



Publication of Gold Survey 2009

Lower Sales within the CBGA Coupled with Net Purchases Elsewhere Drove Net Official Sector Sales Down to 246 Tonnes in 2008

In its latest publication on the global market, *Gold Survey 2009*, which was launched today in London, Toronto and Johannesburg, GFMS estimated that net official sector sales in 2008 fell by 49% from a year earlier to 246 tonnes, the lowest level since 1995. The decline combined with lower mine production was broadly offset by the surge in scrap supply, resulting in a marginal fall in total supply in 2008.

The dramatic drop in official sector supply was primarily the result of lower sales from signatories to the Central Bank Gold Agreement (CBGA), coupled with a growth in net purchases outside the group, albeit of a relatively small magnitude. With regards to the former, for the second time in the history of the CBGA, the Agreement's signatories massively undersold their 500-tonne quota, with total sales from the group in the fourth Agreement year ending 26th September 2008 standing at only 358 tonnes.

Looking ahead to this year, net official sector sales should fall further. On the one hand, the CBGA signatories are likely to keep to more or less their recent rate of disposals through to the end of the final Agreement year in September 2009, and on the other, countries outside the group are expected to stay on the demand side on a net basis.

Commenting on the growing speculation that certain countries with huge foreign exchange reserves and little gold could emerge as significant buyers, Philip Klapwijk, GFMS' executive chairman stressed that "Although certain central banks may intend to increase their gold holdings, be that in order to diversify their reserve portfolio or for geopolitical reasons, large-scale and direct purchases by central banks in the open market would seem very unlikely this year. Furthermore, the high price we expect in 2009 may affect the timing and scale of any potential purchases".

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Gold Survey 2009 contains over 120 pages of statistics, commentary and analysis on all aspects of world gold supply/demand and on gold prices in various currencies. The publication can be ordered from GFMS for £325 or US\$595 / €440 per copy. For orders and to receive further product information please contact Elena Patimova - Tel: +44 (0)20 7478 1777, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: www.gfms.co.uk, Online Shop: <http://shop.gfms.co.uk>

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