

GOLD

(Data in metric tons¹ of gold content, unless otherwise noted)

Domestic Production and Use: Gold was produced by about 75 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 1996 mine production was about \$4.1 billion. Commercial-grade refined gold came from about 2 dozen producers. A few dozen companies, out of several thousand companies and artisans, dominated the fabrication of gold into commercial products. Jewelry manufacturing was centered principally in the New York, NY, and Providence, RI, areas; and to a lesser extent, in California, Florida, and Texas.

Salient Statistics—United States:	1992	1993	1994	1995	1996^e
Production: Mine	330	331	327	320	325
Refinery: Primary	284	243	241	(2)	(2)
Secondary	163	152	148	(2)	(2)
Imports ³	159	144	114	126	160
Exports ³	308	726	395	347	600
Consumption, reported	110	91	76	(4)	(4)
Stocks, yearend, Treasury ⁵	8,150	8,140	8,140	8,140	8,140
Price, dollars per ounce	344.97	360.91	385.41	385.50	390.00
Employment, mine and mill, ^e number	14,800	14,700	14,100	14,700	15,200
Net import reliance ⁶ as a percent of apparent consumption	E	E	E	E	E

Import Sources (1992-95):³ Canada, 67%; Bolivia, 5%; Chile, 5%; Mexico, 4%; and other, 19%.

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.

Events, Trends, and Issues: Domestic gold mine production in 1996 was estimated at slightly below the record levels of recent years, 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 80% of the U.S. total. Gold mine closures recently have outpaced new gold mine openings and expansions 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 indicate that worldwide gold exploration expenditures increased in 1996; however, there was a decrease in the percentage of these funds focused on gold targets within the United States.

During the first 11 months of the year, the Engelhard Industries/London daily price of gold ranged from a low of about \$374 per troy ounce, in November, to nearly \$416, in February. This price range was slightly above the low and high reported for all of 1995.

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World Mine Production, Reserves, and Reserve Base:

	Mine production		Reserves ⁷	Reserve base ⁷
	<u>1995</u>	<u>1996^e</u>		
United States	320	325	5,600	6,100
Australia	254	285	3,400	4,700
Brazil	72	80	800	1,300
Canada	150	160	1,500	3,500
China ^e	140	150	NA	NA
Russia	132	120	3,100	3,400
South Africa	524	490	19,000	37,000
Uzbekistan	75	75	3,000	3,300
Other countries	<u>583</u>	<u>600</u>	<u>9,500</u>	<u>12,000</u>
World total (may be rounded)	<u>2,250</u>	<u>2,300</u>	⁸ <u>46,000</u>	⁸ <u>71,000</u>

Of an estimated 121,000 tons of gold mined from historical times through 1996, about 15% is thought to have been lost, used in dissipative industrial uses, or otherwise unrecoverable or unaccounted for. Of the remaining 103,000 tons, an estimated 35,000 tons is official stocks held by central banks and about 68,000 tons is privately held as coin, bullion, and jewelry.

World Resources: Total world resources of gold are estimated at 86,000 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.

^eEstimated. E Net exporter. NA Not available.

¹Metric ton (1,000 kilograms) = 32,150.7 troy ounces.

²Data under review.

³Refined 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, 61.65 (1991), 136.4 (1992), 582.2 (1993), 216.6 (1994), 243.9 (1995), and 485.0 (1996 estimated).

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

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

⁶Defined as imports - exports + adjustments for Government and industry stock changes.

⁷See Appendix C for definitions.

⁸Excludes China and some other countries for which data were not available. Reserve base estimates have increased substantially because of newly acquired information from Australia and South Africa.