

GOLD

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

Domestic Production and Use: Gold was produced at about 50 lode mines, a few large placer mines (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. Thirty operations yielded more than 99% of the gold produced in the United States. In 2009, the value of mine production was about \$6.4 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. U.S. jewelry manufacturing was heavily concentrated in New York, NY, and Providence, RI; areas with lesser concentrations include California, Florida, and Texas. Estimated uses were jewelry and arts, 72%; electrical and electronics, 7%; dental and other, 21%.

<u>Salient Statistics—United States:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009^e</u>
Production:					
Mine	256	252	238	233	210
Refinery:					
Primary	195	181	176	168	170
Secondary (new and old scrap)	81	89	135	181	190
Imports ²	341	263	170	231	340
Exports ²	324	389	519	568	385
Consumption, reported	183	185	180	176	170
Stocks, yearend, Treasury ³	8,140	8,140	8,140	8,140	8,140
Price, dollars per ounce ⁴	446	606	699	*874	950
Employment, mine and mill, number ⁵	7,910	8,350	9,130	9,560	9,600
Net import reliance ⁶ as a percentage of apparent consumption	E	E	E	E	E

Recycling: In 2009, 190 tons of new and old scrap was recycled, more than the reported consumption.

Import Sources (2005-08):² Canada, 30%; Peru, 29%; Mexico, 16%; Chile, 9%; and other, 16%.

Tariff: Most imports of unwrought gold, including bullion and doré, enter the United States 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 Governmentwide secondary precious-metals recovery program.

Events, Trends, and Issues: Domestic gold mine production in 2009 was estimated to be 10% less than the level of 2008. Reduced production from several mines in Nevada, and the closure of one mine in Montana and one in Nevada, accounted for much of the decrease. These decreases were partially offset by increases in production from one new mine in Washington and increases from several mines Nevada. Because of the decrease in production, the United States fell to the fourth leading gold-producing nation; however, the United States was still a net exporter of gold.

Continued power generation problems, coupled with continuing labor problems in South Africa, caused several mines to continue to produce at reduced production levels. Australian gold producers have increased production because of new operations and increased production from several older mines. Production in Indonesia recovered from the low level in 2008 owing to increased ore grade. China has increased gold production again and remained the leading gold-producing nation, followed by Australia, South Africa, and the United States.

Jewelry consumption continued to drop as the price of gold continued to increase. The estimated price in 2009 was 24% higher than the price in 2008. In 2009, Engelhard Corp.'s daily price of gold ranged from a low of \$812.30 per troy ounce on January 15 to an alltime high of \$1,215.21 per troy ounce in early December.

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With the increase in price of gold and the worldwide economic slowdown, investment in gold has increased, with investors seeking safe haven investments. Gold Exchange-Traded Funds (ETFs) have gained popularity with investors. According to some industry analysts, investing in gold in the traditional manner is not as accessible and carries higher costs owing to insurance, storage, and higher markups. The claimed advantage of the ETF is that the investor can purchase gold ETF shares through a stockbroker without being concerned about these problems. Each share represents one-tenth of an ounce of allocated gold. Demand for physical gold was also very high. There were local shortages of gold coins weighing 1 ounce or less.

World Mine Production and Reserves: Reserves estimates for Australia, Canada, China, and Papua New Guinea were revised based on new information derived from government and industry reports.

	Mine production		Reserves ⁷
	<u>2008</u>	<u>2009^e</u>	
United States	233	210	3,000
Australia	215	220	5,800
Brazil	50	50	2,000
Canada	95	100	1,000
Chile	39	40	2,000
China	285	300	1,900
Ghana	75	85	1,600
Indonesia	60	100	3,000
Mexico	50	55	1,400
Papua New Guinea	62	65	1,200
Peru	180	180	1,400
Russia	176	185	5,000
South Africa	213	210	6,000
Uzbekistan	85	85	1,700
Other countries	<u>446</u>	<u>460</u>	<u>10,000</u>
World total (rounded)	2,260	2,350	47,000

World Resources: An assessment of U.S. gold resources indicated 33,000 tons of gold in identified (15,000 tons) and undiscovered (18,000 tons) resources.⁸ Nearly one-quarter of the gold in undiscovered resources was estimated to be contained in porphyry copper deposits. The gold resources in the United States, however, are only a small portion of global gold resources.

Substitutes: Base metals clad with gold alloys are widely used in electrical and electronic products, and in jewelry 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.

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

²Refined 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 tons.
- e. Net bullion flow (in tons) to market from foreign stocks at the New York Federal Reserve Bank: 0 (2005), 0 (2006), 189 (2007), 220 (2008), and 300 (2009 estimate).

³Includes gold in Exchange Stabilization Fund. Stocks were valued at the official price of \$42.22 per troy ounce.

⁴Engelhard Corporation's average gold price quotation for the year. In 2009, price was estimated by the USGS based on the first 9 months of data.

⁵Data from Mine Safety and Health Administration.

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

⁷See Appendix C for definitions. Reserve base estimates were discontinued in 2009; see Introduction.

⁸U.S. Geological Survey National Mineral Resource Assessment Team, 2000, 1998 assessment of undiscovered deposits of gold, silver, copper, lead, and zinc in the United States: U.S. Geological Survey Circular 1178, 21 p.

*Correction posted on June 30, 2010.