



## **Publication of *Gold Survey 2008 - Update 1***

### **Low CBGA Sales Drive Net Official Sector Disposals Down by 26% in the First Half of 2008.**

GFMS launched their latest report on the gold market, *Gold Survey 2008 – Update 1*, today in London. Philip Klapwijk, the consultancy's Chairman, gave a summary of the findings of the publication at GFMS' annual Precious and Base Metals Seminar. In the report, GFMS estimate that net official sector sales in the first half of 2008 totalled 167 tonnes, 26% lower compared to the corresponding period in 2007.

The decline was almost exclusively fuelled by lower sales from Central Bank Gold Agreement (CBGA) signatories, as these once again accounted for the bulk of the total. More recently, the pace of CBGA sales has slowed down further, with Eurosystem sales in July and August (excluding deliveries against the ECB's earlier forward sales) reaching less than 14 tonnes. As the end of the penultimate year of the second CBGA approaches, GFMS expect total sales over the current Agreement year will fall short of 400 tonnes. Moving to countries outside the CBGA, net sales in the first half were up slightly, though they remained small in magnitude.

Regarding the prospects for CBGA sales in the final year of the current Agreement, Philip Klapwijk commented that "we would be very surprised to see sales in the last year of the CBGA achieve their full allowance, mainly due to the lack of a desire to sell by the majority of Agreement signatories, leaving total sales under the second CBGA closer to the 2,000 than the 2,500-tonne mark." On the other hand, GFMS expect countries outside the Agreement will remain broadly neutral in terms of their overall sales and purchases. Basis these assumptions, the consultancy forecast that net official sector sales in the second half of 2008 will collapse to 102 tonnes, down by nearly two-thirds year-on-year, which would result in total sales for the year coming in at their lowest annual level since 1995.

#### **© Copyright GFMS Limited - September 2008.**

Whilst every effort has been made to ensure the accuracy of the information in this document, GFMS Ltd cannot guarantee such accuracy. Furthermore, the material contained herewith has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient or organisation. It is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any commodities, securities or related financial instruments. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein. GFMS Ltd does not accept responsibility for any losses or damages arising directly, or indirectly, from the use of this document.

**Gold Survey 2008 - Update 1:** In just 40 pages, Update 1 identifies the most important economic, sociopolitical and market-specific issues facing the gold market. The publication can be ordered from GFMS for £250 or US\$460 / €350 per copy. For orders and to receive further product information please contact Elena Patimova - Tel: +44 (0)20 7478 1750, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: www.gfms.co.uk, Online Shop: <http://shop.gfms.co.uk>

#### **Note to Editors about GFMS Limited:**

GFMS Limited is the world's foremost precious metals consultancy, specialising in research into the global gold, silver, platinum and palladium markets. GFMS is based in London, UK, but has representation in Australia, India, Spain, France, Germany and Russia, and a vast range of contacts and associates across the world.

**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](mailto:gold@gfms.co.uk), web site: [www.gfms.co.uk](http://www.gfms.co.uk)

