

# TWO DECADES OF GOLD STRATEGY: HOW CENTRAL BANKS REDEFINED THEIR RESERVES (2000-2024)

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## Introduction

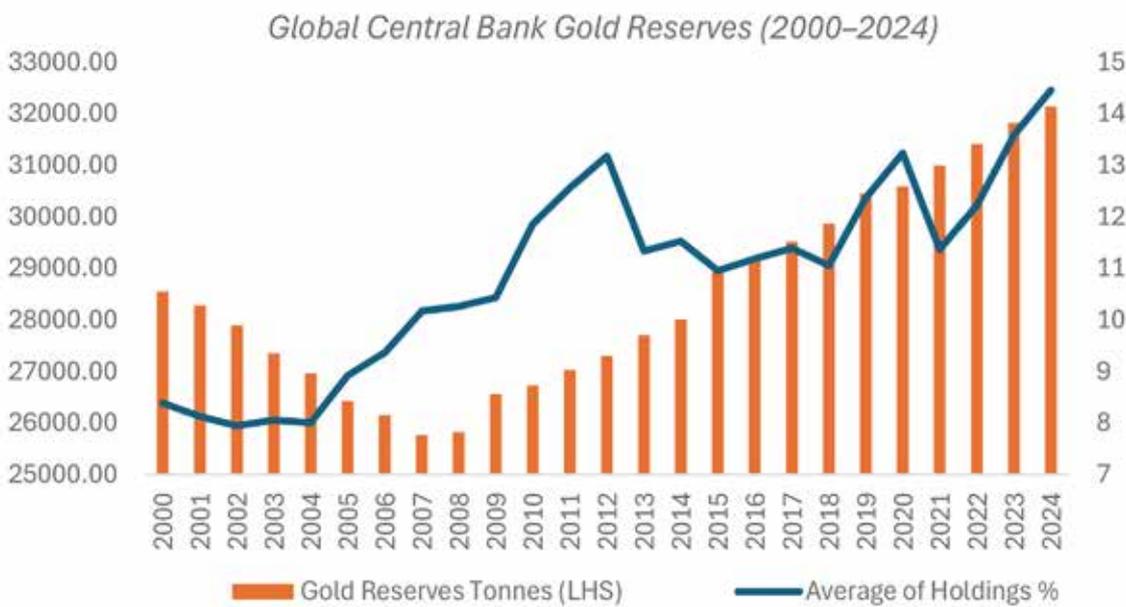
At the dawn of the millennium, gold looked like yesterday’s asset. Western central banks were net sellers, global finance revolved around the dollar, and bullion appeared destined to remain a residual line on official balance sheets. By 2024, the script had been dramatically rewritten. Central banks - especially in emerging markets - had orchestrated a quiet but profound comeback for gold, turning from sellers into some of the market’s most consistent buyers. “From forgotten relic to strategic reserve - gold’s comeback has reshaped how nations think about monetary security.”

## The Big Picture: From Stability to Surge

Between 2000 and 2024, official sector gold holdings rose from about 28,550 tonnes to 32,141 tonnes, a modest increase in physical volume. In value terms, however, reserves climbed from roughly USD 252 billion to USD 2.7 trillion, powered by a multi year price rally and gold’s restored strategic relevance.

This was more than a market rally; it was a monetary rethink. In a world of swelling public debt, unconventional policies, and rising sanction risk, gold’s lack of credit and counterparty risk made it an attractive anchor once again.

**Chart 1:** Global Central Bank Gold Reserves (2000–2024) - combined line and column chart showing tonnes on the left axis and USD value on the right.



## The Regional Landscape: Eastward Momentum

Over these two decades, the geography of official gold ownership shifted decisively eastward. North America and Western Europe, with large legacy hoards, mostly stood still or trimmed holdings at the margin, while their share of global official gold quietly eroded.

Dynamism instead came from Asia, Eurasia, and parts of the Global South. East Asia and Central/Eastern Europe became engines of accumulation, MENA and Africa steadily added to their stocks, and South Asia - led by India - advanced quietly but persistently, reflecting gold’s deep rooted place in national balance sheets and societies.

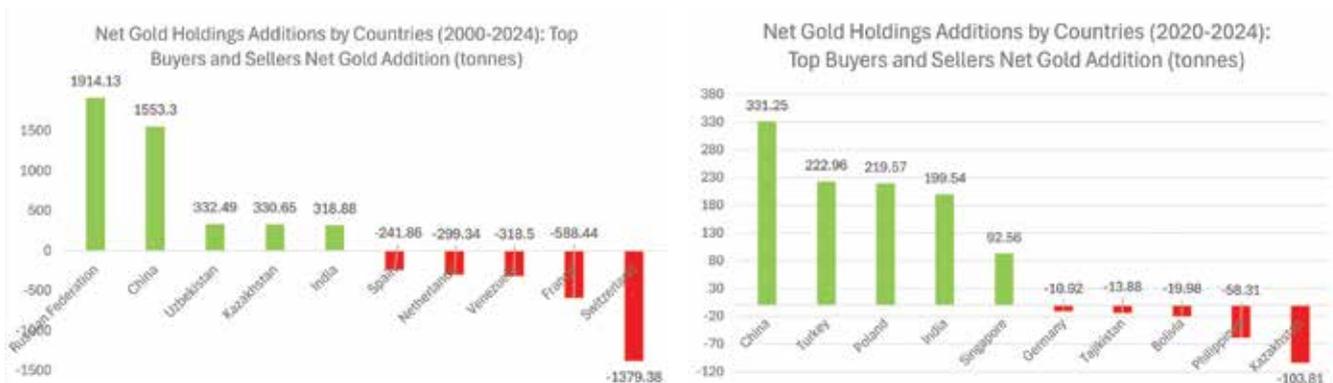
**Table 1:** Regional Central Bank Gold Reserves, 2000 vs 2024 - tonnes, value in USD, and CAGR by region.

Region	2000 (tonnes)	2024 (tonnes)	CAGR (Vol.)	2000 (USD bn)	2024 (USD bn)	CAGR (Val.)
North America	~8,050	~8,133	0.1%	71	682	11.1%
Western Europe	~13,000	~12,000	-0.3%	110	550	9.0%
East Asia	~3,100	~7,800	5.1%	27	454	12.1%
Central/Eastern Europe	~1,000	~3,300	5.0%	8	280	13.5%
Latin America	~700	~750	0.3%	6	45	8.0%
Africa	~450	~680	1.6%	4	40	9.0%
MENA	~850	~1,450	2.4%	7	100	10.0%
South Asia	~320	~980	4.5%	3	84	14.0%

**Strategic Gold Shift**

Central banks in Russia, China, and emerging markets like Uzbekistan, Kazakhstan, and India drove a gold buying renaissance from 2000-2024, amassing over 4,449 tonnes collectively-far outstripping sales by Western holders like Switzerland and France, which lost over 2,000 tonnes net. This deliberate accumulation signals a strategic pivot from U.S. dollar reliance toward gold as a hedge against geopolitical risks and currency volatility.

Recent years (2020-2024) intensified this trend, with China, Turkey, Poland, and India adding over 1,000 tonnes amid global uncertainty, underscoring gold's resurgence as a core reserve asset despite sellers like Kazakhstan. The pattern reveals a multipolar rebalancing, where Eastern banks architect monetary resilience.



**Changing Reserve Composition: Gold Reclaims Its Place**

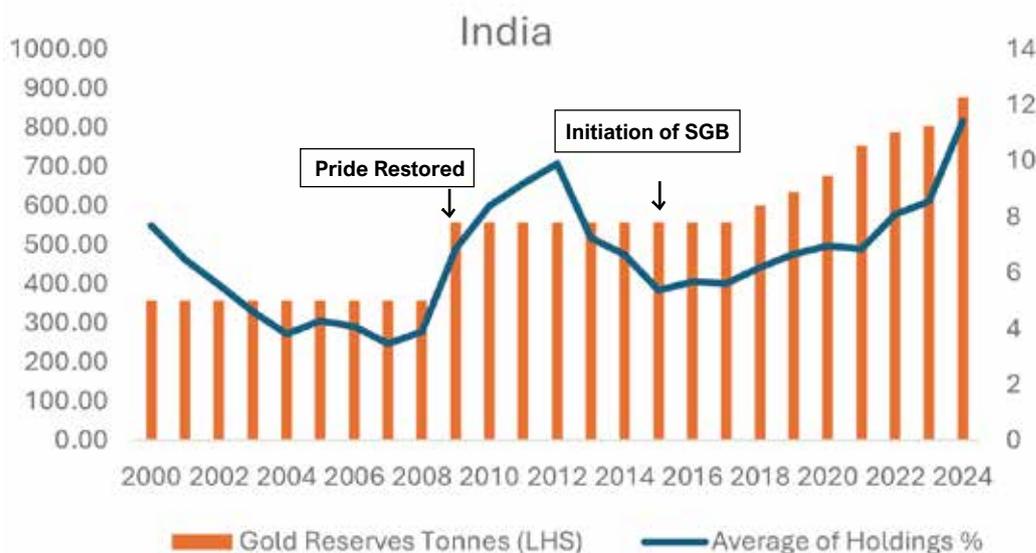
The most telling development lies not just in tonnes, but in gold’s rising share of total reserves. A renewed appreciation of gold as a non correlated, universally accepted asset reshaped portfolio construction across many central banks. Countries such as Uzbekistan, Turkey, Russia, Kazakhstan, China, and India materially lifted gold’s share of reserves, with mid sized economies like Egypt, Qatar, and Poland joining the trend. Meanwhile, long time holders - Switzerland, the UK, France, the Netherlands, Spain - saw gold’s weight decline after early 2000s sales under formal gold sale agreements. “Gold’s comeback in reserve portfolios reflects more than value; it symbolizes independence in a multipolar world.”

**India’s Quiet but Decisive Shift**

India’s journey over the past quarter century encapsulates this broader transformation. In 2000, gold was a small, almost residual entry on the Reserve Bank of India’s balance sheet, at about 395 tonnes and roughly 2% of total reserves. By 2024, holdings had more than doubled in volume and multiplied in value, pushing gold’s share close to 5.5% and signalling a clear strategic re rating of the asset.

The real inflection comes after the mid 2010s. From around 2015 onward, the RBI moved from a largely static stance to steady accumulation, adding gold almost every year and building a far larger monetary stock. This turning point coincided with a parallel policy innovation on the household side: the launch of the Sovereign Gold Bond (SGB) scheme in late 2015, offering dematerialised, interest bearing exposure to gold while easing pressure on physical imports. Together, these moves created a two tier architecture in which the central bank quietly strengthened its gold backstop even as savers were nudged toward financialised gold, aligning domestic savings behaviour with macro level reserve strategy.

**Chart 3:** India – Gold Reserves and Gold Share of Total Reserves (2000–2024) - bars for tonnes (LHS) and line for gold as % of reserves (RHS).



By the first half of the 2020s, India’s approach had matured into a model of “quiet confidence” in metal. Gold in RBI reserves rose both in tonnes and as a share of the portfolio between 2020 and 2024, even as overall foreign exchange reserves touched new highs. In effect, India blended its deep cultural affinity for gold with a modern, risk aware reserve framework: bullion is no longer a legacy holding but a deliberately scaled instrument of monetary resilience, sitting alongside the dollar and other currencies as part of a diversified shield against market and geopolitical shocks.

**Growth in India's Foreign Exchange Reserves and Gold Holdings (2000–2024)**

	2000	2024	Growth	Growth %
Total Reserve in million	41059.06	643042.6	601983.5	1466%
Gold in million	3156.82	73498.28	70341.46	2228%
Gold in tons	357.76	876.18	518.42	145%
Gold as % Reserve	7.7%	11.4%		

**Growth in India's Foreign Exchange Reserves and Gold Holdings (2020–2024)**

	2020.0	2024	Growth	Growth %
Total Reserve in million	590151	643043	52891	9%
Gold in million	41064	73498	32434	79%
Gold in tons	677	876	200	29%
Gold as % Reserve	7.0%	11.4%		

**The Turning Point: Gold’s Modern**

**Comeback:** Aggressive monetary easing, swelling balance sheets, and questions about long term fiat stability forced policymakers to reassess what “safe” actually means. At the same time, geopolitical realignments and the growing use of financial sanctions highlighted the vulnerabilities of relying too heavily on a narrow set of reserve currencies. Market crises - from the 2008 meltdown to pandemic era disruptions - repeatedly confirmed gold’s defensive utility. What emerged was not nostalgia for a bygone gold standard, but a conscious recalibration toward tangible, politically neutral assets that can anchor confidence when paper promises are questioned.