



## **Publication of *Gold Survey 2008 - Update 2***

### ***A drop in supply from the CBGA drove total net official sector sales down to 279 tonnes in 2008, the lowest annual figure since 1996***

GFMS released their latest report on the gold market, *Gold Survey 2008 - Update 2*, today. The consultancy's Chairman, Philip Klapwijk, gave a summary of the report's findings at a seminar in Toronto, organised by GFMS.

In the report, the precious metal consultancy estimate that net official sector sales reached 279 tonnes in 2008, the lowest annual total since 1996 and down by a dramatic 42% year-on-year. The decline was primarily driven by the drop in sales from the Central Bank Gold Agreement (CBGA) signatories, coupled with net purchases by countries outside the Agreement, albeit of small magnitude.

2008 saw CBGA countries significantly undersell their quota for the fourth year of the second Agreement. In contrast to calendar 2007 when CBGA sales were at a relatively high level, in 2008 the CBGA group's sales dropped by nearly 43%, as ongoing disposals from France and Switzerland did not fully offset the disappearance of Spain as a seller. Given the apparent lack of desire to sell by the majority of the CBGA countries, GFMS expect total sales under the second CBGA to come in closer to 2,000 tonnes than the 2,500-tonne limit.

As regards prospects for central bank activity in the gold market in 2009, Philip Klapwijk noted that "we expect that CBGA signatories will continue to undersell their quota, which, together with a broadly neutral impact from countries outside the CBGA, leads us to forecast that net sales in the first half of 2009 will be subdued". Based on these assumptions, the consultancy is projecting a 23% year-on-year decline in net official sector supply, to reach a total of 127 tonnes in the first half.

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**About *Gold Survey 2008 - 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 £250 or US\$460 / €350 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](mailto:sales@gfms.co.uk), Web Site: [www.gfms.co.uk](http://www.gfms.co.uk), Online Shop: <http://shop.gfms.co.uk>

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

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