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**Coverage –**

## Electronics Sector a Booster for Silver

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The influx of new technologies coupled with the growth of electronics sector will drive the industrial usage of silver in the coming days. Silver, which has crossed the ₹50,000 mark, is expected to show a strong rally in the coming days as its industrial demand is set to rise.

Silver has also emerged as a safe asset for investment. In fact, the ETF holding in silver now stands at 14,050 tonne. Market operators feel that ETF holding will increase further this year as silver is outperforming gold.

India, a key participant in the global silver market, is the largest importer of the metal with a consumption of nearly 4,000 tonne annually, of which more than 60% is used to make jewellery.

In terms of industrial use, India ranks third, following the US and Japan. In India, silver fabrication in industrial applications such as electronics and metallurgy accounts for a meagre 15% only. That speaks volumes for the scope of expansion for silver demand from the industry.

A bullion trader in Mumbai said: "The biggest silver end-use sectors are first, jewellery and silverware, followed by electrical and electronics, where the metal's outstanding conductive properties are unparalleled. Both cat-



**Silver is also acting as safe asset**

egories were tarnished by the global recession. But the economic recovery in the Asian markets and the tenacity of computer and consumer electronics demand will help expand silver usage by the industry."

According to the year-end estimates by the Bombay Bullion Association, the apex traders body in gold and silver, imports of silver by India will rise by nearly 25% in 2010 to hit more than 1,200 tonne. Prithviraj Kothari, president of the Bombay Bullion Association, said that festive season sales and strong industrial demand has pushed up the consumption of the metal in India.