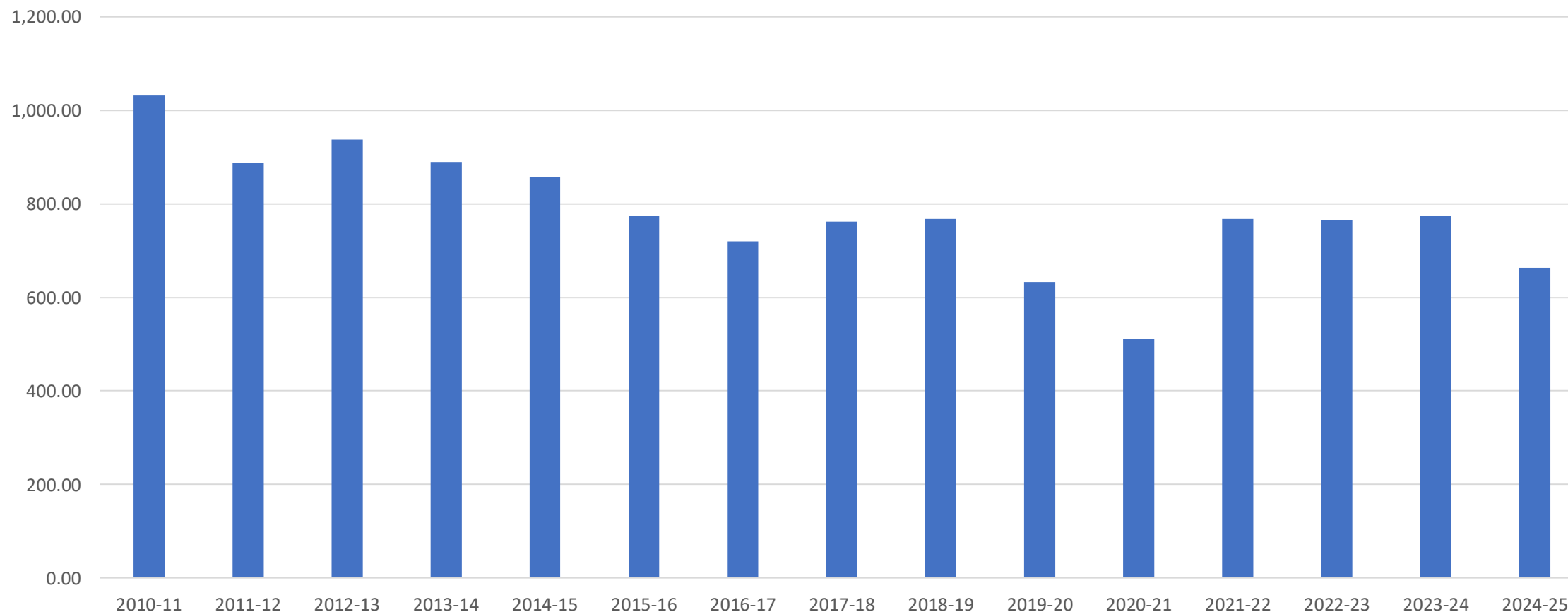


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Current State of the Gold Industry of India

Current State of the Gold Industry of India: Demand

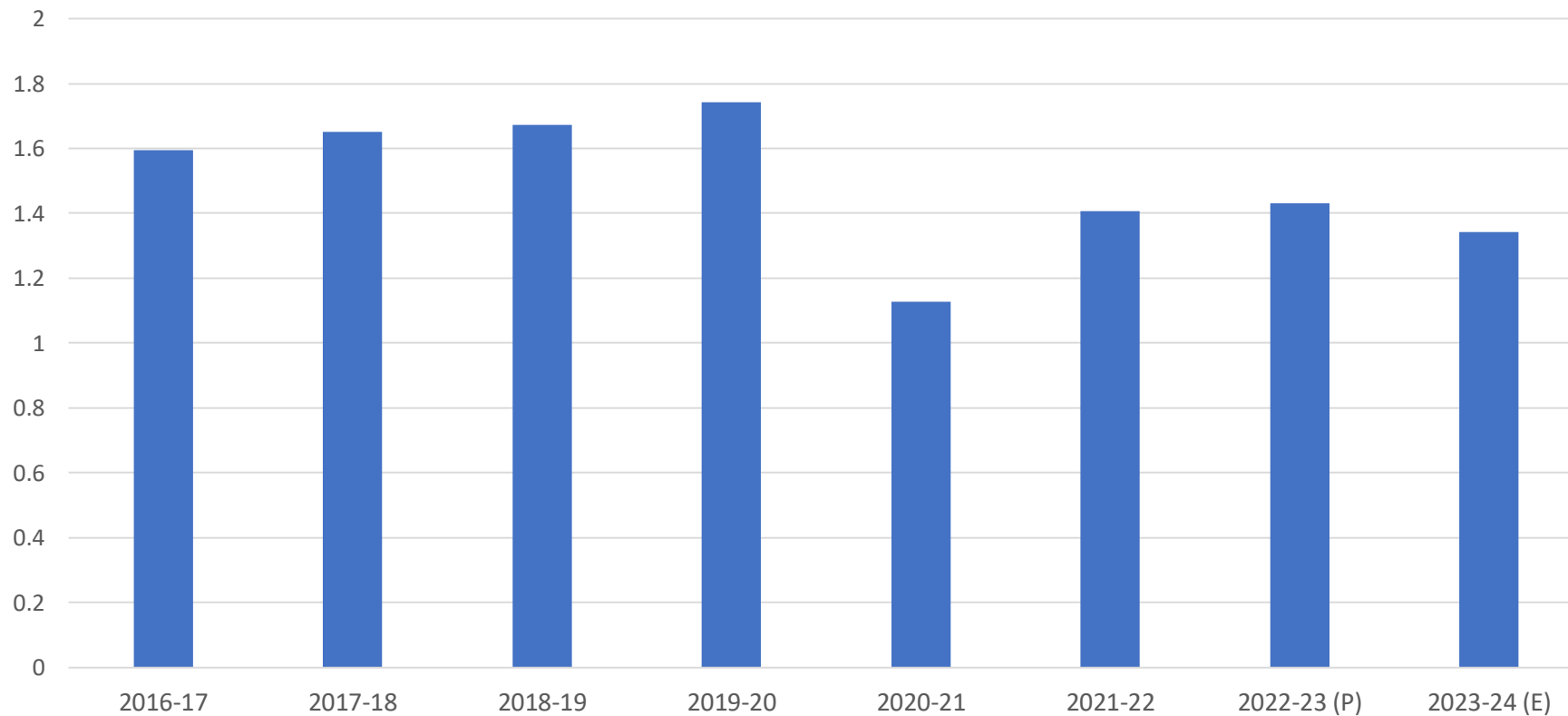
Demand for Gold (Bars, Coins, and Jewelry) in India for Each Financial Year (in Tons)



Source: WGC, (FY 2024-25 data till Dec 2024)

Current State of the Gold Industry of India: Mining Production

Gold Mined by India in Each Year (in Tons)



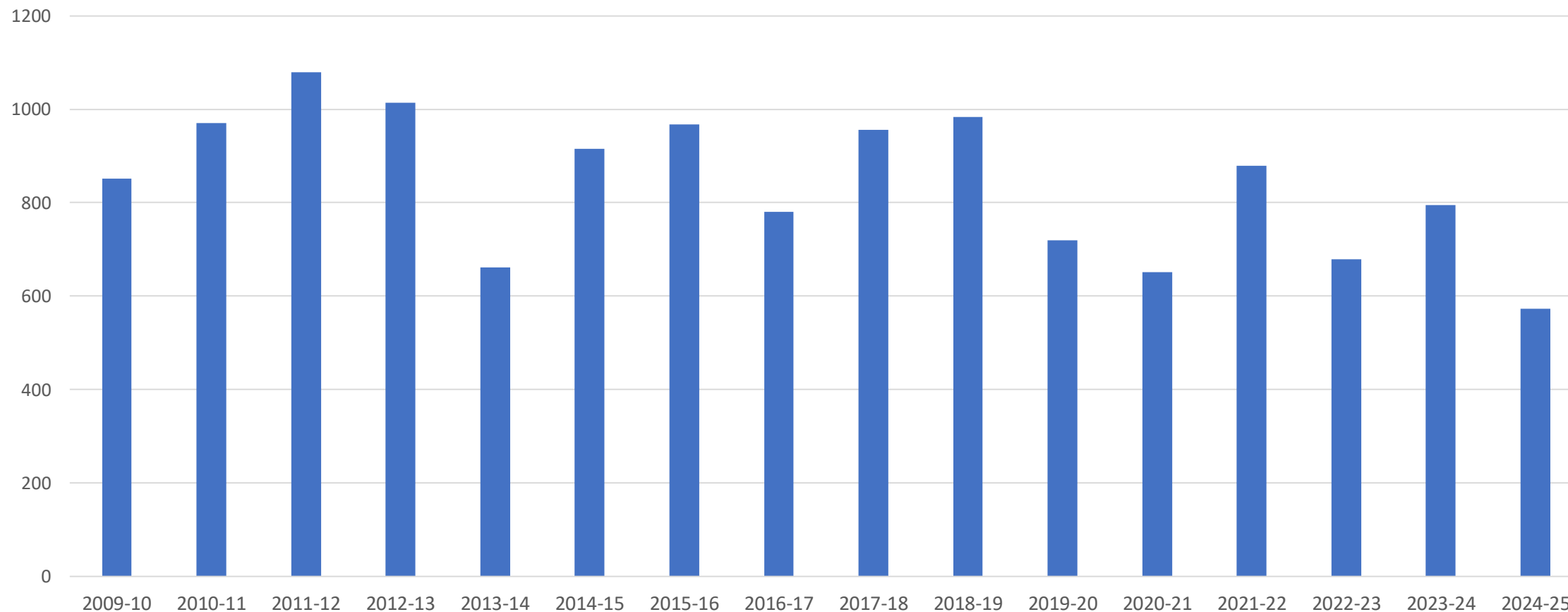
Source: Ministry of Mines Annual Reports

Current State of the Gold Industry of India: Reserves/Resources of Gold as on April 01, 2020 (P): India

Mineral			Primary Metal (Tonne)	Placer Metal (Tonne)
Reserves	Proved	STD111	79.26	-
	Probable	STD121	13.44	-
		STD122	0.06	-
	Total	(A)	92.76	-
Remaining Resources	Feasibility	STD211	16.93	-
	Pre-feasibility	STD221	9.11	-
		STD222	5.64	-
	Measured	STD331	22.05	-
	Indicated	STD332	159.41	2.29
	Inferred	STD333	236.26	3.57
	Reconnaissance	STD334	65.10	-
	Total	(B)	514.50	5.86
Total Resources		(A+B)	607.26	5.86

Current State of the Gold Industry of India: Imports

Principal Commodity Gold* Imported by India in Each Financial Year (in Tons)

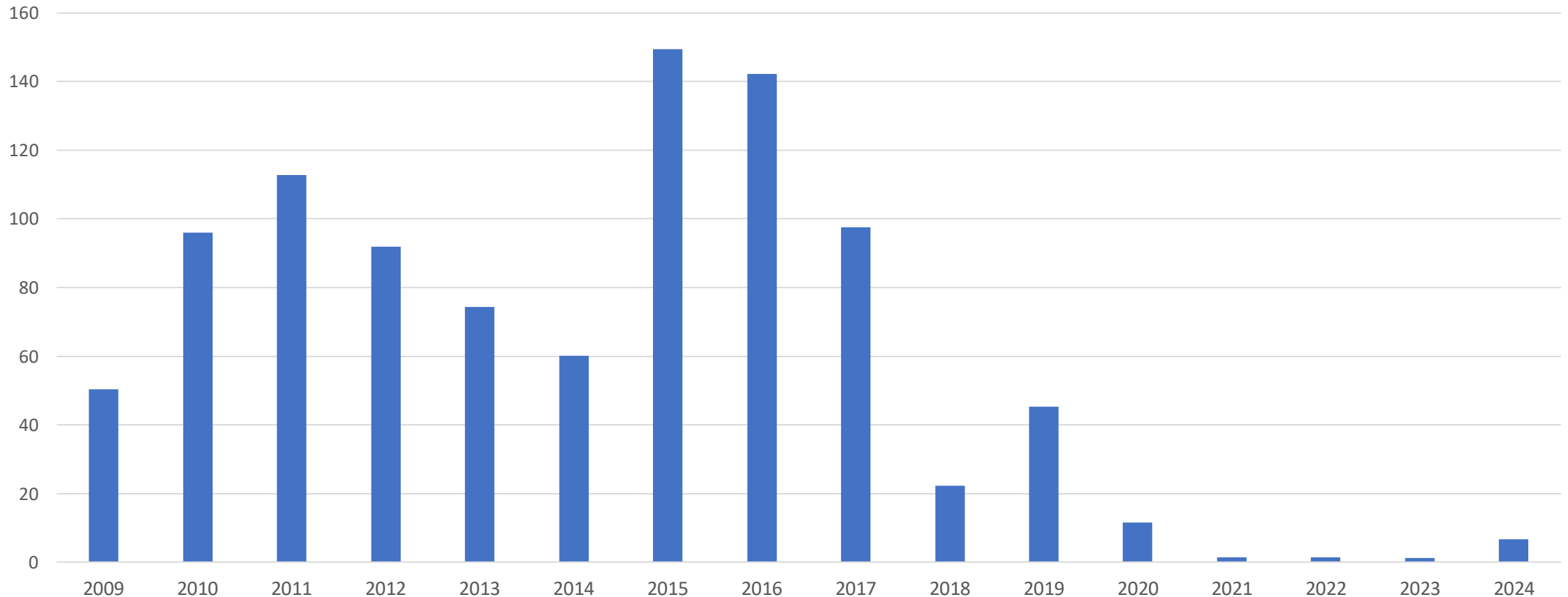


Source: DGCIS, (FY 2024-25 data till Nov 2024)

*Principal Commodity Gold contains the HS Codes: 71081100, 71081200, 71081300, 71082000, 71189000

Current State of the Gold Industry of India: Exports

Principal Commodity Gold* Exported by India in Each Calendar Year (in Tons)

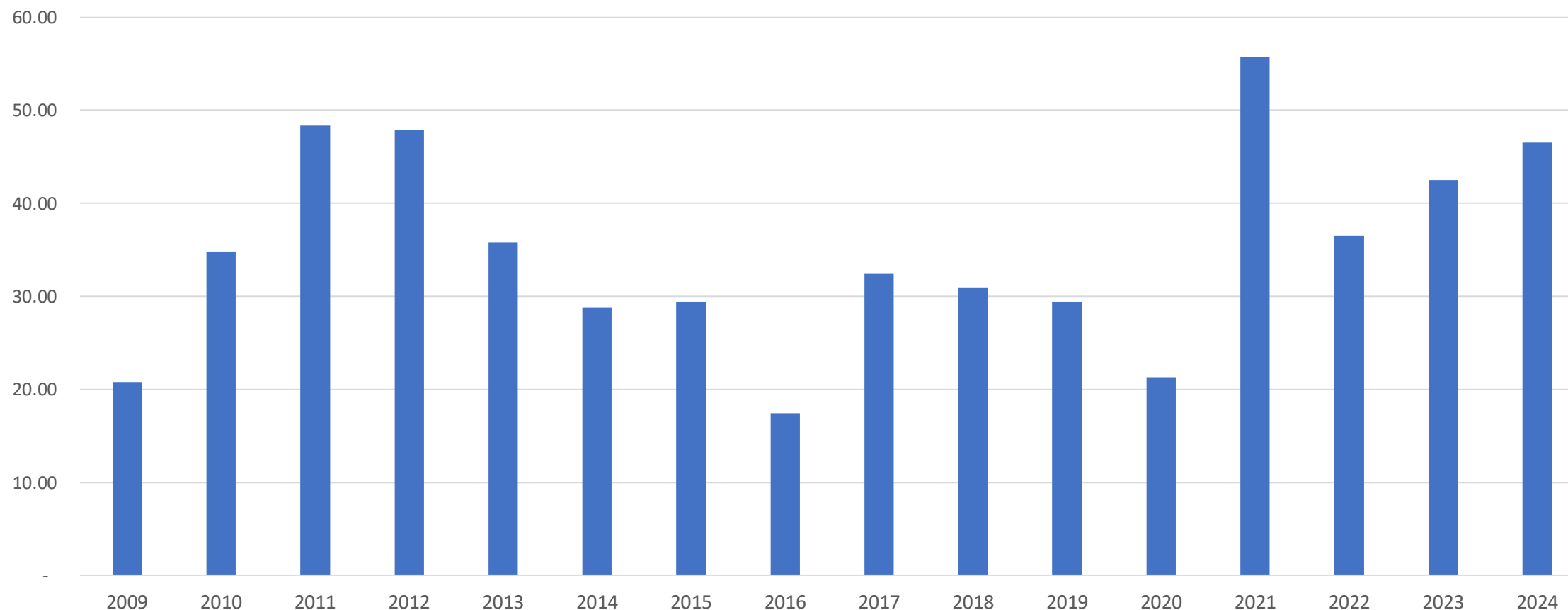


Source: DGCIS, (FY 2024-25 data till Nov 2024)

*Principal Commodity Gold contains the HS Codes: 71081100, 71081200, 71081300, 71082000, 71189000

Current State of the Gold Industry of India: Trade Deficit

Trade Deficit (Import – Export) of Principal Commodity Gold* for India in Each Calendar Year (in USD Billion)

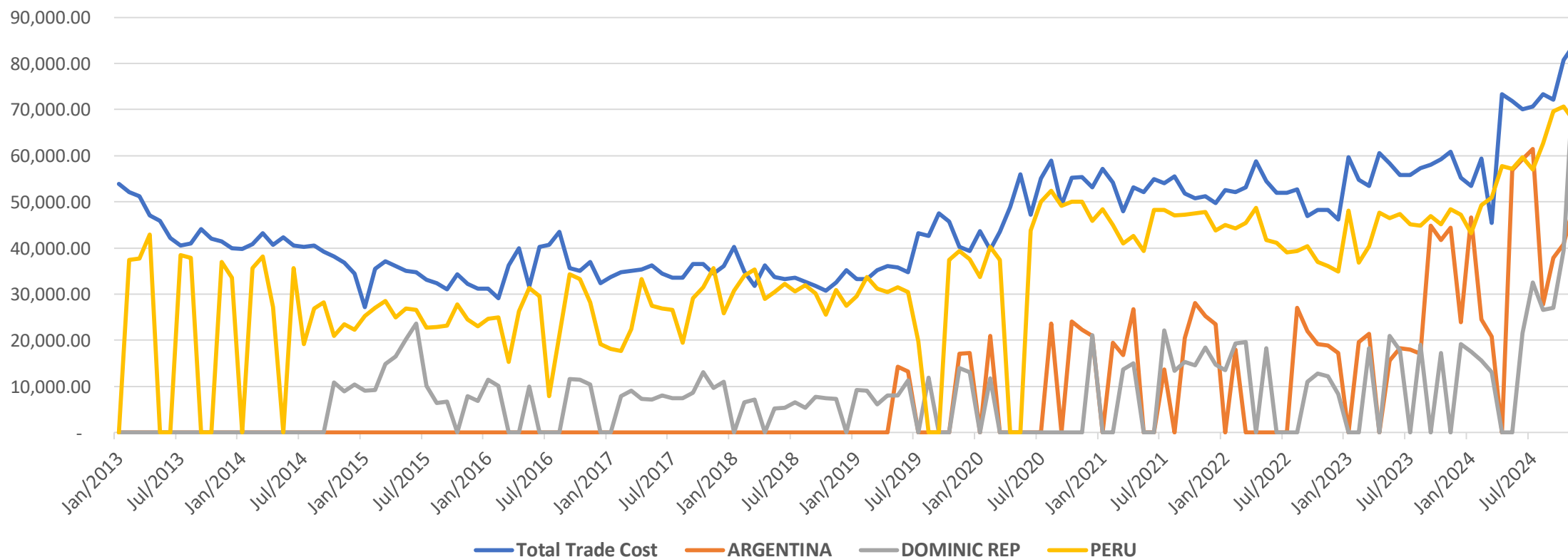


Source: DGCIS, (FY 2024-25 data till Nov 2024)

*Principal Commodity Gold contains the HS Codes: 71081100, 71081200, 71081300, 71082000, 71189000

Current State of the Gold Industry of India: Cheap Sources of Raw Material

Countries where Monthly Avg Cost (USD per KG) is substantially lower than Total Monthly Avg Cost for each Month from Jan 2013 to Nov 2024



Source: Derived from DGCIS

Current State of the Gold Industry of India: Percent of Total Import Volume from these Nations

Year	Argentina (Ton and %)	Dominican Rep. (Ton and %)	Peru (Ton and %)	Total Import Volume of these nations (approx.) (Ton and %)
2020	11.64	11.92	29.11	52.66
	3%	3%	7%	12%
2021	24.32	39.66	49.53	113.50
	2%	4%	5%	11%
2022	11.09	23.55	51.21	85.84
	2%	3%	7%	12%
2023	15.55	18.01	51.75	85.31
	2%	2%	7%	12%
2024	12.78	26.88	63.16	102.81
	2%	4%	10%	16%

Current State of the Gold Industry of India: Refineries

- India has only one LBMA-accredited Good Delivery Gold refinery - MMTC, even though India has a refining capacity of 1833 tons among 33 refineries as of 2022.
- Prior to 2020, only LBMA accredited 99.5% purity gold bars were accepted by the domestic commodity exchanges for delivery.
- In 2020, the Indian Good Delivery Standards were introduced by the BIS as domestic alternative to the LBMA Good Delivery.
- As of 2022, one LBMA accredited and 6 IGDS compliant refiners were approved by domestic exchanges.

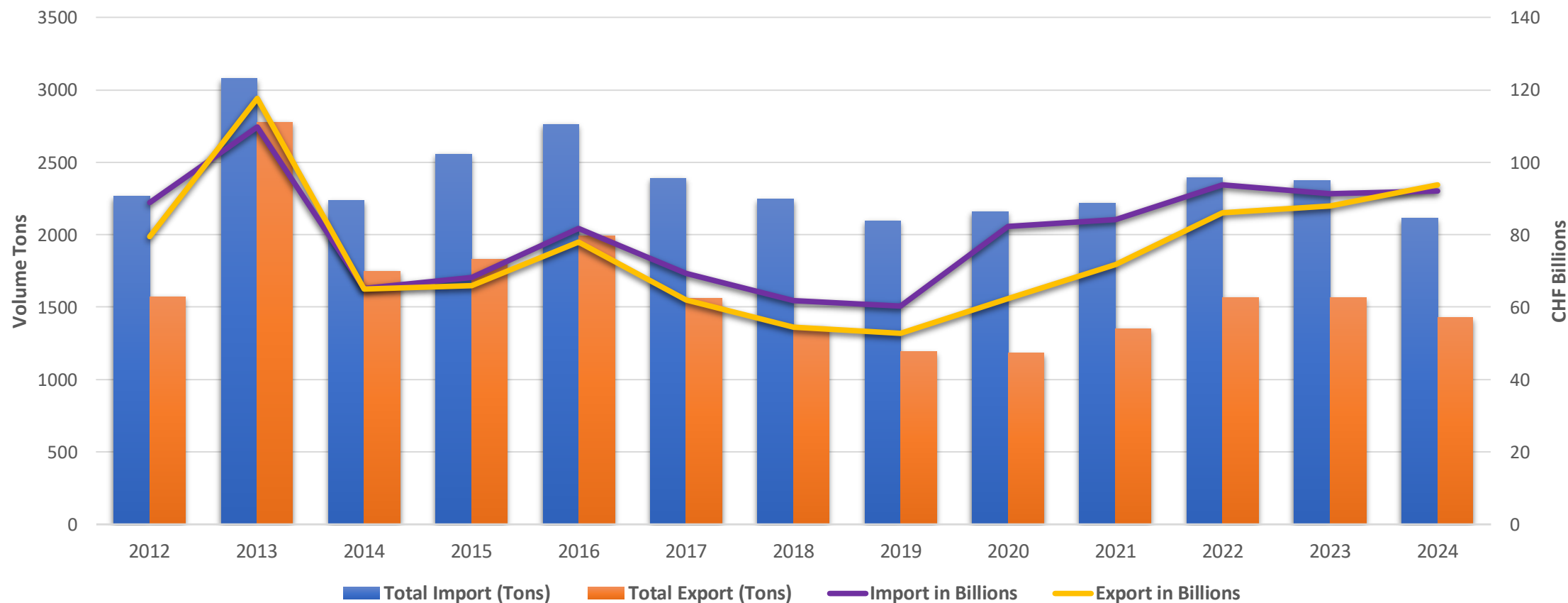


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Analyzing the Trade Data for Other Nations: Switzerland

Analyzing the Trade Data for Switzerland: Import & Export

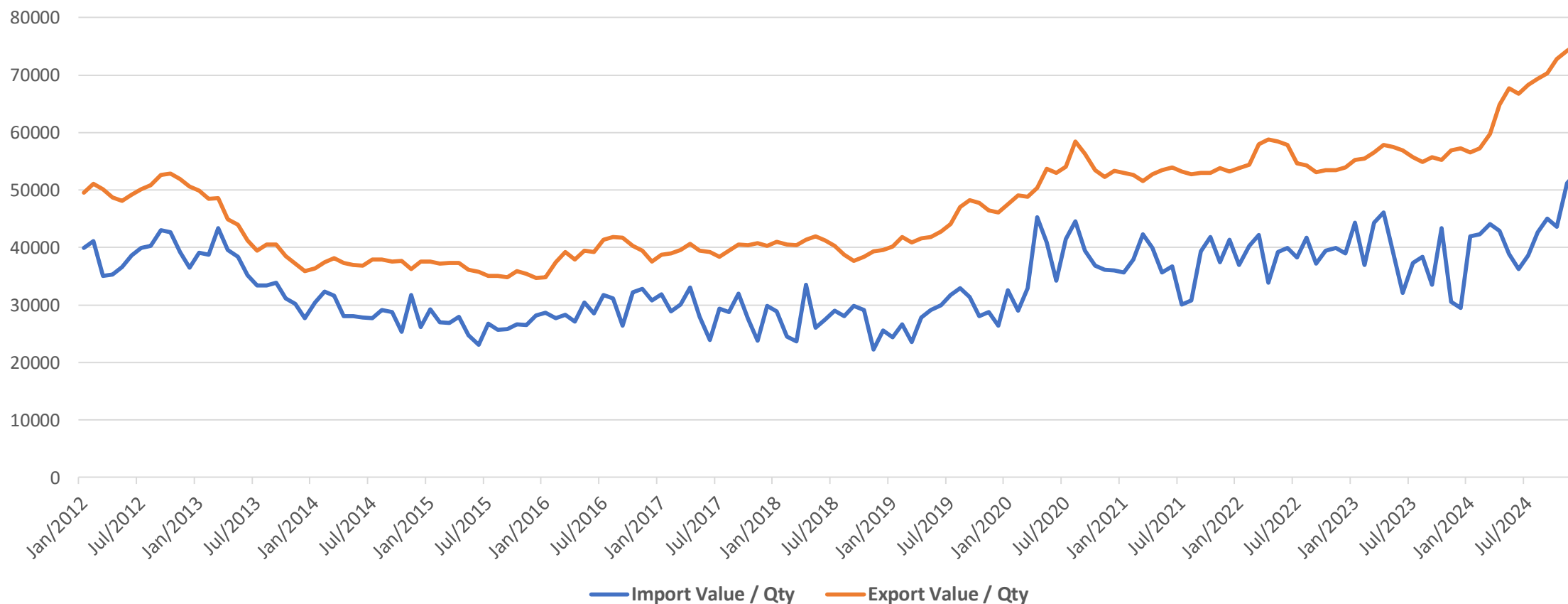
Total Import & Export of HSN 71081200 for Switzerland in Each Calendar Year (in Tons)



Source: Swiss-Impex Database (<https://www.gate.ezv.admin.ch/swissimpex/>)

Analyzing the Trade Data for Switzerland: Value Addition

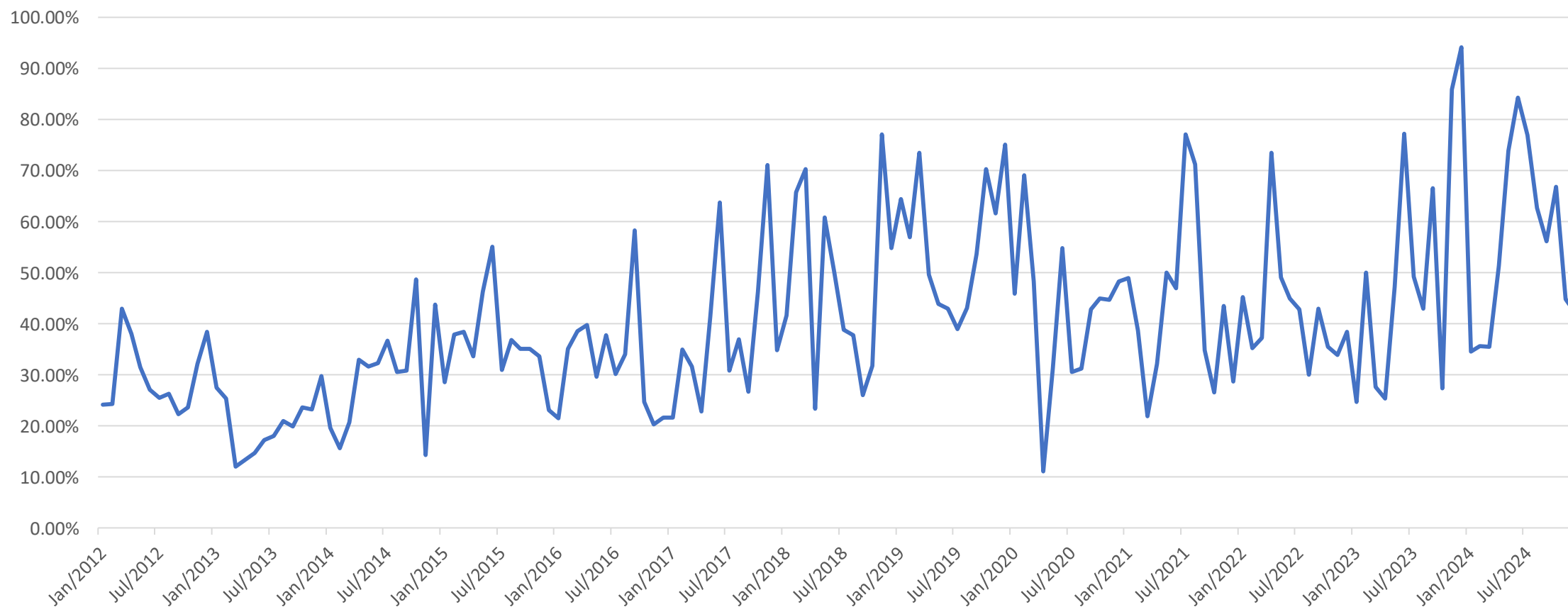
Import and Export CHF per KG (Value (in CHF) / Qty (Kg)) for each month from Jan 2012 to Dec 2024



Source: Derived from Swiss-Impex Data (<https://www.gate.ezv.admin.ch/swissimpex/>)

Analyzing the Trade Data for Switzerland: Value Addition

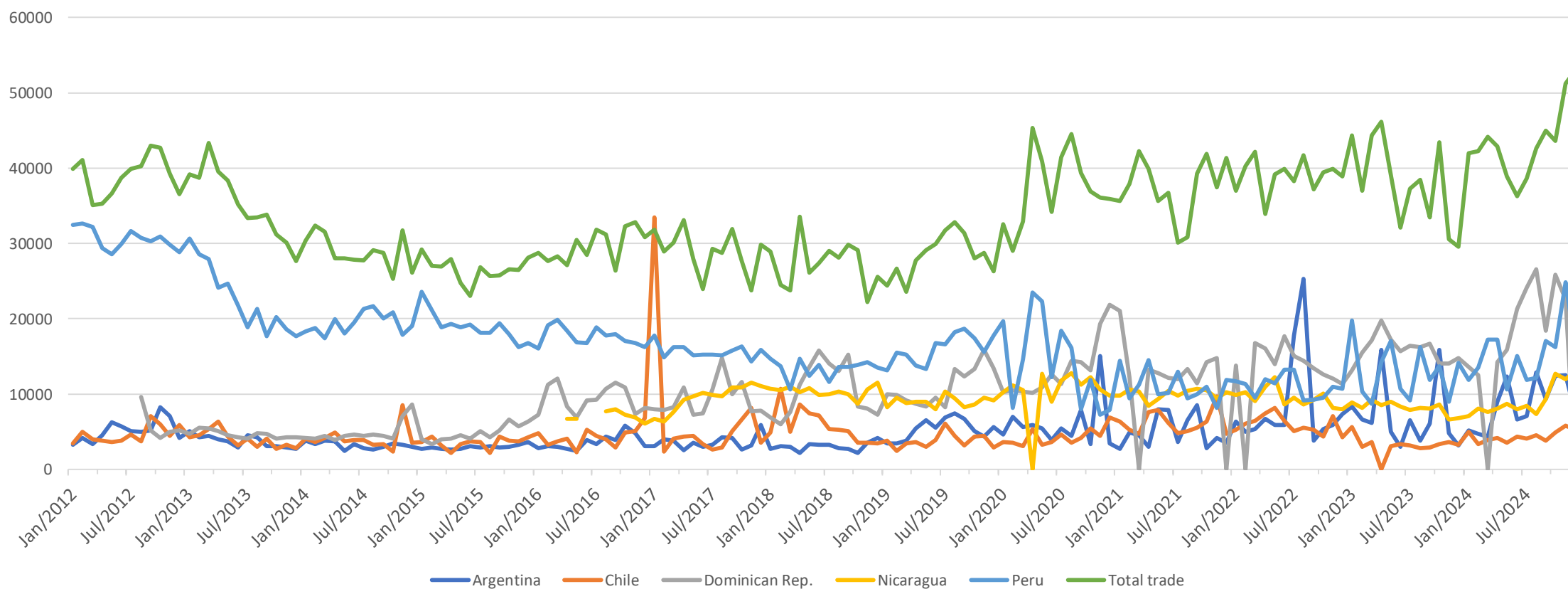
Value Addition in Percentage for each month from Jan 2012 to Dec 2024



Source: Derived from Swiss-Impex Data (<https://www.gate.ezv.admin.ch/swissimpex/>)

Analyzing the Trade Data for Switzerland: Sources of Cheap Raw Material

Countries where Monthly Avg Cost (CHF per KG) is substantially lower than Total Monthly Avg Cost for each Month from Jan 2012 to Dec 2024



Source: Derived from Swiss-Impex Data (<https://www.gate.ezv.admin.ch/swissimpex/>)

Analyzing the Trade Data for Switzerland: Percent of Total Import Volume from these Nations

Year	Argentina (Ton and %)	Chile (Ton and %)	Dominican Rep. (Ton and %)	Nicaragua (Ton and %)	Peru (Ton and %)	Total Import Volume of these nations (approx.) (Ton and %)
2020	164.03	176.57	85.35	9.66	136.22	571.83
	7.59%	8.17%	3.95%	0.45%	6.30%	26.45%
2021	136.20	131.55	60.61	18.20	174.68	521.24
	6.15%	5.94%	2.74%	0.82%	7.89%	23.53%
2022	149.09	126.49	68.29	21.84	201.26	566.96
	6.22%	5.28%	2.85%	0.91%	8.40%	23.67%
2023	183.19	163.35	46.80	27.04	164.66	585.04
	7.72%	6.89%	1.97%	1.14%	6.94%	24.66%
2024	159.78	186.62	31.56	25.65	169.43	573.05
	7.57%	8.84%	1.49%	1.21%	8.02%	27.14%

Source: Derived from Swiss-Impex Data (<https://www.gate.ezv.admin.ch/swissimpex/>)

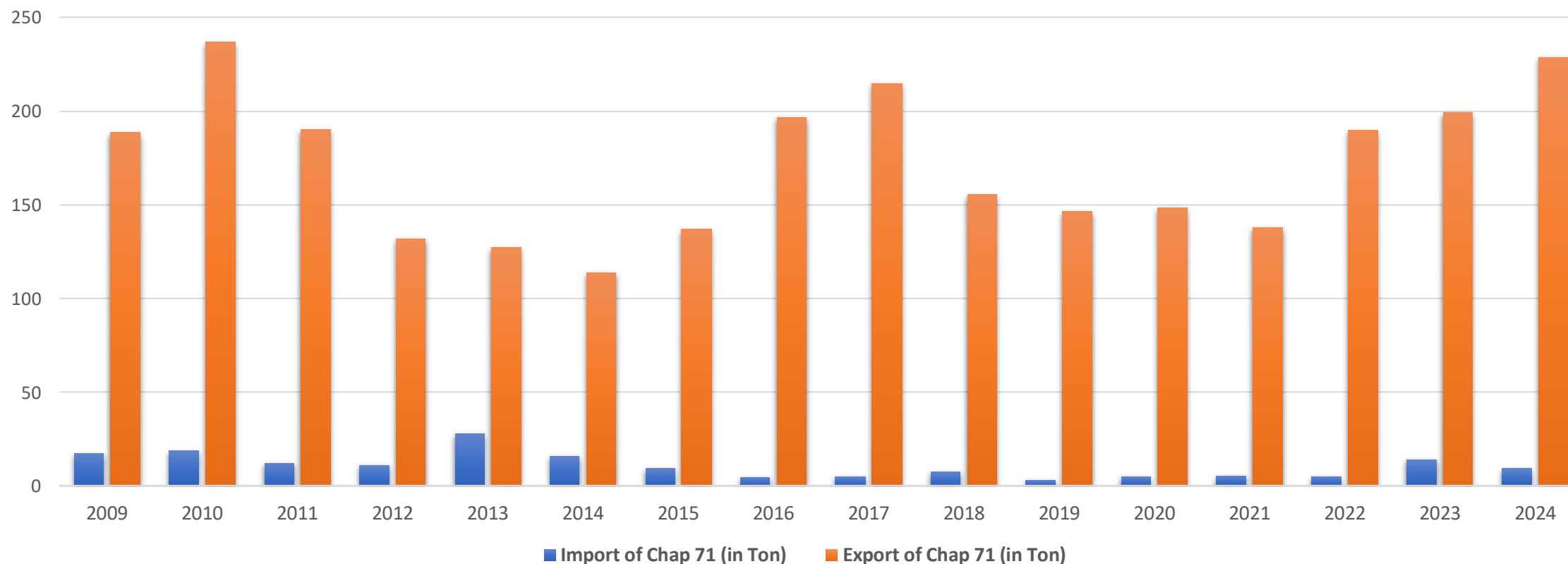


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Analyzing the Trade Data for Other Nations: Japan

Analyzing the Trade Data for Japan: Import & Export

Total Import & Export of HS Heading 7108 for Japan in Each Calendar Year (in Tons)

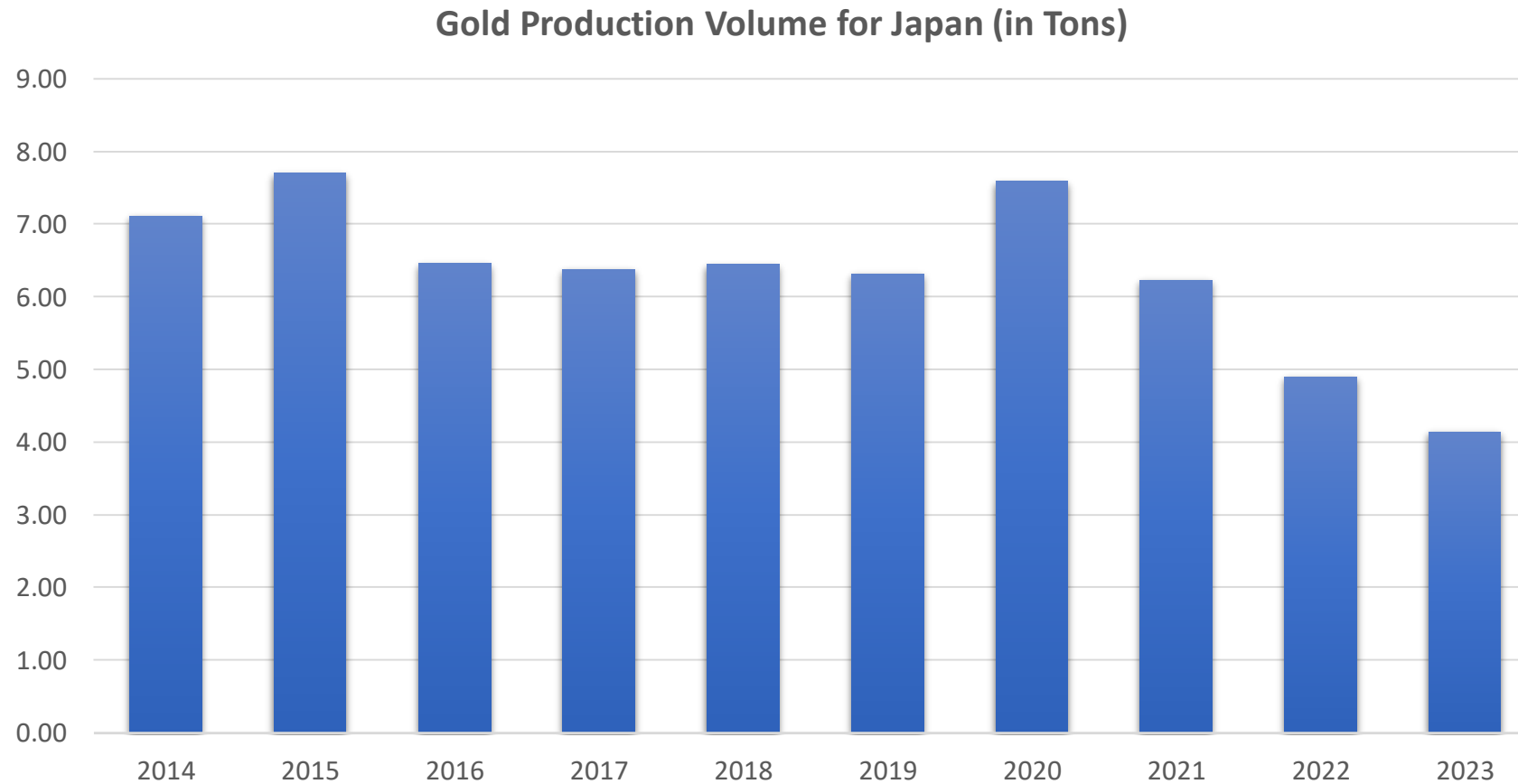


Source: Japan Customs Database (https://www.customs.go.jp/toukei/info/tsdl_e.htm)

Import HSN: 71081100, 71081200, 71081310, 71081390

Export HSN: 71081100, 71081200, 71081210, 71081210, 71081290, 71081300

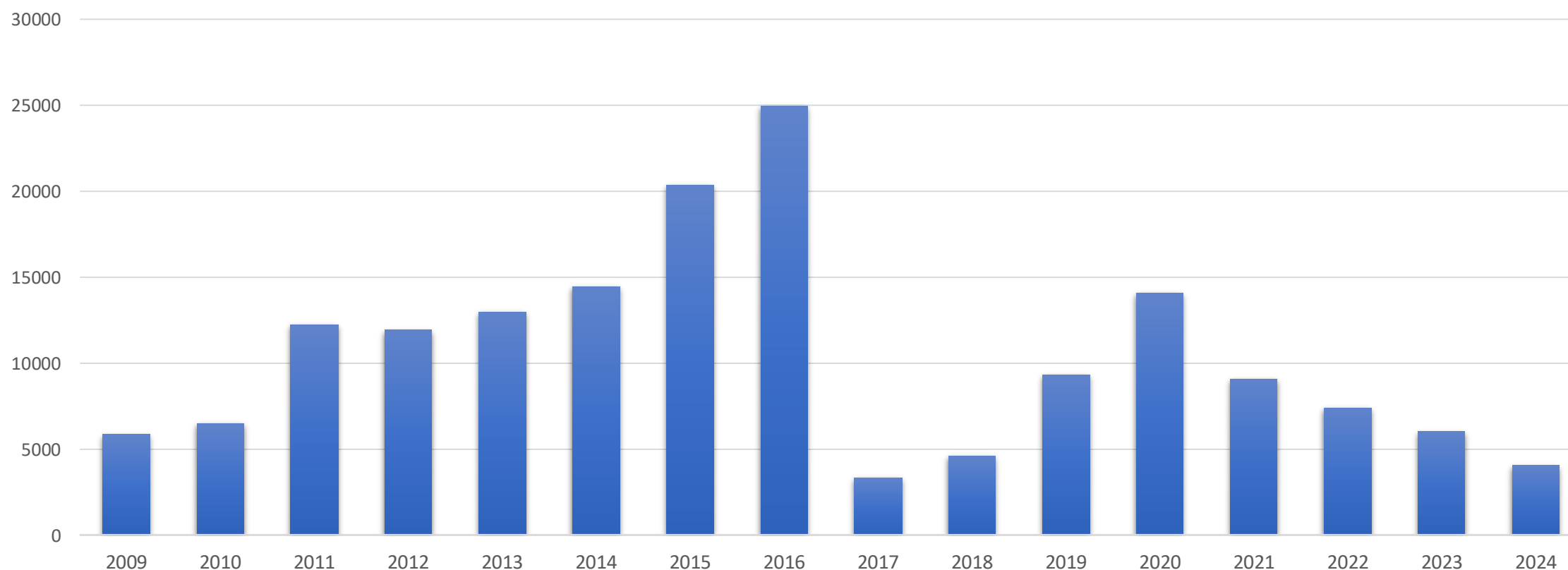
Analyzing the Trade Data for Japan: Gold Production



Source: Statista (<https://www.statista.com/statistics/707414/japan-gold-production-volume/>)
Statistics Bureau of Japan; METI (Japan)

Analyzing the Trade Data for Japan: Import of Gold ores and Concentrates

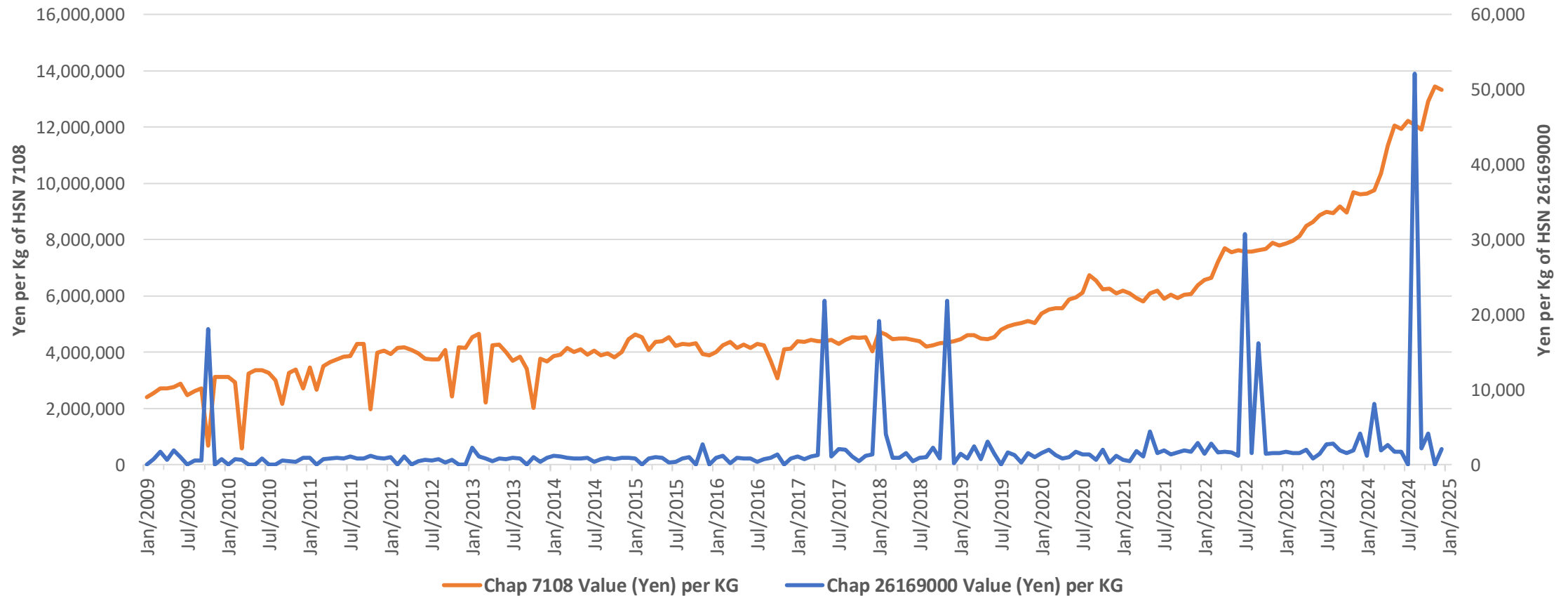
Total Import of HSN 26169000 (Gold Ores and Concentrates) each Calendar Year (in MT)



Source: Japan Customs Database (https://www.customs.go.jp/toukei/info/tsdl_e.htm)

Analyzing the Trade Data for Japan: Value Addition

Yen per Kg for Export of HSN 7108 and Import of HSN 26169000



Source: Japan Customs Database (https://www.customs.go.jp/toukei/info/tsdl_e.htm)

Analyzing the Trade Data for Japan: Source of Gold Ores and Concentrates

Year	Argentina	Brazil	Canada	Malaysia	Papua New Guinea	Philippines	Russia	United States of America	Total Import Volume (approx.)
2020		951	2,512		84	62	3,072	7,191	13,872
		6.75%	17.82%		0.60%	0.44%	21.79%	51.01%	98.40%
2021	814	948	2,506		60	41		4,662	9,031
	8.97%	10.45%	27.61%		0.66%	0.45%		51.37%	99.52%
2022		699		46	71	100		6,280	7,196
		9.43%		0.62%	0.96%	1.35%		84.76%	97.13%
2023				773	83	80		5,088	6,024
				12.83%	1.38%	1.33%		84.46%	100.00%
2024					60			3,883	3,943
					1.48%			95.95%	97.43%

Source: Japan Customs Database (https://www.customs.go.jp/toukei/info/tsdl_e.htm)



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Key Strategic Insights

The Swiss Gold Standard: Strategic Lessons for India

- **Strategic Sourcing Creates Competitive Advantage**
 - Switzerland's deliberate sourcing from lower-cost markets demonstrates that refining success begins with smart procurement strategies. India can replicate this approach by developing targeted relationships with producing nations.
- **Value Chain Position Determines Profitability**
 - By processing gold doré rather than trading finished bullion, Switzerland captures significantly more value in the global gold supply chain. India's current position primarily as a consumer market leaves substantial economic value untapped.
- **Accreditation and Infrastructure Form a Virtuous Cycle**
 - Switzerland's multiple LBMA-accredited refineries create a self-reinforcing ecosystem where reputation enables raw material access, which further strengthens capabilities. Breaking India's single-refinery constraint requires coordinated policy interventions that might include modifying existing FTAs/CEPA to include benefits for gold doré.

Japan's Gold Refinement Mastery: Partnerships, Innovation, Sustainability

- **Vertical Integration Through Global Partnerships**
 - Sumitomo's joint ventures with mineral-rich countries secure raw materials for high-value refining operations.
 - A 39.7% stake in Canada's Cote Gold Mine with IAMGOLD demonstrates successful implementation of this model.
- **Innovative Raw Material Sourcing**
 - Mitsubishi Materials' is focusing on building a global E-Scrap collection network capitalizing on urban mining opportunities.
 - Vertical integration of collection-to-refining operations maximizes margin capture.
- **Sustainability as a Premium Value Proposition**
 - Asahi Metalfine's low-emission recycling attracts premium pricing from global jewelry brands.
 - Recycling produces 90% lower carbon footprint than traditional mining (1,256 vs 12,621 kg CO₂/kg gold).



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Thank You !