

Deutsche Bundesbank

Germany repatriates gold stashed abroad during cold war

Bundesbank ships back 53,780 gold bars from vaults of NY Fed and French central bank



The Bundesbank said it ‘thoroughly and exhaustively’ tested all the bars after they arrived back in Frankfurt © AFP

YESTERDAY by: Claire Jones in Frankfurt

Germany has successfully repatriated 674 tonnes of gold that was squirreled away in New York and Paris at the height of the cold war, in one of the biggest operations of its kind.

The [Bundesbank](#) took four years to ship back 53,780 gold bars — each weighing 12.5kg and worth €440,000 — from the vaults of the New York Federal Reserve and the French central bank.

[Germany](#) built up its gold reserves at the New York Fed, the Bank of England and Banque de France as the Deutschmark appreciated on the back of strong exports following the revival of the economy after the second world war. It was left abroad for safekeeping during the cold war for fear of a Russian invasion through East Germany.

The Bundesbank, one of the world’s biggest holders of gold, unveiled its plan to repatriate the bullion in 2013 after public concerns surfaced about having so much of the nation’s wealth stashed abroad. It said the €7.7m operation was completed without any glitches.

The German central bank said it “thoroughly and exhaustively” tested all the bars after they arrived back in Frankfurt, adding that “no irregularities came to light with regard to the authenticity, fineness or weight of the bars”.

It had [previously repatriated](#) 940 tonnes of the precious metal back to Frankfurt from London to save on storage fees. That secretive operation only came to light years after it was completed in 2001.

The Bundesbank will continue to hold more than a third of its bullion reserves in New York because the US dollar is the world's gold currency. About 13 per cent will remain in London, which is still the biggest market for selling gold. The bank now holds no reserves in France.

Central banks are among the biggest holders of gold reserves, a legacy of the era of the gold standard. After the second world war, western powers tied their currencies to gold under the Bretton Woods agreement. That changed when the US ended the convertibility of dollar to the precious metal in 1971.

The US Federal Reserve holds the most bullion. In total, the US's official gold reserves amount to 8,134 tonnes, according to the World Gold Council. Germany ranks second with 3,374 tonnes, of which 1,710 tonnes is now held in Frankfurt, according to Bundesbank figures.

The UK holds 310 tonnes, and the European Central Bank 505 tonnes.

Some central banks, including the Bank of England, sold large portions of their bullion reserves in the decades following the collapse of the gold standard. But the Bundesbank plans to keep hold of its gold, which is the source of substantial public interest in Germany.

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