Gold’s 2024-2025 Rally: Mapping Central Banks’ Demand for the Precious Metal in 2024

April 7, 2025. Paul Hoffman.



In February 2025, gold prices reached unprecedented levels, with spot gold trading at above USD 2,940 per troy ounce as of February 19, an increase of around 50 percent within just a year. This remarkable surge, primarily driven by escalating geopolitical tensions over the past two years and the growing economic uncertainties, has allowed the cost of gold bars to reach USD 1 million for the first time in history.

The recent introduction of sweeping tariffs by U.S. President Donald Trump has significantly heightened concerns over a potential global trade war. These tariffs are affecting a range of goods and have raised apprehensions about economic slowdowns, prompting investors to seek refuge in safe-haven assets like gold.

Since Trump’s inauguration on January 20, the price of gold has surged by over eight percent, a stark contrast to the S&P 500’s modest gain of less than 1.5 percent within the same timeframe.

With gold continuing to make headlines into 2025, the BestBrokers team set out to research the demand for gold by central banks in 2024. We gathered data from the World Gold Council (WGC) and identified the countries that increased their gold reserves the most last year, as well as those nations that sold the most of the precious metal.

Countries building their gold reserves in 2024

In 2024, several countries significantly increased their gold reserves through large purchases. Poland led the way, expanding its reserve by 89.54 tonnes of gold, representing an increase of nearly 25 percent. The geopolitical tensions, particularly Russia's invasion of Ukraine, and Poland's closeness to the conflict, explain why the country's central bank has been building its gold reserve.

The high prices, however, may have curbed Poland's enthusiasm a bit; last year, it purchased 130 tonnes, for instance. It currently holds more than 448.2 tonnes of gold (roughly 17 percent of its entire reserve) and ranks 12 globally for its gold holdings.

Following Poland, Turkey and India also increased their gold reserves, with Turkey adding 74.79 tonnes, resulting in a 13.85 percent increase in its holdings, while India bought 72.6 tonnes, raising their total by 9.03 percent.

Despite already having substantial gold reserves, China continued to buy more, acquiring 44.17 tonnes in 2024.

Still, the country slowed down its gold buying spree after purchasing 224.9 in 2023 and another 62.2 tonnes in 2022. Others that made it into the top ten list for gold purchases include the Czech Republic, Iraq, Hungary, Uzbekistan, Ghana and Qatar.

One interesting nation seen among the net buyers for 2024 is Zimbabwe, which increased its gold reserves by 1.3 tonnes last year and now holds two tonnes, representing 54 percent of its entire national reserve. Zimbabwe's move came following the local currency's continuous depreciation amidst persisting hyperinflation, with the annual inflation surpassing 55 percent in March 2024.

The Russian Federation also added 3.11 tonnes of gold to its reserves, which is significantly less than what it used to add a decade ago. It had been building its reserve for years, expanding it by more than 1,750 tonnes between 2009 and 2019.

The State Oil Fund of the Republic of Azerbaijan (SOFAZ) increased its reserves by 25 tonnes. Azerbaijan's central bank does not report having any gold reserves (which is why it was not included in the list of the largest net buyers), but SOFAZ, a sovereign wealth fund, which accumulates and manages the oil and gas revenues of the country, started adding gold to its investment portfolio back in 2012. It now

owns 146.6 tonnes of gold, which is roughly 20.5 percent of the entire fund.

What has been driving gold’s rally?

Geopolitical tensions, inflation over the past few years and, more recently, the weakening dollar have been driving central banks’ demand for gold. The dollar index dropped 0.56 percent on February 14, reaching a two-month low of 106.57 against a basket of major currencies (the index, or DXY, measures the value of the U.S. dollar against Euro, Japanese Yen, British Pound, Canadian

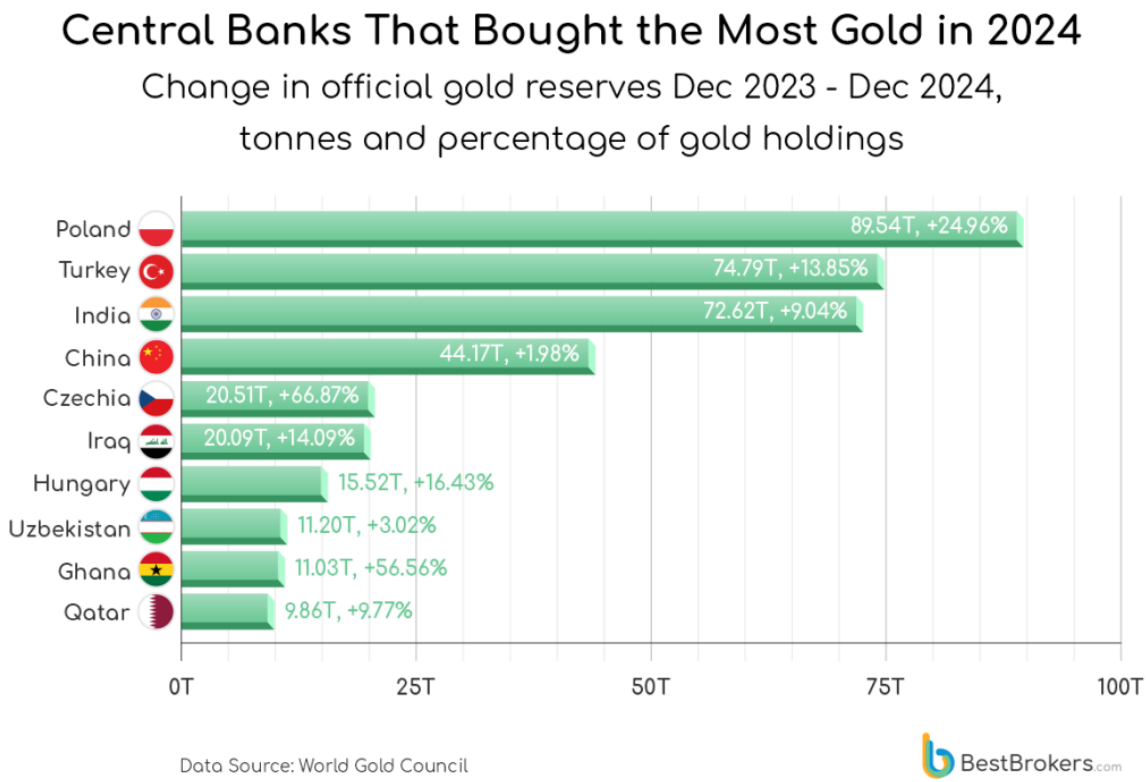
Dollar, Swedish Krona, Swiss Franc). Following the re-election of Donald Trump as the 47th U.S. President, the shift in the country’s trading policy has contributed to the weakening dollar, whereas gold has remained a safe haven asset.

Since the beginning of the year, the SPDR Gold Shares ETF (GLD), which effectively tracks the price of gold and offers investors a way to gain exposure to gold without holding physical bullion, has climbed over USD 270, an increase of 11.8 percent. Over the past year, the fund has skyrocketed by 45.8 percent, reflecting the overall upward trajectory of gold prices as the demand for the precious metal continues to grow amidst a backdrop of global economic uncertainty.

Analysts from prominent financial institutions, including Goldman Sachs and Citigroup, are forecasting that gold prices could surpass USD 3,000 per troy ounce by the end of 2025. This projection is influenced by several factors, including expectations of lower interest rates maintained by central banks, ongoing geopolitical uncertainties that continue to unsettle the markets, and a trend of central banks around the world actively increasing their gold reserves as a hedge against economic instability.

Countries with a drop in gold reserves in 2024

In an unexpected trend, several central banks made substantial reductions in their gold reserves in 2024, with the Philippines at the forefront. Recent data indicates that multiple countries have chosen to sell some of their gold holdings, likely in response to economic pressures, financial restructuring, or to ensure liquidity in volatile markets. Another reason why some chose to sell gold was last year’s impressive gold rally, seeing the price of the precious metal climbing by 50 percent within a year.



In 2024, the Central Bank of the Philippines bought and sold gold as part of its standard bank operations (as all banks do). However, the amounts it sold exceeded its purchases, resulting in a decrease in its official gold reserves by 29.4 metric tonnes. These sales position the Philippines as the largest net gold seller last year, indicating a strategic shift in its management of reserves.

The Central Bank purchases gold from local miners, and while it tends to retain some of it in its reserves, it sometimes sells various amounts leveraging higher prices. Kazakhstan ranks second in sales of gold, reducing its holdings by 10.18 tonnes in 2024. It has the 19th-largest amount of gold bars and coins in the world at 284.05 tonnes, roughly 52 percent of its entire reserve. Following 11 consecutive years of purchases, the country started shedding some of the gold in its possession in 2022. Back then, it sold 50.7 tonnes, then another 57.4 tonnes in 2023.

Singapore reduced its gold holdings by 10.07 metric tonnes, equivalent to 4.38 percent of its total reserves. The country bought 26.3 tonnes in 2021 and then another 76.3 tonnes in 2023. It now holds nearly 220 tonnes of gold bars and coins, which is roughly 4.8 percent of its entire reserve.

Thailand has also made substantial sales, shedding 9.64 metric tonnes of its official gold holdings, which represents a 3.95 percent reduction in its reserves. The country has been accumulating gold for years, buying over 90 tonnes back in 2021 and nearly 53 tonnes in 2011. Taking advantage of the high prices, however, last March, it reported a reduction in its reserves of more than 9.6 tonnes.

Germany is a country with significant gold reserves, the second-largest after the U.S. national gold reserve. In 2024, it sold 1.12 tonnes to the current 3,351.53 tonnes. Germany has been selling gold regularly; it has reduced its gold reserve every year since at least 2002 (the first year for which WGC data is available) with regular exports to the UK. Last year's 1.12 tonnes of gold was Germany's lowest reduction of its holdings in a single year. Other countries with decreases in their gold reserves in the past year are Mongolia, Suriname, Belarus, Cambodia and Malta. Their net sales are under a tonne, however. Significant reductions in the gold reserves were also reported by Curacao and Sint Maarten, and Cabo Verde. We did not include them, however, since the data for Cabo Verde was not complete, while the data for Curacao and Sint Maarten was combined. These are separate constituent countries, however.

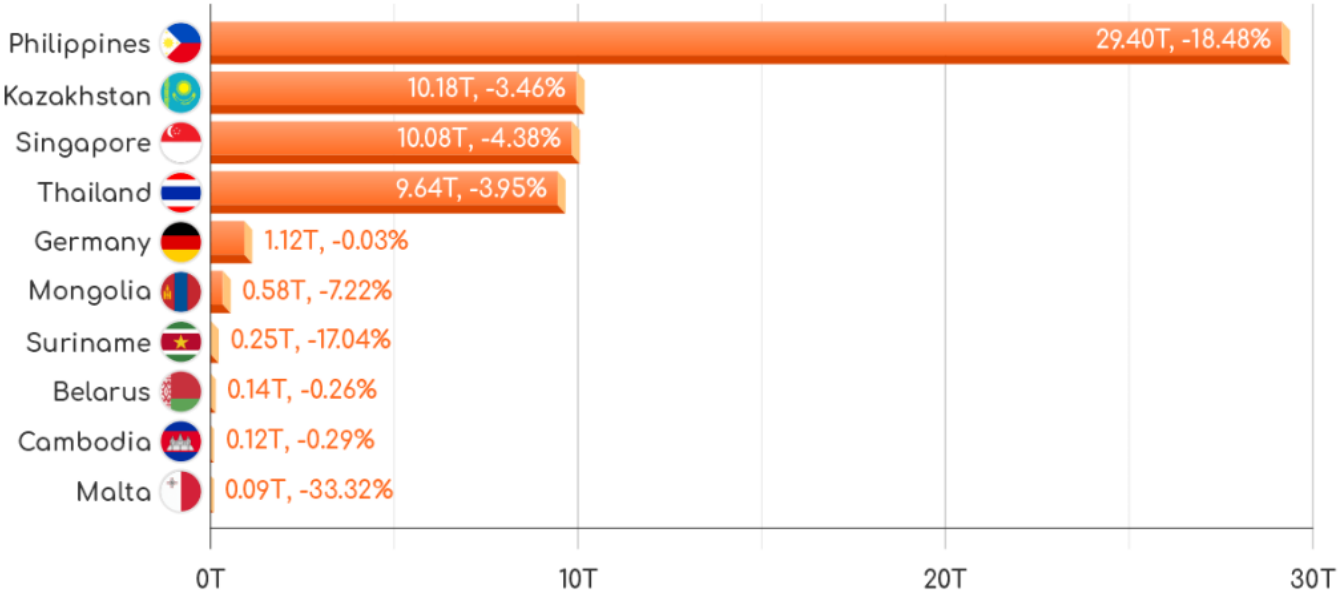
Central banks with the largest gold reserves as of December 2024

As the value of various currencies fluctuates, the price of gold has remained robust in the past year, driving demand from both investors and central banks. The nation holding the largest reserve of the precious metal remains the United States. Its 8,133.46 tonnes account for an impressive 22.7 percent of all the gold bars and coins kept by banks around the world. Germany and Italy follow with 3,351.53 tonnes and 2,451.84 tonnes.

Other nations with significant reserves are France, which has 2,436.97 tonnes, and the Russian Federation, with 2,332.74 tonnes. China, Switzerland, Japan, India, and the Netherlands also have noteworthy reserves. China possesses 2,279.6 tonnes, while Switzerland has 1,040 tonnes. Although Japan, India, and the Netherlands have less than a thousand tonnes, they still have about three of the world's holdings. It should be noted, however, that not all countries report their gold holdings to the International Monetary Fund. The top ten largest national gold reserves hold two-thirds (67.9 percent) of all the gold in banks' possession, while the top five countries have 52.1 percent.

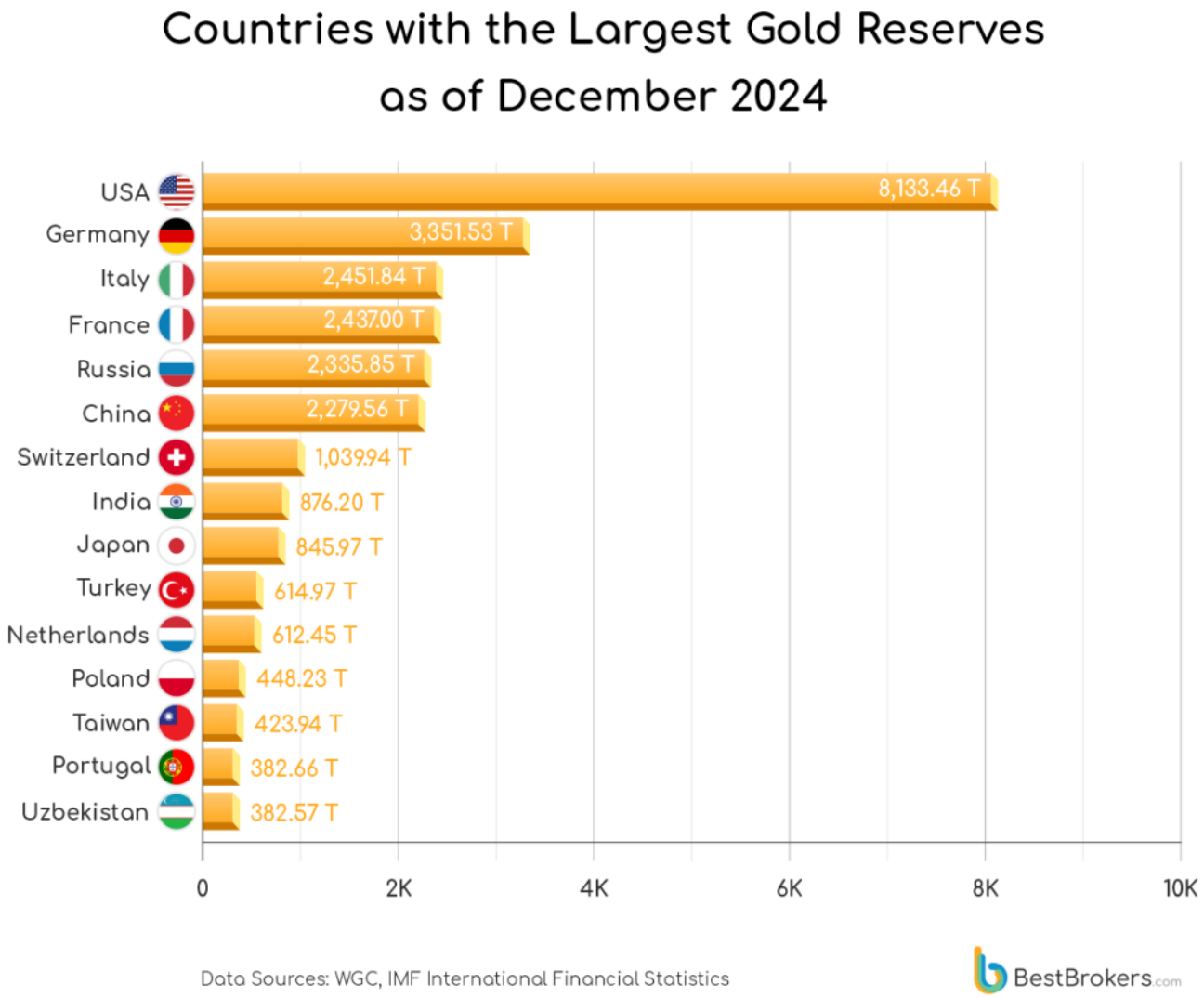
Central Banks That Sold the Most Gold in 2024

Change in official gold reserves Dec 2023-Dec 2024,
tonnes and percentage of gold holdings



Data Source: World Gold Council

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Nations’ gold reserves per capita at the end of 2024

Despite some countries having impressive reserves, their per capita gold holdings might paint a different picture. While an interesting measure, it does not provide any insight into wealth distribution, nor is it a good indicator of a nation’s economic performance. However, the gold reserves per capita do allow for a good comparison between large and small economies.

The United States, for instance, which has the largest amount of gold in its reserve, ranks 12th in gold per capita, having nearly 24 grams of gold per citizen. This is the equivalent of 0.77 troy ounces of gold or nearly eight small gold coins. The coins we used for this comparison contain 0.1 gold troy ounces and weigh approximately

0.11 troy ounces (3.39 g). Switzerland, on the other hand, has the seventh largest gold reserve in the world. When its nine million population is considered, however, it is the country with the most gold per capita, with 115 grams or 3.7 ounces per person. In other words, Switzerland has roughly 37 gold coins per citizen, the most of any other nation in the world. Lebanon ranks second in terms of gold per capita with roughly 17 gold coins per person, followed by Italy and Germany, each having about 13 one- tenth-ounce gold coins per citizen. This is quite interesting, considering the two have not expanded their gold reserves for decades. Other per-capita gold-rich nations include Singapore, Qatar, and

Portugal, with reserves equal to 12 gold coins per citizen, France and Netherlands with 11 gold coins for each person, and Austria, which has 10 gold coins per individual. Ranking 11th in this metric is the Caribbean paradise island of Aruba, which with its 3.11 tonnes of gold and population of 107 thousand, beats the U.S. in gold per capita holdings.

Who does not own any gold?

Interestingly, Canada is one of the largest gold-mining countries in the world but it does not have any gold reserves. Leading gold-mining companies such as Barrick Gold, Agnico Eagle, and Kinross hail from Canada.

The central bank does not consider gold to be as liquid an asset as U.S. Treasury securities, for instance. In a 2019 speech, Timothy Lane, former Deputy Governor of the Bank of Canada, explained that having gold “doesn’t fit well within the asset-matching framework”. As the fourth largest gold producer in the world, Canada mined 191.9 tonnes of gold in 2023 and did not keep a single ounce in its reserves.

Another country with practically no gold reserves is Norway. It used to have sizeable holdings of the precious metal but during World War II, when Nazi Germany invaded, the National Treasury of Norway was ‘evacuated’ to the United Kingdom and then, to the United States. The treasury consisted of 50 tonnes of gold, which were transported via civilian lorries, trains, and ships. The gold was used to fund the government in exile and the Norwegian resistance; in 1987, ten tonnes of gold coins were brought back. In 2004, Norges Bank announced it would be selling all of its gold holdings. A total of seven gold bars and some gold coins were kept for exhibition purposes.

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