

THE SOUTH AFRICAN KRUGERRAND

Fact sheet




MINERALS COUNCIL
SOUTH AFRICA

Formerly the Chamber of Mines of South Africa



“The first 22 karat gold Krugerrand was minted on 3 July 1967 by the South African Mint.”

 The Krugerrand: Rand Refinery

The Krugerrand is the world's most widely held and actively traded gold bullion coin. It was developed in the 1960s by then Chamber of Mines of South Africa, now renamed the Minerals Council South Africa (Minerals Council), working closely with the South African Reserve Bank and the South African Mint.

A SHORT HISTORY OF THE KRUGERRAND

During the late 1960s and early 1970s, South Africa's annual gold mine output averaged 75% of total output in the western world. Following the final collapse of the gold standard in 1971, the promotion of gold was considered vital. The chosen vehicle to drive demand was the Krugerrand.

The first 22 karat gold Krugerrand was minted on 3 July 1967 by the South African Mint. Krugerrands were mass produced to enable the “man in the street” to purchase gold easily and with confidence. Since that time, more than 60 million Krugerrands in all sizes have been minted, with the blanks stamped out at South Africa's Rand Refinery.

In 1980, the fractional Krugerrands (1/20z, 1/10z and 1/100z) were added to the 1oz Krugerrand so the smaller buyer could buy gold at an affordable price.

50 YEARS OLD ON 3 JULY 2017

Dr John Edward Holloway - the man behind the Krugerrand

Although the idea of the Krugerrand cannot be attributed to a single person, Dr John Edward Holloway played a prominent role in developing the concept of the coin. His involvement with the Krugerrand started when he was appointed as Economic Adviser to the Union Corporation, a member of the Minerals Council. As a Professor of Economics, former Economic Adviser to Treasury and then Secretary for Finance, Dr Holloway's insight into gold and economic matters and his influence in government undoubtedly assisted the Minerals Council in getting the coin included in the new Coinage Act of 1964, which described the proposed new coins.

QUICK FACTS

50
YEARS
OLD



3 July 2017

DR JOHN
EDWARD
HOLLOWAY



played a prominent role in developing the concept of the coin

22
KARAT
GOLD



The original Krugerrand was designed to contain precisely one troy ounce of 22 karat gold

WHY IS THE KRUGERRAND SPECIAL?

- 01 The world's first gold bullion coin
- 02 The world's most widely traded gold bullion coin
- 03 An ounce-denominated coin
- 04 Easy to buy and sell worldwide
- 05 Most recognised bullion gold coin brand worldwide

THE KRUGERRAND: THE WAY IT WORKS

The Krugerrand was the first legal tender gold bullion coin to gain worldwide use in the modern era and the world's first ounce-denominated gold coin.

Although Krugerrands are actually legal tender, their value has never been displayed on the coin. This is because the value of each coin is its fine gold content, which is linked to the prevailing gold price, as priced on the London market. A small premium is charged to cover manufacturing and distribution costs. Krugerrands are not subject to VAT due to their legal tender status.

The actual weight is a little over 1 troy ounce because a small amount of copper, about 1/12 of the total weight, is added to make the coin more resistant to damage.

Throughout history, gold has had universal appeal as a safe haven. Investors typically still view gold as a safe harbour for their wealth. Gold is a hedge against inflation, deflation, and geopolitical and macro-economic risk. And the Krugerrand, in its range of weights, makes this investment in gold possible for many people. Furthermore, because of its content, a Krugerrand can be readily liquidated into currency in most countries.

RAND REFINERY

Rand Refinery was created by the Transvaal Chamber of Mines in 1920 to refine all gold found in the Witwatersrand. It has grown to be the largest single site refinery in the world, putting out coin blanks, bars and items for the jewellery industry. Every Krugerrand began as a blank provided by the refinery.

Rand Refinery distributes the Krugerrand range of coins through authorised and approved international and South African dealers.

For more information, go to www.randrefinery.com/products_krugerrands.htm



THE KRUGERRAND DESIGN

The face of the Krugerrand depicts a springbok, the national animal of South Africa, and was designed by eminent South African sculptor Coert Steynberg who is well known for creating the statue of Boer statesman and four-term president of the old South African Republic, Paul Kruger, in South Africa's famous Kruger National Park.

The obverse of the coin depicts the bust of Paul Kruger, designed by artist Otto Schultz. "South Africa" and the gold content are inscribed on the coins in Afrikaans and English.

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