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Press Release

Need for more research on Gold in India:

Ahmedabad, January 12, 2018. Gold in India continues to be a work in process from the perspective of a comprehensive economic policy. As a commodity, it is among the severely under-researched items given its importance in the economy as well as the society of our country. It employs more than 5 million people and has annual import bill of more than 200,000 crores (\$30 billion).

This sentiment was echoed by Shri Govind Mohan, Joint Secretary, (IER & Investment), Dept. of Economic Affairs, Ministry of Finance. He was addressing the conference on Gold and Gold Markets organized by the Indian Institute of Management's India Gold Policy Centre or IGPC@ IIMA. The Conference saw presentations of 14 research papers by academic scholars and other experts from India and other countries. Govind Mohan also mentioned the need for a more cohesive approach among all stakeholders of Gold including the government, academia, businesses as well as the consumers in creating a long-term policy towards constructive usage of Gold in India's economic development over a long term.

Prof. Arvind Sahay, Head IGPC said, "India, being the second biggest market of Gold in the world, needs to evolve strategies that help use Gold to her economic advantage. The best brains need to come together and address issues such as price volatility, imports, the place of gold in savings and insurance, how gold may be monetized and brought back into circulation, consumption patterns and so on. Any development in gold market directly impacts many other sectors and markets in the economic environment of India."

Prof. Errol D'Souza, Director-in-Charge IIMA opined "India's challenge when compared to other countries arise from the emotional and sentimental value her citizens attach to gold. This makes it unique and more complex. The growth of this country will be spurred to much higher if India manages to mobilize some of the gold with its citizens which is kept as a dead investment."

There were three technical sessions categorized as Efficiency of Gold Markets, Policy Issues in Gold and Gold Asset Allocation and Investment Issues. Among the research papers presented at the conference four were by IIMA viz. Distribution of durable assets across households and generations; Impact of CTT on gold derivatives markets: analysis based on ultra-high frequency order flow and trade data; Gold in Central bank reserves: Role of global risk and liquidity and Gold Monetization as a Transformative Policy: A mixed method analysis.

Other papers presented by various researchers were: A study of excess volatility of gold and silver; Does information spillover and leverage effect exist in world gold markets? Estimating elasticity of import demand for gold in India; Gold and gold mining stocks and equities – exploring their



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hedge; diversifier and safe haven properties in developed markets; Investigation of price discovery for gold future market prices; Multifractal modeling of the Indian gold market; Relationship between gold and other markets; Return and volatility spillovers: an evaluation of India's demonetization policy and Sources of uncertainty and the Indian economy. Prof. Dirk Baur from University of Western Australia shared the experience on Gold and Geopolitical Risk.

A panel discussion on designing an effective policy and regulatory framework for gold in India constituted by eminent academics and industry leaders deliberated on key issues in the Indian gold industry and effective policies for a conducive, efficient, transparent and robust gold ecosystem. Most serious observation was the extent of relationship and growing impact of gold on other markets in India.

The conference concluded with the consensus to create a platform that brings all stakeholders in Gold and exchange ideas on a regular basis.

Ends.

About India Gold Policy Centre IGPC@IIMA

The India Gold Policy Centre, a part of Indian Institute of Management, Ahmedabad (IIMA) and sponsored by World Gold Council, is a Centre of excellence, conducting cutting-edge applied research on the Gold Industry in India and providing insights to suggest ways at both policy as well as execution levels. The objective of the 'India Gold Policy Centre' is to develop insights into how the significant stocks of gold that India owns can be used to advance growth, employment, social inclusion and the economic wealth of the nation. The Centre aims to conduct research that has a practical application and that the industry and all stakeholders can use, leading to the development of an effective gold ecosystem in the country. Additional information is available on our website: <https://www.iima.ac.in/web/areas-and-centres/research-centers/igpc> and <https://twitter.com/@IndiaGoldPolicy>

Ms. Ruchi Agarwal, Manager, India Gold Policy Centre
Email: mngriipc@iima.ac.in Tel: 07966324409