

**GOLD**(Data in metric tons<sup>1</sup> of gold content, unless otherwise noted)

**Domestic Production and Use:** Gold was produced by about 70 major lode mines, a dozen or more large placer mines, nearly all in Alaska, and numerous smaller placer mines, mostly in Alaska and in the Western States. In addition, a small amount of domestic gold was recovered as a byproduct of processing base metals, chiefly copper. Twenty-five mines yielded the majority of the gold produced in the United States. The value of 1997 mine production was about \$3.4 billion. Commercial-grade refined gold came from about two dozen producers. A few dozen companies, out of several thousand companies and artisans, dominated the fabrication of gold into commercial products. Jewelry manufacturing was principally centered in the New York, NY, and Providence, RI, areas with added concentrations of these businesses occurring in California, Florida, and Texas.

<b>Salient Statistics—United States:</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997<sup>e</sup></b>
Production: Mine	331	327	317	318	325
Refinery: Primary	243	241	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Secondary	152	148	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Imports <sup>3</sup>	144	114	126	159	180
Exports <sup>3</sup>	726	395	347	471	550
Consumption, reported	91	76	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Stocks, yearend, Treasury <sup>4</sup>	8,140	8,140	8,140	8,140	8,140
Price, dollars per ounce	361	385	386	389	325
Employment, mine and mill, number <sup>e</sup>	14,700	14,100	14,700	14,900	14,000
Net import reliance <sup>6</sup> as a percent of apparent consumption	E	E	E	E	E

**Import Sources (1993-96):**<sup>3</sup> Canada, 63%; Mexico, 7%; Brazil, 6%; Chile, 6%; and other, 18%.

**Tariff:** Most imports of unwrought gold, including bullion and doré, enter duty free.

**Depletion Allowance:** 15% (Domestic), 14% (Foreign).

**Government Stockpile:** The U.S. Department of the Treasury maintains stocks of gold (see salient statistics above) and the U.S. Department of Defense administers a Government-wide secondary precious metals recovery program.

## GOLD

**Events, Trends, and Issues:** Domestic gold mine production in 1997 was estimated at slightly below the record levels of 1992 and 1993, but high enough to maintain the United States' position as the world's second largest gold-producing nation, after South Africa. Domestic output continued to be dominated by Nevada and California, where combined production accounted for nearly 75% of the U.S. total. Between July 1996 and June 1997, 8 gold mines were closed, 10 new gold mines were opened, and 7 gold mines were expanded in the United States. At the same time, the average output per mine has increased, resulting in a trend to fewer but larger gold mining operations in the United States. Most of the larger companies are successfully replacing their annual production with new reserves, but smaller companies are finding this more difficult. Projections by an industry association indicate that worldwide gold exploration expenditures increased in 1997; however, the expenditures of U.S. gold producers fell in 1997 owing to the declining gold price.

During the first 9 months of the year, the Engelhard Industries/London daily price of gold ranged from a low of about \$318 per troy ounce, in July, to nearly \$368, in January. This price range was below \$369, the low price reported for all of 1996. The price drop was possibly associated with several countries central banks selling off significant shares of their gold holdings and the weakening of the currency in Southeast and East Asian countries.

### **World Mine Production, Reserves, and Reserve Base:**

	Mine production		Reserves <sup>7</sup>	Reserve base <sup>7</sup>
	<u>1996</u>	<u>1997<sup>e</sup></u>		
United States	318	325	5,600	6,000
Australia	289	290	4,000	4,700
Brazil	63	75	800	1,200
Canada	164	150	1,500	3,500
China <sup>e</sup>	145	125	NA	NA
Russia	120	135	3,000	3,500
South Africa	498	490	18,500	38,000
Uzbekistan	72	65	2,000	3,000
Other countries	<u>580</u>	<u>650</u>	<u>9,300</u>	<u>11,800</u>
World total (may be rounded)	2,250	2,300	<sup>8</sup> 45,000	<sup>8</sup> 72,000

Of an estimated 123,000 tons of gold mined from historical times through 1997, about 15% is thought to have been lost, used in dissipative industrial uses, or otherwise unrecoverable or unaccounted for. Of the remaining 105,000 tons, an estimated 34,000 tons is official stocks held by central banks and about 71,000 tons is privately held as coin, bullion, and jewelry.

**World Resources:** Total world resources of gold are estimated at 89,000 tons, of which 15% to 20% is byproduct resources. South Africa has about one-half of all world resources, and Brazil and the United States have about 12% each. Some of the 9,000-ton U.S. resource would be recovered as byproduct gold.

**Substitutes:** Base metals clad with gold alloys are widely used in electrical/electronic and jewelry products to economize on gold; many of these products are continually redesigned to maintain high utility standards with lower gold content. Generally, palladium, platinum, and silver may substitute for gold.

<sup>e</sup>Estimated. E Net exporter. NA Not available.

<sup>1</sup>Metric ton (1,000 kilograms) = 32,150.7 troy ounces.

<sup>2</sup>Survey response not sufficiently complete for publication.

<sup>3</sup>Refined bullion, doré, ores, concentrates, and precipitates.

Excludes:

- a. Waste and scrap.
- b. Official monetary gold.
- c. Gold in fabricated items.
- d. Gold in coins. In 1991, the last year for which estimates are available, net imports amounted to 3.5 metric tons.
- e. Net bullion flow (in metric tons) to market from foreign stocks at the New York Federal Reserve Bank: 582.2 (1993), 216.6 (1994), 243.9 (1995), and 373.0 (1996), and 162.0 (1997 estimated).

<sup>4</sup>Publication discontinued after 1994 owing to insufficient response by industry to the voluntary survey for consumption data..

<sup>5</sup>Includes gold in Exchange Stabilization Fund. Stocks were valued at the official price of \$42.22 per troy ounce.

<sup>6</sup>Defined as imports - exports + adjustments for Government and industry stock changes.

<sup>7</sup>See Appendix D for definitions.

<sup>8</sup>Excludes China and some other countries for which reliable data were not available.