

Секция 2  
**СОВРЕМЕННЫЕ ТЕНДЕНЦИИ РАЗВИТИЯ МИРОВОГО ХОЗЯЙСТВА**

**STATUS AND DEVELOPMENT PROSPECTS OF THE GLOBAL SILVER MARKET**

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Today, silver is everywhere. It is used in different spheres of our life: in science, art, industry, technology, ect. It is popular among jewelry and fashion designers; first of all, because it is lustrous and resilient material, so it is well to sculpting, it also requires minimal care; it is not so expensive as gold and lasts for a lifetime. Silver tableware is a traditional decoration in homes all over the world. It plays an important part in the production of two highly versatile chemical compounds which are used in electrical and thermal insulation. It is known that the better insulation material, the less amount of energy we use. Ethylene oxide and formaldehyde, which are important for plastic industry, are also produced with the use of silver. Silver takes part in the creation of solar cells and generation of electricity. It plays an important role in film photography, coinage of silver coins, automotive industry. In technology silver is useful for wide range of applications. As silver is one of the best electrical and thermal conductors, we can find it in many electronic devices such as cell phones, laptops and personal computers, plasma- display panel televisions. In green technologies silver is used in production of solar energy, helping to reduce energy costs. Silver ions are added to water purification systems in hospitals, community water systems, pools and spas, because of its anti-bacterial properties. Silver use is widespread in medicine. X-rays and nanotechnology. [1]

In general, demand for silver can be divided between three main categories: silver in industry, investment and silver jewelry & décor. Together, these three areas represent more than 95% of annual silver demand. With all its unique properties silver has not any substitute, that's why it is so valuable and plays a very important role in our life.

The total silver fabrication demand amounted to 876.6 Moz in 2011, down 1.5% in comparison with the last year, but still it is the second highest level since 2000. Silver's use in industrial applications fell by 2.5% to 486.5 Moz. It represents 55.5% of total fabrication demand. During the first three quarters of 2011 industrial fabrication was quite strong, however, the Eurozone crisis during the fourth quarter led to the decline in the full year total. Jewelry demand was equal to 159.8 Moz, reducing by 4.54%. Among the main reasons of such drop were volatile prices and weakness of the global economy. Photography fabrication fell by 8% due to the transaction to the digital systems. And silverware demand dropped to 46.0 Moz due to the sluggish global economy and ongoing structural losses. (Table 1) [1]

Table 1

Demand Fabrication (in millions of ounces)	2007	2008	2009	2010	2011
Industrial applications	491.1	492.7	405.1	500.0	486.5
Photography	117.6	101.3	79.3	72.1	66.1
Jewelry	163.5	158.7	159.8	2167.4	159.8
Silverware	58.6	57.4	59.1	51.2	46.0
Coins & Medals	39.7	65.3	78.8	99.	118.2
Total fabrication	870.5	875.3	782.0	890.1	876.6
Producer De-Hedging	24.2	8.5	17.4	-	-
Implied Net Investment	16.6	31.2	132.2	184.6	164.0
Total Demand	911.4	915.0	931.7	1,074.7	1.0406

Mine production during the last nine years reached the highest level and in 2011 it was equal to 761.6 Moz, first of all, due to gains from by-product gold and lead/zinc mining. Mexico was the largest silver producing country in 2011 (152.8 Moz of silver), then followed Peru, China, Austral-

ia, and Chile. Russia took the 7<sup>th</sup> place with the production equaled to 40.0 Moz. Net government sales of silver fell by 74% and amounted 11.5 Moz. Old silver scrap rose to 256.7 Moz. The reduction of net producer hedging and government sales led to the lowering the amount of net silver supply. (Table 2)

Table 2

Top 10 Silver Producing Countries in 2011 (millions of ounces)			
1. Mexico	152.8	6. Poland	40.8
2. Peru	109.8	7. Russia	40.0
3. China	103.9	8. Bolivia	39.0
4. Australia	55.2	9. United States	36.0
5. Chile	42.1	10. Argentina	22.6

Among the top silver producing companies we can mark out KGHM Polska Miedz S.A. (Poland) with total output equals 40.5 Moz, BHP Billiton plc from Australia (39.0 Moz), Fresnillo plc from Mexico (38.0 Moz), Goldcorp Inc. (28.8 Moz) and Pan American Silver Corp. (21.9 Moz) from Canada. (Table 3)

Table 3

Top 10 Silver Producing Companies in 2011 (millions of ounces)			
1. KGHM Polska Miedz S.A. (Poland)	40.5	6. Volcan Cia. Minera S.A.A. (Peru)	21.1
2. BHP Billiton plc (Australia)	39.0	7. Polymetal International plc. (Russia)	19.9
3. Fresnillo plc (Mexico)	38.0	8. Coeur d'Alene Mines Corp. (USA)	19.1
4. Goldcorp Inc. (Canada)	28.8	9. Cia. de Minas Buenaventura S.A.A.	15.3
5. Pan American Silver Corp. (Canada)	21.9	10. Hochschild Mining plc. (Peru)	15.0

The world's leading primary silver mines are Cannington (Australia) with the production equals to 32.17 Moz, Fresnillo from Mexico (30.30 Moz), Ducat from Russia (13.60 Moz), Uchucchacua (Peru) and Palmarejo (Mexico).

With the development of new technologies, new silver deposits and expansion of spheres of its application, prices on silver have changed dramatically. Silver is traded around the clock and around the world, including the major global commodity markets of London, Zurich, New York, Chicago and Hong Kong. [1] So let's look at the trend of silver prices changes during the 2000s. According to the London PM Fix average price in 2000 was 4.95\$ per troy ounce, the highest price equaled 5.45\$ was reached in February and the lowest 4.57\$ – in December. The silver price softened during the year, because of substantial flows of silver out of China. The average silver price in 2001 was 4.37\$ per troy ounce. In spite of global economic slowdown, silver recorded a 5% increase in 2002 (4.60\$ per troy ounce). Silver held its characteristics as a precious metal and rose in value. A 5.4% increase was reached over 2002, so average silver price in 2003 was 4.85\$ per ounce. Due to much more stronger investment interest and the improved fabrication demand the silver price reached its top level at the end of the year and equaled to 5.97\$ per ounce. In 2004, prices rose dramatically by 37% to average 6.65\$ per ounce. The main reason of such changes was a boom in investor activity. In 2005, the silver price increased by 8.8% to an average of 7.22 per ounce. In 2006, the silver price reached the highest level equaled to 11.57\$ per ounce during last 26 years (60.2% increase). Silver was the leader comparing with (36% increase) and platinum (27% increase). In 2007 the annual silver price, led by continued strong investor and industrial applications demand, averaged an impressive 13.38\$ (16% increase). Such averages we couldn't seen since 1980 and all these because of increase of investors demand since 2004. During the first half of 2008, due to investors activity the silver price rose and was above the 20\$ per ounce mark (a high of 20.92\$ was recorded in March). In the second half of 2008, because of deterioration of global economy condition, silver price slumped, as well as other metal prices. However at the beginning of 2009 prices started recovering. An average price in 2009 was 14.66\$, the second highest average since the high reached in 1980. An average silver price in 2010 increased by 37.5% to 20.19\$. Silver posted an annual average price of 35.12\$ in 2011, more than double the 14.67\$ annual average price achieved in 2009. In 2012, there was a small decline of silver price up to 31.15\$. [1]

So we see that during 2000s silver price changed dramatically and the main force of these

changes was the status of the global economy. That's why to determine the prospects for global silver demand and its price we should mark out that the GDP over 2013-2015 is going to grow. An average growth will reach 3.2%. As for silver prices they are forecasted to continue rising this year, first of all due to inflows of investment demand and additional growth in fabrication demand. Mainly the price will tend to grow in terms of substituting away from white metal. For example, the use of silver in several established applications, particularly in the electrical sector, could be replaced with nano silver. In some cases, the silver demand could become lower; however it can be encouraged by high prices of nano products. In response to the less investment activity annual average prices are expected to drop. In 2013, annual average price will have achieved over 30\$. Part of the shortfall, created by weak investment activity, will be absorbed by continued growth in world fabrication demand. In particular, record levels of industrial and jewelry demand will be compensated with the reduction of photography and coins & medals demand, silverware could recover to 2009 levels. Although prices will have become lower by 2015 and are expected to exceed the level of 2009 [3].

So it's quite clear that nowadays the main and the most dynamically developing sphere of silver use is industry. Silver industrial demand has greatly expanded its role in the global silver market. It has raised its share in global fabrication demand to 55.5%. According to the future prospects of total silver industrial demand, the growth opportunities are likely to emerge and a record high of 665.9 Moz will be reached in 2015. The growth of the global total will be driven by the contribution from new industrial uses of silver and stronger demand for a number of the established uses. First of all it is connected with development in auto and photo voltaic industry. Such applications of silver as medical, hygiene and water purification have already gained or are continuing to gain its commercial success, but the total volume of silver demand for each application remains relatively modest. Many of the new uses center on silver's conductive and antibacterial properties. [3] In addition there are some factors that approve predictable growth during the following three years. First, a weaker consumption in one segment may well be offset by gains in another. Second, due to silver's unique properties it doesn't have substitutes and can be considered as indispensable. That's why it is technically and economically difficult to replace this metal. Third, because of silver's long-standing and positive association generated by the jewelry and coin sectors consumers think highly of it.

In conclusion, it is necessary to say that over the forecast period we should expect tangible gains in industrial silver demand. The main reasons for it will be: 1) expansion of spheres of its use; 2) the lack of readily available alternatives; 3) unique properties of silver.

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## НАЛОГОВОЕ РЕГУЛИРОВАНИЕ СУБЪЕКТОВ МАЛОГО БИЗНЕСА В РОССИИ И ЗА РУБЕЖОМ: СРАВНИТЕЛЬНЫЙ АНАЛИЗ

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Несмотря на то, что в условиях экономики глобальных рисков на первое место в экономических дискуссиях выходят проблемы государственного регулирования экономики и роли крупного бизнеса [1], значение малого бизнеса для национальной экономики по-прежнему велико. Роль малого бизнеса в основных параметрах развития российской экономики значительно ниже в развитых странах. Так, по числу малых предприятий Россия отстает от США в 93 раза, от Японии – в 7,7 раза, от Италии – в 4,7 раза; по доле вклада малых