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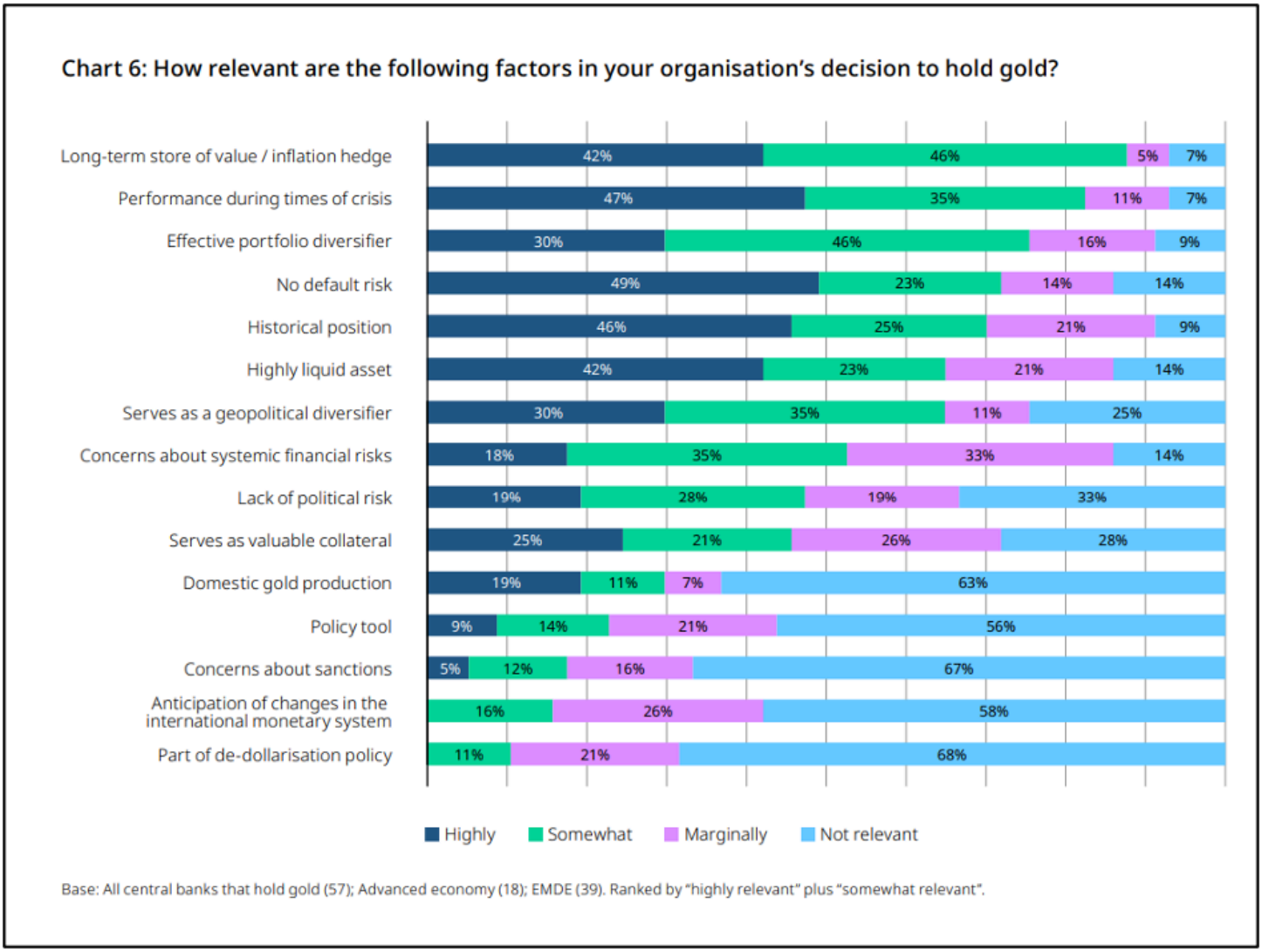
Precious Metals Insights, Facts, and Resources

Central Bank Survey: Why Hold Gold?

2022 marked a record high for central bank buying of gold (1,082 tonnes) and 2023 net demand was also strong (1,032 tonnes). 2024 through April has seen the pace of purchasing slow significantly (166.1 tonnes) – likely due to the $500 dollar rally from October 2023 to April 2024. More buying has been from emerging market/developing countries than advanced ones.

What do central bankers think about when making reserve asset decisions related to gold? It turns out that they appreciate gold's store of value and inflation-flighting qualities; its performance during a crisis; that it is an effective portfolio diversifier; and its lack of default risk. These were the top answers in the World Gold Council's 2024 Central Bank Gold Reserves Survey. In prior surveys, 'highly liquid asset' ranked among the top answers; this year, it has fallen to number five as inflation and crises have understandably shifted to top of mind.

Chart 6: How relevant are the following factors in your organisations decision to hold gold?



Base: All central banks that hold gold (57); Advanced economy (18); EMDE (39). Ranked by "highly relevant" plus "somewhat relevant".

Want to learn more? Check out Gold.org and download the full report for free.

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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