Silver Follows Suit: Significant Price Increases After Gold Rally / Rising Industrial Demand and Attractive Prices Drive the Market

Thursday 6 March, 2025

Frankfurt, 6 March 2025 – Following a year in which gold repeatedly surged to new all-time highs, silver is now increasingly capturing the attention of the markets. Over the past year, the price of silver has risen by an impressive 29%, while investors who bought at the lowest price and sold at the peak achieved remarkable gains of up to 59%.

Industrial Demand Fuels Growth

Silver remains an essential component of modern technologies and industries. In particular, the electronics sector and the rapidly expanding artificial intelligence (AI) industry are driving demand for the precious metal at an unprecedented pace. According to the industry association Silver Institute, industrial applications currently account for approximately 58% of global silver demand, with an upward trajectory. The rapid electrification of industries, the expansion of renewable energy, and an AI hardware boom continue to push demand higher.

Beyond its industrial applications, silver is also gaining traction as an investment asset. Particularly for retail investors, it serves as an appealing alternative and complement to gold. *“Silver presents an excellent opportunity for newcomers to build wealth. Due to its comparatively lower price, it remains accessible to investors with smaller budgets,”* explains Christian Rauch, CEO of Degussa. Analysts forecast continued double-digit price increases this year, potentially driving the price as high as $35 per troy ounce.

A critical factor influencing silver’s future price trajectory is the supply outlook. Experts warn that silver mine production may struggle to keep pace with rising demand. Michael Widmer, an analyst at Bank of America, cautions: *“Insufficient investment in new mining projects is leading to a structural deficit, which will further constrain supply.”* Meanwhile, above-ground reserves are depleting, with a significant portion of industrially utilised silver being lost permanently due to recycling inefficiencies.

Another key market indicator signalling further silver price appreciation in the coming months is the gold-silver ratio, which measures how many ounces of silver are required to purchase one ounce of gold. Historically, silver prices tended to rise following periods of a high gold-silver ratio. Currently, the ratio stands at 91, compared to a historical average range of 50 to 70. Long-term investors and market analysts interpret this as a strong bullish signal for the future performance of silver.

Tax Advantages of Investing in Silver

Despite the 2022 abolition of differential taxation on silver imports from non-EU countries, investors still have effective opportunities to benefit from tax-efficient strategies. One such option is the Degussa Tax-Free Silver Storage.

“Our clients can buy and sell silver free of VAT there, allowing them to invest with maximum efficiency. Our experts at Degussa branches are always available to provide guidance,” explains Christian Rauch, CEO of Degussa.

Conclusion: Silver Poised to Be a Winner in the Years Ahead

The combination of surging demand, constrained supply, and strong market indicators points to a continued upward trajectory for silver prices. Experts regard silver as a compelling opportunity for investors seeking to capitalise on the next precious metals rally.

Learn more about the campaign: www.degussa.com

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comprehensive services for precious metal investments and holds a market-leading position among independent precious metal dealers in Europe. With a team of approximately 220 employees, the company currently operates 16 branches across Germany, Switzerland, Spain, and the United Kingdom.

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