

# Mineral Industry Surveys

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## GOLD IN FEBRUARY 2009

U.S. mines produced 20,400 kilograms (kg) of gold in February, a slight decrease compared with January production, according to the U.S. Geological Survey. The average daily gold production for U.S. mines was 728 kilograms per day (kg/d) in February, compared with 662 kg/d for January and 625 kg/d for full year 2008.

The average Engelhard Industries' gold price was \$945.45 per troy ounce for February, up 10% compared with the average gold price in January. This marked the third consecutive month that the average monthly price increased. The price began February at about \$920 per troy ounce and was \$897.17 per troy ounce on February 9, the lowest point of the month. The price rose to \$991.33 per troy ounce on February 20, the highest since March 18, 2008. The price decreased to \$954.27 per troy ounce at month end.

In 2008, South African gold production reached an 86-year low of 220,000 kg, a 14% decline as compared with 2007 production. The decline was the largest decline since 1922 and was attributed to electrical supply problems that effectively closed mines in January 2008 and led to reduced production in later months and to mine closures because of safety concerns (Platts Metals Week, 2009b). Similarly, Australian 2008 gold production plummeted to 219,000 kg, a 12% drop as compared with that of 2007. The Australian production was the lowest since 1989 owing to a drop in ore grade (Metals Place, 2009).

China National Gold Corp. (Beijing, China) announced plans to build or acquire up to 20 major gold mines to add to its 65 operational mines, to make it the leading gold producing company in the leading gold producing country. The company estimated that the China gold industry had an average annual

growth rate of 5% for the last decade and that China produced 282,000 kg in 2008 (Platts Metals Week, 2009a).

The World Gold Council announced that the 2008 world gold demand was \$101 billion or 3,660 metric tons (t) of gold, a 29% increase in value and 4% increase in quantity as compared with demand in 2007. In 2008, investment demand for gold was \$30 billion or 1,090 t, an increase of 102% in value and 64% in quantity as compared with that of 2007. With the world demand for physical gold bars and coins rising to 769 t in 2008, up 87% as compared with that of 2007, there were localized shortages of physical gold in many areas of the world. Exchange traded funds (ETFs) and similar products were also popular with investors in 2008 and increased 54% in value and 27% in quantity as compared with those of 2007. Many analysts agreed that the increase in investment in gold as a safe haven was a result of the world economic downturn. However, 2008 demand of gold in jewelry and other industrial processes was down 11% and 17%, respectively, as compared with that of 2007, because of the increase in the price of gold (World Gold Council, 2009, p. 1-4).

### References Cited

- Metals Place, 2009, Australia's gold output at 2-decade low: Metals Place, February 23, 1 p. (Accessed March 20, 2009, at <http://metalsplace.com/news/articles/25726/australias-gold-output-at-2-decade-low>.)
- Platts Metals Week, 2009a, China National Gold to expand: Platts Metals Week, v. 80, no. 9, March 2, p. 6.
- Platts Metals Week, 2009b, South African gold output down 13.6%: Platts Metals Week, v. 80, no. 9, March 2, p. 6.
- World Gold Council, 2009, Full year and fourth quarter 2008: World Gold Council gold demand trends, February, 21 p.

TABLE 1  
MINE PRODUCTION OF RECOVERABLE GOLD IN THE UNITED  
STATES, BY STATE<sup>1</sup>

(Kilograms)

	Nevada	Other States <sup>2</sup>	Total
<b>2008:<sup>P</sup></b>			
February	12,000	3,940	16,000
March	14,400	3,980	18,400
April	12,000	4,240	16,300
May	13,700	5,000	18,700
June	16,600	4,510	21,100
July	15,500	5,130	20,600
August	14,500	4,670	19,200
September	15,200	5,010	20,200
October	16,200	4,420	20,600
November	16,000	4,580	20,600
December	14,800	4,800	19,600
January-December	175,000	54,200	229,000
<b>2009:</b>			
January	16,300	4,220	20,500
February	15,900	4,430	20,400
January-February	32,300	8,650	40,900

<sup>P</sup>Preliminary.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes Alaska, Arizona, California, Colorado, Idaho, Montana, New Mexico, South Dakota, and Utah.

TABLE 2  
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2008:	
Low/date	714.36 Oct. 24
High/date	1,013.62 Mar. 17
Average	767.57
2009:	
January:	
Low/date	812.03/15
High/date	921.71/30
Average	860.80
February:	
Low/date	897.17/9
High/date	991.33/20
Average	945.45
Year to date:	
Low/date	812.03 Jan. 15
High/date	991.33 Feb. 20
Average	901.45
Handy and Harman:	
2008, Average	766.00
2009:	
January	859.98 <sup>f</sup>
February	943.20
Year to date	900.52
London Final:	
2008, Average	765.79
2009:	
January	858.69
February	943.16
Year to date	899.90

<sup>f</sup>Revised.

Source: Platts Metals Week.

TABLE 3  
U.S. IMPORTS AND EXPORTS OF GOLD<sup>1</sup>

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates <sup>2</sup>	Doré and precipitates	Refined bullion <sup>3</sup>	Total <sup>4</sup>	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
<b>Imports for consumption:</b>							
2008:							
November	489	7,500	5,000	13,000	2,410	21 <sup>r</sup>	56
December	1,630	10,800	5,560	18,000	3,280 <sup>r</sup>	29	--
January-December	27,500	85,100	118,000	231,000	36,500	322	102,000
2009:							
January:							
Canada	8	1	3,030	3,040	515 <sup>5</sup>	11 <sup>5</sup>	--
Chile	--	994 <sup>5</sup>	325	1,320	--	--	--
Colombia	--	1,510	312	1,830	3	--	--
Dominican Republic	--	2	74	76	587	1	--
El Salvador	--	--	--	--	266	--	--
Guatemala	--	301 <sup>5</sup>	--	301	62	--	--
Honduras	--	275	--	275	365	--	--
Mexico	1,200 <sup>5</sup>	3,750	2,570	7,520	1,200 <sup>5</sup>	--	--
Nicaragua	--	95	11	106	111	(6)	--
Peru	--	1,650	--	1,650	--	--	--
United Kingdom	--	51	1,010 <sup>5</sup>	1,060	--	--	--
Other	--	345	299	644	179 <sup>5</sup>	21 <sup>5</sup>	2 <sup>5</sup>
Total	1,210	8,970	7,620	17,800	3,290	34	2
<b>Exports:</b>							
2008:							
November	29	10,600	29,700	40,300	79,600	22	228,000
December	125	9,390	24,700	34,300	31,900	24	174,000
January-December	2,430	106,000	460,000	568,000	886,000	1,200	2,920,000
2009:							
January:							
Australia	(6)	--	3,820	3,820	--	--	--
Canada	--	--	2	2	7,850 <sup>5</sup>	--	29,100 <sup>5</sup>
Dominican Republic	2	--	--	2	--	--	24,100 <sup>5</sup>
Germany	--	--	259	259	4,890 <sup>5</sup>	1 <sup>5</sup>	24,000 <sup>5</sup>
India	1 <sup>5</sup>	--	2,990	2,990	--	4 <sup>5</sup>	252 <sup>5</sup>
Ireland	--	--	1	1	--	--	626 <sup>5</sup>
Israel	--	--	6	6	--	--	7,320 <sup>5</sup>
Lebanon	--	--	--	--	--	--	683 <sup>5</sup>
Mexico	122	--	138	260	--	(6)	4,030 <sup>5</sup>
Netherlands	--	--	--	--	--	4	6,830 <sup>5</sup>
Singapore	--	--	--	--	--	--	67,200 <sup>5</sup>
Switzerland	--	16,100	112	16,200	--	2	--
Taiwan	--	--	--	--	--	--	1,480 <sup>5</sup>
United Kingdom	--	7	17,500	17,500	52,600 <sup>5</sup>	(6)	2,590 <sup>5</sup>
Other	27 <sup>5</sup>	--	87	113 <sup>6</sup>	123	13 <sup>6</sup>	233 <sup>5</sup>
Total	152	16,100	24,900	41,100	65,400	25	168,000

-- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes gold content of base metal ores, concentrates, and matte imported for refining.

<sup>3</sup>Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

<sup>4</sup>Waste and scrap, "Metal powder," and "Gold compounds" not included in "Total."

<sup>5</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

<sup>6</sup>Less than ½ unit.

Source: U.S. Census Bureau.