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Annual gold demand soars to a new decade high in 2022

The World Gold Council's latest *Gold Demand Trends* report reveals that annual gold demand (excluding OTC) in 2022 increased by 18% year-on-year, hitting 4,741t – the highest annual total since 2011. Boosted by a record fourth quarter, demand for gold was propelled by hefty central bank-buying and persistently strong retail investment.

Annual central bank demand more than doubled to 1,136t in 2022, up from 450t the year before and to a new 55-year record high. Purchases in Q4 2022 alone reached 417t, bringing the total for the second half of 2022 to more than 800t.

Investment demand (excluding OTC) in 2022 was up 10% on the previous year. The increase was the result of two factors: a notable slowdown in ETF outflows and strong gold bar and coin demand.

Gold bars and coins continued to hold favour with investors in several countries around the world, which helped to offset weakness in China. Total European gold bar and coin investment for 2022 surpassed 300t, aided by persistently robust German demand. There was also significant growth in the Middle East, where annual demand increased by 42% year-on-year.

Jewellery demand softened slightly in 2022, down 3% at 2,086t. This weakness was largely driven by the marked drop in Chinese annual jewellery demand, down 15% as consumer activity was curtailed by ongoing COVID-19 lockdowns for most of the year. The gold price rally in Q4 also contributed to the annual decline in jewellery demand.

Total annual supply in 2022 continued its gentle upwards trajectory, up by 2% y-o-y to 4,755t and remaining above pre-pandemic levels. In particular, mine production increased to 3,612t – a four year high.

Louise Street, Senior Markets Analyst from the World Gold Council, commented: “Last year we saw the highest level of annual gold demand in over a decade, driven in part by colossal central bank demand for the safe haven asset. Gold’s diverse demand drivers played a balancing act as rising interest rates prompted some tactical ETF outflows, while elevated inflation spurred on gold bar and coin investment. In the end, overall investment demand was up 10% on the previous year.

“Turning to 2023, economic forecasts are pointing to a challenging environment and a likely global recession which could lead to a role reversal in gold investment trends. If inflation comes down, this could be a headwind for gold bar and coin investment. Conversely, continued weakening of the US dollar and the moderating pace of interest rate hikes could have positive implications for gold-backed ETF demand. We will likely see jewellery consumption remain resilient, bolstered by a release of pent-up demand as China re-opens; but possibly dragged down by the squeeze on consumer spending if there is a more severe downturn. While there are several possible outcomes, gold has a precedent for performing well in turbulent economic times, highlighting its value as a long-term, strategic asset.”

The **Gold Demand Trends Q4 and FY 2022** report, which includes comprehensive data provided by Metals Focus, can be viewed [here](#)



The World Gold Council is celebrating **30 years of *Gold Demand Trends***. Learn more [here](#)

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Note to editors

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We develop standards, expand access to gold, and tackle barriers to adoption to stimulate demand and support a vibrant and sustainable future for the gold market. From our offices in Beijing, London, Mumbai, New York, Shanghai, and Singapore, we deliver positive impact worldwide.

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