THE SILVERINSTITUTE

Silver News

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US Tariffs, Geopolitical Risks, Critical Mineral Designation, Other Factors Keep Silver Supply Tight

2025 Expected to be Fifth Consecutive Year of Silver Market Deficits

Silver is expected to continue its fifth year of market deficits at the close of 2025 amid a backdrop of tariff concerns, a liquidity squeeze resulting in record-high lease rates, and ongoing geopolitical risks, as well as the metal being officially designated as a critical mineral by the US government.

These factors have strengthened silver investment demand, especially in exchange-traded products, and offset any weakness seen in sectors such as industrial, retail investment, silverware and jewelry demand, according to the consultancy Metals Focus, the firm that produced *World Silver Survey 2025*.

During their presentation at the Silver Institute's Annual Silver Industry Dinner in New York on November 13, Philip Newman, Managing Director at Metals Focus, and Sarah Tomlinson, Director of Mine Supply, offered the following highlights:

Exchange-traded product holdings were up by roughly 18% through November 6, generating a year-to-date rise of 187 million ounces (Moz). This reflects investor concerns over stagflation, the Federal Reserve's independence, government debt sustainability, the US dollar's role as a safe haven, and geopolitical risks.

Global silver demand is expected to drop by 4% year-over-year (y/y) to 1.12 billion ounces in 2025. All key areas of silver demand are on course to post losses, led by industrial, jewelry, and bar and coin demand.

Industrial demand is forecast to decline by 2% in 2025 to 665 Moz. This stems from global economic uncertainty about tariff policies and geopolitical tensions, as well as a more rapid pace of thrifting due to soaring silver prices. However, global photovoltaics (PV) installations are set for a new record high. Due to a sharp drop in the amount of silver used in each module, however, PV silver demand is forecast to ease by around by 5% y/y.

Silver **jewelry** and **silverware** are expected to decline by 4% and 11%, respectively, this year.

Bar and coin demand is forecast to decline by 4% to a seven-year low of 182 Moz in 2025. This is a result of weakness in the US market, which is offsetting gains in the other key markets of India, Germany and Australia.

In 2025, global **mined silver supply** is expected to remain flat y/y at 813 Moz. Higher Mexican and Russian production will be offset by lower output in Peru and Indonesia.

Recycling this year is expected to rise by just 1% but still achieve a 13-year high.

The **silver price** posted a record high of US$54.48 on October 17, (and has since risen to a fresh record of US$83.99 on December 28), a sign of the underlying strength in investment demand for the metal.

For more information about the presentation, click here.

Silver Supply and Demand

Million ounces	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 E	2024	2025E
Supply													
Mine Production	896	899	863	850	836	783	830	838	811	813	813	0%	0%
Recycling	156	157	161	163	165	182	192	195	185	194	197	5%	1%
Net Hedging Supply	2	0	0	0	14	8	0	0	0	0	11	na	na
Net Official Sector Sales	1	1	1	1	1	1	2	2	2	1	2	-9%	4%
Total Supply	**1,055**	**1,057**	**1,025**	**1,014**	**1,016**	**974**	**1,023**	**1,034**	**998**	**1,009**	**1,022**	1%	1%
Demand													
Industrial	458	491	528	526	525	512	564	592	657	680	665	4%	-2%
Photography	38	35	32	31	31	27	28	28	27	25	24	-7%	-5%
Jewelry	201	188	195	202	200	150	181	233	201	207	199	3%	-4%
Silverware	58	54	59	67	61	31	41	74	55	53	48	-3%	-11%
Net Physical Investment	305	213	156	166	187	209	295	361	255	189	182	-26%	-4%
Net Hedging Demand	0	12	1	7	0	0	4	18	11	5	0	-60%	na
Total Demand	**1,061**	**992**	**972**	**999**	**1,005**	**929**	**1,112**	**1,306**	**1,208**	**1,160**	**1,117**	-4%	-4%
Market Balance	**-5**	**65**	**54**	**15**	**11**	**45**	**-89**	**-272**	**-210**	**-151**	**-95**	-28%	-37%
Net Investment in ETPs	-17	54	7	-21	83	331	65	-117	-38	62	200	na	225%
Market Balance less ETPs	**12**	**11**	**46**	**36**	**-72**	**-286**	**-154**	**-154**	**-173**	**-213**	**-295**	23%	39%
Silver Price (US$/oz, London price)	15.68	17.14	17.05	15.71	16.21	20.55	25.14	21.73	23.35	28.27		21%	na

Source: Metals Focus

Despite drop in demand silver is expected to log the fifth consecutive year of deficits.

US Designates Silver a Critical Mineral

The United States Geological Survey (USGS) has added silver to its 2025 Critical Minerals List, a roster that includes copper, uranium, aluminum, and nickel, raising the total number to 60 minerals from 50 in 2022.

In general, minerals are added because they are vital to the "economic or national security of the US; have a supply chain that is vulnerable to disruption; and serve an essential function in the manufacturing of a product, the absence of which would have significant consequences for the economic or national security of the US," according to the USGS.

Adding silver to the list could encourage accelerated support for streamlining permit processes, reducing regulatory burdens, providing federal investment incentives, and introducing strategic stockpiling and trade policies that could include tariffs to reduce dependence on foreign imports. Many observers say that the addition of silver to the list may also further tighten silver supply – adding to the current and projected deficit. The move recognizes silver's transformation from primarily a precious metal to a strategic industrial commodity essential for the clean-energy transitions and technological advancements.

World's Largest Silver Bar Displayed at Dubai Precious Metals Conference

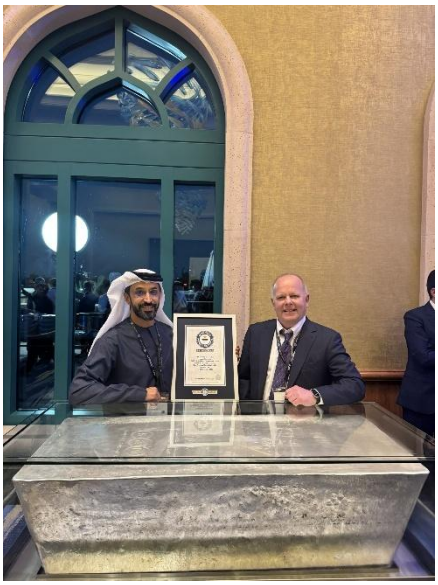
Silver Giant Expected to be Tokenized

The world's largest silver bar – weighing 1,971 kilograms or about 4,345 pounds – was unveiled by the Dubai Multi Commodities Centre (DMCC) at the Dubai Precious Metals Conference in November. The bar, refined by Sam Precious Metals, holds the Guinness World Record for the largest silver bar.

The 999.9 pure bar measures 1.3 meters (4.3 feet) in length. It pays homage to 1971, the year that the United Arab Emirates (UAE) was founded.

The bar is expected to be tokenized, turning the physical silver into digital tokens on the Tokinvest blockchain platform. This will allow fractional ownership with each token representing a specific amount of real silver stored in a vault. The usual goals of tokenization are reduced storage risk, faster settlements, decreased trading costs and greater accessibility, making it more affordable to investors.

In a prepared statement, Ahmed Bin Sulayem, executive chairman and CEO of DMCC, said: "This initiative reflects DMCC's broader mission to connect trade, commodities, finance and technology, demonstrating how physical assets can be digitized and accessed through trusted and transparent frameworks."



Ahmed Bin Sulayem, Executive Chairman and CEO of DMCC (left), and Michael DiRienzo, President & CEO of the Silver Institute, flank the world's largest silver bar.

Corning's New Michigan Plant Expected to Produce 1 Million Solar Wafers Daily

Could Mean More Domestic Silver Consumption

Corning is hoping that a US$1.5 billion investment in a new US facility in Michigan, which just began producing solar wafers, will spur domestic end-to-end production of solar cells. Solar wafers are the substrate upon which solar cells are produced, and the wafers will be sent to other US companies who will use them to manufacture the cells.

How much silver these wafers will consume is unclear, because it's unknown which type and size of cells will be built from the 1 million wafers that are expected to be produced daily, with an estimated maximum 2.5-gigawatt capacity annually, according to Corning officials.

According to the *World Silver Survey 2025* the average solar cell uses about 111 milligrams (.004 ounces) of silver. If each wafer used that amount of silver, the total could be as much as 4,000 ounces daily.

In addition to the size and type of cell being produced, silver consumption will also depend upon which technology is used. For example, high-efficiency cells, such as TOPCon (Tunnel Oxide Passivated Contact) and HJT ((Heterojunction Technology), generally require more silver per watt than older technologies, because they have silver paste on both sides. Older technology like PERC (Passivated Emitter Rear Contact) cells typically use silver only on one side.

Overall, the *Word Silver Survey 2025* noted the projected amount of silver used annually in photovoltaics is expected to be approximately 195.7 million ounces in 2025.

Reserve Bank of India to Allow Silver as Collateral on Bank Loans

The Reserve Bank of India (RBI) has announced that beginning on April 1, 2026, individuals will be able to use silver for collateral on loans.

The move is designed to make credit more accessible to those who own silver coins and jewelry in the same way that gold currently can be used to back loans. Silver bricks, bars or Exchange Traded Funds are not permitted to be used. The lenders may be commercial banks. urban and rural cooperative banks, housing finance companies and non-banking finance companies.

Up to 10 kilograms of silver jewelry and up to 500 grams of silver coins may be pledged.
The silver price will be based on the average closing price of the past 30 days or the closing price of the previous day, whichever is lower, using the issue rate of the IBJA (India Bullion and Jewellers Association) or any recognized commodity exchange.

In the case of jewelry, the value of imbedded stones and gems will not be included.

According to the RBI, pledged jewelry must be returned to the borrower within seven working days after the loan is repaid.

Beginning in April 2026, the Reserve Bank of India will allow silver jewelry and coins to be used as loan collateral.

Fudar's Silver Niche Market

Fudar Alloy in Wenzhou, China, focuses on electrical switching components using silver ingots, consuming about 500 tons of silver annually for its products sold in 32 countries and regions in 2024. Moreover, Fudar holds the No. 1 market share in its niche segment in China, according to the China Electrical Equipment Industry Association.

The company serves domestic and international low-voltage electrical apparatus manufacturers, including Schneider Electric, ABB, Siemens, Fuji Electric, Panasonic, Mitsubishi, Chint, Delixi, Lazzen, and Hongfa. In 2024, Fudar Alloy had approximately US$ 550 million in sales revenue.

During the China International Silver Industry Conference in November, Silver Institute President & CEO Michael DiRienzo toured their facility, and *Silver News* later discussed the company's products and vision with his host, Vice General Manager, Director of Sales and Investment, International, James Yang.

Following is an edited interview:

Silver News: Can you further explain Fudar's operation philosophy: "Brand is more important than profit. Responsibility is more important than benefit."

James Yang: As we strive toward 100 years for Fudar, [we believe that] responsibility to various stakeholders is essential for long-term sustainability. Our brand is vital for everything we do over time.

Silver News: Fudar specializes in one thing: electrical contacts. Do you plan to expand your brand to other products?

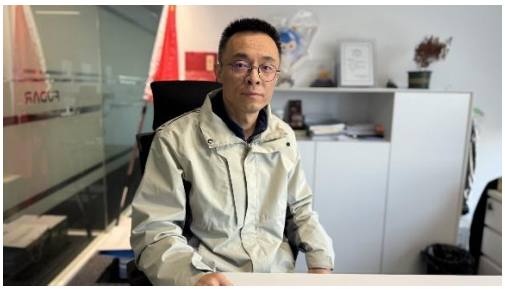
James Yang: Yes, we plan to expand to materials and components of other precious metals by leveraging expertise and knowledge we already have in silver and gold.

Silver News: What is the outlook for electrical contacts in the long term and the short term?

James Yang: The demand is increasing due to the booming development of data centers, AI and green energy, which all require strong power supplies, distribution and consumption. These all need electrical contacts. There might be new technologies to replace some applications in [our] niche field, but it will be a while.

Silver News: Do you have any new products coming out soon?

James Yang: Yes, we have. We are the first company in China in this field to open an institute for new materials research and development, which will support our new products that will be rolled out.



James Yang

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How Do Silver Catalysts Work?

New Study Could Mean More Silver Catalysts Being Deployed

For over a century, engineers and scientists have theorized about how precious metals act as catalysts to help move chemical reactions along swiftly and efficiently. They believed that as molecules came in contact with catalysts – like silver, gold and platinum – they shared their electrons with the catalyst, stabilizing the molecules and allowing the chemical reaction to take place.

Until now, this reaction could not be measured accurately and therefore engineers relied on experience to gauge how much silver to use as a catalyst and the proper conditions, such as heat or pressure, to produce the required outcome.

Now. researchers from the University of Minnesota Twin Cities College of Science and Engineering and the University of Houston's Cullen College of Engineering have measured the tiny amount of an electron that makes catalytic manufacturing possible. This ability to measure the fraction of an electron involved in catalysis could lower costs and increase speed in many industries from manufacturing to oil production.

"Measuring fractions of an electron at these incredibly small scales provides the clearest view yet of the behavior of molecules on catalysts," said Justin Hopkins, University of Minnesota chemical engineering PhD student and lead author of the research study, in a prepared statement. "Historically, catalyst engineers relied on more indirect measurements at idealized conditions to understand molecules on surfaces. Instead, this new measurement method provides a tangible description of surface bonding at catalytically-relevant conditions."

Because so much of a catalyst can go to waste during reactions, this finding may allow engineers to deploy silver catalysts in a more precise way, which could mean that more silver catalysts will be used as their usefulness is increased.

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