



Publication of *Gold Survey 2008*

Higher CBGA sales drive net official sector sales up by nearly a third in 2007.

Amounting to a total of 481 tonnes, net official sector sales in 2007 were up by 30% year-on-year. This was one of the principal findings of GFMS' latest report on the gold market, *Gold Survey 2008*, which was launched today in London, Toronto and Johannesburg. The increase in net official sector sales offset much of the decline in scrap, resulting in a modest fall in total supply over the year.

During the London launch, Philip Klapwijk, GFMS' executive chairman noted that "the rise in official sector sales recorded in 2007 comes from a very low base in the previous year and, if anything, represents a return to normality". For instance, the absolute level net sales achieved last year actually remained below the roughly 500 tonne per annum average of the last decade.

The rise in net official sector sales was fuelled by sales from Central Bank Gold Agreement (CBGA) signatories recovering to levels close to, although not quite at, quota in the third year of the Agreement, that ended on 26th September, resulting in CBGA sales in 2007 overall rising by 50% year-on-year. Within the group, of interest is the emergence of two unexpected sellers of substance, namely Spain and Switzerland. Moving to countries outside the CBGA, in 2007 these swung to the demand side on a net basis for the first time in over a decade, as a handful of purchases of moderate magnitude more than offset other sales seen over the year.

Commenting on the information that emerged one day prior to the *Gold Survey* launch, regarding the prospect for IMF gold sales, Klapwijk said that "the approval of a sales plan by the IMF's executive board confirms our expectations that sales are increasingly likely. Nevertheless, the time required for the proposed measures to gain approval from the IMF's members and, most importantly, in the case of the United States, obtain a 'green light' from the legislature, would suggest that a contribution to net official sector sales by the IMF is probably still some time away".

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Gold Survey 2008 contains over 120 pages of statistics, commentary and analysis on all aspects of world gold supply/demand and on gold prices in various currencies. The publication can be ordered from GFMS for £325 or US\$595 / €440 per copy. For orders and to receive further product information please contact Elena Patimova - Tel: +44 (0)20 7478 1777, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: www.gfms.co.uk, Online Shop: <http://shop.gfms.co.uk>

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Press Contacts: Philip Klapwijk or Paul Walker, GFMS Limited, Hedges House, 153-155 Regent Street, London, W1B 4JE, UK, tel: +44 (0)20 7478 1777, fax: +44 (0)20 7478 1779, email: gold@gfms.co.uk, web site: www.gfms.co.uk

