

4 March 2019

Ref: FOI2019/01985

Freedom of Information Act 2000: Gold reserves

Thank you for your enquiry of 7 February 2019, which we have considered under the terms of the Freedom of Information Act 2000 (the FOI Act).

You asked for the following information:

“What triggered the sale of 395 tonnes of the countries gold reserve between the period 1999 – 2002?”

Following a search of our records, I can confirm that HM Treasury does hold information within the scope of your request.

Section 21 of the FOI Act does not oblige the Treasury to reissue information which is already published and reasonably accessible to you. However, we have provided links to the information below.

395 tonnes of the UK Government’s gold reserves were sold at 17 auctions between July 1999 and March 2002. The weighted average price achieved over the course of the auction programme was \$274.92 per ounce. The total proceeds were around \$3.5 billion.

This and other information can be found in a report which was published by the Treasury in 2002, *Review of the sale of part of the UK gold Reserves*, which can be accessed at:

<https://webarchive.nationalarchives.gov.uk/+/http://www.hm-treasury.gov.uk/d/GoldReserves.PDF>

The report explains that the overall aim of the gold sale programme was to ‘restructure the UK’s reserve holdings to achieve a better balance in the portfolio by increasing the proportion held in (foreign) currency’. The decision was taken against a backdrop of a decreasing market value of gold, which had fallen from a high of \$850 per ounce in January 1980 to an average annual price of under \$300 per ounce since the start of 1998. Further information can be found in the National Audit Office’s report on the UK Government’s gold sales from 1999:

<https://www.nao.org.uk/wp-content/uploads/2001/01/000186es.pdf>

The Treasury published the correspondence behind the then Chancellor of the Exchequer’s decision, which can be found at the link below. It highlights advice provided to the then Chancellor prior to the sale of gold, including a diagram which showed a significant

reduction in the price of gold between 1980 and 1996 (Chart 1). The correspondence also refers to how much gold other central banks had sold between 1992 and 1998.

<https://www.gov.uk/government/publications/the-sale-of-part-of-the-uk-gold-reserves-1999-2002>

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

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