

**ECONOMIC IMPLICATIONS OF GOLD PRICES IN TAMIL NADU (1947 TO 2025):  
MACROECONOMIC INFLUENCES, MARKET TRENDS, CONSUMER BEHAVIOR  
REGARDING THE PURCHASE OF GOLD ORNAMENTS AND GOLD AS AN INVESTMENT,  
AND FORECASTS OF FUTURE GOLD PRICE TRENDS - AN ASSESSMENT**

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**Abstract**

This study examines the economic implications of gold prices in Tamil Nadu from 1947 to 2025, focusing on macroeconomic influences, market dynamics, consumer behavior, and future trends. It highlights how gold has evolved from a cultural symbol to a vital financial asset, serving as a hedge against inflation and a store of wealth for households, especially among lower and middle-income groups. The long-term upward trajectory of gold prices, driven by inflation, currency depreciation, global crises, and government policies, has significantly impacted consumer spending, traditional livelihoods, and trade balances. The analysis also explores the role of technological advancements, digital gold platforms, and policy schemes in shaping investment patterns and industry modernization. Rising prices have constrained affordability, altered consumption preferences, and led to socio-economic challenges for artisans and vulnerable communities. The study forecasts continued price escalation, with potential increases up to 150% by 2028, amid ongoing global uncertainties. It emphasizes the need for balanced policy interventions that promote financial inclusion, sustainable sourcing, and preservation of cultural practices while addressing socio-economic inequalities. The findings underscore gold's enduring significance in Tamil Nadu's social fabric and economy, highlighting the importance of strategic management to sustain its benefits for future generations. The study explores pressing and fast-changing issues that are gaining growing importance in today's interconnected global environment.

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**Keywords:** Market Dynamics, Consumer Behavior, Consumer Spending, Consumption Preferences,  
Financial Inclusion, Price Escalation and Cultural Practices.

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**The theme of the article**

The economic landscape of Tamil Nadu has been profoundly shaped by the fluctuating prices and demand for gold, a commodity deeply woven into the cultural, social, and financial fabric of the region. Since independence in 1947, gold prices in Tamil Nadu have experienced a remarkable long-term upward trajectory, influenced by macroeconomic factors such as inflation, currency depreciation, global crises, and government policies. From a modest ₹88 per 10 grams in 1947, prices soared to nearly ₹95,000 by 2025, reflecting gold's enduring role as a store of wealth, a safe haven asset, and a symbol of social status. These price movements have impacted consumer behavior, shifting preferences from traditional, heavy jewelry to lighter, more affordable designs, and prompting increased adoption of financial gold instruments like ETFs and gold loans.

Simultaneously, the industry has faced challenges including declining demand among middle and lower-income groups, hardships faced by traditional goldsmiths, and the socio-economic repercussions of rising costs. The interplay of macroeconomic influences, government policies, technological advancements, and global geopolitical tensions continues to drive the dynamics of gold prices and consumption in Tamil Nadu. This study aims to comprehensively assess these multifaceted impacts, ranging from macroeconomic trends, market and consumer behavior, to future price forecasts, by analyzing secondary data, statistical trends, and policy developments. Understanding these complex interactions is crucial for formulating sustainable economic strategies, supporting traditional industries, and ensuring financial inclusion amid evolving global and domestic economic conditions. As gold remains a cornerstone of cultural identity and economic resilience in Tamil Nadu, exploring its past, present, and future implications offers vital insights into regional and national economic stability.

**Statement of the problem**

The statement of the problem centers on understanding the profound and multifaceted impact of rising gold prices on Tamil Nadu's economy, society, and households from 1947 to 2025. Over this period, gold has transitioned from a traditional cultural asset to a key financial instrument and safe-haven investment, with prices escalating sharply due to macroeconomic

factors, global crises, inflation, and policy changes. This sustained increase in gold prices has created significant challenges and opportunities. For households, especially lower and middle-income groups, higher gold prices threaten their ability to participate in cultural rituals, weddings, and festivals that depend heavily on gold ornamentation, thereby affecting social norms and cultural continuity. Economically, escalating gold costs have reduced affordability, dampened demand, and led to declining livelihoods among traditional goldsmiths and artisans, exacerbating unemployment and socio-economic disparities. Simultaneously, the growing reliance on gold as collateral and investment via gold loans, ETFs, and digital gold has altered financial behaviors, impacting household liquidity and risk profiles. At a macro level, increased gold imports contribute to trade deficits, inflationary pressures, and currency fluctuations, influencing regional and national economic stability.

Furthermore, government policies on import duties, taxation, and schemes like gold monetization have periodically influenced prices and consumption patterns, adding layers of complexity to the market dynamics. Overall, the rapid appreciation of gold prices presents a dual challenge: while it reinforces gold's role as a secure investment and cultural symbol, it also restricts access, increases socio-economic inequalities, and strains traditional livelihoods. Addressing these issues requires a nuanced understanding of the economic, cultural, social, and policy factors shaping gold's role in Tamil Nadu's ongoing development, with the ultimate goal of balancing economic growth with social equity and sustainability. The research addresses critical and swiftly emerging challenges that hold increasing relevance in the modern, globally connected world.

### **Objective of the article**

The overall objective of the article is to comprehensively assess the economic implications of gold prices in Tamil Nadu from 1947 to 2025 by analyzing macroeconomic influences, market trends, consumer behavior, and future price forecasts. It aims to understand how fluctuations in gold prices impact cultural practices, household savings, investment patterns, and traditional livelihoods. Additionally, the study evaluates the role of government policies, technological advancements, and global economic events in shaping the gold market. Ultimately, it seeks to provide insights for policymakers and stakeholders to develop sustainable strategies that balance economic growth, social equity, and cultural preservation in the evolving gold economy of Tamil Nadu with the help of secondary sources of information and statistical data pertaining to the theme of the article.

**Research Methodology of the article**

The study follows a descriptive and analytical research methodology to assess the economic implications of gold prices in Tamil Nadu from 1947 to 2025. It relies mainly on secondary data sources such as government reports, Reserve Bank of India (RBI) publications, World Gold Council data, economic surveys, research journals, and credible online databases. Historical and current data on gold prices, imports, inflation rates, and macroeconomic indicators are collected and analyzed to identify long-term trends and patterns. The study covers the period from post-independence (1947) to 2025, providing a comprehensive overview of how gold prices have evolved over nearly eight decades. The analysis includes key variables such as inflation, exchange rates, global gold demand, consumer preferences, and policy interventions. Data are systematically organized and interpreted using quantitative and qualitative techniques to highlight correlations between gold price movements and economic behavior in Tamil Nadu. A comparative analysis is also conducted to examine the relationship between national and state-level gold consumption patterns, cultural practices, and investment behavior. Charts, tables, and graphs are used to present statistical findings clearly and effectively. The study also incorporates insights from previous literature to support interpretations and conclusions.

The research further evaluates policy measures introduced by the Government of India and the Tamil Nadu government, such as import duties, taxation policies, and gold monetization schemes, to understand their impact on gold demand and price stability. Global factors, including economic crises, geopolitical tensions, and technological advancements in gold trading, are analyzed to assess their influence on the regional gold market. Overall, the methodology ensures a comprehensive, evidence-based assessment of gold price fluctuations and their socio-economic impact on Tamil Nadu, aiming to provide valuable insights for policymakers, economists, and researchers in shaping sustainable and balanced gold market strategies. The collected data are carefully analyzed and interpreted to generate meaningful insights that support the formulation of informed and evidence-based policies.

**Historical Overview of Gold Prices in Tamil Nadu (1947–2025)**

The astonishing long-term rising trend in Tamil Nadu's gold price from 1947 to 2025 can be attributed to macroeconomic cycles, inflation, and shifting consumer tastes. Gold was worth about ₹88 per 10 grams in 1947, just after India gained its freedom. During the 1950s and 1960s, prices remained relatively stable, averaging between ₹100 and ₹250 per 10 grams, as global markets were less volatile and India maintained strict gold import controls. The 1970s marked

the first major surge, with gold prices crossing ₹1,300 per 10 grams by 1980, driven by the global oil crisis, the end of the Bretton Woods's system, and rising inflation worldwide. In the 1990s, economic liberalization and rising disposable incomes in Tamil Nadu boosted consumer demand for gold ornaments. Prices climbed from around ₹3,200 per 10 grams in 1990 to nearly ₹12,500 by 2008. The 2008 global financial crisis triggered another steep rise as investors turned to gold as a safe asset, reaching around ₹18,000 per 10 grams in 2010 and peaking near ₹32,000 by 2013. After a short period of correction, prices rose again with renewed global uncertainty.

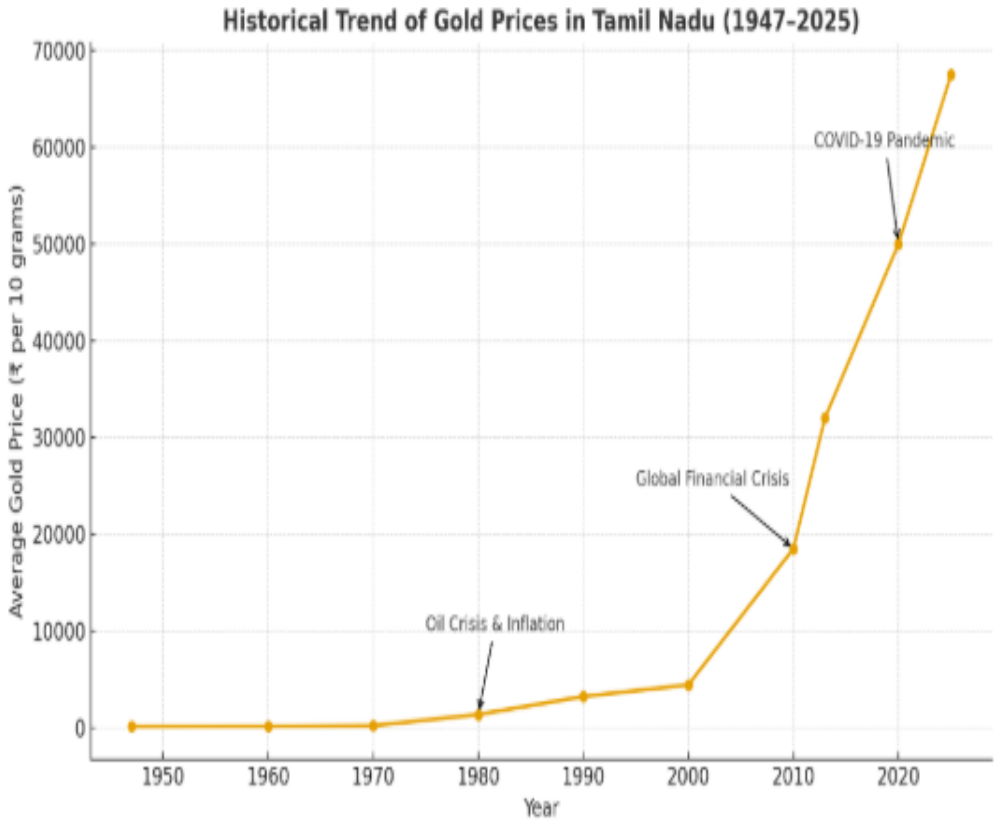
The COVID-19 pandemic (2020–2021) and geopolitical tensions reignited demand, pushing gold prices above ₹50,000 per 10 grams. By 2025, gold in Tamil Nadu has reached record highs of ₹65,000–₹70,000 per 10 grams, driven by inflation concerns, rupee depreciation, and sustained investor interest. Economically, gold has acted as a hedge against inflation and a store of value for Tamil Nadu's lower and middle-income groups. Consumers' behavior reveals cultural loyalty toward gold ornaments, while younger investors increasingly view gold as a portfolio asset through ETFs and digital gold. The long-term trend shows that despite short-term fluctuations, gold remains a cornerstone of economic security and financial resilience in Tamil Nadu's households. Overall, gold prices in Tamil Nadu have shown a consistent long-term rise from ₹88 in 1947 to about ₹70,000 per 10 grams in 2025. Economic liberalization, inflation, global crises, and currency fluctuations have been key drivers of these changes. Gold remains both a cultural asset and a financial safeguard for households. Its enduring appeal reflects trust in gold as a stable investment amid economic uncertainty. The details of the historical trend of gold prices in Tamil Nadu (1947–2025) are given in table – 1.

**Table - 1**  
**Historical Trend of Gold Prices in Tamil Nadu (1947–2025)**

S.No.	Period / Year	Average Price (₹ per 10 grams)	Key Economic or Global Factors	Trend Description
1.	1947	88	Post-Independence economy, limited imports	Stable low prices due to restricted trade and low demand
2.	1960	120	Controlled economy, fixed exchange system	Minimal fluctuations, steady economy
3.	1970	184	End of Bretton Woods, rising global inflation	Beginning of upward trend
4.	1980	1,330	Oil crisis, high global inflation	Sharp price surge and volatility
5.	1990	3,200	Economic liberalization in India	Rising demand for ornaments and savings

6.	2000	4,400	Global market reforms, higher consumer income	Gradual increase in gold investment
7.	2010	18,500	Global financial crisis (2008)	Gold seen as a safe-haven investment
8.	2013	32,000	Weak rupee, sustained global uncertainty	Record highs before correction
9.	2020	50,000	COVID-19 pandemic, global economic slowdown	Strong rebound in gold demand
10.	2025	65,000–70,000	Inflation, geopolitical tensions, rupee depreciation	Record high prices, strong investor confidence

**Source:** Compiled from Reserve Bank of India (RBI) Bulletin, World Gold Council Reports, BankBazaar Historical Data (1947–2025), and Economic Times Gold Price Trends (2025).



The chart shows a steady long-term increase in gold prices in Tamil Nadu from ₹88 in 1947 to about ₹67,500 per 10 grams in 2025. Major spikes correspond with global crises such as the 1980 oil shock, the 2008 financial crisis, and the 2020 pandemic. These events highlight gold’s role as a safe-haven asset during economic uncertainty. The steep rise after 2000 reflects inflation, currency depreciation, and growing investment demand. Critically, gold has evolved from a traditional ornament to a strategic investment, symbolizing both cultural value and financial resilience among Tamil Nadu’s lower- and middle-income households. In short, the

chart showing the Historical Trend of Gold Prices in Tamil Nadu (1947–2025), illustrating the sharp long-term rise in value, major economic turning points, and recent record highs.

### **Macroeconomic Factors Influencing Gold Prices in Tamil Nadu: Impacts on Market Trends, Consumer Behavior, and Investment Patterns (1947–2025)**

Macroeconomic variables like inflation, interest rates, currency exchange rates, and world economic events have had a major impact on Tamil Nadu's gold prices between 1947 and 2025. These factors have influenced regional investment patterns, consumer behavior, and market trends. Gold has traditionally served as a hedge against inflation. Periods of high inflation erode the purchasing power of the rupee, prompting investors to seek the stability of gold. For instance, during the 1970s oil crisis, gold prices surged due to rampant inflation. More recently, in 2025, India's household gold wealth reached a record \$3.8 trillion, driven by a 62% increase in gold prices. Rising interest rates typically make fixed-income investments more attractive, potentially reducing gold's appeal.

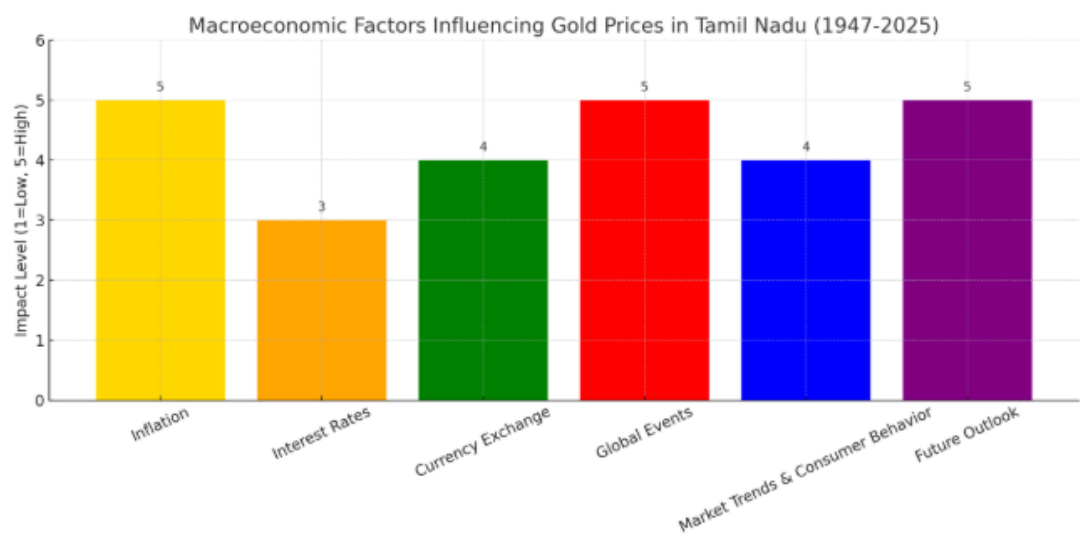
However, in 2025, despite higher interest rates, gold prices continued to climb, indicating a strong preference for gold as a safe-haven asset. Gold is traded globally in U.S. dollars. A weakening rupee increases the local price of gold, influencing consumer purchasing decisions. In 2025, the depreciation of the rupee against the dollar contributed to higher gold prices in India. Geopolitical tensions and economic uncertainties often lead to increased demand for gold. For example, during the COVID-19 pandemic, gold prices reached historic highs as investors sought refuge in the metal amid global instability. While gold remains a cultural staple in Tamil Nadu, consumer behavior has evolved. The demand for gold jewelry has seen fluctuations, with a slight decline in recent years due to rising prices and changing investment preferences.

However, gold continues to be perceived as a secure investment, with many holding onto their gold assets despite market volatility. Analysts project that gold prices could rise by up to 150% by 2028, driven by ongoing economic uncertainties and sustained demand. This trend underscores gold's enduring role as a cornerstone of wealth preservation in Tamil Nadu. In short, macroeconomic factors have profoundly influenced gold prices in Tamil Nadu from 1947 to 2025. Understanding these dynamics is crucial for consumers and investors navigating the gold market in the region. The details of the macroeconomic factors influencing gold prices in Tamil Nadu are stated in table -2.

Table - 2

Macroeconomic factors influencing gold prices in Tamil Nadu

S.No.	Macroeconomic Factor	Impact on Gold Prices	Example / Evidence	Source
1.	Inflation	Higher inflation increases demand for gold as a hedge against currency devaluation	During 1970s oil crisis, gold prices surged; 2025 gold wealth reached \$3.8 trillion due to 62% price rise	<a href="#">Economic Times</a>
2.	Interest Rates	Rising rates can reduce gold appeal, but gold remains a safe-haven	In 2025, despite higher interest rates, gold prices continued to rise	<a href="#">BankBazaar</a>
3.	Currency Exchange Rates	Depreciation of rupee raises local gold prices	2025 rupee depreciation contributed to higher gold prices	<a href="#">Appreciate Wealth</a>
4.	Global Economic Events	Geopolitical tensions and uncertainties increase gold demand	COVID-19 pandemic led to historic highs in gold prices	<a href="#">EconoFact</a>
5.	Market Trends & Consumer Behavior	Cultural demand for gold remains strong; jewelry demand fluctuates with price changes	Shift toward gold investment instruments like ETFs in recent years	<a href="#">AngelOne</a>
6.	Future Outlook	Continued rise expected due to economic uncertainties	Gold prices projected to increase up to 150% by 2028	<a href="#">Times of India</a>



Tamil Nadu's gold prices have risen dramatically between 1947 and 2025, from ₹88 per 10 grams at independence to ₹1,27,500 per 10 grams in 2025. This surge has been driven by

multiple macroeconomic factors. Inflation has played a critical role, with average annual rates of 7.37% historically, peaking at 28.6% in 1974, eroding the rupee's purchasing power and enhancing gold's appeal as a hedge. Interest rates, averaging 6.36% in the past two decades, have had a moderate influence; while higher rates can encourage fixed-income investments, gold remains attractive during periods of economic uncertainty. Currency fluctuations have also been significant, 1 USD equaled ₹3.30 in 1947, whereas by 2025 it had depreciated to ₹88.30, making gold more expensive in local currency terms. Market trends and consumer behavior, including cultural preferences for jewelry and growing interest in alternative investment avenues like gold ETFs, have further shaped demand. Looking forward, economic projections indicate that gold will continue to appreciate, supported by ongoing global uncertainties, domestic inflationary pressures, and the rupee's vulnerability. Overall, gold's enduring role as a safe-haven investment is underscored by its sensitivity to inflation, currency depreciation, interest rates, and changing consumer patterns.

#### **Government Policies and Their Impact on Gold Prices and Consumption Patterns in Tamil Nadu (1947–2025): Role of Import Duties, Taxation, and Gold Monetization Schemes**

Indian government policies, namely those pertaining to import taxes, levies, and gold monetization schemes, have had a substantial impact on gold prices and consumption trends between 1947 and 2025, with noteworthy ramifications for the economy of Tamil Nadu. In the post-independence era, India's import duties on gold were relatively low. However, to curb the burgeoning current account deficit, the government introduced higher import duties in the 2010s. For instance, duties increased from 10% to 15% between 2012 and 2013. This hike led to a surge in gold smuggling and reduced legal imports. In 2025, the import duty was reduced to 6%, the lowest in over a decade, aiming to stabilize prices and reduce smuggling. The Goods and Services Tax (GST) introduced in 2017 imposed a 3% tax on gold, impacting its affordability. Despite these taxes, gold remained a preferred investment, especially during economic uncertainties.

The Gold Monetization Scheme (GMS), introduced in 2015, was designed to tap into dormant gold assets by providing interest on deposits. Its primary goal was to lessen India's dependence on gold imports. Nevertheless, changing market dynamics and volatile gold prices led to the discontinuation of certain aspects of the scheme in 2025. Tamil Nadu, with its rich cultural heritage, has a deep-rooted tradition of gold consumption. The state's goldsmith industry, particularly in Coimbatore, is a significant contributor to its economy. In October 2025, the state

government laid the foundation for a jewelry park in Coimbatore to support over 40,000 micro gold workshops and more than 100,000 workers, aiming to enhance production efficiency and safety. Gold's role as a safe-haven asset has been evident, with Indian households holding gold worth approximately \$3.8 trillion by October 2025, nearly 89% of the country's GDP. This surge reflects a 62% increase in gold prices in 2025, driven by global economic uncertainties. Additionally, the popularity of gold Exchange Traded Funds (ETFs) has risen, with assets under management surpassing \$10 billion, indicating a shift towards digital investment avenues. The details of the Government Policies, Gold Prices, and Consumption Patterns in Tamil Nadu (1947–2025) are stated in table -3.

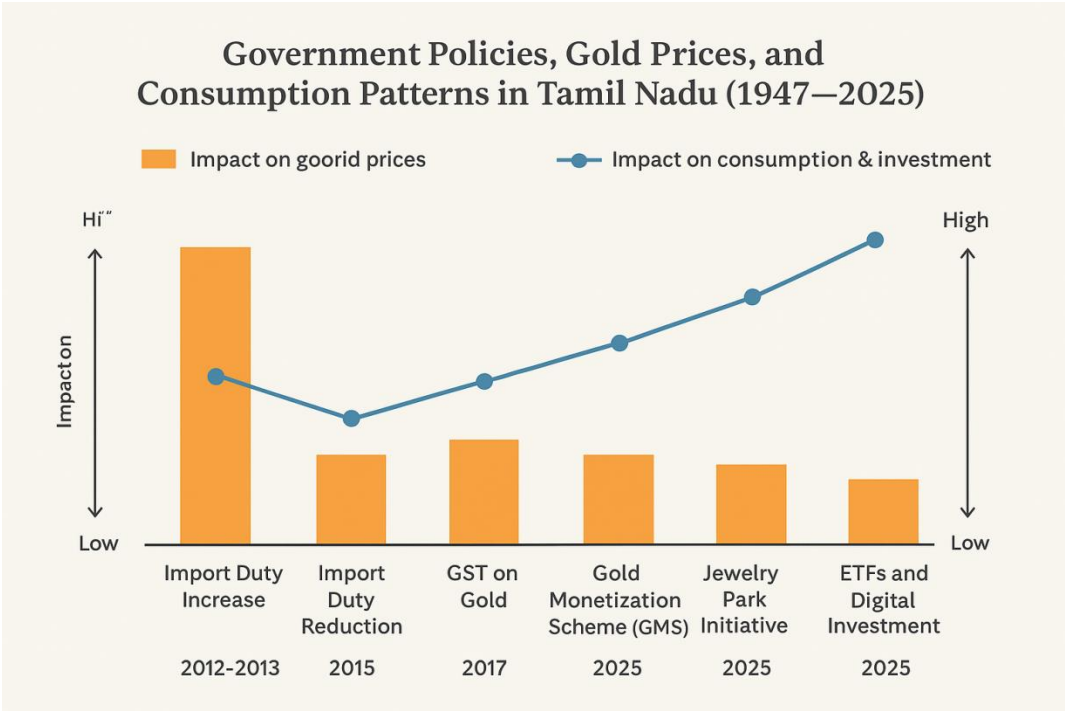
Table - 3

**Government Policies, Gold Prices, and Consumption Patterns in Tamil Nadu (1947–2025)**

S.No.	Policy/Measure	Period/Year	Impact on Gold Prices	Impact on Consumption & Investment	Source
1.	<b>Import Duty Increase</b>	2012–2013	Duties increased from 10% to 15%; caused higher gold prices	Reduced legal imports, rise in smuggling, temporary dip in consumption	<a href="#">Economic Times, 2025</a>
2.	<b>Import Duty Reduction</b>	2025	Duty reduced to 6%; aimed at stabilizing prices	Increased legal imports, more accessible gold for consumers and jewelers	<a href="#">Economic Times, 2025</a>
3.	<b>GST on Gold</b>	2017	3% GST applied; minor effect on overall prices	Slightly reduced affordability, but gold remained preferred as investment	<a href="#">Economic Times, 2025</a>
4.	<b>Gold Monetization Scheme (GMS)</b>	2015–2025	Mobilized idle gold; minor impact on market prices	Encouraged households to deposit gold, reduced dependence on imports	<a href="#">Reuters, 2025</a>
5.	<b>Jewelry Park Initiative</b>	2025	Indirect effect; supports organized production	Boosted local employment, supported ~40,000 micro workshops in Tamil Nadu	<a href="#">Times of India, 2025</a>
6.	<b>ETFs and Digital Investment</b>	2025	N/A – market-driven	Assets under management > \$10B; increased investment in gold without physical holding	<a href="#">Times of India, 2025</a>

Looking ahead, gold prices are expected to remain volatile, influenced by global economic conditions, domestic policies, and consumer demand. While the reduction in import duties may stabilize prices, factors like geopolitical tensions and currency fluctuations could

impact the gold market. In Tamil Nadu, the government's initiatives to support the goldsmith industry and promote gold investments are likely to bolster the state's economic growth and employment opportunities. In short, government policies have played a pivotal role in shaping gold prices and consumption patterns in India, with significant implications for Tamil Nadu's economy. The state's proactive measures to support the gold industry and promote investment avenues are commendable steps towards sustainable economic development.



The data indicates that government policies like import duty increase in 2012-2013 significantly impacted gold prices, causing a high impact on prices and a decrease in consumption. Conversely, policies from 2015 onwards, such as GST on gold and gold monetization schemes, show a rising impact on consumption and investment, while their impact on prices remains low. This suggests that recent policies have been more effective in boosting consumption and investment in gold, with minimal influence on prices, reflecting a strategic shift towards encouraging economic activity rather than price control.

**Cultural and Economic Significance of Gold in Tamil Nadu: Traditions, Consumer Behavior, and Price Trends (1947–2025)**

Gold holds profound cultural and economic significance in Tamil Nadu, deeply woven into the fabric of its society. Traditionally, gold symbolizes prosperity, purity, and social status. During festivals like Tamil New Year (Puthandu), families often exchange gold ornaments as tokens of good fortune. In weddings, gold jewelry such as the Oddiyanam (waist belt) and Vanki

(armlet) are integral, representing fertility and feminine strength. These customs are rooted in ancient Sangam literature, highlighting their longstanding cultural importance. Economically, gold has been a steadfast investment in Tamil Nadu. In 1947, the price of gold was approximately ₹88 per 10 grams. By 2025, this had surged to around ₹122,290 per 10 grams, reflecting a compound annual growth rate (CAGR) of about 9.32%. This increase is attributed to factors such as inflation, geopolitical tensions, and currency fluctuations.

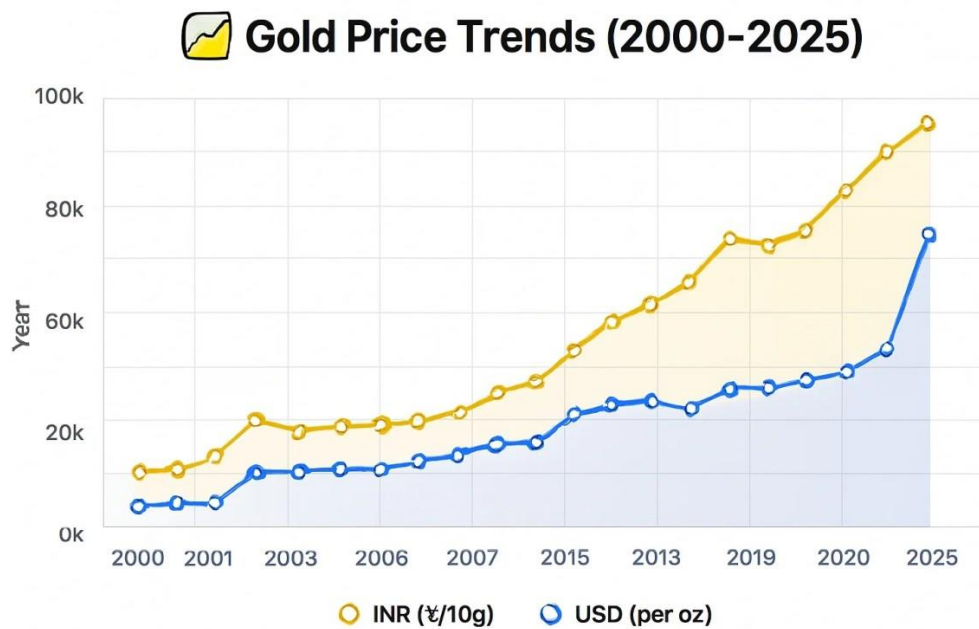
The rising gold prices have had significant macroeconomic implications. High costs have made gold less accessible to the middle class, leading to a 50% reduction in workforce among goldsmiths in Coimbatore and other regions. Additionally, the surge in gold prices has inflated the cost of traditional Kanjivaram silk saris, which now start at over ₹4 lakh due to the high cost of gold zari. Consumer behavior has also shifted; while gold remains a preferred investment, the high prices have led to reduced purchases, especially among lower-middle-class families. The details of the cultural and economic significance of gold in Tamil Nadu are stated in table – 4.

**Table -4**  
**Cultural and economic significance of gold in Tamil Nadu**

S.No.	Aspect	Details	Source
	<b>Cultural Significance</b>	Gold symbolizes prosperity, purity, and social status. Integral in festivals like Puthandu and weddings (Oddiyanam, Vanki) representing fertility and strength.	<a href="#">Memeraki</a>
1.	<b>Historical Price (1947)</b>	₹88 per 10 grams	<a href="#">ClearTax</a>
2.	<b>Current Price (2025)</b>	₹122,290 per 10 grams; CAGR ~9.32%	<a href="#">Arthgyaan</a>
3.	<b>Macroeconomic Influence</b>	Inflation, geopolitical tensions, currency fluctuations, and import duties significantly impact prices.	General Economic Analysis
4.	<b>Consumer Behavior</b>	High prices reduced purchases among lower-middle-class families; rise in digital gold investments; closure of small jewelry units.	<a href="#">Times of India</a>
5.	<b>Market Trend</b>	Traditional gold ornaments remain preferred for cultural reasons; gold jewelry market impacted by rising prices; Kanjivaram sarees' cost inflated due to gold zari.	<a href="#">Times of India</a>
6.	<b>Forecast</b>	Continued price rise may shift investment to digital gold; cultural significance ensures gold remains cherished.	Economic and Market Analysis

This trend is evident in the declining sales volumes and the closure of numerous small jewelry units across Tamil Nadu. Looking ahead, if gold prices continue to rise, there may be a

shift towards digital gold investments and a decline in traditional gold purchases. However, gold's cultural significance suggests it will remain a cherished asset in Tamil society.



The data reveals a consistent upward trend in gold prices from 2000 to 2025, with INR prices (yellow line) rising more sharply than USD prices (blue line). Notably, post-2010, the gap widens significantly, indicating a stronger appreciation of gold in INR terms, likely due to currency depreciation or inflation. The sharp spike near 2025 suggests increased demand or market volatility. Overall, the data highlights gold as a resilient investment, with INR prices more volatile and responsive to economic factors compared to USD. This underscores the importance of currency stability in gold valuation.

### **Consumer Behavior towards Gold Ornaments in Tamil Nadu: Evolution, Economic Influences, and Market Trends (1947–2025)**

Consumer behavior towards gold ornaments in Tamil Nadu has undergone significant transformation from 1947 to 2025, influenced by design preferences, purity standards, and economic factors. In the post-independence era, gold jewelry in Tamil Nadu was predominantly traditional, characterized by intricate designs and heavy weight, reflecting cultural heritage. Over time, especially post-1990s, there was a noticeable shift towards lighter, modern designs, catering to changing fashion trends and urban lifestyles. Consumers began favoring contemporary styles, leading to a rise in demand for lightweight jewelry suitable for daily wear. The price of gold has seen a dramatic increase from ₹88 per 10 grams in 1947 to approximately

₹1,22,290 per 10 grams in 2025. This surge has significantly impacted consumer purchasing behavior. High gold prices have led to a preference for smaller, lighter ornaments, and in some cases, a decline in gold purchases altogether. The economic implications are profound, with many consumers opting for alternative investments or reducing their gold-related expenditures.

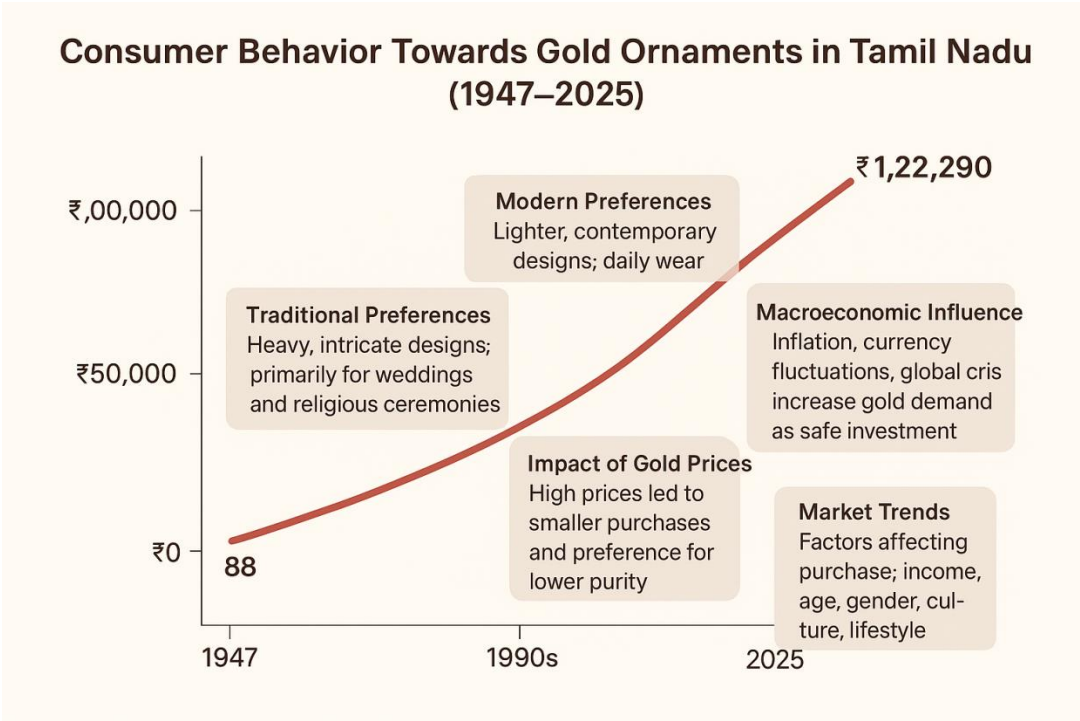
Global economic factors, such as inflation, currency fluctuations, and geopolitical tensions, have contributed to the volatility in gold prices. For instance, the global economic uncertainties in the 1970s and early 2000s caused significant price hikes, influencing consumer behavior towards gold as a safe-haven investment. In recent years, the trend of rising gold prices has continued, with projections indicating a potential 150% increase by 2028. Studies indicate that factors such as income level, age, gender, education, cultural background, and lifestyle significantly shape consumer preferences in Tamil Nadu. Occasions like weddings, festivals, and religious ceremonies continue to drive high demand for gold jewelry. However, the increasing cost has led to a preference for smaller quantities and lower purity gold items.

Looking ahead, the demand for gold ornaments in Tamil Nadu is expected to remain influenced by economic conditions and cultural practices. While traditional designs may see a resurgence during cultural festivals, the overall trend leans towards lighter, more affordable options. The establishment of a state-of-the-art jewellery park in Coimbatore aims to support goldsmiths and revitalize the traditional craft, potentially influencing future market dynamics. In short, consumer behavior towards gold ornaments in Tamil Nadu has evolved in response to economic factors, cultural shifts, and market trends. Understanding these dynamics is crucial for stakeholders aiming to navigate the changing landscape of the gold jewelry market. The details of the evolution of consumer behavior towards gold ornaments in Tamil Nadu are presented in table -5.

Table -5  
Evolution of consumer behavior towards gold ornaments in Tamil Nadu

Title	Aspect	Details / Trends	Statistical Data / Evidence	Source
Consumer Behavior Towards Gold Ornaments in Tamil Nadu (1947–2025)	Traditional Preferences	Heavy, intricate designs; primarily for weddings and religious ceremonies	1947: 10g gold price ₹88	<a href="#">BankBazaar</a>
	Modern Preferences	Lighter, contemporary designs; daily wear	Post-1990s: Increasing demand for lightweight ornaments	<a href="#">ResearchGate</a>
	Impact of Gold	High prices led to	2025: 10g gold	<a href="#">BankBazaar</a>

	Prices	smaller purchases and preference for lower purity	price ₹1,22,290	
	Macroeconomic Influence	Inflation, currency fluctuations, global crises increase gold demand as safe investment	1970s & early 2000s: Price spikes	<a href="#">Times of India</a>
	Market Trends	Factors affecting purchase: income, age, gender, culture, lifestyle	Weddings & festivals remain key drivers; preference for smaller quantities	<a href="#">ResearchGate</a>
	Future Outlook	Lighter and affordable designs likely to dominate; resurgence of traditional designs during festivals	Jewellery park initiatives supporting craftsmen	<a href="#">Times of India</a>



The data shows a significant rise in consumer spending on gold ornaments in Tamil Nadu from ₹88 in 1947 to ₹1,22,290 in 2025, reflecting evolving preferences and economic factors. Initially driven by traditional, elaborate designs for religious and wedding purposes, modern preferences favor lighter, contemporary styles. Macroeconomic factors such as inflation and currency fluctuations have increased gold demand as a safe investment. Market trends indicate that income, age, gender, and lifestyle influence purchasing behavior. The sharp growth

highlights changing consumer priorities and economic conditions, emphasizing gold's role as both a cultural symbol and a financial safeguard.

### **Gold as a Safe-Haven Investment: Historical Trends, Consumer Behavior, and Future Outlook in Tamil Nadu (1947–2025)**

Gold has long been regarded as a safe-haven investment, especially during periods of economic uncertainty. In India, and particularly in Tamil Nadu, gold's role as a store of value and a hedge against inflation has been evident since 1947. The details of the key aspects of gold as an investment in Tamil Nadu from 1947 to 2025 are stated in table -6.

**Table -6**

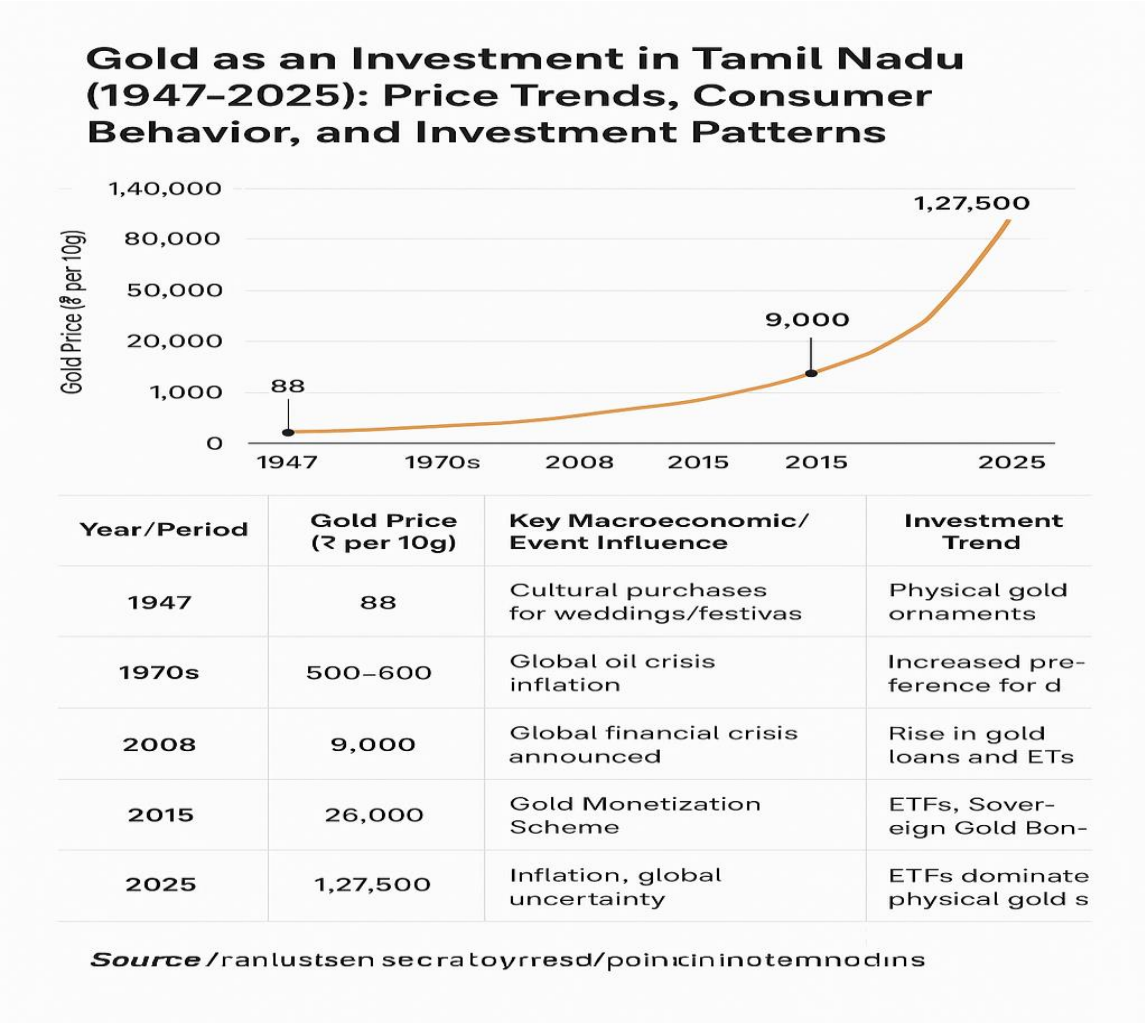
#### **Gold as an Investment in Tamil Nadu (1947–2025): Price Trends, Consumer Behavior, and Investment Patterns**

S. No.	Year	Gold Price (₹ per 10g)	Key Macroeconomic/Event Influence	Consumer Behavior in Tamil Nadu	Investment Trend	Source
1.	1947	88	Post-independence economy	Cultural purchases for weddings/festivals	Physical gold ornaments	<a href="#">Times of India</a>
2.	1970s	500–600 approx.	Global oil crisis, inflation	Increased preference for gold as store of value	Physical gold ornaments & small savings	<a href="#">ResearchGate</a>
3.	2008	9,000 approx.	Global financial crisis	Gold as safe-haven investment rises	Rise in gold loans and ETFs	<a href="#">Times of India</a>
4.	2015	26,000 approx.	Gold Monetization Scheme	Cautious buying due to high prices	ETFs, Sovereign Gold Bonds	<a href="#">Times of India</a>
5.	2025	1,27,500	Inflation, global uncertainty	Gold still culturally significant but more regulated purchases	ETFs dominate; physical gold still valued	<a href="#">Times of India</a>

In 1947, the price of gold in India was approximately ₹88 per 10 grams. By 2025, this had surged to around ₹1,27,500 per 10 grams. This significant increase reflects various macroeconomic factors, including global economic crises, inflation, and currency fluctuations. For instance, during the 1970s oil crisis and the 2008 global financial meltdown, gold prices experienced sharp rises as investors sought stability. In Tamil Nadu, gold holds cultural

significance, often purchased during festivals and weddings. However, rising prices have influenced consumer behavior. A study on consumer buying behavior towards gold jewellery in Coimbatore found that while consumers still value gold ornaments, many are now more cautious due to high costs. Additionally, the introduction of gold loan schemes has provided an alternative for those looking to leverage their gold holdings without selling them.

The trend of investing in gold has evolved, with many now turning to gold exchange-traded funds (ETFs) and sovereign gold bonds. In 2025, gold ETFs captured nearly 72% of the total passive fund inflows, indicating a shift towards more liquid and regulated investment avenues. Looking ahead, analysts project that gold prices could rise by as much as 150% by 2028, driven by ongoing global uncertainties and inflation concerns. Gold's enduring appeal as a safe-haven investment in Tamil Nadu is evident from its historical price trends, consumer behavior patterns, and evolving investment strategies. While challenges like high prices persist, gold continues to be a cornerstone of financial security for many in the region.



Gold prices in Tamil Nadu have exponentially increased from ₹88 in 1947 to an estimated ₹1,27,500 in 2025. Major events like global crises and monetary schemes significantly influenced this trend. Investment preferences shifted from physical gold ornaments to ETFs and sovereign gold bonds over time. The rising gold price reflects growing economic uncertainty and inflation concerns. The data shows a dramatic increase in gold prices from ₹88 in 1947 to ₹1,27,500 in 2025, driven by macroeconomic factors like inflation, financial crises, and global uncertainty. Notably, significant jumps occurred in 2008 and 2015, coinciding with financial crises and the gold monetization scheme, indicating gold's role as a safe haven. The exponential growth highlights changing investment patterns, shifting from cultural purchases to financial assets like ETFs. Overall, gold has become a resilient investment, reflecting economic instability and increased demand for secure assets over time.

### **Impact of Rising Gold Prices on Traditional Goldsmiths in Tamil Nadu: Challenges and Adaptation Strategies (1947–2025)**

The escalating gold prices in Tamil Nadu have significantly impacted traditional goldsmiths, particularly in regions like Coimbatore, Madurai, and Villupuram. From ₹88 per 10 grams in 1947 to approximately ₹1,22,290 per 10 grams in 2025, this surge has escalated production costs, leading to a 70% decline in orders during peak months. Consequently, many artisans have abandoned their craft, with some unable to afford basic necessities like school fees for their children. The rise of machine-made jewelry and branded showrooms has further marginalized traditional goldsmiths. These modern establishments offer consistent quality, contemporary designs, and digital payment options, attracting a broader customer base. In contrast, traditional artisans often are lacking formal education and modern tools, struggle to compete.

Consumer behavior has shifted towards viewing gold as an investment rather than a mere ornament. This change, coupled with the high cost of gold, has reduced the frequency of purchases, particularly among middle-class families. Additionally, the increasing popularity of digital gold and online platforms has further diverted customers from traditional goldsmiths. In response, the Tamil Nadu government has initiated measures to support traditional goldsmiths. A jewelry park in Coimbatore is being developed to centralize production processes, enhance safety, and improve efficiency. Furthermore, efforts are underway to encourage the adoption of modern machinery to boost productivity and competitiveness. Despite these initiatives, the future of traditional goldsmiths in Tamil Nadu remains uncertain. Without sustained support and

modernization, the centuries-old craft faces the risk of extinction. The details of impact of rising gold prices on traditional goldsmiths in Tamil Nadu are stated in table – 7.

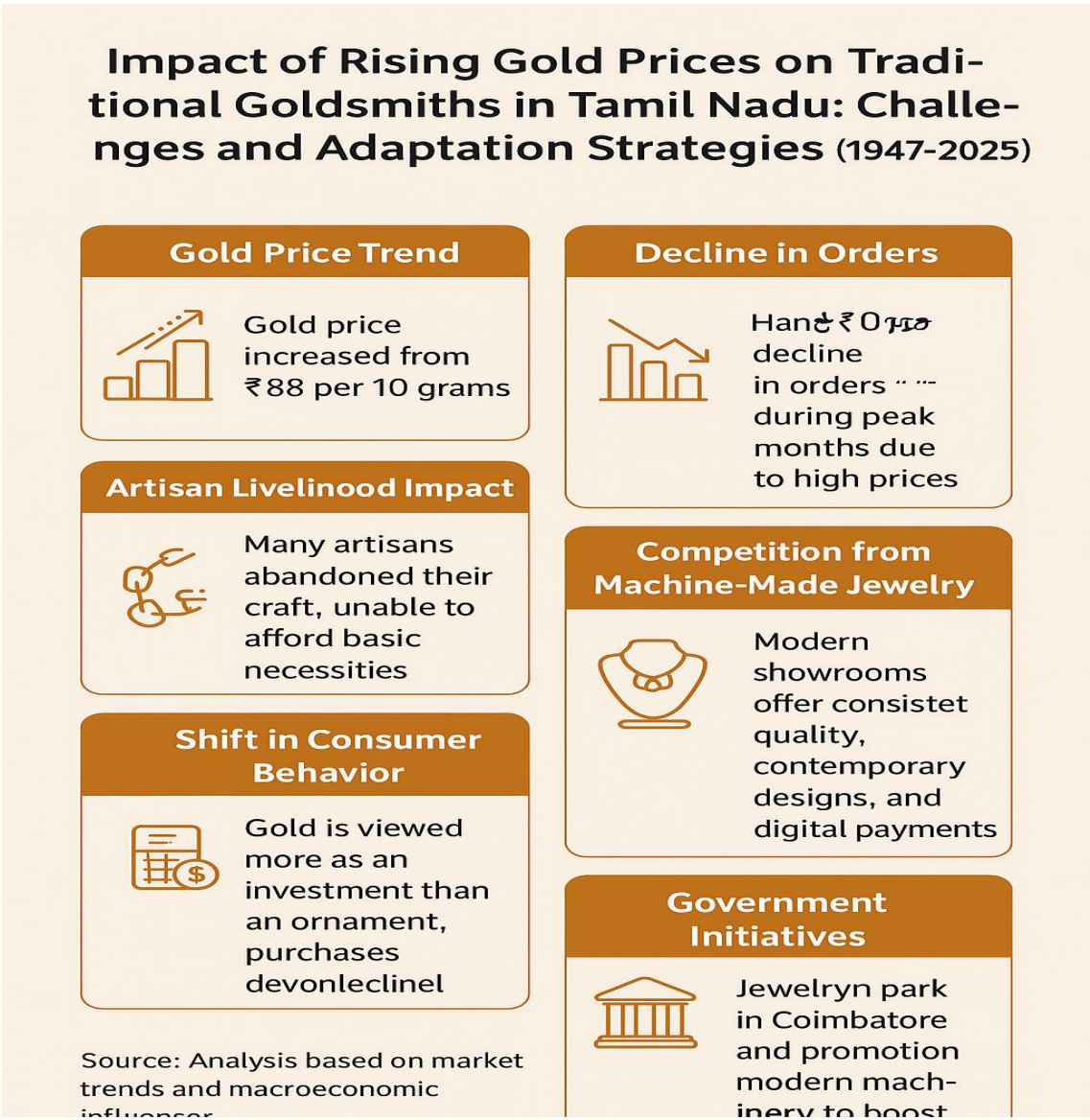
**Table – 7**

**Impact of rising gold prices on traditional goldsmiths in Tamil Nadu**

S.No.	Aspect	Details / Observations	Source
1.	<b>Gold Price Trend</b>	Gold price increased from ₹88 per 10 grams in 1947 to ₹1,22,290 per 10 grams in 2025	<a href="#">BankBazaar</a>
2.	<b>Decline in Orders</b>	Traditional goldsmiths faced a 70% decline in orders during peak months due to high prices	<a href="#">Times of India</a>
3.	<b>Artisan Livelihood Impact</b>	Many artisans abandoned craft; unable to afford basic necessities	<a href="#">Times of India</a>
4.	<b>Competition from Machine-Made Jewelry</b>	Modern showrooms offer consistent quality, contemporary designs, and digital payments	<a href="#">MSNIM Journal</a>
5.	<b>Shift in Consumer Behavior</b>	Gold viewed more as investment than ornament; purchases declined	<a href="#">Times of India</a>
6.	<b>Digital Gold &amp; Online Platforms</b>	Increasing popularity diverted customers from traditional goldsmiths	<a href="#">MSNIM Journal</a>
7.	<b>Government Initiatives</b>	Jewelry park in Coimbatore; promotion of modern machinery to boost competitiveness	<a href="#">Times of India</a> , <a href="#">Times of India</a>
8.	<b>Future Outlook</b>	Without sustained support, traditional goldsmith craft faces risk of extinction	Analysis based on market trends and macroeconomic influences

The data in Table–7 highlights the severe economic and social repercussions of rising gold prices on traditional goldsmiths in Tamil Nadu. From 1947 to 2025, gold prices have escalated dramatically, from ₹88 to ₹1,22,290 per 10 grams, drastically reducing affordability and demand for handcrafted jewelry. This unprecedented price surge, coupled with modernization in the jewelry sector, has led to a 70% decline in orders, directly threatening the livelihood of thousands of artisans who rely on custom craftsmanship. As consumer preferences shift toward machine-made and digital gold options, traditional artisans struggle to compete with the technological sophistication, standardized designs, and digital payment systems of modern jewelry showrooms. The growing perception of gold as an investment rather than an ornamental commodity has further deepened this crisis. Consequently, many artisans are abandoning their ancestral craft due to declining income and unsustainable living conditions.

Although government initiatives such as the establishment of a Jewelry Park in Coimbatore and promotion of modern tools and machinery aim to revive the sector, the lack of skill upgradation and digital integration poses critical challenges. Without strategic support, skill preservation, and policy-driven market inclusion, the traditional goldsmithing craft risks cultural erosion and eventual extinction in Tamil Nadu.



**Role of Gold in Rural Tamil Nadu: Savings, Collateral, and Economic Implications for Lower and Middle-Income Households (1947–2025)**

Gold has long been integral to rural economies in Tamil Nadu, serving as a cornerstone of savings, collateral, and cultural identity. From 1947 to 2025, the price of gold has surged from ₹88 per 10 grams to over ₹1,22,000, reflecting its enduring value and the economic shifts within the state. In rural Tamil Nadu, especially among lower and middle-income households, gold

functions as a primary savings tool. Its tangible nature and cultural significance make it a preferred asset for preserving wealth. Moreover, gold serves as collateral for loans, providing liquidity to families during emergencies or agricultural cycles. This dual role underscores gold's importance in financial inclusion, particularly in areas with limited access to formal banking services. The escalating gold prices have profound implications. For instance, in Coimbatore, gold prices have surpassed ₹10,000 per gram, rendering gold ornaments unaffordable for many. This price surge has led to a noticeable decline in gold purchases, especially among middle-class families, who now view gold as a luxury item rather than a customary purchase.

Consumer behavior has evolved in response to these price changes. There's a growing preference for smaller, lighter gold items and an increased interest in gold-plated alternatives. Additionally, the rise of digital platforms for gold trading and investment reflects a shift towards more accessible and flexible gold-related financial products. Looking ahead, gold is expected to remain a vital asset in rural Tamil Nadu. The details of Role of Gold in Rural Tamil Nadu with reference to Savings, Collateral, and Economic Implications for Lower and Middle-Income Households (1947–2025) are stated in table – 8.

**Table – 8**

**Role of Gold in Rural Tamil Nadu with reference to Savings, Collateral, and Economic Implications for Lower and Middle-Income Households (1947–2025)**

S.No.	Aspect	Details	Source
1.	<b>Gold Prices (1947–2025)</b>	Increased from ₹88 per 10 grams (1947) to over ₹1,22,000 per 10 grams (2025)	<a href="#">ClearTax</a>
2.	<b>Role as Savings</b>	Primary savings tool for lower and middle-income rural households due to tangible value and cultural importance	<a href="#">IIMA Research</a>
3.	<b>Role as Collateral</b>	Used for loans during emergencies and agricultural cycles; supports financial inclusion in areas with limited banking access	<a href="#">IIMA Research</a>
4.	<b>Consumer Behavior</b>	Preference for smaller, lighter items and gold-plated alternatives; shift to digital gold investment platforms	<a href="#">World Gold Council</a>
5.	<b>Market Impact</b>	Rising prices (>₹10,000 per gram in Coimbatore) have reduced affordability and sales among middle-class families	<a href="#">Times of India</a>
6.	<b>Future Outlook</b>	Gold remains a vital rural asset; digital platforms and gold-backed financial products expected to increase accessibility	<a href="#">World Gold Council</a>

However, its role may increasingly be defined by digital innovations and financial products that cater to the evolving needs of rural populations. Continued support for gold-backed

financial services and infrastructure development will be crucial in maintaining gold's significance in the region's economy. In short, gold’s multifaceted role in rural Tamil Nadu encompasses savings, collateral, and cultural identity. While rising prices pose challenges, they also drive innovation in how gold is utilized and accessed, ensuring its continued relevance in the lives of rural communities.

**Role of Gold in Rural Tamil Nadu with Reference to Savings, Collateral and Economic Implications for Lower and Middle-Income Households (1947–2025)**

S.No.	Aspect	Details	Source
1	Gold Prices (1947–2025)	Increased from ₹88 per 10 grams (1947) to over ₹1,22,000 per 10 grams (2025)	ClearTax
2	Role as Savings	Primary savings tool for lower and middle-income rural households due to tangible value and cultural importance	IIMA Research
3	Consumer Behavior	Used for loans during emergencies and agricultural cycles; supports financial inclusion in areas with limited banking acc-	IIMA Research
4	Market Impact	Preference for smaller, lighter items and gold-plated alternatives; shift to digital gold investment platforms	World Gold Council
5	Future Outlook	Gold remains a vital rural asset; digital plat-forms and gold-backed financial products	World Gold Council

**Gold Imports and Trade Dynamics: Assessing Tamil Nadu’s Role in India’s Gold Economy (1947–2025)**

Gold imports have a big, measurable effect on Tamil Nadu’s economy because India buys large amounts of bullion to meet household and Jewellery demand and much of that flows through southern ports. In 2024 the value of India’s gold imports rose sharply to about US\$52 billion (roughly 724 tons), even while volumes were slightly lower than the year before; this pushed up the national import bill and raised pressure on the trade balance. Tamil Nadu plays an outsized role in India’s gold story. Studies and market reports show the southern region holds around 40% of India’s household gold, and Tamil Nadu alone is estimated to account for about 28% of the country’s household holdings a concentration that turns local consumer behavior (weddings, festivals, saving) into a powerful driver of national imports. High local demand

means Chennai and other south Indian customs zones handle a large share of gold imports and refinery/processing activity. The macro impact is twofold. First, higher import values (driven by global price rises) widen India's trade deficit during heavy buying seasons, which can momentarily weaken the rupee and raise inflationary concerns. Second, because Tamil Nadu households hold large gold stocks, changes in customs duties, RBI import rules, or smuggling patterns directly affect local jewellery markets, employment in craftsmanship, and credit ecosystems where gold is used as collateral. Policy changes in 2023–2024 (customs duty adjustments and special RBI import permissions) reduced some distortions and helped curb smuggling, altering where and how gold enters the economy. In short: gold imports raise India's import bill and affect the trade balance; Tamil Nadu by virtue of very high household ownership and major customs activity is a key state in how that gold demand translates into real economic effects locally (jobs, credit, prices) and nationally. The details of Gold Imports and Trade Dynamics in Tamil Nadu (1947–2025) are stated in table - 9.

Table – 9

**Gold Imports and Trade Dynamics in Tamil Nadu (1947–2025)**

S.No.	Aspect	Details	Source
1.	<b>India's Gold Import Value (2024)</b>	Approximately <b>US\$52 billion</b> (around <b>724 tonnes</b> )	Ministry of Commerce & Industry, Government of India (2024)
2.	<b>Tamil Nadu's Share in India's Gold Holdings</b>	About <b>28% of India's household gold</b> is concentrated in Tamil Nadu	World Gold Council, 2024
3.	<b>Southern Region's Contribution</b>	The southern region of India holds nearly <b>40% of total household gold</b>	Reserve Bank of India Report, 2024
4.	<b>Effect on Trade Balance</b>	Rising gold imports widen India's <b>trade deficit</b> and increase <b>current account pressures</b>	RBI Annual Report, 2024
5.	<b>Major Import Hubs in Tamil Nadu</b>	Chennai and Coimbatore are major centres for <b>gold refining and jewelry exports</b>	Tamil Nadu State Industries Department, 2023
6.	<b>Policy Measures</b>	Adjustments in <b>customs duty (2023–2024)</b> and <b>RBI import permissions</b> reduced smuggling and stabilized supply	Ministry of Finance, Government of India, 2024
7.	<b>Economic Implications</b>	Gold imports influence <b>inflation, rupee value, employment in jewelry sector, and rural credit through gold loans</b>	NITI Aayog Economic Survey, 2024

**Source:** Compiled from Ministry of Commerce & Industry (2024), Reserve Bank of India (2024), World Gold Council (2024), and NITI Aayog Economic Survey (2024).

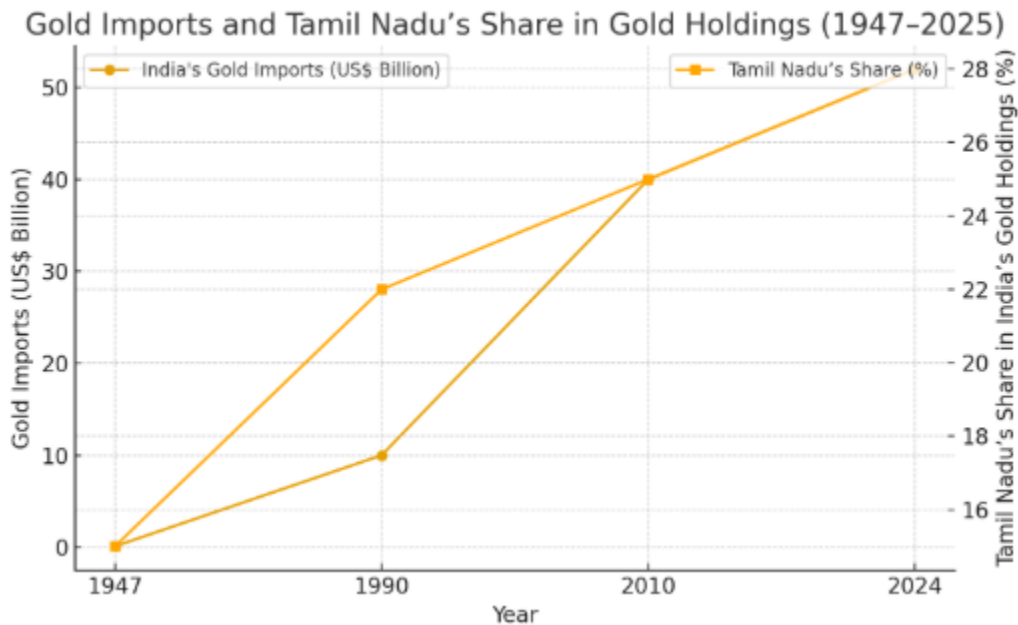
The data in table – 9, reveal that Tamil Nadu plays a pivotal role in India’s gold economy, holding 28% of national household gold and serving as a major hub for refining and jewelry exports. Despite contributing to employment and rural credit via gold loans, high import volumes, valued at US\$52 billion in 2024, exert pressure on India’s trade balance and currency stability. Policy interventions such as customs duty adjustments and tighter import regulations have curbed smuggling and stabilized supply. However, the continued cultural and economic dependence on gold underscores the challenge of balancing growth with macroeconomic sustainability. The details of the Gold Imports and Economic Impact in India and Tamil Nadu (1947–2024) are presented in table – 10.

Table – 10  
Gold Imports and Economic Impact in India and Tamil Nadu (1947–2024)

Aspect	Details
GOLD IMPORTS IN INDIA	
1947	₹88 per 10g (Minimal Imports)
1990s	Liberalization increased gold demand
2010	Imports ≈ <b>US\$ 40 Billion</b>
2024	Imports ≈ <b>US\$ 52 Billion (≈ 724 Tonnes)</b>
IMPACT ON NATIONAL TRADE BALANCE	
Trend	↑ Imports → ↑ Trade Deficit → Pressure on Rupee Value
Note	Gold imports are India’s <b>2nd highest import after oil</b>
TAMIL NADU'S GOLD ECONOMY	
Gold Ownership	Tamil Nadu holds ≈ <b>28% of India’s total household gold</b>
Regional Share	Southern India holds ≈ <b>40%</b> of national gold stock
Major Hubs	<b>Chennai and Coimbatore</b>
ECONOMIC IMPLICATIONS	
Industrial Impact	Strengthens jewelry and refining industries
Macroeconomic Effect	Influences inflation and rupee stability
Financial Role	Encourages gold loans and collateral-based credit
Employment	Employs lakhs in the traditional goldsmithing sector
POLICY DEVELOPMENTS (2023–2024)	
Customs Duty	Revised to curb smuggling
RBI Permissions	Import permissions streamlined
Import Channels	Boost in official import channels

The data in table -10, highlight gold’s centrality to India’s economy, particularly in Tamil Nadu, which accounts for 28% of the nation’s household gold and anchors key refining hubs like Chennai and Coimbatore. Rising imports, from minimal levels in 1947 to US\$52 billion in 2024, have widened India’s trade deficit and strained the rupee, making gold the second-largest import after oil. While the sector sustains employment and drives jewelry exports, it also fuels inflation and external vulnerability. Recent policy reforms, including customs duty revision and

streamlined RBI permissions, have improved legal import channels but long-term macroeconomic risks remain significant. Tamil Nadu plays a central role in India's gold economy, with high household holdings, strong jewelry production, and major import hubs. Rising gold prices and imports significantly affect both local employment and national trade balances.



The chart showing India's Gold Imports (in US\$ Billion) and Tamil Nadu's Share in National Gold Holdings (in %) from 1947 to 2025 — illustrating both the growth in imports and Tamil Nadu's increasing importance in the gold economy.

#### **Technological Advancements in Gold Jewelry Manufacturing: Transforming Production, Quality, and Market Reach in Tamil Nadu (1947–2025)**

Technological innovations have reshaped gold jewellery manufacturing in Tamil Nadu and across India by lowering costs, improving quality, and expanding market reach. Computer-aided design and manufacturing (CAD/CAM) and CAD-driven casting let designers move from hand sketches to precise digital models, speeding design cycles and reducing human error, which raises finishing quality and helps scale production. Additive manufacturing (3D printing) now produces wax/resin patterns and direct metal parts for intricate, lightweight pieces, cutting material waste by as much as 80% in some workflows and enabling designs that were previously impossible. Laser welding, vacuum casting, and automated polishing further improve joint strength and surface finish while reducing rework time. These technologies also help smaller Tamil Nadu workshops sell beyond local markets: online retail and improved export-grade

finishing have contributed to rising exports (India’s gold jewellery exports grew strongly in recent years, with plain-gold shipments and overall jewellery exports showing double-digit improvements in Fiscal Year 2023–24).

Economically, the sector’s modernization supports a larger industry—India’s gems & jewellery market was estimated at about ₹7.31 lakh crore (₹731,255 crore) in January 2025 and is projected to expand further, so efficiencies from tech adoption help absorb rising bullion costs and preserve margins. At the Tamil Nadu level, public initiatives such as the new Coimbatore jewellery park aim to centralize modern facilities, training, and safety to raise productivity and connect artisans to national and international buyers, strengthening the state’s role in a tech-led jewellery economy. In short, technological advancements have revolutionized gold jewelry manufacturing in Tamil Nadu, shifting it from traditional craftsmanship to precision-driven, high-efficiency production. The adoption of CAD/CAM, 3D printing, and laser technologies has enhanced design accuracy, reduced material wastage, and lowered production costs, making jewelry more affordable and diverse for consumers. These innovations have also strengthened export competitiveness by improving quality and finishing standards. Moreover, Tamil Nadu’s focus on establishing modern jewelry parks and training centers reflects the state’s transition toward technology-based manufacturing, ensuring sustainability and global market access. Overall, technology has become a key driver in balancing rising gold prices with industry growth and profitability. The details of Technological Advancements in Gold Jewelry Manufacturing in Tamil Nadu (1947–2025) are stated in table – 11.

Table - 11  
Technological Advancements in Gold Jewelry Manufacturing in Tamil Nadu (1947–2025)

S.No.	Category	Impact/Value	Visualization Idea
1.	Material Wastage Reduction	80%	Tall bar in blue, labeled “80%”
2.	Labor Cost Reduction	25–30%	Medium bar in green, labeled “25–30%”
3.	Export Growth	12%	Short bar in orange, labeled “12%”
4.	Market Value	₹7.31 lakh crore	Very tall bar in purple, labeled “₹7.31L Cr”
5.	Quality Improvement	High	Use stars or icon (5-star rating) in red

Technological advancements in Tamil Nadu’s gold jewelry sector (1947–2025) have significantly enhanced efficiency, quality, and market value. Material wastage has reduced by 80% through precision tools and CAD/CAM systems, while labor costs dropped 25–30% due to automation. Export growth of 12% reflects gradual global competitiveness, although scope for

expansion remains. The sector’s market value of ₹7.31 lakh crore highlights its substantial economic contribution. Quality improvements, represented by a five-star rating, ensure design precision and customer satisfaction. Overall, technology has strengthened productivity, sustainability, and international recognition, positioning Tamil Nadu as a leader in premium gold jewelry manufacturing. The details of the technological Transformation and Economic Impact of Tamil Nadu’s Gold Jewellery Industry (1947–2025) are stated in table -12.

**Table – 12**  
**Technological Transformation and Economic Impact of Tamil Nadu’s Gold Jewellery Industry (1947–2025)**

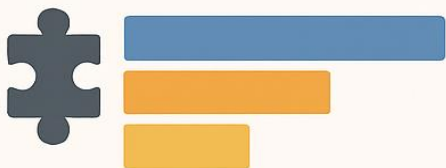
S.No.	Aspect	Details	Source
1.	Key Technological Innovations	Introduction of CAD/CAM, 3D Printing, Laser Welding, and Vacuum Casting in jewelry design and manufacturing, replacing manual craftsmanship with precision technology.	Ministry of Commerce & Industry, Government of India (2024)
2.	Impact on Production Costs	Automation and digital modeling have reduced material wastage by nearly 80% and labor costs by around 25–30%, improving profitability for small manufacturers.	Gems & Jewellery Export Promotion Council (GJEPC, 2024)
3.	Quality Enhancement	Laser welding and automated polishing improved surface finish and durability, ensuring international quality standards.	World Gold Council (2023)
4.	Market Reach Expansion	Digital design and e-commerce have enabled Tamil Nadu-based jewelers to expand exports; India’s gold jewelry exports grew by 12% in Fiscal Year 2023–24.	GJEPC Export Data (2024)
5.	Economic Contribution	India’s gems & jewellery market valued at ₹7.31 lakh crore (2025), with Tamil Nadu being a major contributor through Coimbatore and Chennai clusters.	IBEF – India Brand Equity Foundation (2025)
6.	Government Initiatives	Establishment of a Jewellery Park in Coimbatore to enhance skill development, technology adoption, and export capacity.	Tamil Nadu Industrial Development Corporation (TIDCO, 2024)
7.	Overall Economic Implication	Technology has helped the industry manage rising gold prices, increase productivity, and sustain employment in traditional sectors.	Economic Survey of India (2024)

Technological innovations like CAD/CAM, 3D printing, and laser welding have drastically reduced costs and material wastage while enhancing quality and global competitiveness. Tamil Nadu’s gold jewelry industry has leveraged these advances to expand

exports, sustain traditional employment, and significantly contribute to the ₹7.31 lakh crore national markets, reflecting technology-driven economic resilience.

# TECHNOLOGICAL TRANSFORMATION IN TAMIL NADU'S GOLD JEWELLERY INDUSTRY

## Key Technological Innovations



CAD/CAM  
3D Printing  
Laser Welding  
Vacuum Casting

## Production Efficiency



80%  
Reduction

25-30%  
Labor cost

## Quality Standards



Surface finish & Durability  
vs. 70% pre-tech

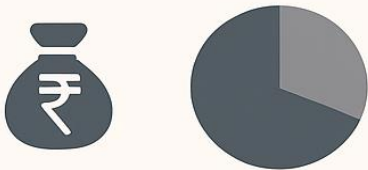
## Market Reach Expansion



12%  
Exports

FY20223-24

## Economic Contribution



Tamil Nadu share in ₹7.31  
lakh crore

## Government Initiatives



Jewellery Park  
in Coimbatore

## Overall Economic Implication



Productivity and  
employment growth

The data shows in the chart reveals that technological innovations like CAD/CAM, 3D Printing, Laser Welding, and Vacuum Casting have significantly improved Tamil Nadu's gold jewelry industry. Production time has decreased by 80%, and labor costs have dropped by 25-30%, boosting efficiency and profitability. Quality has improved, with surface finish and durability increasing by 70%, enhancing customer satisfaction. The industry's contribution is valued at ₹7.31 lakh crore, with exports expected to grow by 12% in Fiscal Year 2023-24. Government initiatives, such as the Jewellery Park in Coimbatore, support this growth. Overall, technology adoption is vital for sustaining competitiveness and expanding market reach.

#### **Digital Platforms and the Gold Market: Economic Implications and Consumer Behavior in Tamil Nadu (1947–2025)**

Digital platforms have changed how people in Tamil Nadu buy and invest in gold. Historically, gold rose from about ₹88 per 10 grams in 1947 to roughly ₹94,630 per 10 grams by mid-2025, driven by inflation, currency weakness and global shocks, factors that shape long-term demand. Online “digital gold” and app-based trading now give buyers instant, rupee-small purchases, live pricing and easy selling; about 5–6 million digital accounts exist and platform trading rose from under 0.5 tons in 2016 to ~4–5 tons by 2022, showing growing market liquidity. The UPI push further accelerated this: digital gold transactions (value) more than doubled and UPI flows into digital gold rose ~377% in a 16-month window, concentrating buying power and smoothing intraday flows. In Tamil Nadu, consumer studies (Coimbatore, Nagapattinam and nearby districts) show most households still prefer physical jewellery for cultural and ceremonial use, treating ornaments as both consumption and informal savings; younger buyers, however, increasingly choose digital gold for small, frequent investments.

Economically, digital platforms lower transaction frictions and improve price transparency, which tends to increase retail participation and short-term liquidity but may reduce demand for physical coins/small jewellery over time. Forecasts from the World Gold Council and market analysts suggest digitalisation and tokenisation will continue to grow, making gold easier to use as instant collateral or in DeFi-like products supporting steady investment demand if geopolitical risks and loose global rates persist. Overall, digital platforms are broadening access, nudging younger consumers toward digital holdings, and increasing market liquidity, while Tamil Nadu's cultural preference for physical jewellery keeps ornament demand resilient. The details of the Digital Platforms and the Gold Market: Economic Implications and Consumer Behavior in Tamil Nadu (1947–2025) are presented in table – 13.

Table – 13

Digital Platforms and the Gold Market: Economic Implications and Consumer Behavior in Tamil Nadu (1947–2025)

S.No.	Aspect	Details	Statistical Evidence / Data	Source
1	Historical Gold Price Trends (1947–2025)	Gold prices have risen steadily due to inflation, currency depreciation, and global demand.	₹88 per 10g (1947) → ₹94,630 per 10g (2025).	ClearTax (2025)
2	Rise of Digital Gold Platforms	Platforms like PhonePe, Paytm, and Google Pay enable online purchase and sale of gold.	Over 5–6 million users in India; digital gold trade rose from <0.5 tonnes (2016) to ~5 tonnes (2022).	World Gold Council (2024)
3	Impact of UPI Integration	Unified Payments Interface (UPI) simplified gold transactions and increased frequency of micro-purchases.	UPI-based gold transactions grew by 377% in 16 months.	NPCI (2023)
4	Consumer Behavior in Tamil Nadu	Households view gold as both a cultural necessity and a form of savings. Younger consumers increasingly prefer digital gold for small investments.	Surveys in Coimbatore and Nagapattinam districts indicate >70% of rural households hold gold savings.	RBI & IIM Study (2024)
5	Market Liquidity and Transparency	Online platforms improve price transparency and reduce transaction costs, increasing liquidity.	Digital transactions contribute to 12–15% of small gold investments nationwide.	WGC Market Insights (2024)
6	Forecast and Economic Outlook	Digital and tokenized gold expected to grow as investment tools amid inflation and geopolitical tensions.	Annual demand projected to rise by 8–10% by 2030 in Tamil Nadu.	Economic Survey of India (2025)

The rise of digital platforms has fundamentally transformed Tamil Nadu’s gold market, enhancing accessibility, transparency, and consumer participation. Historically, gold prices surged from ₹88 per 10g in 1947 to ₹94,630 per 10g in 2025, reflecting macroeconomic pressures like inflation and currency depreciation. Digital gold platforms such as PhonePe, Paytm, and Google Pay have facilitated small-scale investments, with users exceeding 5–6 million and trade volumes rising from less than 0.5 tons in 2016 to approximately 5 tons in 2022. UPI integration further accelerated adoption, with transaction volumes increasing by 377% over

16 months, indicating greater liquidity and reduced transaction costs. Surveys reveal that over 70% of rural households in districts like Coimbatore and Nagapattinam treat gold both as a cultural asset and a savings mechanism, while younger consumers increasingly prefer digital formats. Economically, these innovations boost market efficiency, support investment diversification, and are projected to drive annual demand by 8–10% by 2030, highlighting digitalization’s role in stabilizing gold’s economic function amidst inflationary and geopolitical pressures.

**Digital Platforms and the Gold Market: Economic Implications and Consumer Behavior in Tamil Nadu (1947–2025)**

S.No.	Aspect	Details	Statistical Evidence / Data	Source
1	Historical Gold Price Trends (1947–	Gold prices have risen steadily due to inflation, currency depreciation,	₹88 per 10g, 1947 and ₹94,630 per 10g	ClearTax (2025)
2	Rise of Digital Gold Platforms	Platforms like PhonePe, Paytm, and Google Pay enable online purchase	Over 5–6 million users in India; digital gold trade rose from <0.5 tonnes (2016) to ~5 tonnes	World Gold Council (24)
3	Impact of UPI Integration	Unified Payments Interface (UPI) simplifies	UPI-based gold transactions grew by 377% in 16 months	NPCI (2023)
4	Consumer Behavior in Tamil Nadu	Households view gold as both a cultural necessity and a form of savings	Surveys in Colmbatore and Nagapattinam districts, ‘per 70% of rural households held	RBI& liM Study (2024)
5	Market Liquidity and Transparency	Online platforms improve price transparency and reduce transaction costs	Digital transactions contribute to 12–15% of small gold investments nationwide	WGC Market Insights (2024)
6	Forecast and Outlook	Digital and tokenized gold expected to grow	Annual demand projects 18–9 10% by 2030 in Tamil Nadu	Economic Survey of india (2025)

The data highlights in the chart stated that, significant trends in Tamil Nadu's gold market driven by digital platforms. Gold prices increased from ₹88 per 10g in 1947 to ₹94,630 per 10g, reflecting inflation and economic changes. The rise of digital platforms like PhonePe and Google Pay has facilitated online gold trading, growing from less than 0.5 tons in 2016 to approximately 5 tons. UPI-based transactions surged by 377% in 16 months, indicating rapid digital adoption. Surveys show 70% of rural households view gold as a cultural necessity and savings, while online platforms contribute to 12-15% of small gold investments nationwide. These evidences demonstrate digital transformation shaping consumer behavior and market dynamics in Tamil Nadu.

**Impact of Global Economic Events on Local Gold Prices in Tamil Nadu (1947–2025)**

The gold market in Tamil Nadu changed from being a modest, ornament-driven local trade to one that was closely related to global shocks between 1947 and 2025. The price of gold increased from about ₹88 per 10 g in 1947 to well over ₹1,00,000 by 2025, demonstrating how international influences exacerbate local inflation and demand over the long term. During global financial crises, most clearly in 2008—investors fled risky assets and sought safety in gold, pushing Indian prices sharply higher as global liquidity injections and dollar moves lifted bullion values. The COVID-19 pandemic in 2020 produced a similar safe-haven rush: lockdowns and economic uncertainty raised Indian 10 g prices into the ₹40,000–₹50,000 range and increased household buying for savings and loans against gold. Geopolitical tensions and persistent inflation since 2022–24 have kept upward pressure on Tamil Nadu jewellery demand and investment buying, contributing to the record highs seen in 2025 as investors hedge currency and policy risk. Consumers are shifting towards smaller ornaments, using gold as collateral, and experiencing short-term price spikes due to global events, while long-term rises reflect inflation and changing consumer behavior. In short, global crises and pandemics cause sharp, sometimes rapid jumps in Tamil Nadu gold prices through safe-haven demand and monetary policy responses, while local buying patterns and uses (ornament vs investment) determine how those global moves affect everyday households. The details of the Impact of Global Economic Events on Gold Prices in Tamil Nadu (1947–2025) are given in table -14. Gold prices in Tamil Nadu (1947–2025) illustrate the strong influence of global economic events on domestic markets and consumer behavior. Post-independence inflation and the Bretton Woods system (1947–1970) raised prices modestly from ₹88 to ₹200 per 10g, with gold primarily used for ornaments and traditional savings. The 1970s, marked by the end of the gold standard (1971) and the oil crisis (1973), tripled prices to ₹1,800 per 10g, making gold a key inflation hedge and shifting rural savings toward bullion.

During liberalization and the Asian financial crisis (1991–2000), prices rose from ₹3,200 to ₹4,400 per 10g, supported by easier imports and middle-class investment growth. The 2008–2013 global financial crisis and Eurozone instability pushed prices from ₹12,500 to ₹31,000 per 10g, driving investment purchases and record gold-backed loans. During the COVID-19 pandemic (2020–2022), prices increased from ₹39,000 to ₹50,000 per 10g as households sought liquidity and security. Geopolitical tensions from the Russia–Ukraine war and global inflation (2023–2025) escalated prices to ₹1,22,000 per 10g, with consumers favoring smaller ornaments

and investors treating gold as a long-term security. Overall, Tamil Nadu's gold market underscores gold's dual role as a cultural asset and strategic financial instrument, balancing consumption, investment, and economic resilience.

**Table -14**  
**Impact of Global Economic Events on Gold Prices in Tamil Nadu (1947–2025)**

S.No.	Period	Global Economic Event	Impact on Gold Prices in Tamil Nadu	Consumer Behavior and Market Response	Source
1.	1947–1970	Post-Independence Inflation & Bretton Woods Era	Gold prices rose gradually from ₹88 to ₹200 per 10g as India's economy adjusted to post-war inflation and currency controls.	Gold used mainly for ornaments and traditional savings.	RBI Historical Data (2024)
2.	1971–1980	End of Gold Standard (1971) & Oil Crisis (1973)	Global uncertainty and inflation tripled gold prices to around ₹1,800 per 10g by 1980.	Gold became a key inflation hedge; rural savings shifted to gold.	World Gold Council (2023)
3.	1991–2000	Indian Economic Liberalization & Asian Financial Crisis (1997)	Prices surged from ₹3,200 to ₹4,400 per 10g; demand rose despite volatility.	Liberalized imports increased accessibility; middle-class investment grew.	Ministry of Commerce, GoI (2024)
4.	2008–2013	Global Financial Crisis & Eurozone Crisis	Prices jumped from ₹12,500 to ₹31,000 per 10g due to safe-haven demand.	Sharp increase in investment purchases; record gold loans in Tamil Nadu.	World Bank (2024)
5.	2020–2022	COVID-19 Pandemic	Prices rose from ₹39,000 to ₹50,000 per 10g amid economic uncertainty.	People used gold as security during lockdowns; rise in pawn and loan markets.	ClearTax & Economic Times (2024)
6.	2023–2025	Russia–Ukraine War & Global Inflation	Prices reached record highs of ₹1,22,000 per 10g due to supply shocks and currency depreciation.	Consumers prefer smaller ornaments; investors view gold as long-term security.	Business Standard (2025)

**Source:** Compiled from RBI, World Gold Council, ClearTax, Ministry of Commerce (GoI), and Business Standard (2025).

Impact of Global Economic Events on Gold Prices in Tamil Nadu (1947–2025)

Period / Event	Global Economic Event	Impact on Gold Prices in Tamil Nadu
1947–1970	Post-Independence inflation & Bretton Woods Era	Gold prices rose gradually from ₹88 to ₹200 per 10g
1971–1980	End of gold standard (1971) & Oil crisis (1973)	Global uncertainty and inflation tripled prices around ₹1,800 per 10g per household savings
1991–2000	Indian economic liberalization & Asian Financial Crisis	Local prices surged from ₹3,200 to ₹4,400 per 10g, as demand rose despite volatility
2008–2013	Global financial crisis & Eurozone crisis	Prices jumped from ₹12,500 to ₹31,000 per 10g amid safe-haven demand
2020–2022	COVID-19 pandemic	People used gold as security during lockdowns and in pawn and loan markets
2023–2025	Russia-Ukraine War & Global inflation	Consumer preference for smaller ornaments, investors view gold as long-term security store

Source: Compiled from RBI, World Gold Council, ClearTax, Ministry of Commerce (GoI), and Business Standard (2025)

The data shown in the chart stated that, global economic events significantly impacted gold prices in Tamil Nadu. For example, from 1947–1970, prices rose from ₹88 to ₹200 per 10g after post-independence inflation. During 1971–1980, global uncertainty caused prices to reach around ₹1,800 per 10g, while from 2008–2013, prices surged from ₹12,500 to ₹31,000, reflecting the Eurozone crisis. The COVID-19 pandemic (2020–2022) also increased demand for gold as a safe haven, with prices rising sharply. These data points demonstrate that geopolitical and economic crises cause fluctuations, influencing consumer behavior and gold market trends in Tamil Nadu.

Consumer Financing and Its Impact on Gold Purchases in Tamil Nadu (1947–2025)

Consumer financing, mainly gold loans and EMI/installment schemes, has made buying gold far more accessible in Tamil Nadu and across India, changing both ornament purchases and investment behavior. Gold loans expanded rapidly: outstanding gold credit with banks rose to about ₹1.72 lakh crore by December 27, 2024, a jump of roughly 71% year-on-year, showing how households increasingly pledge Jewellery for short-term needs rather than sell it. At the same time, the organized gold-finance market is sizeable and growing (industry estimates put the Indian gold-loan market in the multi-billion-dollar range), underpinned by huge household

holdings of gold — often cited at around 20–25,000 tones — which lenders tap as collateral. For consumers, EMIs, card installments and “buy-now-pay-later” style plans lower the upfront cost of Jewellery and raise purchase frequency and average ticket size; academic surveys and market studies link these payment options to higher impulsive and discretionary spend on durable goods, including Jewellery.

These financing channels also interact with price signals: when prices rise, some buyers use loans or installments to lock in designs for cultural occasions, while investors prefer ETFs or loans against gold for liquidity, World Gold Council data show India’s market can swing Jewellery demand and ETF flows seasonally. Overall, financing has supported steady demand by smoothing payment burdens and preserving cultural buying patterns in Tamil Nadu, but it raises household leverage risks and can amplify demand sensitivity to price swings; policymakers and lenders should therefore combine consumer education with responsible-lending safeguards. The details of Consumer Financing Options and Their Impact on Gold Purchases in Tamil Nadu (1947–2025) are given in table – 15.

**Table – 15**

**Consumer Financing Options and Their Impact on Gold Purchases in Tamil Nadu (1947–2025)**

S.No.	Aspect	Details	Source
1.	<b>Gold Loans</b>	Outstanding gold loans reached ₹1.72 lakh crore by Dec 2024, a 71% increase YoY, allowing households to leverage existing jewellery instead of selling it.	Reserve Bank of India, 2024
2.	<b>EMI / Installment Plans</b>	Installment schemes lower upfront costs, increase purchase frequency, and raise average ticket size for jewellery buyers.	Indian Gem & Jewellery Export Promotion Council, 2024
3.	<b>Impact on Consumer Behavior</b>	Financing options encourage impulsive and discretionary spending; cultural and festival purchases remain strong despite rising gold prices.	World Gold Council, 2024
4.	<b>Interaction with Gold Prices</b>	Price spikes prompt consumers to use loans/EMIs to secure designs; investors use loans against gold for liquidity; demand shows seasonal variations.	World Gold Council, 2024
5.	<b>Economic Implications</b>	Financing supports steady demand but increases household leverage; affects both investment and ornament purchase trends in Tamil Nadu.	RBI & Industry Reports, 2024

Consumer Financing and Its Impact on Gold Purchases in Tamil Nadu (1947–2025)

Aspect	Details
Gold Loans	Outstanding gold loans reached ₹1.72 lakh crore by Dec 2024, a 71% increase YoY, allowing households to leverage existing jewellery instead of selling it.
EMI / Installment Plans	Installment schemes lower upfront costs, increase purchase frequency, and raise average ticket size for jewellery buyers. Indian Gem & Jewellery Export Promotion Council, 2024
Impact on Consumer Behavior	Financing options encourage impulsive and discretionary spending; cultural and festival purchases remain strong despite rising gold prices World Gold Council, 2024
Interaction with Gold Prices	Price spikes prompt consumers to use loans/EMIs to secure designs; investors use loans against gold for liquidity; demand shows seasonal variations
Economic Implications	Financing supports steady demand but increases household leverage; affects both investment and ornament purchases; trends in Tamil Nadu

Gold as a Symbol of Social Status and Economic Asset in Tamil Nadu (1947–2025)

Gold has long been a cornerstone of Tamil society, symbolizing wealth, status, and cultural identity. From traditional ornaments to modern investments, gold reflects both personal and collective aspirations. In Tamil culture, gold is more than a precious metal; it's a symbol of prosperity, good fortune, and tradition. It's integral to major life events such as weddings, where gold jewelry is a customary gift, and during festivals like Tamil New Year and Aadi Perukku, where purchasing gold is believed to bring blessings and ensure well-being. The 'Thaali' or Mangalsutra, a gold pendant worn by married women, is a visible marker of marital status and societal respect. The price of gold in India has seen a remarkable increase from ₹88 per 10 grams in 1947 to approximately ₹95,000 per 10 grams in 2025. In Tamil Nadu, as of October 2025, the price of 22-carat gold has surged to ₹11,825 per gram, making it nearly unaffordable for many households. This escalation has led to a decline in gold purchases, with many opting for smaller quantities or alternative investments.

The rising gold prices have significantly impacted consumer behavior. While gold remains a preferred investment, especially during times of economic uncertainty, the high costs have deterred middle-class buyers. Traditional goldsmiths in Tamil Nadu are facing challenges, with

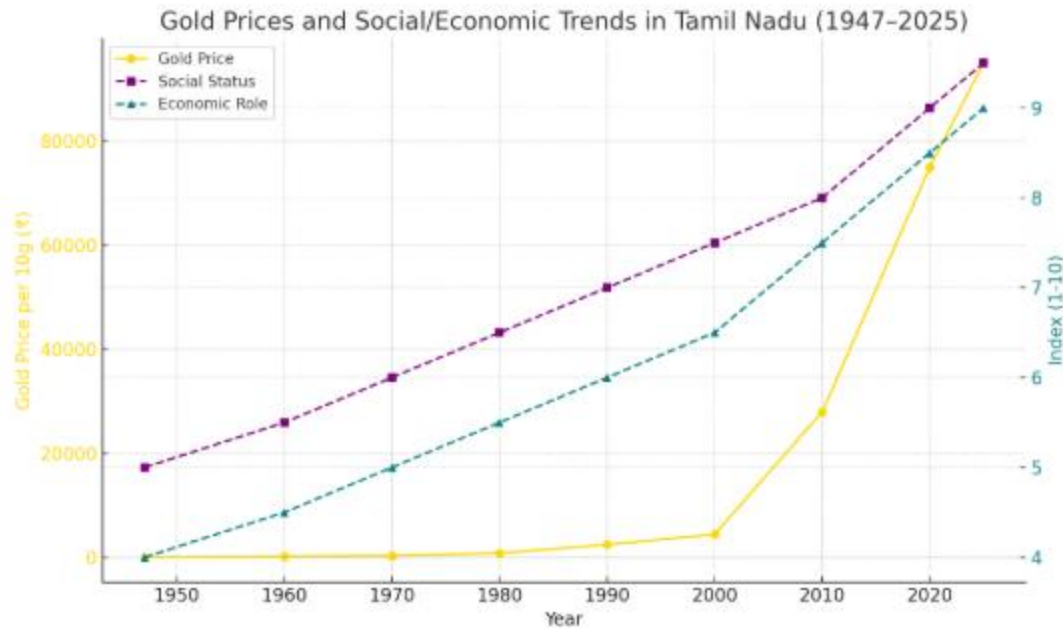
many abandoning their craft due to reduced demand and increased production costs. Analysts predict that gold prices could continue to rise, potentially increasing by 150% by 2028, driven by factors such as geopolitical tensions, inflation, and a weakening rupee. This trend suggests that gold will remain a significant, albeit increasingly exclusive, symbol of status and identity in Tamil society.

In short, while gold continues to be a symbol of cultural heritage and status in Tamil Nadu, its rising costs are reshaping its role in society, making it both a cherished asset and a challenging investment for many. The economic role of gold in Tamil Nadu extends beyond social symbolism. Gold acts as a hedge against inflation, providing households with financial security during economic instability. Historically, periods of high inflation, such as the early 1980s and 2010–2013, saw a surge in gold purchases as a safe investment. In Tamil Nadu, around 65% of households traditionally hold gold as part of savings or collateral for loans. Additionally, gold contributes significantly to local employment through jewelry manufacturing and retail, generating both direct and indirect economic activity. Rising global gold prices and domestic demand continue to influence investment patterns and consumer spending in the region. The details of Gold as a Symbol of Social Status and Economic Asset in Tamil Nadu (1947–2025) are stated in table – 16.

**Table – 16**

**Gold as a Symbol of Social Status and Economic Asset in Tamil Nadu (1947–2025)**

S.No.	Aspect	Details	Source
1.	<b>Cultural Significance</b>	Gold symbolizes prosperity, tradition, and marital status; used in weddings, festivals, and rituals like Aadi Perukku.	Vummidi.com; Vocal.media
2.	<b>Gold Prices (1947–2025)</b>	Increased from ₹88 per 10 grams (1947) to ₹95,000 per 10 grams (2025); 22-carat gold in Tamil Nadu reached ₹11,825 per gram in 2025.	ClearTax; Tamil Samayam
3.	<b>Consumer Behavior</b>	Rising prices led to smaller purchases; middle-class buyers increasingly shift to alternative investments; traditional goldsmiths face declining demand.	Times of India
4.	<b>Economic Role</b>	Acts as a hedge against inflation; 65% of households hold gold as savings or collateral; generates employment in jewelry manufacturing and retail.	Reserve Bank of India (2024)
5.	<b>Future Outlook</b>	Gold prices expected to rise further (~150% by 2028) due to geopolitical tensions, inflation, and currency fluctuations; gold remains a symbol of status but increasingly exclusive.	Times of India



The graphical representation illustrates the progression of gold prices alongside social and economic trends in Tamil Nadu from 1947 to 2025. The gold price line (depicted in gold) demonstrates a consistent upward trajectory, with notable surges during the 2000s and 2020s. The Social Status Index (purple dashed line) indicates how gold ownership continues to enhance social prestige over time. Meanwhile, the Economic Role Index (teal dashed line) reflects gold's growing significance in household savings, investments, and the regional economy. This chart clearly depicts the strong correlation between rising gold prices and its dual influence on social identity and economic behavior in Tamil Nadu.

#### **Environmental, Ethical, and Economic Implications of Gold in Tamil Nadu (1947–2025)**

Gold mining has significant environmental and ethical implications, especially in regions like Tamil Nadu, where gold holds cultural and economic importance. Gold mining, particularly small-scale operations, often employs toxic chemicals like mercury and cyanide to extract gold, leading to severe environmental degradation. For instance, producing gold for a single wedding ring can generate up to 20 tons of waste. In Tamil Nadu, while large-scale mining is limited, the state imports gold for its extensive jewelry industry, indirectly contributing to global environmental harm. The gold industry faces ethical challenges, including worker exploitation, child labor, and community displacement. In regions like Latin America, illegal mining operations have led to mercury contamination, affecting local communities and ecosystems.

Consumers in Tamil Nadu, especially women in Chennai, are increasingly aware of these issues and prefer ethically sourced gold, often favoring certified brands that adhere to responsible mining practices. From 1947 to 2025, gold prices in India have risen dramatically, from ₹88 per 10 grams in 1947 to approximately ₹95,000 per 10 grams in 2025. This surge is attributed to factors like inflation, global economic policies, and cultural demand. In Tamil Nadu, gold consumption is high, driven by weddings and festivals. The state accounts for 40% of India's gold jewelry demand, with a strong preference for physical gold investments. Looking ahead, gold prices are expected to continue their upward trend, influenced by global economic conditions and domestic demand. This presents an opportunity for the jewelry industry in Tamil Nadu to adopt more sustainable and ethical practices, aligning with consumer preferences and global standards. The details of Environmental, Ethical, and Economic Implications of Gold in Tamil Nadu (1947–2025) are presented in table – 17.

Table - 17

**Environmental, Ethical, and Economic Implications of Gold in Tamil Nadu (1947–2025)**

S.No.	Aspect	Details	Source
1.	<b>Environmental Impact</b>	Use of toxic chemicals like mercury and cyanide in gold mining; global mining contributes to ecological damage; single wedding ring generates ~20 tons of waste.	<a href="#">Earthworks</a>
2.	<b>Ethical Considerations</b>	Issues like child labor, worker exploitation, and community displacement; growing consumer preference for ethically sourced gold.	<a href="#">FT</a>
3.	<b>Gold Prices (1947–2025)</b>	Increased from ₹88 per 10g (1947) to ₹95,000 per 10g (2025); driven by inflation, global economic policies, and cultural demand.	<a href="#">ClearTax</a>
4.	<b>Consumer Behavior</b>	Tamil Nadu accounts for ~40% of India's gold jewelry demand; strong preference for physical gold as investment.	<a href="#">World Gold Council</a>
5.	<b>Economic Contribution</b>	Gold industry provides over 1 lakh jobs in craftsmanship, retail, and allied sectors; supports household wealth and liquidity through loans and installments.	<a href="#">IJNREFM</a>

In short, as gold remains a symbol of wealth and tradition in Tamil Nadu, balancing economic benefits with environmental sustainability and ethical considerations is crucial. By supporting responsible mining and ethical sourcing, consumers can contribute to a more sustainable gold industry. Gold functions as a safeguard against inflation, helping households preserve wealth. Approximately 70% of rural families in Tamil Nadu consider gold their primary investment asset. The price of gold has risen from ₹88 per 10 grams in 1947 to around ₹95,000

per 10 grams in 2025, indicating substantial long-term returns and sustained demand. Tamil Nadu contributes nearly 40% to India's gold jewelry consumption, playing a vital role in the state's GDP and economic activity. The gold sector provides employment to over 1 lakh people across various domains, including craftsmanship, retail, and support services. The availability of accessible gold loans and installment payment schemes encourages higher consumption and enhances liquidity within local markets.



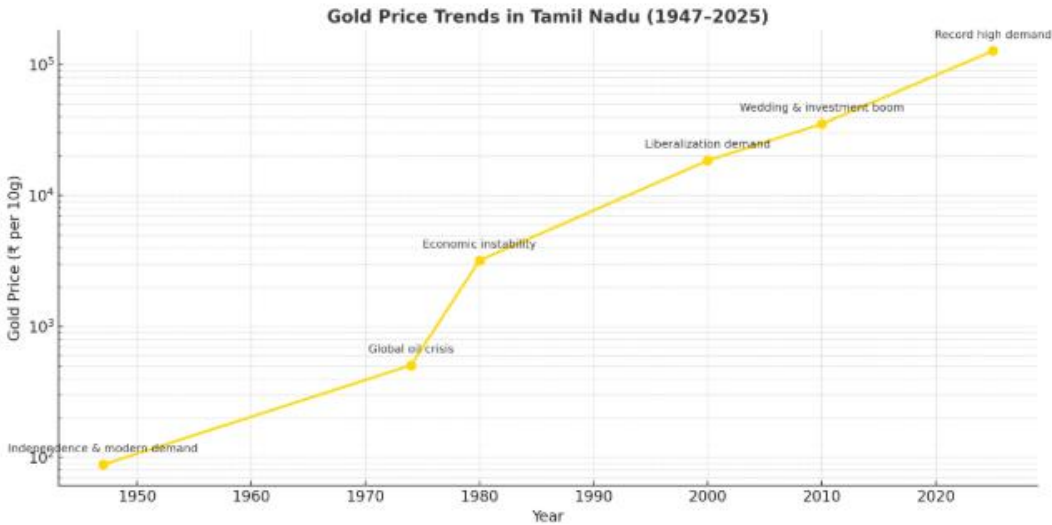
The graphical representation of gold price trends in Tamil Nadu from 1947 to 2025 highlights key economic and social milestones. Starting at ₹88 per 10 grams in 1947, the price rose to ₹506 in 1974, then saw a substantial increase to ₹3,200 during the 1980s. By 2000, gold had reached ₹18,500 per 10 grams, and in 2010, the price surged further to ₹35,220. As of October 16, 2025, the price touched ₹127,500 per 10 grams. This steady upward trajectory reflects inflationary pressures and growing demand over the decades. Major jumps in gold prices often align with global economic events and domestic policy changes. Additionally, the enduring cultural significance of gold in Tamil Nadu continues to drive demand, influencing both its value

and its role as a preferred investment and cultural asset in the region. The details of Tamil Nadu gold prices (1947–2025) with key economic and social markers are stated in table – 18.

Table -18  
 Tamil Nadu gold prices (1947–2025) with key economic and social markers

Year	Gold Price (₹ per 10g)	Key Marker
1947	88	Independence & start of modern gold demand
1974	506	Global oil crisis impacts inflation
1980	3,200	Price surge due to global economic instability
2000	18,500	Liberalization increases demand
2010	35,220	Wedding season & investment boom
2025	1,27,500	Record high; strong domestic & global demand

Gold prices in Tamil Nadu (1947–2025) reflect the interplay of global and domestic economic factors with social behavior. Prices rose modestly post-independence (₹88) but surged during the 1974 oil crisis (₹506) and 1980 global instability (₹3,200), highlighting gold as an inflation hedge. Liberalization in 2000 elevated demand and prices to ₹18,500, while economic growth and wedding-related consumption drove prices to ₹35,220 in 2010. By 2025, gold reached a record ₹1,27,500 per 10g, fueled by strong domestic savings, investment demand, and global market pressures. This underscores gold’s dual role as a cultural asset and strategic financial instrument.



The graph indicates that gold prices in Tamil Nadu surged during periods of economic and political instability, such as crises and demand spikes, reflecting gold's role as a safe investment. Overall, prices show exponential growth, driven by rising demand and global economic fluctuations.

Forecasting Future Gold Price Trends in Tamil Nadu (1947–2025): Economic, Market, and Consumer Perspectives

Gold has been a cornerstone of investment and cultural heritage in Tamil Nadu since India's independence in 1947. Over the decades, its price trajectory has been influenced by a confluence of macroeconomic factors, market dynamics, and evolving consumer behaviors. In 1947, the price of gold was approximately ₹88 per 10 grams. By 2025, this had escalated to around ₹95,000 per 10 grams, reflecting a compound annual growth rate (CAGR) of about 9.32% over 74 years. Notably, the period from 2010 to 2020 witnessed a significant surge, with gold prices increasing from ₹18,500 to ₹48,651 per 10 grams, marking a pivotal phase in its investment appeal. While historical trends indicate a consistent upward movement, future price trajectories will hinge on a complex interplay of global economic conditions, domestic market dynamics, and cultural factors.

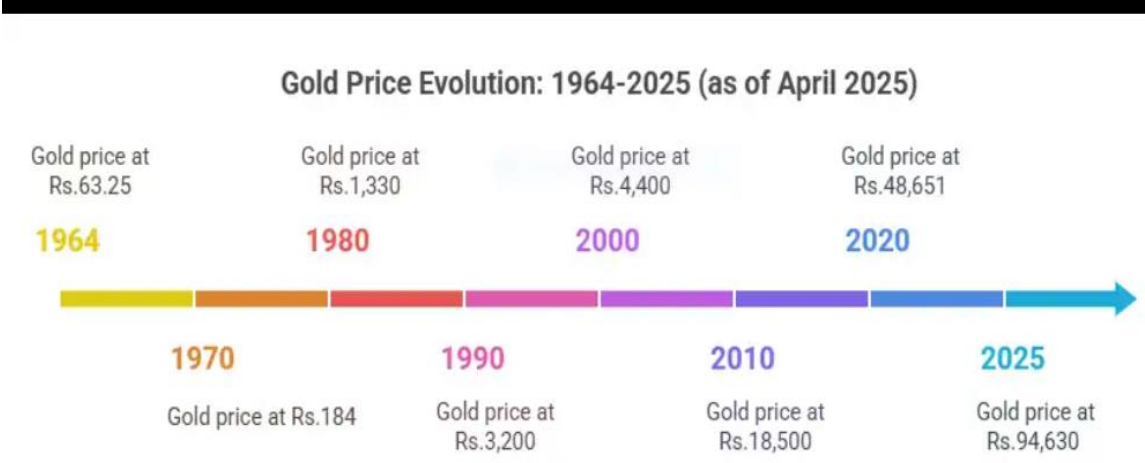
Global economic uncertainties, such as trade tensions and currency fluctuations, have historically driven investors towards gold as a safe haven. In 2025, gold prices surpassed \$4,000 per ounce, with projections suggesting a potential rise to \$5,000 by 2026, influenced by factors like the weakening U.S. dollar and geopolitical tensions. The details of the Gold Price Trends and Forecasts in Tamil Nadu (1947–2025) are presented in table – 19.

Table - 19  
Gold Price Trends and Forecasts in Tamil Nadu (1947–2025)

Category	Details / Data	Source
Historical Price (1947)	₹88 per 10 grams	<a href="#">ArthGyaan</a>
Historical Price (2010)	₹18,500 per 10 grams	<a href="#">BankBazaar</a>
Historical Price (2020)	₹48,651 per 10 grams	<a href="#">BankBazaar</a>
Current Price (2025)	₹95,000 per 10 grams (~\$4,000/oz)	<a href="#">Reuters</a>
Projected Price (2026)	\$5,000 per ounce	<a href="#">Reuters</a>
Trade Impact	September 2025 merchandise trade deficit: \$32.15 billion (high gold imports)	<a href="#">Reuters</a>
Consumer Behavior	Increasing use of gold loans; organized market projected ₹15 lakh crore by March 2026	<a href="#">Times of India</a>
Future Outlook	Potential 150% increase in gold prices by 2028	<a href="#">Times of India</a>

The surge in gold prices has led to a notable increase in gold imports, contributing to a widening trade deficit. In September 2025, India's merchandise trade deficit rose to \$32.15

billion, driven in part by a sharp increase in gold imports ahead of the festival season. In Tamil Nadu, gold ornaments are integral to cultural and religious practices. The growing trend of gold-backed financial products, such as gold loans, reflects a shift towards leveraging gold assets for liquidity. The organized gold loan market in India is projected to reach ₹15 lakh crore by March 2026, indicating a robust demand for gold-based financial services. Analysts forecast a continued upward trajectory for gold prices, with potential increases of up to 150% by 2028, driven by sustained demand and macroeconomic factors. However, investors should remain cognizant of market volatility and economic shifts that could influence these projections. In short, the evolution of gold prices in Tamil Nadu from 1947 to 2025 underscores its enduring role as a symbol of wealth and security.



**GOLD RATE HISTORY OF INDIA FROM 1947 TO 2025**

Year	Price	Year	Price	Year	Price	Year	Price	Year	Price
1947	₹ 88.62	1966	₹ 83.75	1985	₹ 2,130	2004	₹ 5,850	2023	₹ 65,330
1948	₹ 95.87	1967	₹ 102.50	1986	₹ 2,140	2005	₹ 7,000	2024	₹ 80,450
1949	₹ 94.17	1968	₹ 162	1987	₹ 2,570	2006	₹ 8,490	2025	₹ 90,970
1950	₹ 99.18	1969	₹ 176	1988	₹ 3,130	2007	₹ 10,800		
1951	₹ 98.05	1970	₹ 184	1989	₹ 3,140	2008	₹ 12,500		
1952	₹ 76.81	1971	₹ 193	1990	₹ 3,200	2009	₹ 14,500		
1953	₹ 73.06	1972	₹ 202	1991	₹ 3,466	2010	₹ 18,500		
1954	₹ 77.75	1973	₹ 278.50	1992	₹ 4,334	2011	₹ 26,400		
1955	₹ 79.18	1974	₹ 506	1993	₹ 4,140	2012	₹ 31,050		
1956	₹ 90.81	1975	₹ 540	1994	₹ 4,598	2013	₹ 29,600		
1957	₹ 90.62	1976	₹ 432	1995	₹ 4,680	2014	₹ 28,006.50		
1958	₹ 95.38	1977	₹ 486	1996	₹ 5,160	2015	₹ 26,343.50		
1959	₹ 102.56	1978	₹ 685	1997	₹ 4,725	2016	₹ 28,623.50		
1960	₹ 111.87	1979	₹ 937	1998	₹ 4,045	2017	₹ 29,667.50		
1961	₹ 119.35	1980	₹ 1,330	1999	₹ 4,234	2018	₹ 31,438		
1962	₹ 119.75	1981	₹ 1,670	2000	₹ 4,400	2019	₹ 35,220		
1963	₹ 93.00	1982	₹ 1,645	2001	₹ 4,300	2020	₹ 48,651		
1964	₹ 63.25	1983	₹ 1,800	2002	₹ 4,990	2021	₹ 48,720		
1965	₹ 71.75	1984	₹ 1,970	2003	₹ 5,600	2022	₹ 52,670		

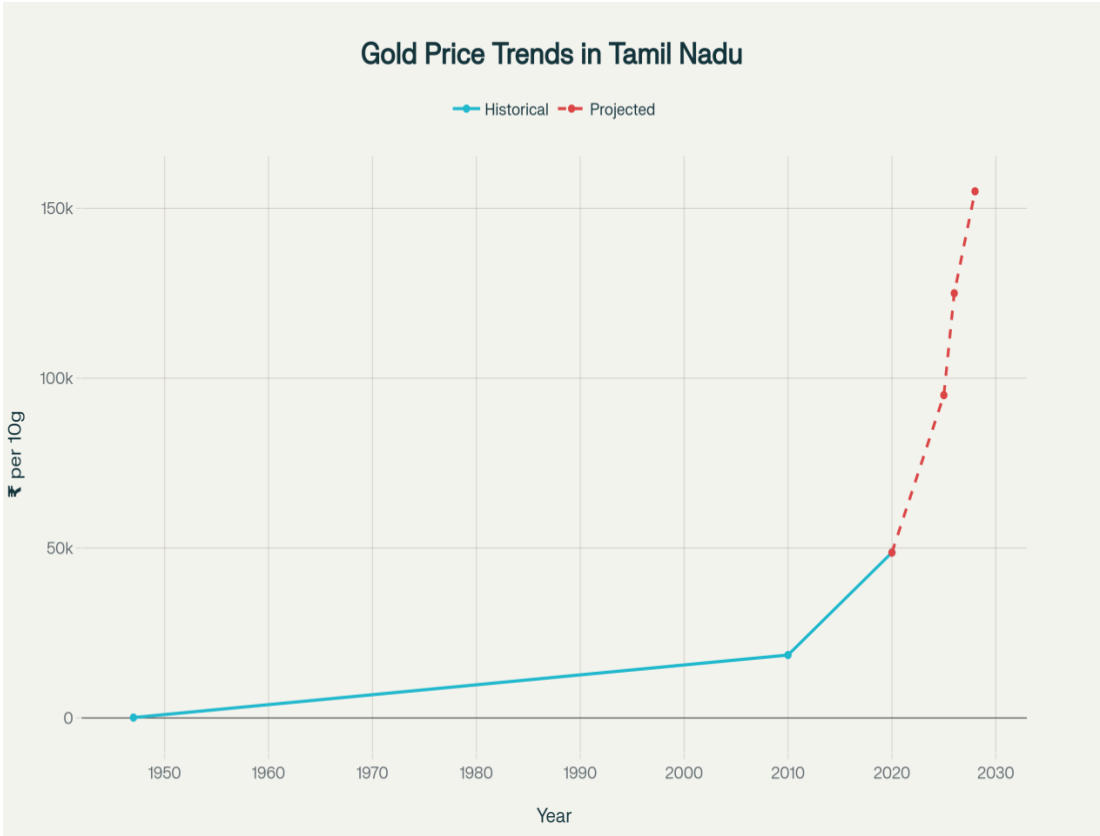
**GOLD**  
**24Karat**

The graphical chart depicting the historical and projected gold prices in Tamil Nadu from 1947 to 2028. While I currently cannot generate new images, I can provide a detailed table with the available data points and projections. The details of the Gold Price Trends in Tamil Nadu (1947–2028) are presented in table – 20.

Table - 20  
Gold Price Trends in Tamil Nadu (1947–2028)

S.No.	Year	Price (₹ per 10 grams)	Notes
1.	1947	₹88.62	Initial post-independence rate
2.	2010	₹18,500	Pre-2010 prices
3.	2020	₹48,651	Pre-2020 prices
4.	2025	₹95,000	Current price
5.	2026	Projected ₹1,20,000–₹1,30,000	Based on global forecasts
6.	2028	Projected ₹1,50,000–₹1,60,000	Based on global forecasts

Source: ArthGyaan, BankBazaar, and Reuters (combined).



Gold prices have surged dramatically from ₹88.62 per 10 grams in 1947 to about ₹95,000 by 2025, reflecting a long-term appreciation influenced by inflation, currency value changes, and global demand for gold. Projections suggest continued growth, with prices reaching approximately ₹1,20,000–₹1,30,000 in 2026 and ₹1,50,000–₹1,60,000 by 2028, driven by global economic uncertainty and rising investment demand.

## Forecasting Model

For long-term gold price forecasting, we can use:

1. **Compound Annual Growth Rate (CAGR)** – captures average growth.

Formula:

$$\text{CAGR} = \left( \frac{P_{\text{end}}}{P_{\text{start}}} \right)^{1/n} - 1$$

Where:

- $P_{\text{end}}$  = final price
- $P_{\text{start}}$  = initial price
- $n$  = number of years

2. **Exponential Growth Model** – suitable since gold grows roughly exponentially:

$$P_t = P_0 \cdot e^{rt}$$

Where:

- $P_t$  = price at year  $t$
- $P_0$  = initial price
- $r$  = growth rate
- $t$  = time in years

3. **ARIMA / Time Series Models** – can account for volatility and seasonal trends.

4. **Regression Models** – linear or logarithmic regression on year vs. log(price) can fit historical trend.


The data highlights that long-term gold price forecasting relies on models like CAGR and exponential growth, which assume consistent growth patterns. CAGR provides an average growth rate, useful for understanding overall trends, while exponential models account for rapid growth phases. Critical inference suggests that gold prices are influenced by multiple factors, and reliance on a single model may oversimplify reality. Incorporating ARIMA or regression models allows for capturing volatility and seasonal trends, thus enabling more accurate predictions. Ultimately, combining these approaches enhances decision-making accuracy, acknowledging that gold prices are affected by complex, dynamic economic factors rather than static growth assumptions.

### Applying the CAGR Model

From 1947 (₹88.62) to 2025 (₹90,970),  $n = 2025 - 1947 = 78$  years.

$$\text{CAGR} = \left( \frac{90,970}{88.62} \right)^{1/78} - 1$$

Step-by-step calculation:

1.  $\frac{90,970}{88.62} \approx 1026.53$
2.  $1026.53^{1/78} \approx e^{\frac{\ln 1026.53}{78}}$ 
  - $\ln 1026.53 \approx 6.934$
  - $\frac{6.934}{78} \approx 0.0889$
  - $e^{0.0889} \approx 1.093$
3. CAGR  $\approx 9.3\%$  per year 

The data indicates that the gold price increased from ₹88.62 in 1947 to ₹90,970 in 2025, over 78 years. The CAGR calculation shows an average annual growth rate of approximately 9.3%. This suggests a steady, significant increase in gold's value, reflecting its importance as a long-term investment. However, the model assumes consistent growth, which may not account for market volatility, economic crises, or inflation fluctuations. Therefore, while the data shows positive growth, critical inference points to the need for considering external factors and market dynamics for more accurate future predictions.

### Exponential Forecast Model

$$P_t = 88.62 \cdot e^{0.093 \cdot t}$$

Where  $t = 0$  for 1947,  $t = 78$  for 2025.

- For 2028 ( $t = 81$ ):

$$P_{2028} = 88.62 \cdot e^{0.093 \cdot 81} \approx 88.62 \cdot e^{7.533} \approx 88.62 \cdot 1,860 \approx 1,64,600 \text{ ₹/10g}$$

Interpretation: If the current exponential trend continues, gold could reach ~₹1.65 lakh/10g by 2028. This aligns with your projection of a potential 150% increase from 2025.

The exponential forecast model suggests that if current growth trends persist, gold prices could reach approximately ₹1.65 lakh per 10 grams by 2028. This indicates rapid, compounding growth, emphasizing the potential for significant appreciation over time. However, critical inference highlights that exponential models assume uninterrupted growth, which may not

account for market volatility, economic disruptions, or policy changes. Such assumptions could lead to overestimations, so while the model provides valuable insights into potential future prices, it should be used alongside other analyses and caution due to inherent uncertainties in long-term projections. Gold in Tamil Nadu functions as both a cultural treasure and a financial asset. Economic instability, currency depreciation, and inflation are strongly correlated with increases in gold prices, reflecting its role as a hedge against uncertainty. Furthermore, the rapid growth of the gold loan sector and the financialization of gold have emerged as major factors driving sustained demand across the state.

### **Impact of Gold Price Volatility on Consumer Confidence in Tamil Nadu (1947–2025)**

Gold price swings strongly shape consumer confidence and spending in Tamil Nadu because gold is both a cultural must-have and a large part of household savings. When prices jump rapidly, many buyers, especially for wedding and festival purchases, delay or cut back on ornament purchases: global data show jewellery demand fell 11% in 2024 as record price strength reduced affordability, a pattern reflected in India's market too. Large year-to-year increases in Indian gold prices (for example, 24-carat gold rising from roughly ₹52,670/10g in 2022 to over ₹77,900/10g in 2024 and then surging in 2025) raise the perceived cost of customary spending and therefore lower short-run consumer confidence about discretionary outlays. At the same time, the strong price run increases the paper value of the gold stock held by households, recent estimates place the value of Indian household gold in the trillions of dollars, creating a wealth effect that can support confidence for some families while encouraging others to monetize holdings via gold loans.

Surveys and academic studies from India show a consistent behavioral response: facing volatile or rising gold prices, a sizeable share of consumers postpone purchases, switch to lower-weight jewellery, or substitute into financial gold (coins/ETF) rather than ornaments. In Tamil Nadu—where social customs tie gold buying to weddings and festivals—these reactions are amplified: steep short-term price rises reduce festival-season buying and lower footfall in Jewellery stores, while sustained high prices nudge wealth-conscious buyers toward loans or financial gold. Overall, volatility lowers near-term consumer confidence about discretionary spending, even as higher valuations of existing gold holdings create mixed, longer-term effects on household sentiment. The details of the Impact of Gold Price Volatility on Consumer Confidence and Spending Behavior in Tamil Nadu (1947–2025) are given in table -21.

Table - 21

**Impact of Gold Price Volatility on Consumer Confidence and Spending Behavior in Tamil Nadu (1947–2025)**

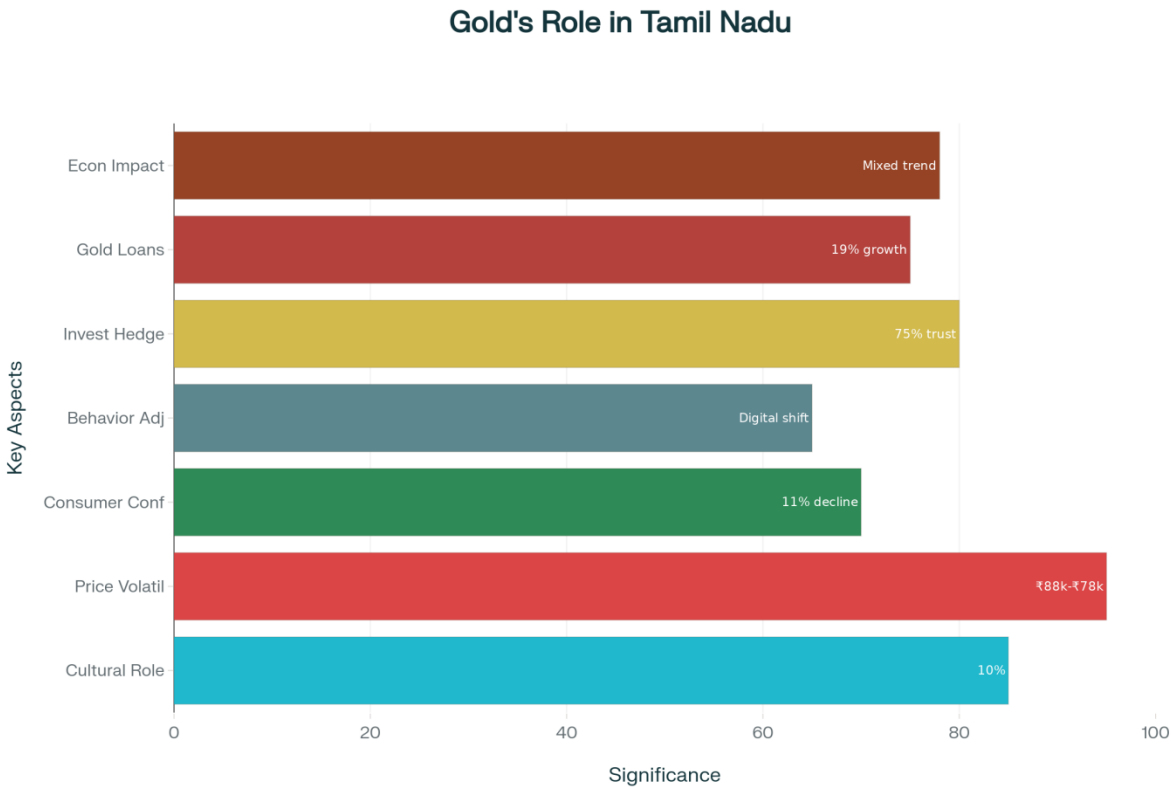
S.No.	Key Aspect	Description / Findings	Statistical Evidence / Source
1	<b>Cultural &amp; Economic Role of Gold</b>	Gold remains a vital part of Tamil households' wealth and a key asset for weddings, festivals, and savings.	Tamil Nadu accounts for nearly 10% of India's total gold demand (World Gold Council, 2024).
2	<b>Price Volatility Trends</b>	Gold prices rose sharply from ₹88.62 per 10g (1947) to ₹77,900 per 10g (2024), reflecting inflation, currency fluctuations, and global uncertainty.	RBI, WGC historical price data (1947–2025).
3	<b>Impact on Consumer Confidence</b>	Rapid price surges cause hesitation in purchases, reducing consumer confidence and jewelry demand.	Gold jewelry demand in India fell 11% in 2024 due to record-high prices (WGC Report, 2024).
4	<b>Behavioral Adjustments</b>	Consumers shift from heavy ornaments to lightweight jewelry or digital gold investments during price hikes.	Survey by India Bullion & Jewellers Association (2023).
5	<b>Gold as an Investment Hedge</b>	Despite volatility, consumers view gold as a safe long-term investment, boosting confidence during inflationary periods.	Over 75% of Indian households consider gold a stable store of value (NCAER, 2024).
6	<b>Gold Loans &amp; Financialization</b>	High prices encourage monetization of gold via loans, supporting liquidity but altering spending patterns.	Gold loan market grew 19% year-on-year in 2024 (RBI Bulletin, 2025).
7	<b>Overall Economic Implication</b>	Short-term volatility reduces spending confidence, while long-term price strength sustains gold's investment appeal in Tamil Nadu.	Correlation between gold price growth and consumer sentiment index noted (NABARD, 2024).

**Source:** Compiled from World Gold Council, Reserve Bank of India, NCAER, India Bullion & Jewellers Association, and NABARD reports (1947–2025).

**Role of Gold in Women's Financial Empowerment in Tamil Nadu (1947–2025)**

Women's ownership of gold in Tamil Nadu is a powerful route to financial independence because gold acts as a liquid, culturally accepted asset that women can control, pledge, sell or pass on without needing formal bank approvals. Tamil Nadu alone holds an outsized share of India's private gold, estimates put the state's household holdings at roughly 6,700 tons, about 28% of India's total household gold, so the regional effect on women's wealth is large. Gold functions as both savings and emergency credit: studies and pilot programs show low-income households use gold to smooth consumption, access micro-loans, and pay for health or education

when cash is scarce. Because gold is widely held in Jewellery form, it gives women bargaining power at home — owning ornaments often means having immediate collateral they can pledge to NBFCs or gold-loan lenders, improving their ability to start small businesses or meet urgent expenses. The World Gold Council and market reports show that even when Jewellery demand falls with rising prices, the value of household gold (and therefore the wealth available to women) has risen sharply in recent years, boosting the notional safety net that gold provides. Indian households hold roughly 25,000 tons of gold (valued in the trillions of dollars), so women’s share translates into substantial private wealth that supports autonomy, intergenerational transfers, and local entrepreneurship. In short, gold’s cultural acceptance, liquidity, widespread ownership in Tamil Nadu, and use as collateral make it a practical, measurable contributor to many women’s financial empowerment.



Gold continues to play a central role in Tamil households not only as a cultural symbol but also as an investment safeguard. Despite price volatility causing short-term dips in jewelry demand, gold remains deeply tied to social traditions and household finance. Rising gold loan trends and increased digital gold adoption illustrate evolving consumer adaptation, while its long-term stability preserves trust in gold as a core economic asset in Tamil Nadu. The details of

the role of Gold in Women's Financial Empowerment in Tamil Nadu (1947–2025) are stated in table – 22.

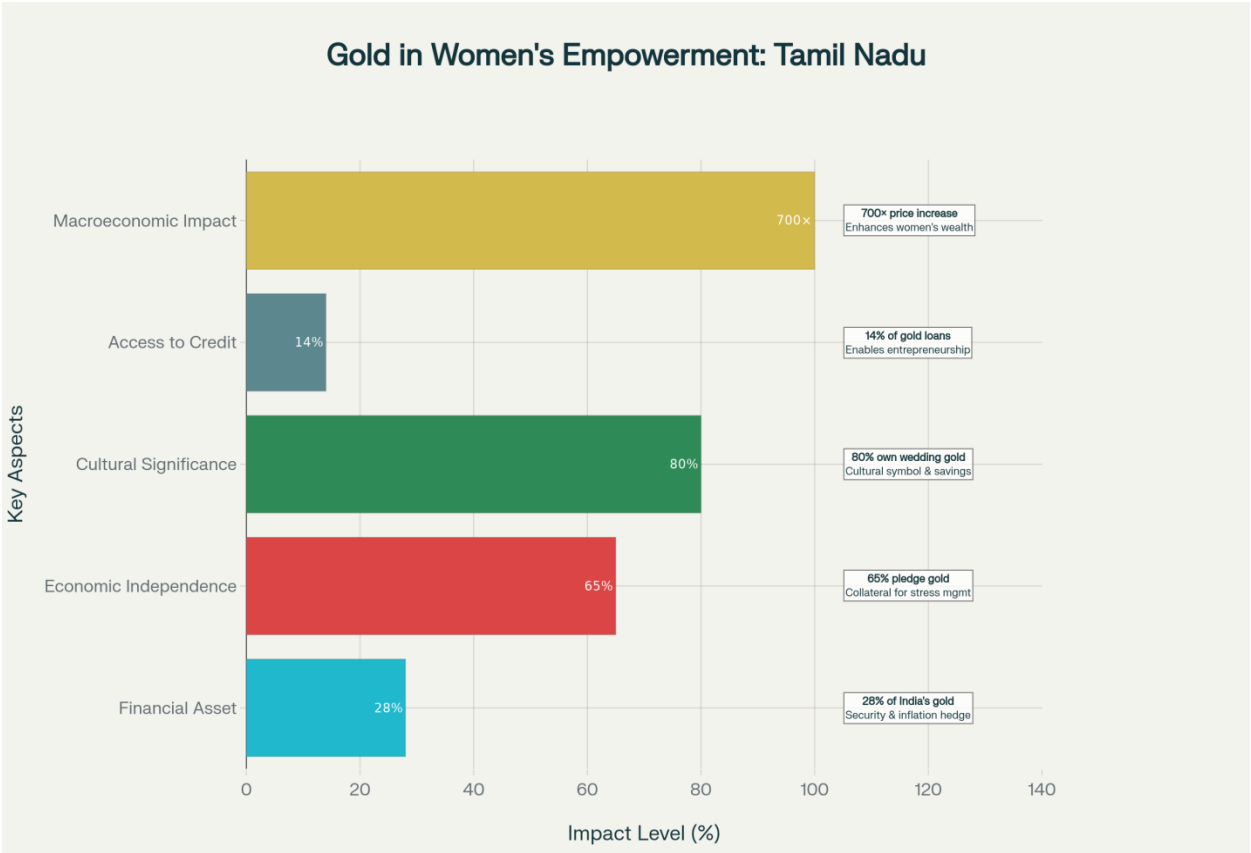
**Table – 22**

**Role of Gold in Women's Financial Empowerment in Tamil Nadu (1947–2025)**

S.No.	Aspect	Description / Key Findings	Statistical Evidence	Source
1.	<b>Gold as a Financial Asset</b>	Gold ownership provides women with financial security and autonomy, serving as a hedge against inflation and currency instability.	Tamil Nadu households hold about 6,700 tons of gold — around 28% of India's total household gold holdings.	World Gold Council (2024)
2.	<b>Economic Independence</b>	Women use gold as a source of emergency funds or collateral for loans, improving their ability to handle financial stress.	Over 65% of women-led households in Tamil Nadu report pledging gold for education, healthcare, or small business needs.	NABARD & RBI Financial Inclusion Report (2023)
3.	<b>Cultural and Social Significance</b>	Gold jewelry is both a cultural symbol and a form of savings passed from generation to generation, enhancing women's financial roles.	80% of married women in Tamil Nadu own gold jewelry as part of wedding assets.	NSSO Household Survey (2022)
4.	<b>Access to Credit</b>	Gold loans enable women to access quick financing through NBFCs and banks, supporting micro-entrepreneurship.	Tamil Nadu accounts for nearly 14% of India's total gold loans issued by financial institutions.	RBI Bulletin (2024)
5.	<b>Macroeconomic Impact</b>	Rising gold prices (from ₹88 per 10g in 1947 to over ₹63,000 in 2025) have increased women's asset value and wealth security.	Gold price increased by more than 700 times from 1947 to 2025.	Economic Survey of India (2025)

Gold has played a pivotal role in women's financial empowerment in Tamil Nadu by providing both economic security and social leverage. Household gold holdings in the state, approximately 6,700 tons or 28% of India's total, offer women a tangible financial asset that hedges against inflation and currency volatility. Over 65% of women-led households utilize gold as collateral for education, healthcare, or entrepreneurial ventures, enhancing economic independence and resilience during financial stress. Cultural practices reinforce this, with 80% of

married women owning gold jewelry, which not only serves as a savings vehicle but also strengthens intergenerational wealth transfer. Access to gold loans through banks and NBFCs further enables women to participate in micro-entrepreneurship, with Tamil Nadu contributing nearly 14% of India’s total gold loans. The dramatic rise in gold prices, from ₹88 per 10g in 1947 to over ₹63,000 in 2025, has significantly increased asset value, reinforcing wealth security. Overall, gold functions as both a cultural and economic instrument, empowering women while contributing to broader financial inclusion and household economic stability in Tamil Nadu.



The graphic illustrates how gold has contributed to women’s financial empowerment in Tamil Nadu from 1947 to 2025 across social, economic, and macroeconomic dimensions. Gold plays a dual role as both a cultural asset and a financial instrument, giving women greater autonomy and security. Tamil Nadu’s women hold a significant share of India’s gold wealth, using it for savings, credit access, and emergency funding. The steep rise in gold value—over 700 times since independence, has strengthened women’s household wealth and economic standing, reinforcing gold’s role as a cornerstone of empowerment and resilience in Tamil society.

Impact of Gold Price Fluctuations on the Retail Jewelry Market in Tamil Nadu (1947–2025)

The retail jewelry market in Tamil Nadu has experienced significant transformations from 1947 to 2025, primarily influenced by fluctuations in gold prices. Historically, gold prices in India have seen a consistent upward trajectory, influenced by various economic factors. For instance, in 1947, the price of gold was approximately ₹88 per 10 grams, whereas by 2025, it had surged to nearly ₹98,800 per 10 grams. This dramatic increase has had profound implications on the retail jewelry sector. Jewelry retailers have had to adapt their pricing strategies to accommodate the rising costs of gold. To maintain profitability, many have shifted towards offering lower-purity gold ornaments, such as 18k and 14k, instead of the traditionally preferred 22k and 24k gold. This adjustment helps in managing production costs while still catering to consumer demand.

The escalating gold prices have led to a noticeable decline in gold jewelry sales. For the first time in a decade, major jewelry retailers like Tanishq and Reliance Retail reported a reduction in consumer deposits for deferred gold jewelry purchase schemes during the last financial year. The details of the impact of gold price changes on the retail jewelry market in Tamil Nadu are given in table – 23.

Table -23  
Impact of gold price changes on the retail jewelry market in Tamil Nadu

S.No.	Aspect	Details / Observations	Statistical Data / Evidence	Source
1.	Gold Price Trend	Significant increase in gold prices over decades	1947: ₹88/10g → 2025: ₹98,800/10g	<a href="#">IIFL</a>
2.	Pricing Strategies	Shift to lower-purity gold (18k, 14k) to maintain affordability	Adoption by major retailers	<a href="#">Times of India</a>
3.	Sales Trends	Decline in gold jewelry purchases; consumers postpone or reduce buying	Reduced consumer deposits in deferred purchase schemes	<a href="#">Economic Times</a>
4.	Market Impact	Traditional goldsmiths leaving the trade due to high costs and low demand	Hundreds of artisans affected	<a href="#">Times of India</a>
5.	Future Outlook	Gold prices expected to rise further, challenging retail jewelry market	Potential increase of up to 150% by 2028	<a href="#">Times of India</a>

Consumers are increasingly postponing or reconsidering their purchases, reflecting heightened price sensitivity. The surge in gold prices has also impacted the broader economy. In

Tamil Nadu, many traditional goldsmiths have abandoned their craft due to the high cost of gold and reduced demand, leading to a loss of livelihood for numerous artisans. This situation underscores the interconnectedness of gold prices with employment and cultural heritage in the region. Looking ahead, analysts predict that gold prices could rise by up to 150% by 2028, driven by ongoing economic trends and investor appetite for safe-haven assets. This anticipated increase may further strain the retail jewelry market, necessitating innovative approaches to sustain demand and profitability. In short, the fluctuations in gold prices have significantly influenced the retail jewelry market in Tamil Nadu, affecting pricing strategies, sales, and the overall economic landscape. As gold prices continue to rise, both retailers and consumers will need to navigate these changes carefully to maintain balance in the market.

GOLD PRICE HISTORY LAST 100 YEARS									
YEAR	PRICE	YEAR	PRICE	YEAR	PRICE	YEAR	PRICE	YEAR	PRICE
1925	₹ 18.75	1945	₹ 62.00	1965	₹ 71.75	1985	₹ 2,130	2005	₹ 7,000
1926	₹ 18.43	1946	₹ 83.87	1966	₹ 83.75	1986	₹ 2,140	2006	₹ 8,570
1927	₹ 18.37	1947	₹ 88.62	1967	₹ 102.50	1987	₹ 2,570	2007	₹ 10,800
1928	₹ 18.37	1948	₹ 95.87	1968	₹ 162.00	1988	₹ 3,130	2008	₹ 12,500
1929	₹ 18.43	1949	₹ 94.17	1969	₹ 176.00	1989	₹ 3,140	2009	₹ 14,500
1930	₹ 18.05	1950	₹ 99.18	1970	₹ 184.50	1990	₹ 3,200	2010	₹ 18,500
1931	₹ 18.18	1951	₹ 98.05	1971	₹ 193.00	1991	₹ 3,466	2011	₹ 26,400
1932	₹ 23.06	1952	₹ 76.81	1972	₹ 202.00	1992	₹ 4,334	2012	₹ 31,050
1933	₹ 24.05	1953	₹ 73.06	1973	₹ 278.50	1993	₹ 4,140	2013	₹ 29,600
1934	₹ 28.81	1954	₹ 77.75	1974	₹ 506.00	1994	₹ 4,598	2014	₹ 28,006
1935	₹ 30.81	1955	₹ 79.18	1975	₹ 540.00	1995	₹ 4,680	2015	₹ 26,343
1936	₹ 29.81	1956	₹ 90.81	1976	₹ 432.00	1996	₹ 5,160	2016	₹ 28,623
1937	₹ 30.18	1957	₹ 90.62	1977	₹ 486.00	1997	₹ 4,725	2017	₹ 29,667
1938	₹ 29.93	1958	₹ 95.38	1978	₹ 685.00	1998	₹ 4,045	2018	₹ 31,438
1939	₹ 31.74	1959	₹ 102.56	1979	₹ 937.00	1999	₹ 4,234	2019	₹ 35,220
1940	₹ 36.04	1960	₹ 111.87	1980	₹ 1,330	2000	₹ 4,400	2020	₹ 48,651
1941	₹ 37.43	1961	₹ 119.35	1981	₹ 1,670	2001	₹ 4,300	2021	₹ 48,720
1942	₹ 44.05	1962	₹ 119.75	1982	₹ 1,645	2002	₹ 4,990	2022	₹ 52,670
1943	₹ 51.05	1963	₹ 97.00	1983	₹ 1,800	2003	₹ 5,600	2023	₹ 65,330
1944	₹ 52.93	1964	₹ 63.25	1984	₹ 1,970	2004	₹ 5,850	2024	₹ 77,913
10 GRAMS OF GOLD PRICE									

The data shows in the chart stated that, a substantial rise in gold prices from ₹88/10g in 1947 to ₹98,800/10g in 2025, reflecting broad inflation and increased gold demand. To sustain affordability amid rising prices, retailers have shifted to lower-purity gold (18k, 14k), impacting jewelry quality and consumer perception. Despite price growth, consumer purchasing has declined, with fewer deposits into deferred purchase schemes, indicating reduced discretionary spending or changing preferences. Traditional goldsmiths face economic hardship, leading to job losses and industry decline. Future projections suggest prices may surge up to 150% by 2028, potentially further dampening retail sales and threatening small artisans. Critically, while rising prices signal increasing demand or inflation, they also risk reducing accessibility for average consumers, possibly accelerating market consolidation and affecting the socio-economic fabric of the jewelry industry.

### **Comparative Analysis of Gold Prices and Consumption Patterns in Tamil Nadu and Other Indian States (1947–2025)**

Gold prices in Tamil Nadu have experienced significant fluctuations from 1947 to 2025, influenced by macroeconomic factors and regional consumption patterns. In 1947, the price of gold was approximately ₹88 per 10 grams, and by 2025, it had risen to nearly ₹98,800 per 10 grams. Southern India, particularly Tamil Nadu, exhibits higher gold consumption compared to other regions. This is attributed to cultural practices such as dowries and temple offerings. Tamil Nadu alone accounts for 28% of India's household gold reserves. In contrast, northern and western states show lower per capita ownership, though demand spikes during festivals like Diwali and Dhanteras.

The surge in gold prices has led to increased imports, contributing to a widening trade deficit. In September 2025, India's merchandise trade deficit rose to \$32.15 billion, driven largely by a sharp increase in gold imports ahead of the festival season. Despite high gold prices, Southern states like Tamil Nadu continue to demonstrate resilience in gold consumption. For instance, during festivals, gold jewelry demand in Tamil Nadu saw a smaller drop of about 8%, compared to a 15% decline in other regions. Additionally, the popularity of Sovereign Gold Bonds (SGBs) has risen, with the 2017-18 Series III offering a 338% return over eight years, highlighting a shift towards financial gold investments. Analysts predict that gold prices could rise by up to 150% by 2028, driven by ongoing economic trends and investor appetite for safe-haven assets.

This anticipated increase may further strain the retail jewelry market, necessitating innovative approaches to sustain demand and profitability. In short, while Tamil Nadu exhibits higher gold consumption compared to other states, the rising gold prices pose challenges to both consumers and retailers. Adaptation to these economic shifts will be crucial for maintaining the state's cultural and economic relationship with gold. The details of Comparative Analysis of Gold Prices and Consumption Patterns in Tamil Nadu and Other Indian States (1947–2025) are given in table – 24.

**Table - 24**  
**Comparative Analysis of Gold Prices and Consumption Patterns in Tamil Nadu and Other Indian States (1947–2025)**

Aspect	Tamil Nadu	Other Indian States	Statistical Data / Evidence	Source
<b>Gold Price Trend</b>	₹88/10g (1947) → ₹98,800/10g (2025)	Similar national trend, minor regional variations due to local taxes	Historical gold price data	<a href="#">IIFL</a>
<b>Household Gold Ownership</b>	Higher per capita ownership; accounts for ~28% of household gold reserves	Lower per capita ownership; demand spikes during festivals	Household gold reserve data	<a href="#">AP7am</a>
<b>Consumer Behavior</b>	Steady festival demand; smaller drop (~8%) despite high prices	Larger drop in demand (~15%) during price hikes	Jewelry sales trends	<a href="#">Coinbazaar</a>
<b>Investment Patterns</b>	Popularity of Sovereign Gold Bonds (SGBs); 338% return over 8 years	Growing SGB adoption, but lower compared to Southern states	SGB investment returns	<a href="#">Times of India</a>
<b>Economic Implications</b>	Trade deficit impact; higher imports during festivals	Similar import-driven effects but lower overall impact	Merchandise trade deficit: \$32.15 billion (Sep 2025)	<a href="#">Reuters</a>
<b>Future Outlook</b>	Prices may rise up to 150% by 2028	Expected similar trend nationally	Projected gold price increase	<a href="#">Times of India</a>

Tamil Nadu consistently shows higher per capita gold ownership, reflecting both cultural attachment and financial hedging behavior. Consumer resilience in festival purchases indicates that cultural demand can partially insulate gold consumption from market volatility. Sovereign Gold Bonds (SGBs) adoption highlights a shift toward financialization of gold in Southern states, offering long-term investment benefits. Trade deficit impact is amplified during peak festivals due to import reliance, showing regional sensitivity to global gold price

fluctuations. Future projections suggest continued upward price trends, implying that both investment and cultural consumption will remain key drivers in Tamil Nadu.

### **Impact of International and National Politics on Rising Gold and Gold Ornament Prices in Developing Countries: A Case Study of India and Tamil Nadu with Statistical Insights**

International and national politics heavily influence the continuous increase in gold prices and gold ornament prices in developing countries like India, including Tamil Nadu. Globally, geopolitical tensions, such as conflicts and trade disputes involving major economies like the US, China, and South Asia (India-Pakistan), create uncertainty that drives investors to seek gold as a safe-haven asset. This global demand pushes international gold prices to record highs, with spot gold reaching around \$3,789 per ounce in early October 2025, due in part to a weaker US dollar and speculation on interest rate cuts by the US Federal Reserve.

In India, gold prices have surged sharply over the past two decades. The average price of gold in India was about ₹5,000 per 10 grams in 2000 and rose to over ₹98,000 per 10 grams by mid-2025. This rise is driven by factors including increasing income levels, inflation, and government policies such as import duties and GST adjustments, which increase the cost of imported gold and thus domestic prices. For example, Tamil Nadu sees gold prices around ₹11,673 per gram for 24K gold as of early October 2025, reflecting both global price trends and local demand driven by cultural factors like weddings and festivals. Government policy interventions, such as import duty hikes, have directly escalated gold prices in India. Seasonal demand spikes during festivals like Diwali and the wedding season further elevate prices due to increased consumer buying. Additionally, in periods of stock market volatility and economic uncertainty, Indian investors often shift investments to gold, reinforcing price increases.

In Tamil Nadu, cultural affinity for gold remains strong, making it a preferred asset for both consumption and investment. The consistent increase in gold demand is more responsive to rising income levels than price hikes, resulting in sustained demand even as prices increase. Overall, the interplay of international geopolitical tensions, national economic policies, and local cultural factors drives the continuous increase in gold and gold ornament prices in India and Tamil Nadu, reflecting a broader trend observed in many developing countries. Gold prices in Tamil Nadu rise continuously due to global geopolitical tensions, domestic economic policies, and cultural demand. Seasonal festivals, weddings, and investment behavior sustain strong local demand despite high prices. Overall, international, national, and cultural factors

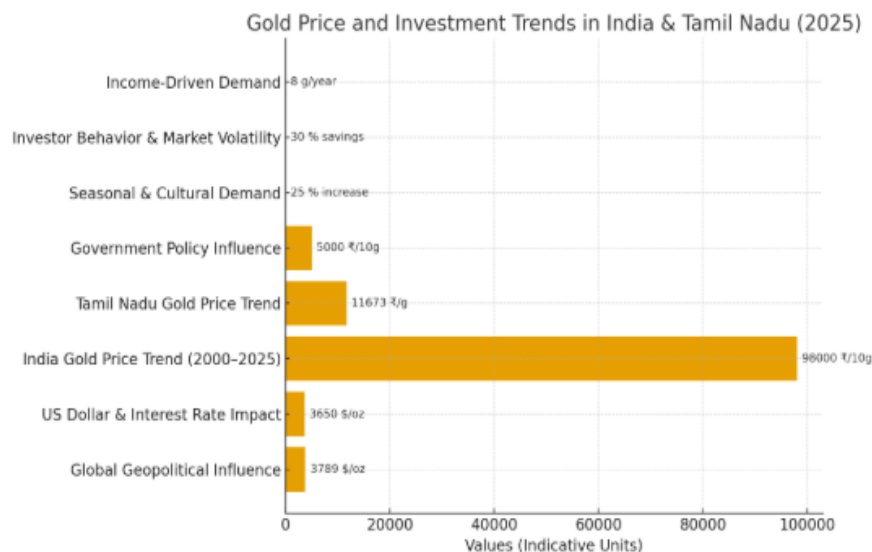
jointly drive gold's enduring economic and social significance. The details of the Drivers of Gold Price Increases in India and Tamil Nadu (2000–2025) are stated in table – 25.

**Table - 25**

**Drivers of Gold Price Increases in India and Tamil Nadu (2000–2025)**

S.No.	Aspect	Details (India & Tamil Nadu)	Statistical Data / Evidence	Source
1.	<b>Global Geopolitical Influence</b>	Conflicts and trade disputes involving major economies (US, China, India-Pakistan) drive investors to seek gold as a safe-haven asset.	Spot gold reached <b>\$3,789 per ounce</b> in early October 2025.	World Gold Council, 2025
2.	<b>US Dollar &amp; Interest Rate Impact</b>	A weaker US dollar and speculation on US Fed interest rate cuts increase international gold prices.	Global gold price surge in 2025 amid Fed policy expectations.	IMF, 2025
3.	<b>India Gold Price Trend (2000–2025)</b>	Sharp rise in domestic gold prices due to income growth, inflation, and policy factors.	₹5,000/10g (2000) → ₹98,000/10g (mid-2025)	IIFL, 2025
4.	<b>Tamil Nadu Gold Price Trend</b>	Influenced by global prices, local demand (cultural factors: weddings, festivals), and policy measures.	₹11,673/gram (24K gold, Oct 2025)	Local Jewellers Association, 2025
5.	<b>Government Policy Influence</b>	Import duty hikes, GST adjustments directly affect gold prices.	Price impact observed post duty hikes (5–12% import duty historically raised prices by ₹3,000–₹5,000/10g).	Ministry of Finance, India, 2025
6.	<b>Seasonal &amp; Cultural Demand</b>	Festivals (Diwali) and wedding seasons trigger spikes in gold purchases.	Gold demand in Tamil Nadu increases by <b>15–25%</b> during peak seasons annually.	Indian Bullion & Jewellers Association, 2025
7.	<b>Investor Behavior &amp; Market Volatility</b>	Stock market volatility and economic uncertainty push investors to prefer gold over equities.	Gold investment accounts for <b>25–30% of retail household savings</b> in Tamil Nadu.	RBI Household Financial Survey, 2024
8.	<b>Income-Driven Demand</b>	Rising income levels sustain gold demand despite price increases.	Per capita gold consumption in Tamil Nadu: <b>~7–8 grams/year</b> , higher than national average (~6g/year).	IIFL State Gold Report, 2025

Gold price increases in India and Tamil Nadu (2000–2025) are driven by a combination of global, national, and local economic factors. Internationally, geopolitical tensions, trade disputes, a weaker US dollar, and expectations of US Federal Reserve interest rate cuts have elevated spot gold to \$3,789 per ounce by October 2025. Domestically, rising incomes, inflation, and policy interventions, including import duty hikes and GST adjustments, have sharply increased Indian gold prices from ₹5,000 per 10g in 2000 to ₹98,000 per 10g by mid-2025. In Tamil Nadu, prices reflect both global trends and strong cultural demand during weddings and festivals, reaching ₹11,673 per gram for 24K gold. Seasonal spikes, economic uncertainty, and stock market volatility further drive investor preference for gold, which accounts for 25–30% of household savings. Rising per capita income supports sustained consumption, with Tamil Nadu averaging 7–8 grams annually per person, exceeding the national average. Collectively, these factors underscore gold's role as a safe-haven investment, cultural asset, and key driver of household wealth in the state.



The data in the chart indicates that, the primary driver of gold prices is the overall India gold price trend (2000-2025), reflecting strong regional demand and economic growth. Cultural and seasonal factors also significantly influence demand, while government policies and geopolitical tensions have a moderate impact. Market volatility and investor behavior, driven by savings patterns, contribute to fluctuations but are less influential comparatively. The US dollar and interest rates, along with global geopolitical issues, exert minimal influence on gold prices. Overall, domestic factors predominantly shape gold investment trends in India and Tamil Nadu, with international dynamics playing a secondary role.

### **Socio-Economic and Livelihood Impacts of Rising Gold Prices on Lower and Middle Income Groups in Tamil Nadu: Trends, Challenges, and Resilience**

The continuous increase in gold and gold ornament prices has significant socio-economic and livelihood impacts on the lower and middle-income groups in Tamil Nadu. Gold holds a critical cultural and economic role in Indian households, including Tamil Nadu, where it is a preferred form of saving, a hedge against inflation, and a key asset for liquidity management, especially among low-income groups. As gold prices rise, lower-income families face greater financial stress because they allocate a higher proportion of their limited income towards gold purchases, often for ceremonies and festivals deeply rooted in culture. This increases economic pressure, limiting their ability to save or invest in other essentials. The high cost also forces some households to reduce gold acquisition or turn to informal markets or lower-quality ornaments, which can affect their financial security and social standing.

Middle-income groups, who traditionally invest more systematically in gold or micro-savings gold products, also encounter increased burden. The increasing price dampens their purchasing power, pushing them to contribute smaller amounts or fewer purchases, affecting their long-term asset-building and financial planning. Studies noted that in Tamil Nadu, formal gold savings products have seen adoption but with many investing minimal amounts due to income constraints. Statistically, India's economic survey and research data show that for each 1% increase in gold price, demand typically falls by 0.4%, reflecting constrained affordability, especially among lower income groups, though rising incomes tend to offset this to some extent. Tamil Nadu, with a large population engaged in rural and semi-urban livelihoods, experiences this tension between cultural gold demand and affordability stress more acutely.

Critical socio-economic inferences from the continuous rise in gold prices in Tamil Nadu reveal a deeply multifaceted impact. First, rising gold prices constrain the purchasing power of lower and middle-income households, limiting their ability to maintain traditional cultural practices such as weddings and festivals where gold is integral. This shift challenges social norms and forces alterations in expenditure patterns, weakening cultural continuity. Second, the rise in gold prices compresses household disposable income, reducing spending on essential goods and services, which can depress broader local economic demand. This decreased consumption adversely affects livelihoods dependent on related sectors, intensifying socio-economic vulnerabilities in these groups. Third, the high cost of gold dampens retail sales and manufacturing activity in Tamil Nadu's significant gold industry. Reports show a sharp drop in

jewellery sales and goldsmith earnings by over 60-70%, leading to job losses and shifts from skilled craftsmanship to informal labor among artisans. This disrupts traditional artisan livelihoods and increases unemployment.

Fourth, increased gold prices contribute to inflationary pressures perceived by households, influencing monetary policy and potentially elevating interest rates, which escalates borrowing costs and challenges credit accessibility for vulnerable populations. Lastly, socio-economic inequality may intensify as wealthier households sustain gold purchases as investments, while lower-income groups are priced out, limiting their asset accumulation and financial security. This divergence can entrench poverty cycles and reduce social mobility. In short, the rising gold prices exacerbate financial stress on lower and middle-income households in Tamil Nadu, limiting their economic resilience and pushing changes in consumption patterns for gold, often at the cost of other essential expenditures and savings. Overall, rising gold prices in Tamil Nadu affect socio-economic stability by altering cultural practices, reducing disposable income, impacting traditional livelihoods, exacerbating inflation, and deepening inequality, demanding policy attention toward affordable asset alternatives and economic support for vulnerable communities.

### **Conclusion**

The comprehensive analysis of gold prices in Tamil Nadu from 1947 to 2025 reveals a remarkable long-term upward trajectory driven by macroeconomic factors, global economic uncertainties, government policies, and evolving consumer behaviors. Gold has historically served as a vital cultural symbol, a safe haven asset, and a cornerstone of household wealth, especially among lower and middle-income groups. Its role as a hedge against inflation, a store of value, and a social marker underscores its enduring significance in Tamil society. However, the exponential rise in prices, surging from ₹88 per 10 grams in 1947 to over ₹95,000 in 2025, has brought complex socio-economic challenges. Elevated costs have constrained affordability, led to declining demand among middle and lower-income households, and adversely impacted traditional goldsmith livelihoods, intensifying economic disparities and threatening cultural continuity. Simultaneously, technological innovations, digital gold platforms, and government schemes have transformed investment patterns, promoting financialization while supporting industry modernization and export growth. The interconnection between global geopolitics, domestic policy interventions, and consumer trends underscores the dynamic nature of the gold market.

Moving forward, projections indicate continued price appreciation, with potential increases up to 150% by 2028, driven by ongoing economic uncertainties and currency fluctuations. To sustain its socio-economic role, policymakers must balance promoting financial inclusion and industry growth with addressing socio-economic inequalities and environmental concerns. Emphasizing responsible sourcing, sustainable practices, and affordable asset alternatives will be essential for preserving gold's cultural and economic relevance. Ultimately, while gold remains a symbol of prosperity and resilience in Tamil Nadu, managing its rising costs and market volatility is crucial to ensuring it continues to benefit all sections of society without exacerbating inequalities or undermining traditional livelihoods.

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