

The office of a trader

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The trading houses of the 1970s and 1980s were small in terms of staff, even when their turnover ran into billions. A trading company in Zug might employ a small staff: traders who negotiated the purchases and sales, operators who arranged the shipping and the documents, and accountants and treasury staff who managed the letters of credit and the payments. The traders communicated with their counterparts around the world by telephone and telex, and later by fax. They depended on a network of offices and agents in the producing and consuming countries.

The size of the offices in Zug stood in stark contrast to the size of the business conducted through them. In 1982, Phibro employed 245 people in Zug for a worldwide turnover of 25 billion dollars.¹ Three decades later, in 2014, Glencore employed about 450 people at its headquarters in Baar, out of some 50,000 worldwide.² The disproportion between the turnover and the local staff explains both the attractiveness of the trading business for the canton, which received the taxes on the profits of a global business, and the scepticism of its critics, who saw in it a business that used the canton as a platform without contributing much to its economy beyond the taxes.

1 Notes

1. Zug in der Welt, "Zug mit Steuern steuern": in 1982 Phibro employed 245 persons in Zug with a worldwide turnover of 25 billion dollars. ↩
2. NZZ Folio, "Die Schatzgräber in Zug", nzz.ch: Glencore employs 50,000 globally but only 450 at its Baar headquarters. ↩

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