



THE NEW GOLDEN AGE

Gold is officially back in fashion,
but it won't just make you look good
- with a bit of nous, it might just be
your pension plan, too

WORDS: ANNA HART
PHOTOGRAPHY:
RICHARD BURBRIDGE

V

ampires. Sex. Gold. Three things, we're told, that enjoy a huge resurgence during times of economic recession. But while we'll always adore

Agent Provocateur and perhaps guiltily watch *Twilight*, it's gold that's getting the world really excited. Gold was on the faces of models at MAC and was covering Emma Watson on the front row at Burberry Prorsum, but the most covetable gold of all is the shiny metal itself.

"We've seen a huge surge in sales of gold jewellery over the last six months, as well as designers choosing to work with this metal," says Helena Sotiriou, jewellery buyer at Harvey Nichols. "With the current weakness in global economies, people want to invest their money in key items that will last them season upon season. Gold has a massive appeal both because of its versatility and its ability to hold its value. On one hand, it's the epitome of classic luxury, while in contrast, it can be both edgy and cool."

But it's not just jewellery seeing a surge in sales. Last week, Harrods announced it was to start selling gold bars and coins, and the price of gold soared to an all-time high of £665 per ounce, as investors seek out safe investments. The precious metal has regained its status as a serious investment opportunity and suppliers are struggling to keep up with demand.

Graham Birch, manager of the Black Rock Gold and General Fund, says: "Gold operates outside the banking system. It will retain its value even if the banking system collapses." Gold has always soared in value at times of economic unrest, functioning as an 'anti-dollar' - high when the dollar is low, and vice versa.

Elizabeth Carllassare, economist and author of the *moneygirl.com* podcasts, explains: "Gold acts as a safe haven because the supply of gold is constrained - it increases in worth very slowly as gold is mined - which helps the metal hold its value. In ancient Rome, a single one-ounce gold coin could buy a quality toga, a pair of sandals, and a belt. Today, the same is true:

THE PRICE OF GOLD HAS SOARED TO AN ALL-TIME HIGH OF £665 PER OUNCE

a single one-ounce gold coin is about £480, enough to buy a good-quality suit, shoes and a belt."

As well as its obvious visual appeal, it's gold's scarcity that cements its place in our hearts... and our safety deposit boxes. In all of history, only 161,000 tons of gold have been mined, barely enough to fill two Olympic-size swimming pools. The downside to its scarcity is that it's getting increasingly difficult to find, and when we say 'difficult'



we're talking about ugly open-pit mines in vulnerable lands. Most of the gold left to mine exists as traces buried in remote and fragile corners of the globe. But activist groups like No Dirty Gold and Earthworks are calling on the mining industry, and the jewellery trade, to provide alternatives to irresponsibly mined gold, which is too often produced at the expense of communities, workers and the environment.

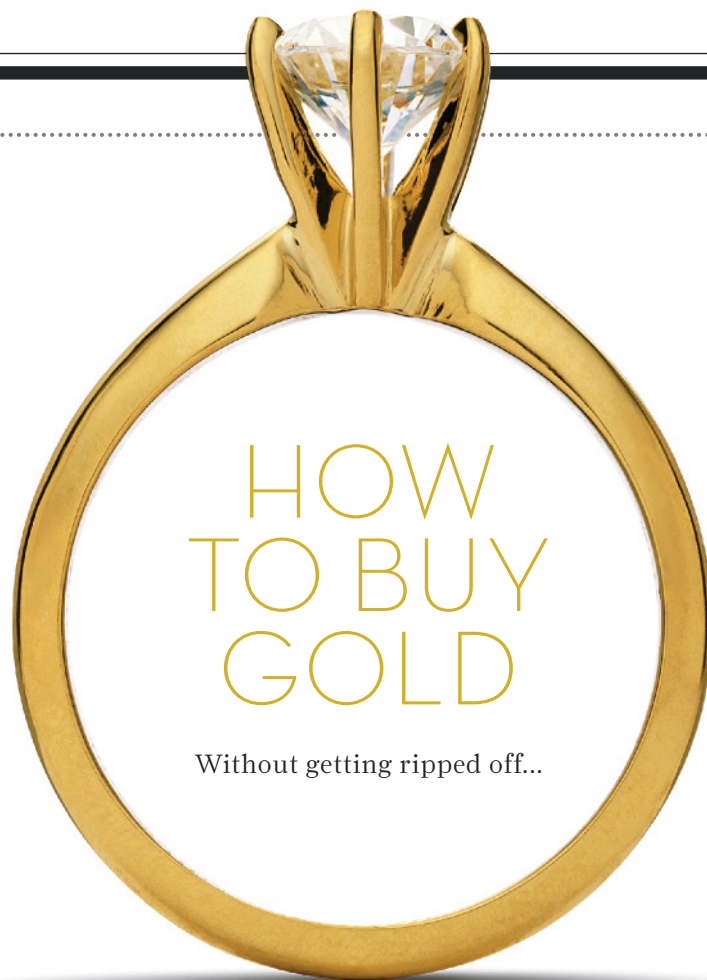
Designer Jamie Joseph, who counts Cameron Diaz and Naomi Watts among her fans, says: "I saw a documentary about mining years ago, and I was really disturbed to learn that the average gold wedding band leaves behind 20 tonnes of mining waste. But jewellery was my passion, so I started investigating. And there were vendors that I found where I could buy all-recycled gold. I've been using reclaimed gold ever since."

Today, if gold is hot, 'eco-gold' is even hotter, with Cartier and Tiffany & Co among the big names working with reclaimed metal. "It's our duty to provide our clients with creations that are beautiful, desirable and responsibly made, be it ethically, socially or environmentally," says Pamela Caillens, the corporate

'ECO GOLD' IS HOT, WITH BIG NAMES LIKE CARTIER USING RECLAIMED METAL

responsibility director at Cartier. "As times change, so do society's expectations."

However shrewd an investment it might be, it's the nature of the investment that appeals most. Gold is an investment you can wear and enjoy - you can't wear an ISA, after all. And the thought of passing on a stunning designer cuff to our granddaughters fills us with a glow we wouldn't get from writing her a cheque. The fact is, gold's value has never been purely monetary, it's an investment you can enjoy every single day.



HOW TO BUY GOLD

Without getting ripped off..

There are two approaches to buying your bling. If you're purely after an investment, your best bet is gold bullion, ie, investment-grade gold in coin or bar form. If you're purchasing gold for personal enjoyment with a bit of investment potential, you're looking at jewellery or collectible gold coins.

GOLD BULLION

By economist Kent Ninomiya
"The first step is to decide what kind of gold bullion you want. One-ounce gold coins, issued from government mints around the world, are the easiest to buy and sell, since every coin and bullion dealer uses them. The most popular - and therefore most easily traded - include the American Eagle, the

South African Krugerrand and the Austrian Philharmonic.

Only buy gold bullion coins that are in 'gem uncirculated' condition. These should come in a protective covering and should have no fingerprints or scratches. Never touch a gold bullion coin with your bare hands or attempt to clean a coin - this will reduce its value.

Finally, get online before you buy. The price of gold changes daily, so check it at kitco.com."

COLLECTIBLE GOLD

By gemologist David Foard
"Most gold jewellery has a low resell value. The trick is to invest in the small percentage of jewellery that becomes collectible, escapes the melting process and increases in value. So how do you spot a future classic?"

First of all, if something is common it will never be collectible, so buy limited-edition or one-off pieces that are signed by the designer. Secondly, the value of a piece depends on its style enduring. Vintage hat pins, for example, should be valuable,

"Buy limited-edition or one-off pieces that are signed by the designer"

because they're made of precious metals and stamped and dated. But nobody wears hat pins now, so they're not collectable and therefore a bit of an antique hard-luck story. Finally, buy what you personally like. Get the very best examples of it, in the very best quality, and hopefully, wear it and enjoy it."

RAID YOUR JEWELLERY BOX

According to a recent survey, British women are sitting on more than £26bn worth of unused jewellery. Here's what to look for in your own stash

◆ Do some homework so you can tell your Art Deco from your Art Nouveau. Jewellery that is exemplary of a particular period will always be popular.

◆ Look into what's hot right now: Chanel costume jewellery from the Thirties and pieces from the Sixties made by Dior, Lanvin and Yves Saint Laurent are all big sellers. (Lanvin pendants are fetching £150 on eBay.)



◆ Look for signs of quality such as pronged settings, substantial weight, smooth plating and sparkling stones.

◆ Older doesn't necessarily mean more valuable. Vintage jewellery (30-100 years old) can be much more wearable and collectible than antique jewellery (more than 100 years old.)

◆ Don't disregard costume jewellery. Miriam Haskell, Marcel Boucher, Elsa Schiaparelli, Dior, Nettie Rosenstein and Givenchy are all collectible names.

◆ Condition matters. A chipped or scratched item is worth a fraction of what it would be in mint condition.

◆ Ask for a back story. Get your Grandmother to tell you where she acquired her jewellery, as this will give an indication of their worth. Clue: if she mentions that Coco Chanel gave her that pendant as a thank-you for saving her life, it's time to 'borrow' her jewellery box.