

Russia: The World's Top Gold Buyer

Adding 570 metric tons in last decade

By [RT](#)

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Over the last decade Russia's Central Bank acquired 570 metric tonnes of gold. The amount is almost triple the weight of the American Statue of Liberty and makes Russia the world's biggest buyer of gold.

The amount is a quarter more than runner-up China, Bloomberg reported on Monday.

Countries like Russia and China use such stockpiles as an economic buffer against another wave of economic crisis or US dollar devaluation, as both remain weary of the US Federal Reserve's stability and prefer to edge their bets on gold.

It's also proven a sound investment and opportunity for the Russian state to make money, with gold prices crawling upwards over the past 12 years, gaining 12% in 2012 alone. On Monday gold traded at \$1650 per ounce and analysts expect the price to keep growing in 2013 to reach \$1825 by the end of the year. However French investment bank Natixis dampened the outlook by forecasting a drop in price to \$1500 by 2014, Finmarket.ru reports.

But the link between high gold prices and falling crude has plagued Russia in the past. In 1998, when Russia defaulted on \$40 billion of domestic debt, it took 28 barrels of crude to buy an ounce of gold, according to Bloomberg research. Two years later, when Vladimir Putin came to power, an ounce was worth 11.5 barrels. By 2005 the ratio had dropped to 6.5 and that is when President Putin ordered his Central Bank to buy. In just a month the proportion of gold in Russia's total reserve rose from 2.2% to 3.5%.

In 2000 Vladimir Putin inherited a country with 384 metric tons of gold and more than doubled its gold reserve in 12 years - according to official data from World Gold Council, in October 2012 gold made up 9.6% of Russia's national forex reserve and stood at 936.7 metric tons.

However it is still far from its historic high - in 1941 Russia held a record 2800 tons of the precious metal and thanks to these reserves successfully recovered after World War II.

Russia's gold rush still doesn't mean it tops the list of global gold owners. The United States holds the leading position with 8133.5 tons of gold which make 75.4% of country's total reserve. Germany runs second with 3391.3 tons and the IMF third with 2814 tons. China and Russia are sitting in sixth and eighth place respectively.

China however is suspected of downplaying its actual volume of gold by 3-4 times,

Zero Hedge news website reports, and prepares to introduce Yuan as world's reserve currency. Back in 2009 China set a goal to overtake the US in the rankings. When the Chinese Central bank is ready to officially declare its actual gold reserve volume, world markets will experience serious problems, Zero Hedge.com believes.

Major global investor and consulting adviser to the Obama administration, George Soros also appears to have a golden investment streak. In August 2012 it was reported, Mr. Soros offloaded over a million shares in financial companies and banks and purchased \$130 million in gold. His move to sell stocks and beef up on gold, is being interpreted by some as a sign of changing investment strategy in the world market.

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