

## Central banks worldwide increase gold reserves: continuing trend towards diversification

Pretoria, 25 February 2025 - Amid global economic uncertainties and geopolitical tensions, central banks worldwide are increasingly turning to gold to diversify and hedge their currency reserves against risk. According to recent data, demand for the precious metal from government institutions is at an all-time high.



### Poland leads the purchases

In 2024, the National Bank of Poland increased its gold reserves by 90 tonnes, making it the largest state buyer of gold. This commitment reflects Poland's endeavours to strengthen its financial security by increasing its gold holdings.

### India and Turkey with significant acquisitions

By the end of September 2024, the Reserve Bank of India (RBI) had increased its gold reserves to 854.73 tonnes, up from 822.10 tonnes in March—a 3.97% rise in just six months. The most striking change was in domestically held gold reserves, which surged from 408.31 tonnes to 510.46 tonnes, marking an impressive 25.02% increase. This significant accumulation of gold boosted its share in India's total foreign exchange reserves from 8.15% to 9.32%, reflecting a 14.36% growth in gold's proportion of the country's reserves. These figures highlight India's accelerated efforts to strengthen financial security through strategic gold acquisitions.

Continuing this trend, the Central Bank of Turkey increased its gold reserves by 3 tonnes in November 2024, highlighting the importance of gold in Turkey's currency strategy as a safeguard against economic challenges and currency devaluations.

### Global trends and outlook

Central banks worldwide added a total of 1,045 tonnes of gold to their reserves in 2024, marking the third consecutive year in which annual gold purchases have exceeded the 1,000-tonne mark, according to the World Gold Council (WGC). China and Uzbekistan have joined Poland, India, and Turkey as active buyers. The motivation behind these purchases lies in the diversification of currency reserves and the desire to hedge against potential economic and political risks. In particular, tensions in international trade policy and global market volatility are driving gold's appeal as a stable investment.

Experts predict that this upward trend will continue in the coming years as central banks worldwide strive to diversify their portfolios and hedge against uncertainties.

The sustained demand for gold by central banks continues to influence global gold prices. In 2024, gold reached new record highs, with a troy ounce (approximately 31.1 grams) surpassing the USD 2,500 mark for the first time. As a result, a standard gold bar (around 12.4 kilograms) was valued at over USD 1 million. Analysts attribute this price surge to rising demand from central banks, geopolitical uncertainties, and inflation fears.

It is evident that gold remains central to the reserve policies of several countries worldwide. Strategic purchases by central banks underscore their confidence in gold as a stable investment during turbulent times.

