

Press release

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World Gold Council responds to the ECB's announcement that the Central Bank Gold Agreement won't be renewed

Following today's announcement by the European Central Bank (ECB) that the Central Bank Gold Agreement (CBGA) won't be renewed for a fifth time, Natalie Dempster, Managing Director, Central Banks & Public Policy, responded with the following comment:

"There has been a sea change in central banks' attitudes toward gold since the financial crisis, and today's announcement from the ECB is yet another sign of that. Last year, central banks bought more gold than at any time under the existing international monetary system. That buying has continued to accelerate this year, fuelled by heightened geopolitical and economic risks associated with other reserve assets and negative real and nominal interest rates. Compound that with fears of debt monetisation arising from record high budget deficit levels and currency wars and gold looks like a very attractive reserve asset. It's the only reserve asset that has no political risk and you can't print more of. Europe itself is now a net buyer of gold, so a sales agreement is no longer needed.

"This is a major endorsement of gold's role in global monetary reserves."

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Note to editors:

World Gold Council

The World Gold Council is the market development organisation for the gold industry. Our purpose is to stimulate and sustain demand for gold, provide industry leadership and be the global authority on the gold market.

We develop gold-backed solutions, services and products, based on authoritative market insight and we work with a range of partners to put our ideas into action. As a result, we create structural shifts in demand for gold across key market sectors. We provide insights into the international gold markets, helping people to understand the wealth preservation qualities of gold and its role in meeting the social and environmental needs of society.

The membership of the World Gold Council includes the world's leading and most forward-thinking gold mining companies.