

Scenarios for the commodity traders

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The commodity traders deserve a closer look, since they are the most distinctive and the most exposed sector of the canton. In the adaptive hub, they shift their business towards critical minerals, liquefied natural gas, power and carbon markets. They invest in digital platforms and data analysis and keep their headquarters in Zug because of the concentration of expertise, the stable legal environment and the professional services. In the fortress, they earn high profits from volatility, but they must manage sanctions risks in every transaction and may shift parts of their trading to jurisdictions outside the Western sanctions regimes. In the retreat, they move staff and functions to Dubai, Singapore and London, where they can recruit freely and face fewer political constraints. In the squeeze, they may relocate their headquarters entirely.

The traders' mobility is their strength and the canton's vulnerability. A trading house needs few physical assets in the canton, since its main assets are its people, its capital and its relationships, all of which can move within months. The canton's history shows that traders came to Zug for specific reasons: low taxes, discretion, neutrality and a favourable legal environment. As these reasons weaken, the traders' commitment to the canton depends on the quality of life, the professional ecosystem and inertia. The canton's strategy must take account of the fact that its most prominent sector is also its most mobile.

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