**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 222 [NW232E]**

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**222. Mr A R McLoughlin (DA) to ask the Minister of Finance:**

(1) (a) What is the total current value of South Africa’s gold reserves, (b) where are the reserves currently stored, (c) what is the annual total cost of transporting the reserves to respective places of storage and storage and (d) what procurement process was followed in identifying service providers in respect of each separate service required;

(2) what are the details of the date and results of each complete and thorough stock-take and audit of the gold reserves that has been undertaken in the past three financial years;

(3) (a) when last did South Africa sell any of its gold reserves, (b) whose decision was it to make the sale, (c) at what price per ounce of gold was the sale made, (d) what total quantity of gold was sold, (e) to whom was the gold sold and (f) for what purpose was it considered necessary to make such a sale?

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**REPLY**:

The South African Reserve Bank publishes information on our gold reserves every month, which can be accessed from its website. In particular, for this question, I refer you to the following link on its website:

<https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/8974/GoldFXReserves_November2018.pdf>.

I also refer the Honourable Member to the previous response to his question PQ2333 (as published on 19 June 2015).

1. (a) The value of the official gold reserves as at 31 October 2018 was US$4,9 billion (ZAR72,4 billion) (as outlined in the above monthly release), which is approximately 4 million fine ounces.

(b) The SARB holds a large percentage of South Africa’s gold reserves in vaults of official sector institutions at offshore bullion centres, while a smaller amount is held locally. It is operationally efficient to store gold at offshore bullion centres should the need arise to conduct gold transactions. The exact percentage allocation per location is not made public.

(c) There is no material transportation cost incurred currently, as the bulk of the gold reserves were transferred to the respective places of storage in the 1990s.

(d) No particular procurement processes have been conducted in recent years as no service provider has been required for many years. In the past, the South Reserve Bank utilised government and state institutions to provide the necessary services.

1. The SARB performs monthly reconciliations on its gold reserves held at various centres, while senior SARB officials conduct due diligence visits as well as formal audits (which include sample verifications) at offshore centres, every three years and at local centres, on an annual basis. An audit of locally held gold is also conducted annually.
2. (a) 31 March 2004 (b) The South African Reserve Bank (c) USD423.00 (d)161.51 fine ounces (to put it into perspective, a standard gold bar weighs approximately 400 fine ounces) (e) A Bullion Bank (Nova Scotia) (f) Settlement of a gold swap transaction