World Official Gold Holdings

In 2023, central banks – mostly from emerging market countries – bought almost as much gold as they purchased in 2022, which was a record. Per the World Gold Council, the 1,037 tonnes the banks purchased was just 45 tonnes less than the previous year.

For reference, central banks around the world own a total of 35,927.4 tonnes, or 15.6% of total reserves (as of November 2023).

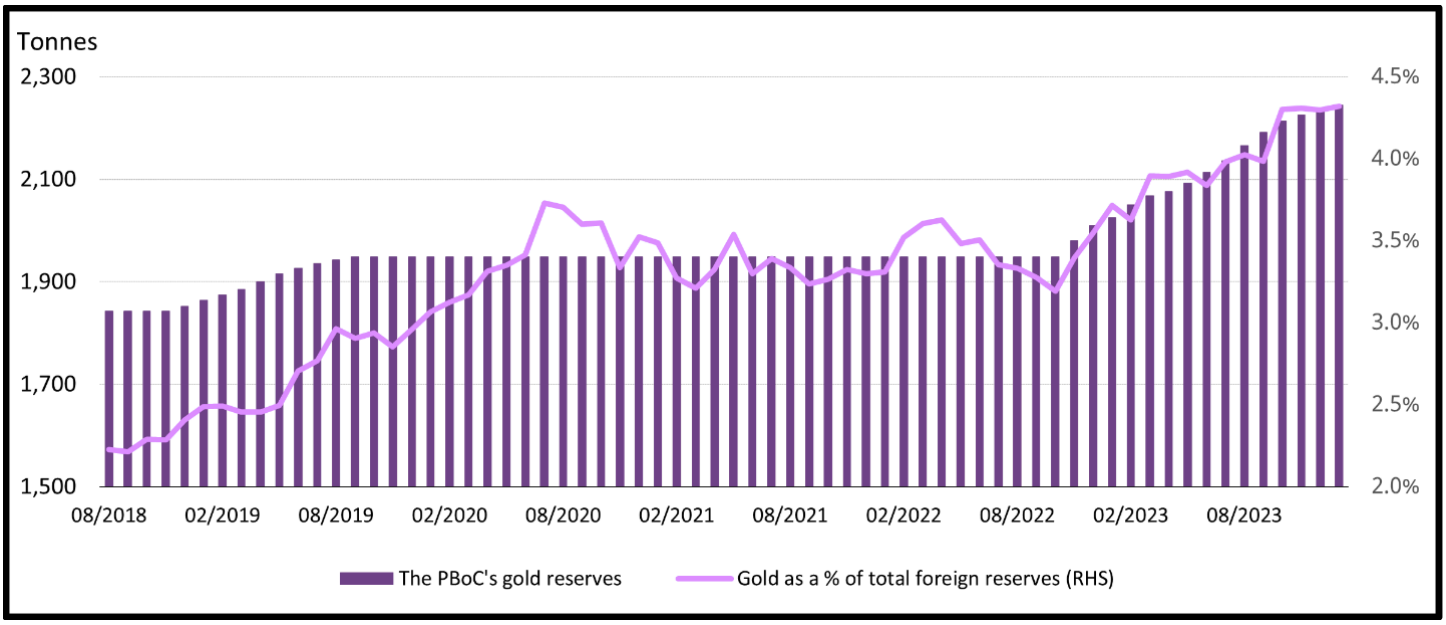
China, the largest buyer last year, continued buying in January 2024 by adding 10 tonnes to its reserves, marking its' 15th straight month of topping off its gold reserves.

Central banks that bought the most gold in 2023

Country	Purchases	Total Reserves	Gold holding rank	Gold % of Reserves	Holdings as of
China, PR	224.9	2,235.4	7	4.3%	Dec 2023
Poland	130	358.7	17	12.4%	Dec 2023
Singapore	76.3	230	25	4.3%	Dec 2023
Libya	30	116.6	36	9.6%	Nov 2020
Czech Rep.	18.7	30.7	61	1.4%	Dec 2023
India	16.2	803.6	10	8.8%	Dec 2023
Iraq	12.3	142.6	30	8.3%	Oct 2023

Source: World Gold Council

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Some of the reasons central banks find holding gold appealing:

- Gold is safe – it can't go bankrupt.
- Gold is liquid – the London market trades an average of $325.65bn per week (12-week moving average value of trades for the period ending September 29, 2023. (Source: LBMA)
- Portfolio benefits such as diversification.

Additionally, some countries have become concerned about the US's ability to use the dollar as a weapon (including sanctions). This could be why some central banks are diversifying into gold and out of the dollar. Other countries, such as Poland, are likely accumulating gold because they are literally next door to a war.

Jennifer Ropiak is a precious metals market specialist with over 30 years' experience, including 20 years of trading (15 at Morgan Stanley). In 2014, Jennifer launched Trusted Partner Metals, an independent consultancy whose clients span the metals industry. Services include expert witness opinions in precious metals cases. The information contained in this article is for educational and informational purposes only.

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