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## Dubai Precious Metals Conference 2017

9 April 2017 Welcome Address

Gautam Sashittal, Chief Executive Officer, DMCC

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Distinguished guests, ladies and gentlemen, good afternoon.

DMCC is delighted to be hosting this sixth edition of the annual Dubai Precious Metals Conference.

And, we are honoured that so many of you are able to join us today. Some of you have travelled great distances to be here.

Welcome!

I would also like to take a moment to thank our sponsors and partners.

Our title sponsor: Al Etihad.

Our refinery partner: Tony Goetz.

Our key sponsors: Kaloti Precious Metals, Gold Standard and Dijllah Gold Refinery.

Our other sponsors: Fujairah Gold, London Metal Exchange, Al Shoka Global and National Bank of Fujairah.

Our supporting sponsor: Dubai Gold and Jewellery Group.

And our trading solutions provider: Meta Quotes.

Without your support, today would not be possible, and we are very grateful to all of you.

In a relatively short period of time, DMCC has established itself as a global market maker and leading centre for commodities trade, and of course the precious metals trade.

At DMCC, we believe it is important that as an industry leader, we use our position to bring people together to discuss the future of our trade.

To ensure we talk about the issues that we all face and the opportunities that will no doubt arise as a result.

Here at DPMC, we have a wonderful opportunity to hear from world experts on the factors and events that are likely to shape our industry over the coming years.

More than that, we have the opportunity to talk to one another and to share our experiences.

When all is said and done, we are traders.

I may be old fashioned, but I believe that despite all of the exciting innovation we will hear about today and tomorrow there is no substitute for a handshake and a smile.

That is how trading relationships have always started. But we cannot stand still – and we are excited about what the future holds for all of us.

Held under the theme of 'Connecting Markets - the New Era of Global Trade', the 2017 DPMC will look at three critical areas:

1. The future of our industry
2. The implications of taxation for gold in global hubs
3. The application of the global gold Shariah standard that was introduced last year

The future of the industry will no doubt be influenced not just by the significant geo-political events which have unfolded over the past few months, but also by technologies such as 3D printing and Blockchain, which could fundamentally change the structure of the industry.

In 2016, there were several global events that impacted precious metals markets significantly.

The Brexit vote in the UK caused a lot of market uncertainty, pushing money into the perceived safe haven of gold and other precious metals.

Likewise, the American presidential election, and the uncertainty around it, drove gold prices up.

These events are also challenging global trade flows as we know them.

In China, a slowing economy challenged markets.

And in India, demonetisation ruffled feathers, - and we now keep an eye on the upcoming Goods & Services Tax Act.

Here in the UAE VAT is expected to be introduced at a rate of 5%, with some limited exceptions next year.

These will likely to create volatility in the bullion markets in the coming months.

So, plenty of food for thought there for everyone in this room.

That is a fact of life. And business.

It is the challenge we will always face.

But everyone in this room will know there is also tremendous opportunity, particularly in the emerging markets.

Across Asia, in India and in Africa, long-term, transformative economic growth is taking place.

HSBC predicts that by 2050, the global middle class will have grown by three billion people.

Most of that growth will come in the emerging markets.

It is important, as an industry, that we act now to make sure we are in the best possible position to maximise those opportunities.

That we act in concert to put in place processes and evolve networks that will enable us to move quickly in order to fully harness growth.

At DMCC we are working tirelessly to ensure that the physical and financial infrastructure we offer for the trading of precious metals is the best it can be.

Our goal is clear: to facilitate and grow trade.

Not just in Dubai, but throughout the world, connecting new markets with markets that are established.

Our work has been reflected by the confidence the market has shown in us.

To give you an example, in 2016, the Dubai Gold & Commodities Exchange had a record year.

Some 19.7 million contracts worth USD 440bn were traded, an increase of 36 percent on 2015. This, in a year where volumes on Exchange traded products internationally were anaemic at best.

Over the course of this year, we will continue to launch initiatives that are designed to unlock new precious metal trade flows.

A good example is the DGCX Shanghai Gold Futures contract, which we are officially announcing here today. The product was successfully introduced for trading on the DGCX on March 10.

- The listing of the Shanghai Gold contract on DGCX will allow global investors to trade and clear a Yuan denominated gold contract outside of China for the first time.
- And enable global investors access to the largest bullion market with over 10 million institutional customers, 8.3 million individual customers and 55 certified gold vaults.
- With the launch of this product, market participants can trade the entire gold futures complex on a single platform, US, India and now China and of course spot gold deliverable contract as well.

Over the course of this year and into 2018, we will explore further ways to capitalise on the momentum we have created by collaborating with all of you - and to bring new markets and traders together.

Which brings me back to our DPMC agenda.

Today, we are going to hear some fascinating talks.

In particular, I am looking forward to the panel discussion this afternoon about the dawn of a new era for the bullion industry.

At DMCC we believe that we are indeed at the beginning of a new era.

A new era in terms of the way we do things.

A new era in terms of the markets we look to.

And a new era in the way we take advantage of opportunities.

These are very exciting times for the precious metals industry.

At DMCC, we want to be your partner of choice, and your enabler of trade.

And we want to work together to ensure we together shape the future of trade for the benefit of all of us.

Thank you.