

Gold glitters in COVID-19 storm

• Can the economy profit?

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GOLD miners in Ghana and elsewhere could become one of the few gainers from the raging novel coronavirus disease (COVID-19) after the uncertainty in the global economy from the viral spread boosted the precious mineral's safe-haven status to record levels.

Between January 3 and April 3, this year,

metal surged by about 4.2 per cent to US\$1,613.1 per ounce, according to data from the World Gold Council.

At US\$1,613.1 per ounce as of April 3, gold prices were now in their seven-year high, with experts predicting that the price surge could remain for as long as the COVID-19 pandemic continues to dampen investors' appetite in financial instruments.

Here in Ghana, miners under the umbrella of the Ghana Chamber of Mines, are excited about

but fear that supply chain constraints resulting from measures to contain the COVID-19 would dampen production, leading to decreased benefits from the bullish prices.

So far, no mine has reported significant disruptions to operations due to the pandemic although one mine has recorded a case at site.

Future of gold price

An Economist and Research Fellow with the Institute for Fiscal Studies (IFS), Mr Leslie Dwight Mensah, told the GRAPHIC BUSINESS that "gold should continue to

do well for as long as demand remains strong."

He explained that the current low interest rates in the world in response to the viral spread had successfully shifted investors' appetite from financial investment instruments to gold and gold-backed instruments.

In mid-March this year, England's central bank reduced its benchmark rate to 0.1 per cent, the lowest in its 325-year history. Its counterpart in the United States of America (USA), the Federal Reserve Bank (FED) also cut its rate to near-zero, all in response to the COVID-19 crisis.