



BANK OF MAURITIUS

Website <http://bom.intnet.mu>

COMMUNIQUE BANK OF MAURITIUS PURCHASES GOLD UNDER IMF'S LIMITED GOLD SALES PROGRAMME

On 17 August 2009, the Bank of Mauritius (Bank) established contacts with the International Monetary Fund (IMF) and signified its intention to purchase gold to be put on sale by the IMF.

The Executive Board of the IMF, on 18 September 2009, announced the sale of 403.3 metric tons (12,965,649 fine troy ounces) of gold from its holdings in order to increase its resources for lending to low-income countries. The IMF also announced that the sale would initially be made directly to central banks and other official holders.

As part of its foreign exchange reserves management operations, the Bank has, on Friday 13 November 2009, purchased 2 metric tons (64,301.159 fine troy ounces) of gold from the IMF under the Fund's Limited Gold Sales Programme.

In the past, the Bank has purchased gold for its official reserves from the IMF either by way of "restitution of gold" or "from auctions sales" held by the IMF and from the auction sales conducted by Bank of England.

Over the recent years, the foreign exchange reserves of the Bank have increased significantly while the gold holdings have remained constant. Consequently, the percentage holding of gold, which stood at 13 per cent of the total foreign exchange reserves of the Bank at end-December 1979, has declined and stood at 2.34 per cent of total foreign exchange reserves at end-October 2009.

The purchase of the 64,301.159 ounces of gold has been made on the basis of market prices prevailing on the London Precious Metal Markets on 11 November 2009 i.e the date of Agreement for sale entered into between the Bank and the IMF.

The cost price of the above purchase has been paid in US\$30,829,190.27 (43 per cent) and Euro27,199,069.35 (57 per cent), equivalent to Mauritian Rupees 2.13 billion. With the above purchase, the holdings of gold, as a percentage of the Bank's total foreign exchange reserves, would increase to 5.69 per cent.

**Bank of Mauritius
17 November 2009**