

UAE Traders Are Going After African Gold

Gold is a well-respected commodity around the world, especially in UAE. As some say - Dubai is the city of gold. Gold's beauty as a commodity is tremendous.

It shines bright and brings luxury to its environment. Stock trading on gold is one of the hottest topics in the market as well but what do we really know about gold besides that it's expensive and available only for the rich ones?

One of the largest world's gold production come from Africa. With countries like Guinea, Congo, Kenya that attract foreign investors to buy gold but Ghana is the main African power horse when it comes to gold production.

Ghana is the largest country in terms of circulating gold production in Africa.

Lately, Ghana has received a lot of attention from gold buyers in UAE, but how a simple African country received such attention from investors? After all it's about the profits.

You can actually purchase cheaper gold in Ghana. Suppliers offer large discounts and most of them are under the London Bullion Market Association (LBMA), which is the official market price, and Dubai gold spot price, which is usually couple hundred US dollars more than the LBMA price.

Recently more and more Arab gold investors are purchasing gold from Africa at a discounted rate and reselling it back in UAE for either LBMA price or Dubai's spot price, profiting in hundreds of thousands of dollars in one single tranche. So how does it work?

In most cases gold buyers engage with a broker agency to help facilitate intermediate deals between Africa and UAE.

Buyers place orders up to hundreds of kilograms a month making multimillion dollar orders. Agencies in such cases earn extreme profits reaching 6 digits.

However, very few can deliver such request as gold deals are extremely difficult to execute, requires a lot of patience and full awareness of the country's importing regulations.

Buyers purchase the gold with documents and bring it to Dubai via customs where they get issues all the needed documents to enter their goods to UAE.

Many wait for years to close a deal, only few actually succeed. Gold deals usually requires a trader's physical presence in Africa for face-to-face meetings with suppliers. When you are dealing with Africans suppliers, it is very important to respect culture and traditions

especially when dealing in gold.

There is a lot of danger involved, that's why gold deals have become extremely complicated.

Buyers are not willing to go to Africa, but the ones who do actually make massive returns. The risks are there but huge revenue margins are luring investors towards taking this big steps in the gold venture.

American and European companies keep trying to establish the golden road between continents to unite Africa's gold production with the rest of the world.

The journey seem extremely hard to accomplish but yet the vision of it, is so rewarding that many venture capitalists are joining the African gold rush.

Ghana has become the center of multinational foreign companies center for dealing in gold.

If you are travelling through the capital, Accra, you may see more foreign traders than locals.

There is no other business you can possibly do in Ghana like gold. It is the only way of financial survival for many locals people. whether poor or rich Ghanaians, they are most likely to be somehow involved in gold business.

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