Commercial Banking Business in China’s Gold Market

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With a long history of gold/silver admiration and a rich cultural heritage, China has seen fast development in its domestic precious metals market since deregulation in 2002. Gold demand has been on the rise at an annual rate of over 10%, and the country has become world’s biggest gold supplier for four consecutive years. With unprecedented prosperity, China’s precious metals market is quickly getting mature and standardized. Commercial banks have become major participants of the market, playing important roles in retailing, trading, and other financial services.

As the largest commercial bank in the world, ICBC established the Precious Metals Department in Shanghai on September 9th, 2009 and started specialized operation of its precious metals business. In the recent three years, the Precious Metals Department has made tremendous progress in its retail, brokerage, and market-making business as well as in providing financial services for the entire industry, and gained record growth through integration of resources in service channels and client base, leveraging the superior ICBC network. Judged by the range of products, trading volume and market share, the precious metals business of ICBC has become the absolute leader in China’s market. Recognized for its strong performance and remarkable achievements, ICBC won the “Best Bank in China” Award by Euromoney for its precious metals trading business. “ICBC Gold Expert” has turned out to be the most visible and respected brand in China’s precious metals market.

There has been consensus that China’s precious metals market will continue to prosper and bring more opportunities for commercial banks. In the future, ICBC will strive to be the biggest broker, wholesaler, retailer, and market-maker in China’s gold market, deliver more diversified financial products and services for the industry, strengthen its collaboration with global strategic partners, and become a world class precious metals investment and management bank.