

УДК 331.1

## INVESTMENT IN PRECIOUS METALS IN UKRAINE

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*In the article considered the most common ways of investment into precious metals and defined their peculiarities, advantages and disadvantages.*

*У статті розглянуті найбільш поширені шляхи інвестування в дорогоцінні метали та визначено їх особливості, переваги та недоліки.*

Precious metals such as gold has been the universal symbol of wealth for centuries. Ancient people crafted gold jewelry. First types of money were made from gold.

Gold is one of the most popular metal, but it is not the only metal for investment. The other popular metals for investment are platinum, palladium and silver. All these metals have risen in price over the last years as demand has increased around the globe.

We should admit that all mentioned precious metals are not only used for jewelry or coins, they are also used in industry. Gold is very important component of electronics. Palladium is used in water purification and platinum is used for medical equipment and for computer parts as well as gold.

### **Investing in precious metals in Ukraine**

Investing in gold and other precious metals has been attracting a lot of attention lately. People always wanted to have gold, because it is universal equivalent of welfare. There is a stable belief that the decline in the value of gold is not threatened under any circumstances, because it does not react to economic reforms and political actions and the reserves of this metal on the planet are limited. The price of this precious metal only grows at a significant pace during the economic crisis. Gold is one of the most important elements of the world financial system, while the total amount of gold reserves is 171300 tons.

Despite the fact that even today, investing in gold is very profitable and the cost of this metal will not fall, but it will only grow, it is necessary to know and remind investors that these deposits in precious metals are long run investments. The real payback of these investments will be noticeable after several years. Therefore, the lack of investment in precious metals is a consequence of its long-term payback. This disadvantage can be added to the fact that gold has a very high purchasing value. Unfortunately, in our country not every Ukrainian has an opportunity to buy precious metals on a long-term basis because an average Ukrainian does not have free money, which can bring income. For example, with a minimum wage in Ukraine, which is 3200 UAH, Ukrainians can afford to buy only one gram of gold, and this is very insignificant for investing.

Gold is not mainly stored in banks' safes, it is used in jewelry (rings, bracelets, earrings, necklaces, etc.).

### **The main advantages of investing in precious metals include:**

- stable growth of the value of gold, which has been observed for many years;
- compactness and unpretentiousness, since this metal does not rust, does not erase, does not evaporate, it can be stored at fluctuations of temperature and humidity;
- high liquidity, because any bank with pleasure will buy gold;
- a universal and intercultural currency that is well-known and appreciated in any country in the world.

### **Proven and reliable ways to invest in precious metals include:**

- Investing in gold bars - is carried out by purchasing gold bars in a bank and obtaining of an appropriate certificate confirming the authenticity and weight of gold. This operation does not re-

quire unnecessary from an investor and has no difficulty. The only drawback of this investment is the VAT rate for the sale of these bars is 18%.

- Investing in gold coins - unlike gold bars, there is no tax rate for sales, but coins cost is higher than cost of bars and it is necessary to understand the numismatics to buy collectible or commemorative precious coins.

- Impersonal metal accounts - is one of the most interesting and promising way of investing, since a person purchases virtual gold, at a price set by the bank, which is higher than the exchange value of gold for this period. This client has nothing to do with gold, because the money which the client puts on a deposit is converted into grams of gold. This is beneficial when the price increases. But drawbacks include the fact that such deposits are not protected by insurance, such as a regular deposit.

- Trading on the stock exchange is the easiest way to invest, and this method does not raise the issue of gold storage. Brokers get the profit from the rise of gold prices as well as prices fall. But risks exist as well as any exchange operations and it all depends on a broker and the effectiveness of a bidding strategy.

**Conclusion.** Thus, we can say that investing in precious metals is a great way to store and increase funds for people who are seeking stability and ready to wait for a certain period of time. Investing in precious metals has a guarantee of payback, so the main thing for such kind of investment is to choose a correct strategy and reasonably distribute your capital in the chosen investment direction.

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