

Buoyant Silver Market: China's Silver Demand Increases as the Euro Continues its Downfall

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Silver will be in high demand in the future. The future of silver looks promising. Many industry insiders understand that silver has the highest electrical and thermal conductivity of any metal that currently exists. As we already know, silver has the potential to store more power in a small amount of space than any other metal that is in existence. Electrical connections that involve silver have the capacity to ignite power needed at a rapid speed.

Industries that produce cell phones, computers and other devices for the average consumer use silver. With the popularity of iPhones, iPads and other devices produced by such corporations as Apple Computers will only increase in demand. Solar energy is another industry that silver can accommodate. The list is endless, especially in countries where manufacturing plants produce electronics that use silver such as China.

In the web based daily news site [chinadaily.com](#) explained why silver is an important commodity in article from 2012 titled 'China claims biggest global silver market' by Wu Yiyao. China is the biggest economy in the world in terms of manufacturing. Yiyao reported that "The Washington-based Silver Institute said total silver demand in China increased by more than 100 million ounces, or Moz, in the past 10 years, to a record of 170.7 Moz in 2011." One of the main reasons China will be an economic powerhouse for the next 100 years is because of its manufacturing base. Yiyao writes: 

It added that driven by the country's manufacturing sector and heavy investment in infrastructure, fabrication demand for silver in China has increased by more than 82.4 Moz in the past decade to 159.5 Moz.

During the same period, industrial silver fabrication in China has experienced an almost uninterrupted period of growth, posting a 135 percent increase.

The electrical and electronics sector, driven by its semi-conductor industry, contributed the largest share of the country's industrial silver demand, rising from 17.1 Moz in 2002 to 40 Moz in 2011.

During that year, industrial applications accounted for 56 percent of the total fabrication demand across the country, which was 159.5 Moz, mainly from cell phone and computer production.

A strong demand for silver also came from makers of personal electronics goods, including tablet computers and light emitting diode backlit televisions.

Silver is an investment that will benefit many industries that focus on producing goods.

Therefore, the price of silver will increase. As the Federal Reserve Bank in the US continues to print money, the dollar will eventually weaken giving away to inflation in the long term. The Euro will continue to wreck havoc in Europe while austerity measures continue to impoverish its population. The world is facing dangerous economic times due to its reserve currencies. The future for owning and investing in silver has unlimited potential especially in China. As Wu Yiyao explains:

“China has become the world’s biggest silver market, according to an industry report, both as a physical investment and in paper trading of silver futures and other similar products.”

With the US dollar and Euro losing its value, silver will be a good investment for the future since manufacturing industries use silver for numerous products. Silver as well as gold is a safer investment than fiat currencies. With Cyprus as the next victim of the Euro, silver is a safe bet. As the Euro continued to decline, the US dollar reached an 8-month high last week. But that is because the US dollar is still a reserve currency that is seen as a safe haven for the short term. More investors are seeing metals especially silver as a safe haven instead of the US Dollar.

According to a marketwatch.com article ‘If China likes Silver, maybe we should too’ reported that *“Silver is “facing just as good a year, if not better, than the yellow metal,” said Jan Skoyles, head of research at The Real Asset Company, a precious-metals investment platform provider.”*

Silver is still relatively affordable as gold prices remain on average \$1,600 making it too expensive for the average investor.

“Silver is undervalued next to gold, has a finite and rapidly decreasing supply and it’s more accessible in greater quantities than gold, she said. All of these factors are “falling into place and becoming more acute, which therefore has driven up silver investment demand.” The Chinese people are seeing the opportunity for investing in metals for the short and medium term according to the report “Investment interest in China is a standout and is expected to see further growth in the years ahead. China’s retail investment demand for silver is forecast to grow “robustly over the short to medium term, as a wider population base gains access to silver bars and coins,” according to a Silver Institute report issued last month compiled by Thomson Reuters GFMS.”

Silver will be much more safer than the US Dollar and the Euro in the short, medium and long term as both the United States and the European Union continue to witness unprecedented economic uncertainties in the future. I will bet my silver dollar on it!

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