

BUSINESS

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ACCA debates investment avenues



Hamid Hamirani speaks at the ACCA event

Our Correspondent Muscat

Whether investors should bet on paper currencies or invest in precious metals such as gold and silver in these uncertain economic times was debated at an event organised by ACCA (the Association of Chartered Certified Accountants) on Sunday.

Speaking at the event entitled 'Paper vs Metal,' Hamid Hamirani, senior economist at the Ministry of Finance, gave an overview of the essential fundamentals governing paper currencies and metals, mainly gold, and

spoke of the prospects for both in the short to medium term.

The ACCA meeting was attended by leading finance and accounting professionals in Oman. The guest of honour was Ian Cranshaw, deputy head of UK Trade and Investment, at the British Embassy, who chaired the event.

Hamirani told the audience that the Standard & Poor's currency index had kicked off the 21st century at 1,469 points, but had ended the decade at 1,115 points on December 31, 2009 - a drop of 24 per cent. In comparison, gold made a total gain of

275 per cent over the same ten-year period - an annualised return of 14.1 per cent.

Since the collapse of investment bank Lehman Brothers in 2008, the price of gold has soared by 76 per cent. The price of gold is up 27 per cent and silver by 75 per cent so far this year in dollar terms, he told the meeting.

During the presentation, he expressed serious concerns about the European debt crisis and its impact on other European countries. "It is not the gold which is going up in terms of prices, it is that the currencies are de-basing and losing their buying power," Hamirani added.

Mohammed Sajid Khan, ACCA's country manager for Oman, said, "The event gave finance professionals an opportunity to look at the best prospects for investment in the coming months, and provided for an interesting exchange of views among the senior finance professionals at the event."