

Germany's Gold Position: A Sleeping Giant?

Pretoria, March 14, 2025 – As global financial markets become increasingly uncertain, gold is once again coming into focus as a safe haven. Particularly, the United States, facing its high national debt, might be compelled to utilize its gold reserves. However, this would have far-reaching consequences—not only for the U.S. but also for Germany.



Is an explosion in gold prices imminent?

If the U.S. were to sell its gold reserves to reduce debt, this would reportedly yield only about \$7 billion—a relatively small sum considering the massive U.S. debt. Many investors are therefore speculating that the gold price will rise sharply in the near future. A possible return to the gold standard could accelerate this development. The U.S. could curb inflation and regain economic leadership by revaluing gold bonds. In the past, the decoupling from the gold standard under President Nixon led to a massive expansion of the money supply, which weakened the dollar's value in the long term. If the gold price were adjusted to the increased money supply, it would have to be significantly higher than it is today.

Germany's role in the global gold market

Germany holds the second-largest gold reserves globally, according to official figures. The majority of Germany's gold—around 1,710 tons, equivalent to approximately 31,000 bars—is securely stored at the Bundesbank in Frankfurt am Main. Its estimated value is about €100 billion. However, should a revaluation of gold occur following a possible U.S. gold reform, this value could drastically increase. Experts suggest a potential total value of €2.15 trillion. Such an increase could also benefit Germany economically, provided the government utilizes the reserves wisely. Critics, however, fear that the funds may not be used efficiently, thereby not fully realizing the potential of this gold treasure.

Gold and silver: Germany's most prized treasures

The current developments in the gold market could have far-reaching implications for the global financial world. The question is not whether the gold price will rise, but how much and when. Germany sits on an enormous gold treasure that could become even more significant in the future. Simultaneously, silver, known as the "poor man's gold," could experience an unexpected renaissance.

The coming years could bring about a fundamental reordering of the financial system, with gold and silver playing key roles.