

Why the forwarders did not become traders

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The step from forwarding to trading is short in theory and long in practice. A forwarder acts for the account of others and earns a fee. A trader acts for its own account and earns a margin, which requires capital, appetite for price risk and access to producers and buyers in distant markets. The Chiasso forwarders of the first half of the twentieth century were tied to the physical border: their value lay in the clearance of goods that actually crossed it. When the trade between Switzerland and Italy grew after 1950, their business grew with it. The Historical Lexicon notes that Chiasso became the financial centre and economic capital of its district after the tertiarization that began in the 1950s, while from the 1980s and 1990s population and service employment shifted towards neighbouring municipalities.¹ The forwarding sector remains a significant part of Chiasso's economy. In March 2024 a member of the municipal council asked the municipality how many employees and how much tax revenue the sector represented, because he feared that the federal reform of customs procedures would cost jobs in shipping and logistics.² The trading houses that settled in Lugano from the 1970s onwards did not, as a rule, emerge from the Chiasso forwarders. Their founders came from the Italian steel industry, from trading firms elsewhere in Switzerland and Europe and, after 1991, from the former Soviet economies. What the Sottoceneri offered them was an environment: banks experienced in foreign currency business and documentary credits, fiduciaries who could set up and administer companies, Italian-speaking staff who knew customs and transport, and proximity to Milan and to the steel districts of Brescia and Bergamo. The forwarding tradition supplied part of this environment, while some logistics firms of the Mendrisiotto now serve traders as well as importers. Chapter F.III treats the logistics economy of the region in detail.

1 From paper transit to merchanting

A useful way of describing the change is to distinguish three kinds of transit. The first is physical transit, in which goods cross the territory and the local economy earns from carrying, storing and taxing them. This was the economy of the Gotthard road and of the railway. The second is documentary transit, in which goods cross the border and local firms earn from clearing them and financing their passage. This was the economy of Chiasso. The third is merchanting, in which the goods do not touch the territory at all and local firms earn from owning them between purchase and sale. This is the economy of the Lugano trading house. The three share a vocabulary of bills of lading, warehouse receipts, insurance certificates and letters of credit. Chapter A.IV has traced the commission agents and forwarders of the old regime, and Chapter G.I describes the documentary credit under the ICC's Uniform Customs and Practice for Documentary Credits (UCP 600) as their modern successor. Each kind of transit uses the documents differently, and in merchanting they become the only physical trace of the trade in Switzerland.

Common misconception. It is sometimes said that Lugano's commodity trading continues the medieval transit trade of the Gotthard. The vocabulary is shared, and Swiss statistics even use the same word, *Transithandel*. The economic substance is different. The old transit trade earned money from goods that physically crossed the Alps and the border at Chiasso. The modern Lugano trader earns money from goods that it owns but that never enter Switzerland, such as Ukrainian steel sold to Italy or Russian coal sold to Turkey. The continuity lies in skills, languages and institutions, among them banks, fiduciaries and documentary practice. Hardly any firm links the two periods.

2 Notes

1. Bianchi, "Chiasso" (above) ("piazza finanziaria e capoluogo economico del distr."). ↩

2. La Regione, interpellation on forwarding and customs reform in Chiasso, March 2024, <https://laregione.ch/1740530> (the sector as "una parte significativa delle attività economiche" in Chiasso; the councillor feared the loss of "migliaia di posti di lavoro"). ↩

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