

Geneva and Zug: two centres of one industry

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The comparison with Geneva is particularly apt in the commodity trade, since the two cantons together account for more than 85 per cent of the Swiss industry. Geneva's share, at 58.4 per cent, is more than twice Zug's. The difference reflects the composition of the two clusters. Geneva is the centre of the oil trade, with the largest independent oil traders of the world, and of the grain trade. Zug's cluster is dominated by metals and minerals, through Glencore, and has had significant positions in energy and in soft commodities such as coffee.¹

The two cantons also differ in their relationship with the banks that finance the trade. Geneva is the traditional centre of trade finance in Switzerland, with banks that have specialised for decades in the financing of commodity transactions, a business that the Geneva volume describes in detail. Zug has no comparable banking cluster. Its traders draw their financing from banks in Geneva, Zurich, London, Paris, Amsterdam and Asia. In this respect, the trader in Zug is more dependent on the international banking system than its competitor in Geneva. The withdrawal of European banks from commodity finance in the years after 2015 affected it accordingly.²

Finally, the two cantons differ in their tax regimes and in their language. Geneva's effective profit tax rate, raised to 14.7 per cent in anticipation of the minimum tax, is higher than Zug's 11.85 per cent.³ Geneva works in French and English, Zug in German and English. For a trading house, the choice between the two is a choice between two ecosystems, each with its strengths.

1 Notes

1. swissinfo.ch, "Den wahren Wert des Rohstoffhandels einschätzen" (article 33532096), swissinfo.ch: Geneva "hat sich zur wohl weltweit grössten Plattform für den Handel mit Erdöl entwickelt", while

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"Unternehmen in Zug haben einen grossen Anteil des Handels mit Mineralien und Metallen erobert". Canton of Zug, Economic Promotion, "Gross- und Rohstoffhandel", economy.zg.ch: Zug's cluster covers metals (Glencore, Arrow Metals, East Metals), energy (VARO, Kolmar) and soft commodities (Rothfos Coffee/Neumann Group, among others). FDFA, "Rohstoffhandel", aboutswitzerland.eda.admin.ch: Switzerland leads in the trade in sugar, cotton, oilseeds, coffee and grain, with most firms in the regions of Geneva, Zug and Lugano; the pages seen do not attribute the grain trade to Geneva specifically. ↩

2. Global Trade Review, "ABN Amro to exit trade and commodity finance after losses", 12 August 2020, gtreview.com: ABN Amro announced its exit from all trade and commodity finance activities after losses including about US\$300 million on Hin Leong; Société Générale closed its Singapore-based trade commodity finance unit and BNP Paribas suspended new commodity trade finance deals pending a review. Treated in Part E. ↩
3. KPMG Switzerland, press release May 2025: Geneva at 14.7 per cent; Zug at 11.85 per cent. ↩

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