



Precious Metal Market & Opportunities - Malaysia

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Precious Metal Market

I. Finished Jewellery – Gold


II. Gold Bullion Market



I. Finished Jewellery - Gold

- Predominantly 22K or 916 Gold ~ 90%
- Balance 18K & 24K Gold

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- Estimated Domestic Market Size approximately 20MT a year
 - Metal Focus Gold Report (2016) ~ 15.5MT, jewellery + retail investment
 - Thompson Reuler (GFMS) ~ 13.0MT, jewellery + retail investment

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- About 40% - 50% of retail sales dominated by a few multi-outlets retail chain stores
 - Total no. of retail outlets , ~ 3,000
 - For big cities & towns mostly in shopping malls.




Export

- Malaysia export about 50MT of finished gold jewellery annually
- Mainly to Middle East countries
- Penang - main fabrication center, ~85%
- Quite a fair bit of export through Singapore



II. Gold Bullion Market

- Prior to April 2015, before implementation of GST, 2 main importers/traders of Gold Bullion/Gold Bar
- Post April 2015, GST implemented at standard rate of 6%
- LBMA accredited Gold Bar exempted from GST, others will be standard rated at 6%

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- New amendments introduced in Jan 2016 for import of Gold Bullion
 - Importers only granted exemption from GST for gold bar meant for investment
 - Need apply for permit, with conditions, to enjoy GST exemption for investment Gold Bar
 - Gold Bar for fabrication of gold jewellery will be standard rated at 6% GST

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- This new amendments rendered one of the main importers to suspend trading of Gold Bar pending appeal
 - Estimated total import of Gold Bar
~ 15 - 20MT/yr

Statistics of Precious Metal Import/Export for year 2014-2016

Jewellery Export

| YEAR | RM (MILLION) |
|------|--------------|
| 2014 | 6827 |
| 2015 | 7766 |
| 2016 | 7186 |

Bullion Import

| YEAR | RM (MILLION) | MT (approx.) |
|------|--------------|--------------|
| 2014 | 10933 | 70 |
| 2015 | 11338 | 68 |
| 2016 | 9602 | 55 |



Opportunities (Gold Bullion)

- 1) Relative small market
- 2) Limited players
- 3) Relative ease of entry



Thank You!