

Tanzania's Sale of Gold Reserve in Perspective

News:

The Bank of Tanzania (BoT) has recently clarified that it is planning to sell its part of gold reserves to manage liquidity and address external economic shock fueling the public debate on the decision.

Comment:

According to BoT, the current accumulated gold reserve is valued \$3.24 billion, while the annual target is \$2 billion, thus making \$1.2 billion excess. The current foreign exchange reserve is approximately \$6.52 billion, with Gold accounting \$1.2 billion while \$3.8 billion is US dollars and \$735 million is China's Yuan.

The BoT is indeed selling its gold reserve to have US dollars for managing imports. The current \$6.52 billion is sufficient to cover about only 4.9 months of imports.

The decision being made by BoT reveals two harsh realities:

Firstly, how global economy especially developing nations solely depends on US dollar in their economic and financial transactions, which is economic exploitative and colonial agenda of the US since the 1944 Bretton Woods Agreement. This Agreement brought two severe impacts:

a- Abandonment of gold standard currency to paper standard which is vulnerable to fluctuate, shaking and collapsing economies and financial system.

b- It strengthened US position by giving power to handle and control global economies via its currency as a top and supreme currency in global arena.

The colonial powers of the West, especially the US, are using their currency as a means to subjugate and colonize weak nations not only in economic side but political. It is rather very painful and disgusting that the poor developing nations have to give up their gold reserve to have colonial paper currency, so as to manage imports. Since America is the current leading capitalist nation in the world, it works hard to hold this economic stance for its interests and as the cornerstone of safeguarding and protecting its ideology by exploiting others via its currency dominance and shape all the world's economy for its sake.

Secondly, it is being highly observed in this particular issue that the mentioned amount of gold in the hand of BoT is still negligible, taking into account that Tanzania is among the notable gold producers.

Obviously, it is an undeniable matter of existence of internal corruptive system, but this is partly the real issue in hand is that Tanzania as all developing nations do not really own its gold, instead it is being possessed by colonial exploitative nations through their exploitative multi-national companies under guise of foreign investors. Thus, Tanzania as other developing nations is being branded in documents to be among notable gold producers yet suffers from extreme poverty.

The Islamic economic system obliges that the currency should be from the gold standard, not paper as today under American hegemony. This would stabilize economy and protect it from collapsing and fluctuation.

Furthermore, Islam is distant from dangerous capitalist economic systems which its greed pushed to deliberately strangle the issue of ownership according to its interest. Islam has clear lines on state ownership, individual ownership and public ownership, in which all uncountable quantity of minerals such as gold is public property, plus any public utility that in absence of it, would force the community to disperse in search of it, such as water sources, pastures for livestock and the like.

Capitalism has failed the world in all its systems; it has caused chaos in the political side, disintegrated socially ethics and brought economic exploitation everywhere. It is up to humanity to embrace the ideology of Islam that has viable and divine solutions for all human problems.

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