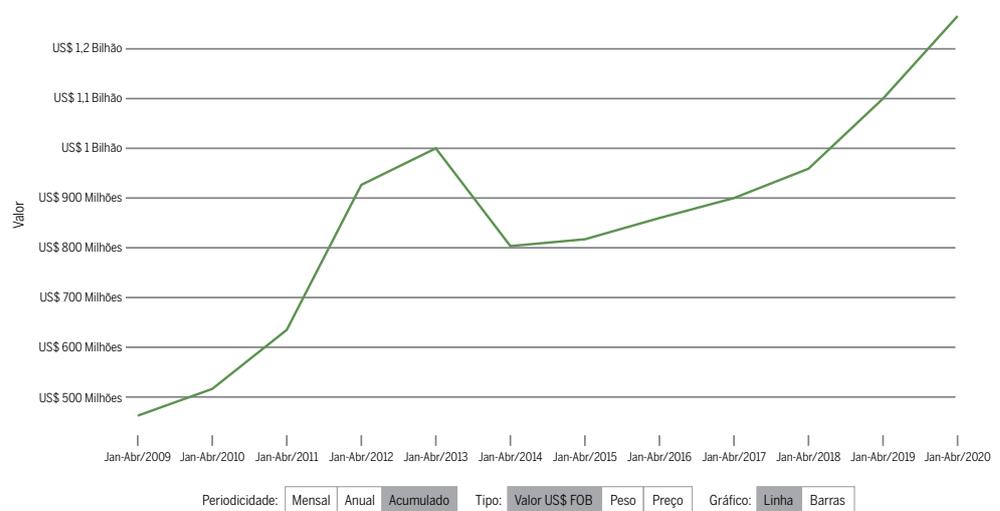


Kayapó Indigenous Land, Pará  
 The Specialized Inspection Group (GEF) from the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) carries out an operation to shut down illegal gold mining sites in the Kayapó Indigenous Territory, in the Brazilian State of Pará  
 Photo: Felipe Werneck/Ibama



- The economic crisis resulting from the COVID-19 pandemic has increased the search for safer financial assets and led to a surge in the price of gold in international markets. When compared to the same period last year, statistics on foreign trade indicate a 30.5% increase in the value of Brazilian exports between January and August 2020, totaling US\$3 billion. Gold shipments abroad reached 63.99 tons in August.



Source: Ministry of Economy, Comex Stat Data Portal. Available at <http://comexstat.mdic.gov.br/pt/comex-vis>

- The rise in the price of gold has stimulated wildcat mining (or ‘garimpo’) in the Amazon. The legalization of these practices, including in protected areas such as conservation units and indigenous lands, has been supported by the government. Illegal gold mining practices have also increased due to greater lenience in environmental oversight.
- Between 2015 and 2018, the Federal Prosecution Service in Santarém (Pará) observed the presence of 610 kilograms of illegal gold on the market, in a deal that moved R\$70 million.
- In August 2020, the price of gold exceeded US\$ 2,000 (about R\$10,000) per ounce (just over 28 grams). The valuation has exceeded 30% since the beginning of the year, losing only to Bitcoin, which rose 57%.
- According to the Goldman Sachs financial group, by the end of the year gold should reach the US \$2,300 per ounce mark due to low interest rates, which make public bonds and other investments less attractive. Further contributing to this situation is political instability and the prospect of a continued economic crisis.
- The pandemic has reignited small investors’ demand for physical gold bars, and not just for “virtual” investment in the metal. In 2020, more and more Brazilians are buying gold to keep at home. The sale of physical gold through the Ourominas website to individual investors has skyrocketed by 75%. The company was selling about R\$800,000 per month, but since March 2020, has been selling the equivalent of R\$ 3 million a month. There are 300 customers buying gold bars monthly, and most spend R\$10,000 on 30-gram bars. Securities dealer Parmetal DTVM estimates that the demand for physical gold has increased during the pandemic, both in the case of people who were already familiar with this type of investment and for new investors. In addition to men over 50, young people and women have also become interested in acquiring gold bars.
- Most of the gold currently circulating in the world is held by central banks and investment funds. Wildcat mining (or ‘garimpo’) accounts for about 30% of the 97 tons of gold produced in Brazil, according to estimates by the Federal Prosecution Service (MPF).

- The municipality of Itaituba in the state of Pará is the country's second largest gold producer, according to the figures of the CFEM (Financial Compensation for the Exploration of Mineral Resources). Up until 1 September 2020, the National Mining Agency (ANM) had registered the extraction of R\$ 2.1 billion in gold, 61% more than the previous year.
- Securities dealer F.D'Gold DVTM, a financial institution with operations in the Amazon, is already the third largest gold operator in Brazil, according to the National Mining Agency's largest collectors in the CFEM ranking. The dealer loses only to Canadian mining company Kinross, which operates in Paracatu (Minas Gerais), and to South African AngloGold Ashanti, based in Sabará (Minas Gerais).

Sources: Ministry of Economy, foreign trade data, available at: <http://www.mdic.gov.br/index.php/comercial/external-trade-statistics/comex-vis>; National Agency for Mining, CFEM's largest collectors, available at: [https://sistemas.anm.gov.br/arrecadacao/extra/ratios/cfem/major\\_arriers.aspx](https://sistemas.anm.gov.br/arrecadacao/extra/ratios/cfem/major_arriers.aspx); Valor Investe, available at: <https://valorinveste.globo.com/mercados/internacional-e-commodities/noticia/2020/08/14/barras-de-ouro-pan-dema-faz-disparar-demanda-tambemetal-fisico.ghtmlzv>; Cointimes, available at: <https://cointimes.com.br/jpmorgan-plus-old-investment-on-gold-while-young-purchase-butc/>