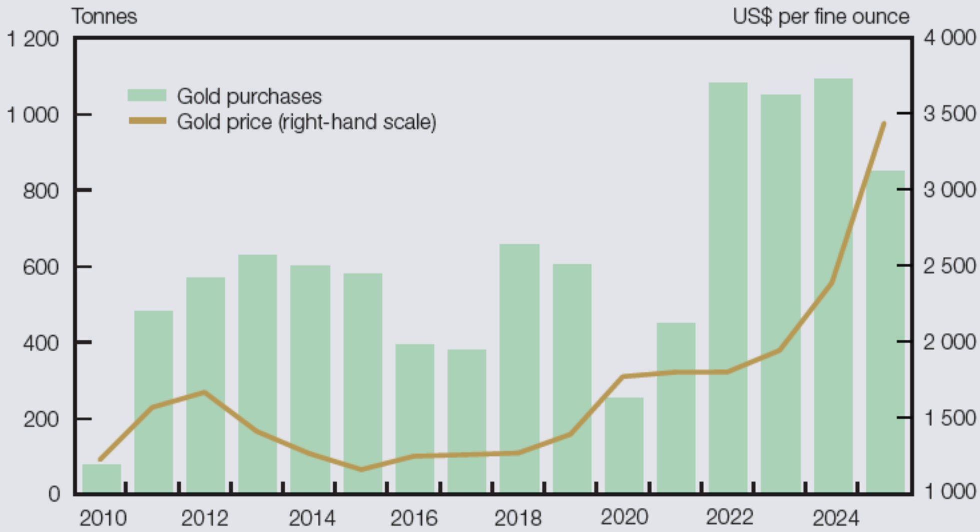
Box 1 Monetary gold[1] as a component of international reserve assets[2]

The Bretton Woods era, spanning from 1944 to 1971, established a new global monetary system in which national currencies were pegged to the United States (US) dollar and backed by gold at a fixed exchange rate. Central banks also retained gold as it was considered a vital, high-value asset.

However, after the Bretton Woods system was abolished in the early 1970s, central banks began to sell gold, favouring debt securities for their stability and yield, while gold was viewed as an underperforming reserve asset. Although central banks in advanced economies kept selling gold in the early 2000s, central banks in emerging markets and developing economies started increasing their gold reserves as strategic assets to diversify their reserve portfolios, reduce reliance on the US dollar and protect their economies against geopolitical sanctions. This trend gathered pace across most emerging market central banks after the 2007–08 global financial crisis (GFC), and since 2010, central banks have in general become net buyers of gold. The GFC highlighted counterparty risk and narrowed the return gap between gold and securities due to the low interest rate environment in the years following the crisis, which likely enhanced gold's appeal.

Central banks' net gold purchases and the price of gold



Sources: World Gold Council and SARB

Central banks' net gold purchases fluctuated around 500 tonnes per year from 2011 to 2021 before surging to 1 080 tonnes in 2022, 1 051 tonnes in 2023 and 1 089 tonnes in 2024. Net purchases then decreased to 850 tonnes in 2025. Since 2022, increased gold purchases have mainly been led by China, Türkiye, Poland and India, which partly supported the sharp increase in the gold price during this period. This trend can be attributed to geopolitical uncertainty, which boosted demand for assets free from counterparty or sanctions risk, along with portfolio diversification, gold's reputation as a hedge against inflation, and de-dollarisation efforts, especially given persistent concerns about the US's fiscal position.

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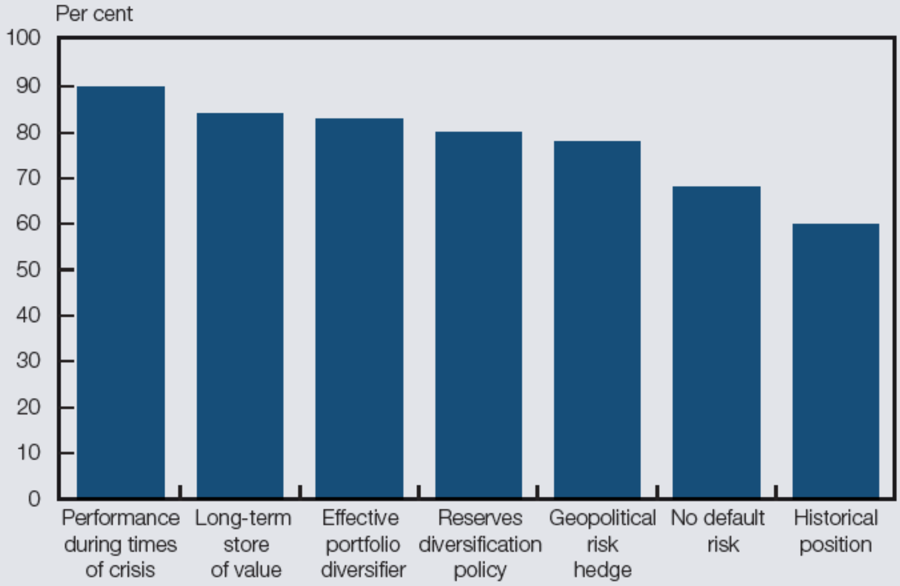
1 Monetary gold refers to gold owned by the monetary authorities (or entities effectively controlled by them) and which is held as reserve assets.

2 Reserve assets are external assets that are easily accessible to, and controlled by, the monetary authorities for meeting balance of payments financing needs, intervening in foreign exchange markets to affect the exchange rate of the currency, and for other related purposes (such as maintaining confidence in the currency and the economy, and serving as a basis for foreign borrowing).

In a similar trend, the gold price increased sharply from 2022, reaching an annual average record high of US$3 436 per fine ounce in 2025, and rose further to US$5 016 per fine ounce in February 2026. This was largely driven by central bank purchases, heightened geopolitical tensions and stronger demand as a safe-haven asset.

The World Gold Council survey of central banks, conducted between February and May 2026, identified several key drivers influencing central banks' holdings of gold reserves, as illustrated in the accompanying graph.

Selected factors affecting central banks' gold holdings

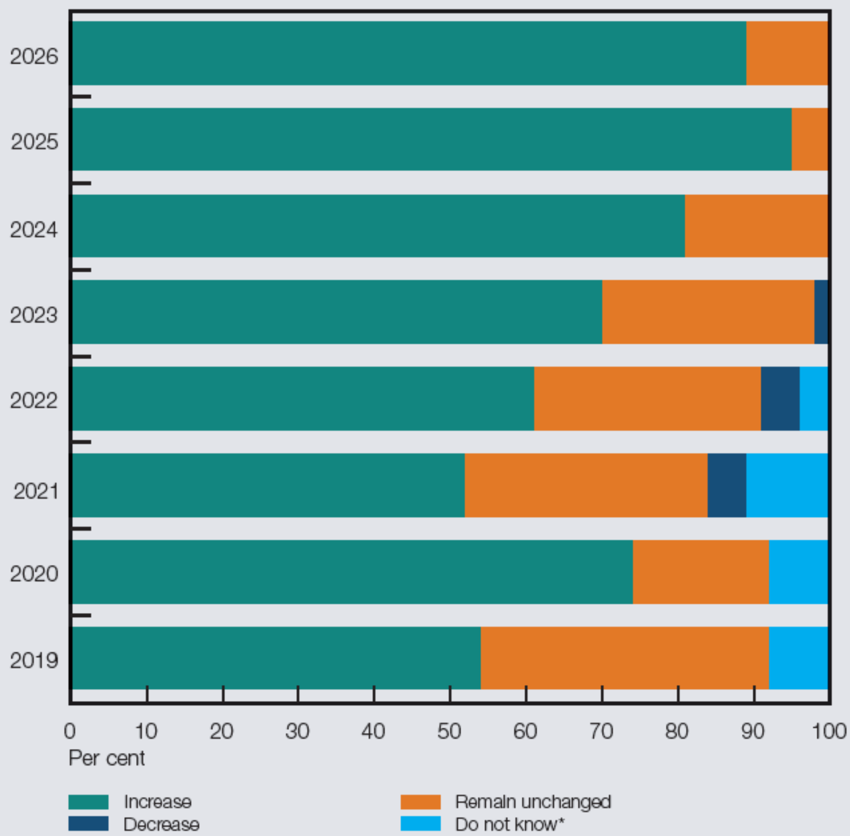


Source: World Gold Council

Central banks from advanced economies and those from emerging markets and developing economies show a significant divergence in how they view geopolitical risk as a reason for holding gold reserves. In emerging markets and developing economies, 85% of central banks consider gold as a geopolitical diversifier, whereas only 56% of central banks from advanced economies cited this as a reason to hold gold. It is therefore not surprising that the recent spate of gold purchases was mainly driven by central banks from emerging markets and developing economies, especially as geopolitical tensions escalated following the onset of the Russia–Ukraine war and have remained elevated.

The 2026 World Gold Council survey also indicates that a growing number of central banks expect gold reserves to increase further over the next 12 months. Central banks from emerging markets and developing countries are generally considered to be underweight in gold holdings compared to those from developed countries and are therefore expected to increase the share of gold in their reserve assets. For example, Poland's central bank has announced a target to increase gold holdings to 30% of its total reserve assets.

Central banks' expectations of gold reserves



* 'Do not know' was removed as an option from the 2023 survey onwards

Source: World Gold Council

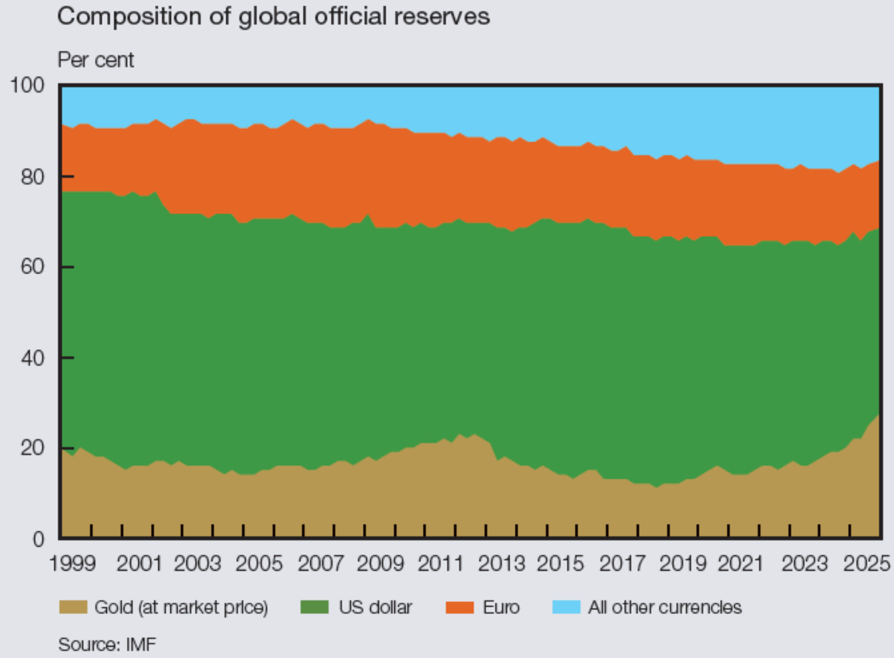
Despite emerging markets and developing economies being largely responsible for the recent surge in central bank gold purchases, advanced economies still hold the bulk of central bank gold reserves. As at the end of March 2026, the US, Germany, Italy and France collectively held about 45% of the reported central bank gold holdings.

Holdings of gold reserves as at the end of March 2026

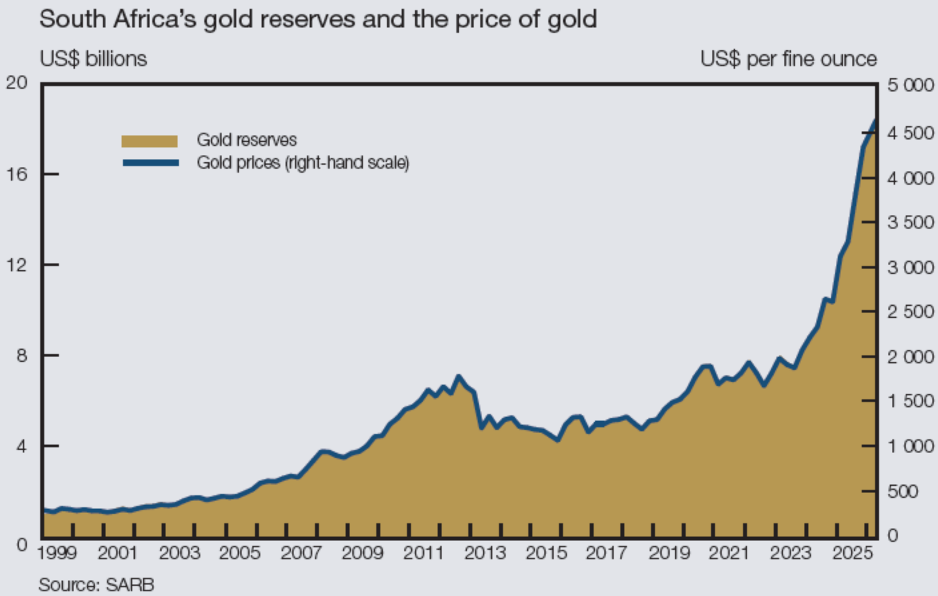
Country	Gold volume in tonnes	Gold as a % of country's reserves	Country's gold holdings as a % of global gold holdings
United States	8 133	83.3	22.2
Germany	3 350	83.0	9.2
Italy	2 452	80.0	6.7
France	2 437	80.9	6.7
China	2 314	9.1	6.3
Russian Federation	2 305	44.9	6.3
Switzerland	1 040	14.4	2.8
India	881	18.5	2.4
Japan	846	9.1	2.3
Netherlands	613	72.7	1.7
South Africa	126	23.6	0.3
Rest of the world	12 064		
Total	**36 559**		

Source: World Gold Council

The composition of global official reserves indicates that the recent increase in central bank gold purchases, coupled with the sustained rise in the US dollar price of gold, resulted in gold surpassing the euro to become the world's second largest reserve asset after the US dollar. As at 31 December 2025, the euro represented about 15% of global reserve assets, while monetary gold accounted for around 28%. The US dollar's share of global official reserves continued to decline steadily, decreasing from around 61% at the end of June 2001 to about 41% at the end of December 2025.



The growth in South Africa's gold reserves has predominantly been driven by the surge in the US dollar price of gold. Since concluding its large-scale gold purchases in the early 2000s, the South African Reserve Bank (SARB) has only acquired a small amount of gold from the public, mainly through buying legal tender coins such as Krugerrands. These purchases represent less than 1% of the SARB's total gold holdings, which are in excess of 4 million troy ounces.[3] The increase in the US dollar price of gold is also reflected in gold holdings as a percentage of the country's total reserves, which increased from 12.1% in 2022 to 23.0% in 2025.



Over the past 15 years, central banks – particularly those in emerging markets and developing economies – have increased their gold purchases, signifying a shift in global reserve management by moving away from an over-reliance on traditional currencies such as the US dollar. The continued demand for gold by central banks suggests that gold is set to become an increasingly significant component of central banks' reserve assets in the near to medium term.

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3 For more information about the SARB's gold purchases from the public, see 'Gold coins purchased from the public', available on the SARB website. https://www.resbank.co.za/en/home/what-we-do/financial-markets/gold-coins-purchased-from-the-public#:~:text=Which%20gold%20coins%20are%20bought,or%20collectability%20of%20the%20coin.