

From Transit Trade to Trading Houses: The Rise of Commodity Trading in Lugano — overview and summary

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

In 2024 the commodity trading companies of Switzerland produced a gross value added of CHF 19.2 billion, about 2.3 per cent of the value added of the whole Swiss economy. Of this amount CHF 11.2 billion was generated in the Canton of Geneva and CHF 5.2 billion in the Canton of Zug, while the Canton of Ticino, with CHF 685 million or 3.6 per cent of the national total, came fourth behind Vaud.¹ Measured by the number of firms, Ticino carries more weight than this share of value added suggests. The Federal Statistical Office counted 117 trading firms in the canton in 2021, about one in eight Swiss commodity traders, and in 2019 the canton's 123 firms employed 968 persons in core trading activities.² Most of these firms sit in Lugano and its suburbs, and almost half of them trade steel, ferrous and non-ferrous metals and minerals. The Lugano Commodity Trading Association, founded in 2010, describes the city as one of the three Swiss trading hubs beside Geneva and Zug.³

This chapter asks how a city known for private banking became a place where cargoes of steel billets, coal, scrap, gas and electricity are bought and sold, and what the trading cluster consists of today. The argument runs as follows. Commodity trading in Lugano did not grow out of the medieval transit trade of the Gotthard in a straight line, although the forwarding houses and customs agents of Chiasso and the banks of the Sottoceneri created skills and institutions on which it later drew. The decisive impulses came after 1945 and above all after 1980: the national rise of Swiss merchanting, the tax treatment of trading companies, the proximity of the Italian steel industry, the gold refineries of the Mendrisiotto, and the opening of the former Soviet economies after 1991, which gave Lugano a particular role in the trade of Russian and Ukrainian steel. The result is a cluster of small and medium-sized firms with a few large houses,

specialized in metals and energy and organized since 2010 in its own association. Its exposure to Russia and Ukraine made it the Swiss hub hit hardest by the war of 2022, although the same year brought record profits to many traders.

The chapter proceeds in ten steps. It first defines what a trading house does and how Swiss statistics capture it. It then follows the Ticino prehistory from the forwarding houses of Chiasso, the national rise of merchanting after 1945 and the formation of the Lugano cluster from the 1970s onwards. Three sections describe the cluster by commodity (steel and metals, energy and coal, agricultural and precious metals), its association and its ecosystem of banks, inspectors, shippers, insurers and advisers. The figures follow, with a discussion of what they can and cannot show. The last sections treat the shock of 2022, compare Lugano with Geneva and Zug and trace federal policy from the commodity report of 2013 to the statistics mandate of 2023, with a practitioner's checklist. The law of the trading house (corporate form, tax, transfer pricing, contracts and arbitration) is treated in Chapter F.II, logistics, shipping and the luxury goods distributors of the Mendrisiotto in Chapter F.III, trade finance in Chapter G.I and sanctions in Chapter G.II.

1 Conclusion

Commodity trading in Lugano is younger than its vocabulary. The word *Transithandel* recalls the mule trains of the Gotthard, the customs town of Chiasso and its forwarding houses. These earlier economies left the Sottoceneri with skills in documents, customs, currencies and the management of goods owned by others. The trading houses themselves arrived later. Switzerland's rise as a merchanting nation after 1945 took place in Geneva and Zug, and Lugano joined it from the 1980s onwards, when Italian steel and coal traders such as Duferco and Coeclerici used the city's banks, fiduciaries and tax regime, and after 1991, when the trading arms of Russian and Ukrainian steel producers settled on the lake. The gold refineries of the Mendrisiotto, founded from 1951 onwards, added a precious metals trade that is legally distinct but practically connected. By 2010 the cluster was large enough to found its own association.

The figures now available describe a cluster of about 115 to 125 firms with about 900 employees in core trading activities, a value added of CHF 685 million in 2024 and a share of about 2 per cent of the cantonal economy. Steel and other metals account for some 60 per cent of its employment, energy for most of the rest. The firms are small, their margins per employee are lower than in Geneva and Zug, and the cluster depends on banks

headquartered in other cantons. Its tax contribution is nevertheless large for a city that lost much of its banking revenue after 2009: in 2023 the mayor of Lugano put it at about 15 per cent of the city's tax revenue, equal to that of the banks. The official figures and the industry's own estimates differ, mainly because the estimates include the employees of service providers, and every figure on the Lugano cluster should be quoted with its source and its definition.

The war of 2022 tested the cluster more severely than any other Swiss hub. The sanctions against Russian steel groups and their owners, the closure of Ukrainian ports and the retreat of banks forced some firms into liquidation, while others earned record profits by replacing their suppliers. The ownership of the cluster has shifted towards Asia and the Gulf, while its link with Italian industry has remained stable. Federal policy, from the basic report of 2013 to the statistics mandate of 2023, has made the sector more visible and subjected it to more transparency and due diligence. For Lugano's trading houses the conditions of success are now access to trade finance, rigorous sanctions compliance, real substance in Switzerland and the Italian connection that distinguishes them from Geneva and Zug. Chapter F.II turns to the law that governs these houses, and Chapter F.III to the logistics and distribution economy of which they are part.

2 In five sentences

Lugano's commodity trading cluster grew from the 1980s onwards on the foundations of Ticino's banking and fiduciary infrastructure, the Italian steel industry and the gold refineries of the Mendrisiotto, and after 1991 it became a centre for the trading arms of Russian and Ukrainian steel producers. Swiss statistics treat this activity as *Transithandel* or merchanting, in which goods never enter Switzerland, and only since 2021 and 2025 have official figures shown Ticino's share: about 114 firms and 873 employees in 2023 and CHF 685 million or 3.6 per cent of the national value added in 2024. Steel and other metals account for about 60 per cent of the cluster's employment, while the Lugano Commodity Trading Association, founded in 2010, organizes traders, banks, shippers, insurers and fiduciaries around an annual conference and a certificate programme. The sanctions of 2022 drove some firms into liquidation and others to record profits, and the cluster's ownership has since moved towards Asia and the Gulf while its Italian customer base has remained stable. Federal policy since the basic report of 2013 has added transparency, due diligence and statistical scrutiny, so that substance, trade finance and sanctions compliance now decide the future of the Lugano trading houses.

3 Notes

1. Bundesamt für Statistik (BFS), "Die Wertschöpfung des Rohstoffhandels belief sich 2024 auf 19,2 Milliarden Franken", press release, Neuchâtel, 18 November 2025, <https://dam-api.bfs.admin.ch/hub/api/dam/assets/36221190/master> (Geneva CHF 11,247 million or 58.4 per cent; Zug CHF 5,200 million or 27.0 per cent; Vaud CHF 1,241 million or 6.5 per cent; Ticino CHF 685 million or 3.6 per cent; Zurich CHF 447 million or 2.3 per cent). ↩
2. BFS, Statistik der Rohstoffhändler (NMP), tables 2017–2021 and cluster 2022, published 25 August 2023, <https://dam-api.bfs.admin.ch/hub/api/dam/assets/26645739/master> (Ticino 2021: 117 firms, 12.1 per cent of the Swiss total); Ufficio di statistica del Cantone Ticino (USTAT), 12 Denaro e banche (Bellinzona, March 2026), table T. 12.6, https://m3.ti.ch/DFE/DR/USTAT/allegati/prodima/5112_denaro_e_banche.pdf (2019: 123 enterprises, 968 employees, 898.7 full-time equivalents). ↩
3. Lugano Commodity Trading Association (LCTA), "Chi siamo", <https://www.lcta.ch/chi-siamo/> (founded 2010 as a non-profit association in Lugano); LCTA, "Lugano e il commodity trading", <https://www.lcta.ch/lugano-e-il-commodity-trading/> (Geneva, Zug and Lugano as the Swiss centres). ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/lugano-from-transit-trade-to-trading-houses-the-rise-of-commodity-trading-in-lugano-ove