

China's Secret Gold Reserves?

Pretoria, March 20, 2025 - China has been steadily increasing its official gold reserves in recent months. According to the People's Bank of China (PBoC), gold holdings rose to 73.61 million fine ounces (approximately 2,290 tonnes) in February 2025, accounting for 5.9% of the country's total foreign exchange reserves. According to the World Gold Council, China has mined and produced 270,000 ounces of gold from 2021 to the present day. However, official figures indicate a discrepancy of nearly 200,000 ounces. This significant gap raises questions:



Was this amount of gold sold to foreign buyers, or does China possibly hold larger gold reserves than officially reported?

Official Gold Reserves and Actual Holdings

Currently, China officially reports its gold reserves at 2,279.56 tonnes, ranking fifth globally behind the USA, Germany, Italy, and France.

However, calculations based on China's production and import figures suggest that its actual gold reserves could exceed 8,000 tonnes, which would place the country at the top of the global gold holders list. This assumption is reinforced by the continuous gold purchases made by the People's Bank of China (PBoC), which has steadily increased its gold reserves in recent months.

Strategic Motives for Concealment

There is speculation as to why China might be keeping its actual gold reserves a secret. One reason could be to maintain the perception that China does not pose an economic threat to the United States. Another possible motive could be to keep gold prices relatively low, despite the current all-time highs, to allow for further purchases at favorable rates.

Analysts suspect that by withholding information about its true gold holdings, China aims to gain strategic advantages.

Impact on the Global Gold Market and the Role of the BRICS Nations

Another key factor is the role of the BRICS nations (Brazil, Russia, India, China, and South Africa). There have been discussions about introducing a common currency backed by gold to facilitate trade among these nations and reduce dependency on the US dollar.

Should such a system be implemented, the gold reserves of the member states would play a crucial role. Although there is currently no official confirmation regarding the true extent of China's gold reserves, various indicators suggest that the official figures may be underestimated. Investors and analysts should keep this information in mind, as it could influence future gold price developments.

China's strategic decisions regarding gold could have long-term effects on the global financial market.