

# VIETNAM GOLD MARKET 2023 UPDATE

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# VIETNAM MARKET UPDATE



- Vietnam's physical gold demand was back to its pre-pandemic level in 2022 with an increase of + 37 % year-on-year and a total off-take of **59 tonnes** (in which Retail Investment was at 41 tonnes and Jewellery Consumption at 18 tonnes) and ranking 1<sup>st</sup> among the ASEAN gold markets' demand.
- In the first 6 months of 2023, by our estimates, total gold demand will only be at **27 tonnes** (with Jewellery Consumption at 8 tonnes and Retail Investment at 19 tonnes) or a decrease of - 20 % yoy because of the slower economic growth but still ranking ahead of the Indonesian and Thai gold markets demand in 23H1.

# GOLD BAR DEMAND UPDATE



- In 2022, demand for gold tael bars and other forms of retail investment gold such as chi rings, gold coins, gold emblems,... was still prevailing at **69 %** of the total off-take.
- With international gold prices surging to the USD 2,000 / oz level, SJC Dragon Tael Bars sales premium are still on the high side but currently reduced to **VND 10 Millions** per tael (equivalent to USD 350 per oz.)
- Other RI gold products like chi rings were also selling at premium of **VND 1.5 Millions** per tael (equivalent to USD 50 per oz.) with gold raw material unofficially imported through border trading.

# GOLD POLICY UPDATE



The current gold management policy as regulated by **Decree 24**:

- The production and sales of gold jewellery (including 24 ct. gold investment products) were completely liberalised (i.e. no need for licensing and supervision by the SBV)
- The production and sales of gold tael bars are still conditional and need to be licensed by the SBV although the conditions for licensing were more simplified and relaxed.
- Gold raw material imports were only granted for manufacturing of gold jewellery destined to exports by foreign invested enterprises.

# GOLD PERSPECTIVES



- The Vietnam Gold Traders Association (VGTA) is currently working with the SBV Forex Department on those potential policy changes :
  - Gold jewelry is to be considered as normal commercial products under Ministry of Industry and Commerce's jurisdiction.
  - Authorization by the SBV for the production and sales of other gold tael bar brands, besides the SJC bar.
  - Granting by the SBV of import quotas for gold raw material destined to manufacturing of gold jewelry and other gold products based on documented proofs of production and sales.

THANK YOU