

**Publication: Reuters**

Link: <http://in.reuters.com/article/2011/02/01/idINIndia-54565820110201>

Date: 1st February, 2011

Coverage Page:



## India's Jan gold imports at 40 tonnes - trade body



**Photo Caption:**

A salesman displays a gold necklace at a jewellery shop in Agartala, capital of Tripura, July 9, 2009.

MUMBAI | Tue Feb 1, 2011

MUMBAI (Reuters) - Gold imports in India, the world's largest consumer of the yellow metal, rose 18 percent in January to 40 tonnes provisionally, and next month's wedding season could further boost demand, head of a trade body said on Tuesday.

Imports were higher than a Reuters median forecast of 36.25 tonnes, though some of the forecasts were at or above 40 tonnes.

"Buying was good, though there were supply issues at the end of January, when prices touched a low of about \$1,310 (an ounce)," Prithviraj Kothari, president of the Bombay Bullion Association, told Reuters.

International gold was at \$1,336.64/1,337.20 an ounce on Tuesday, recovering from the lowest level in 8 weeks of \$1,308 struck on Jan. 28.

There could be profit-booking by jewellery holders at higher prices, resulting in a discount of \$1-2 to London prices, added Kothari.

Weddings in India, which accounts for 20 percent of the global demand for jewellery, will restart later in February.

The winter harvesting season is underway in India and is expected to leave more disposable income with rural households, which contribute significantly to gold demand.

In India, which accounts for 20 percent of global demand for jewellery, gold is widely given in religious celebrations and weddings.

In 2010, India's gold imports fell to 332.8 tonnes from 339.8 tonnes purchased a year earlier, provisional data from the Bombay Bullion Association shows. But higher imports were expected this year as consumers expect further price gains.

(Reporting by Siddesh Mayenkar; editing by xxx)

Other Links:

1. <http://in.reuters.com/article/2011/02/01/idINIndia-54562720110201>