

Developing a market for platinum investment in China

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The World Platinum Investment Council (WPIC) was set up in 2014 by the leading platinum group metals (PGMs) miners in South Africa to develop the global platinum investment market. We do this in two distinct, yet complementary ways: providing investors with actionable insights on the platinum market and increasing the availability of a diverse range of platinum investment products. Our business covers all the major financial markets.

We publish data and expert research and analysis to engage investors and present the investment case for platinum, which is currently compelling due to its strong supply/demand fundamentals. The platinum market is forecast to be in significant deficit out to at least 2028. We also work closely with our product partners – for example, mints, refineries, and bullion dealers in North America, Asia Pacific, and Europe – to assist them in designing, fabricating, and marketing platinum

investment products. Our efforts include resolving challenges in the supply chain and increasing the visibility and availability of platinum offerings – mainly bullion bars, coins, accumulation plans, and exchange traded funds.

China is the number one consumer of platinum globally, driven by its use of platinum in the automotive, jewellery, and industrial segments. Despite being a relatively underdeveloped platinum investment market, China is an important focus for WPIC. We opened our Shanghai office in 2018 and have grown to a team of six that covers the Asia Pacific region. Last year, the launch of our liaison office in Shenzhen provided us with a physical presence in one of the world's most important precious metals hubs, where many of our existing and potential partners are located. Today we are proud to count China Gold Coin Group (CGCG), Metalor China, Bai De Jin, Yue Xin, Rong Tong Gold, Rakuten, and Silver Bullion, among others, as our partners in the region.



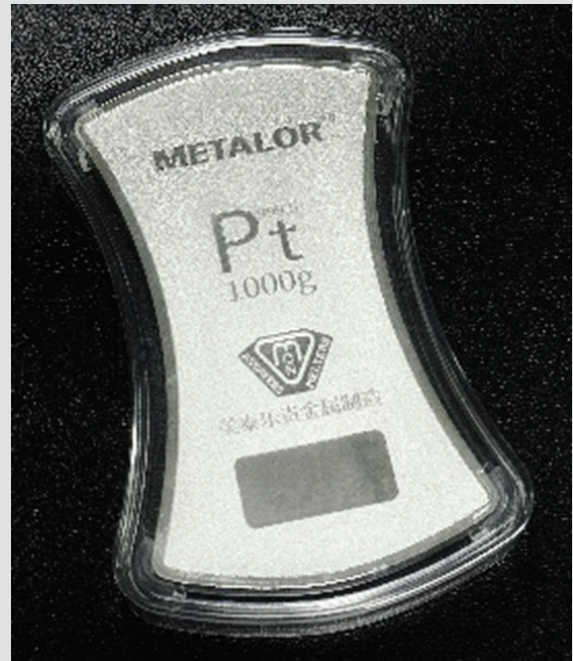
The 2024 30g platinum Panda

An appreciation of the strategic importance of platinum to China is a significant aspect of our approach – not least in respect of the growing hydrogen economy, where new platinum demand is being created through its use in hydrogen fuel cells and electrolyzers. One of our most significant achievements has been to establish Shanghai Platinum Week (SPW) as an important annual fixture for the global PGMs value chain and its downstream industries. Marking its fourth anniversary this year, SPW welcomed more than 500 delegates from around 300 organisations, with online attendance exceeding 470,000. The next SPW will take place during 7-11 July 2025.

In recent years the range of platinum investment products available in China has expanded considerably. For example, the iconic Panda coin is now once again available in platinum, and last year CGCG included a 15g platinum coin in its Zodiac series and produced its first platinum bar as part of its Year of the Dragon range. Earlier this year, Metalor introduced a 1kg minted bar and we are seeing strong interest from investors in large-sized bars, 500g and larger.

This increased product availability, improved supply chain, and wider awareness of platinum and platinum investment has resulted in unprecedented growth in bar and coin investment demand in China – rising from 31 koz in 2019 to 186 koz in 2023 and forecast to grow by a further 34 per cent year-on-year to 250 koz in 2024. Purchases of larger bullion bars, of 500g or above, are a key driver of this growth.

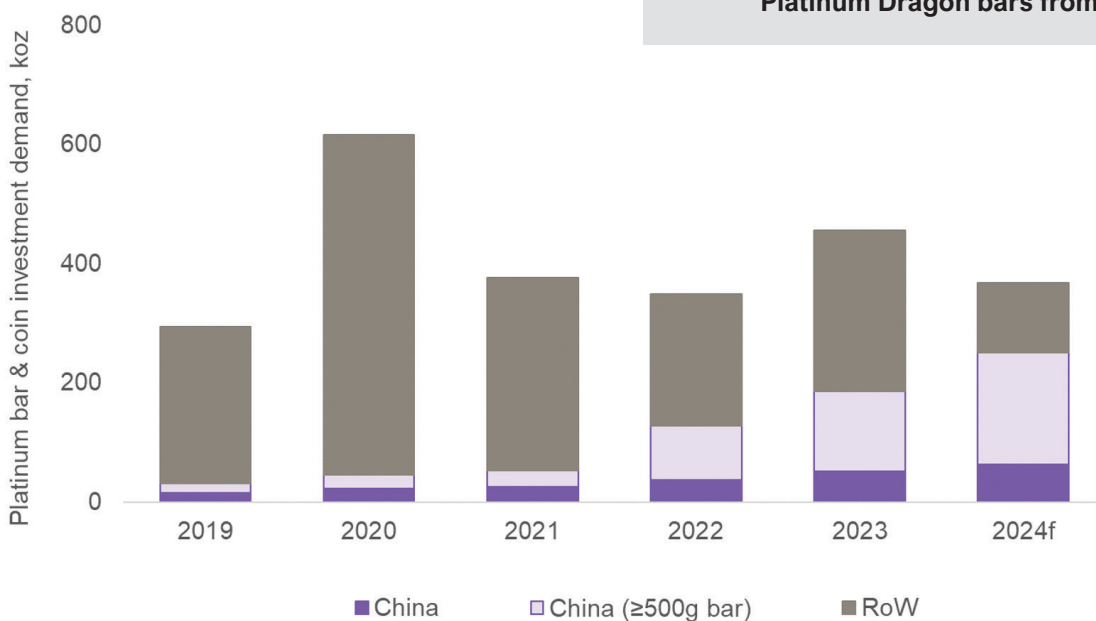
While awareness of platinum as an investment asset continues to grow in China, market liquidity remains a headwind for investment, jewellery and industrial participants. We eagerly await the launch of Guangzhou Futures Exchange’s much-anticipated platinum and palladium futures, enabling users of these metals in China to hedge price risk – on-shore and in local currency. This development could be a game-changer, enhancing the overall stability and efficiency of the platinum market in China, reducing costs and boosting demand to the benefit of all participants.



1kg platinum bar from Metalor China



Platinum Dragon bars from Yue Xin



China has become the most important market for bar and coin investment globally. Source: Metals Focus, WPIC Platinum Quarterly Q2'24

