



# STATSGURU: The numbers behind Indians' obsession for gold

**GOLD CONTINUES** to be an obsession for Indians. As Table 1 shows, gold imports by weight have jumped again to the levels that helped cause current-account weakness in 2013 – although the value of the imports has not jumped proportionately.

This may be because of the falling price of the asset, shown

in Table 2 – though movement of the rupee has meant that Indians don't benefit from the full pass-through of global price falls. The equivalent calculations for silver are shown in Tables 3 and 4.

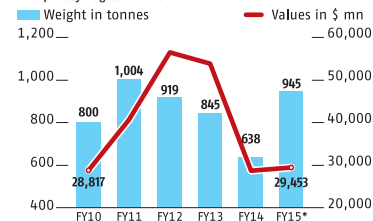
Yet gold as an investment is not quite as appealing, according to Table 5. Had an investor bought on Akshaya Tritiya

in 2012, even bank deposits, let alone stocks, would have given far better returns.

Clearly, it is the material qualities of gold and not pure returns that are driving demand – as brought home by Tables 6 and 7, which show the declining values of various gold-based financial instruments.

## 1: GOLD IMPORTS BY WEIGHT HAVE JUMPED...

Gold imports by weight and value

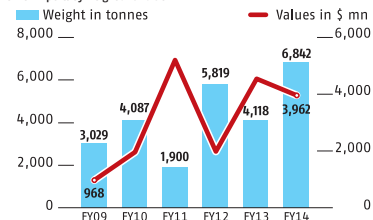


\*Estimates by industries

Source: Government

## 3: SILVER IMPORTS BY VALUE HAVE FALLEN...

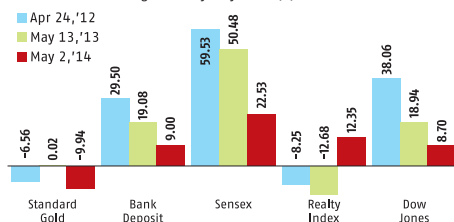
Silver imports by weight and value



Source: Government /GfMS Thomson Reuters

## 5: GOLD AS AN INVESTMENT ISN'T VERY APPEALING

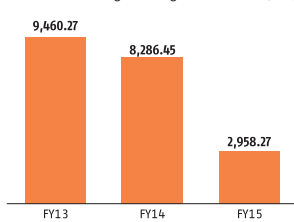
Return on investments if bought on Akshaya Tritiya to date (%)



Source: Bloomberg

## 6: VALUE OF ETF'S HAS SEEN A STEADY DECLINE...

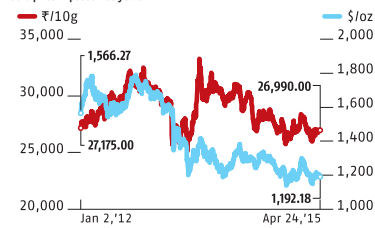
Total value of domestic gold exchange traded funds (₹ crore)



Source: BSE/IDE

## 2: ... BUT BY VALUE IT HASN'T BECAUSE OF FALLING PRICES

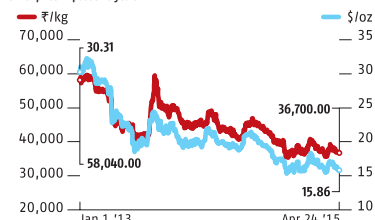
Gold price in past three years



Source: Bloomberg

## 4: ... BECAUSE OF THE FALLING PRICE OF THE COMMODITY

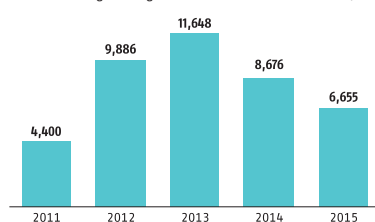
Silver price in past two years



Source: Bloomberg

## 7: ... AS HAVE THEIR ASSETS UNDER MANAGEMENT

Assets under management of gold ETFs (₹ crore)



Source: Amfi India

