



## Dubai gold sales surge despite physical shortages

**Author:** BI-ME staff

**Source:** BI-ME

**Published:** 31-10-2008

[Print](#)

UAE. The gold and diamond trade in Dubai has recorded double-digit growth over the last nine months according to a Dubai Multi-Commodities Centre (DMCC) official.

"The gold and diamond trade through Dubai is growing at a much faster pace, despite the difficult global financial situation," Ahmad Bin Sulayem, executive chairman of DMCC, told Gulf News.

"The Europeans are looking at Dubai's gold and commodities market, shying away from the United States, where the current financial meltdown has brought the asset values down," he said.

"Besides, despite the trouble in the West, the Middle East and Asian markets are still continuing growth which makes them attractive for investment. We anticipate continued growth in Dubai's gold, diamond and commodities business."

Shopkeepers said the rush, a combined result of the Hindu festival of Diwali and lower prices have resulted in a shortage of gold bars. But they denied any hoarding by outlets.

"A physical shortage of gold is happening worldwide", H.R. Bafna, financial controller Siroya Jewellers told Khaleej Times.

"It is matter of physical delivery. It might take a day or two to replenish the stocks. But I am sure that there is no hoarding by jewellers because the market rate has dropped. This has resulted in a tremendous rush of buyers and so the gold bars are out of stock", Bafna said.

In reply to buyers' complaints that gold outlets are cashing in on the limited stocks and buyer rush, Bafna said: "There is a possibility, but I can't confirm this."

The value of gold trade through Dubai has reached AED77 billion (US\$21 billion) during the first nine months of 2008, despite the global financial crisis, according to the latest statistics by Dubai Multi-Commodities Centre (DMCC).

Total imports reached 469 tonnes while export of bullion from Dubai were 275 tonnes.

Dubai's gold imports were up 44% while exports were up 51% during the third quarter of 2008, compared to the second quarter.

"It is a tradition to buy gold during the four-day Indian festival of Diwali. I bought 22 carat jewellery worth AED5,000 (US\$1365). I wanted to buy a 100 gram gold bar but was told that it is out of stock," a buyer said.