



Publication of *Gold Survey 2007 - Update 2*

Higher CBGA Sales More than Compensated for a Low Level of Net Purchases Outside the Agreement to Leave the Global Official Sector Sales Total up by Close to a Third in 2007. Official Sector Sales are Forecast to Decline Slightly in 2008.

GFMS released their latest gold market report, *Gold Survey 2007 - Update 2*, today. The consultancy's Chairman, Philip Klapwijk, gave a summary of the findings of the publication at a seminar in Toronto, organised by GFMS.

In the report, the consultancy estimate net official sector sales in 2007 reached 488 tonnes, up by nearly a third on the previous year's figure. The increase was the product of significantly higher sales by Central Bank Gold Agreement (CBGA) signatories, which were marginally offset by a low level of net purchases, in aggregate, by countries outside the Agreement.

In contrast to calendar 2006, when CBGA sales were at a reduced level due to countries significantly underselling their quota during the second year of the new Agreement, in 2007 CBGA signatories' sales increased by close to 50%, with the full year total comfortably exceeding 500 tonnes. The rise was largely the result of an exceptionally high level of disposals by Spain coupled with the commencement of Switzerland's second sales programme.

As regards prospects for central bank activity in gold in 2008, Philip Klapwijk noted that "we expect CBGA signatories will undersell their quota this year, which, together with a broadly neutral outcome from countries outside the Agreement, leads us to forecast that in spite of higher gold prices the overall level of supply from official sector sales is more likely to fall slightly than to increase".

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About *Gold Survey 2007 - Update 2*: In just 40 pages, *Update 2* identifies the most important economic, sociopolitical and market-specific issues facing the gold market. The publication can be ordered from GFMS for £215 or US\$395 / €325 per copy. For orders and to receive further product information please contact Ms Elena Patimova on: 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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