

The South African trade and the Swiss debate

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The trade of Swiss companies with apartheid South Africa became the subject of a national debate in the 1990s and 2000s. The Federal Council commissioned a National Research Programme on the relations between Switzerland and South Africa, whose results, published in 2005, examined the role of Swiss banks, companies and authorities in maintaining the economic relations with the apartheid regime during the period of international sanctions.¹ The oil trade was among the most sensitive subjects, since oil was essential to the South African economy and military, and since the international oil embargo was one of the principal instruments of the campaign against apartheid.

The role of Marc Rich + Co. in supplying South Africa with oil between 1979 and 1993 placed the Zug company at the centre of this debate. For the canton, the debate was an early example of a pattern that would recur: the conduct of a company headquartered in Zug, legal under Swiss law at the time, became the subject of moral and political criticism in Switzerland and abroad, damaging the canton's reputation with it. The same pattern appeared later in the debates about the conduct of commodity traders in the Democratic Republic of Congo, about the Nord Stream pipelines, about the trade in Russian oil after 2022 and about the environmental and human rights record of mining companies. The canton's authorities have learnt, over the decades, that the legality of a company's conduct under Swiss law does not protect the canton from the reputational consequences of that conduct.

1 Notes

1. Swiss National Science Foundation, "NFP 42+ Beziehungen Schweiz – Südafrika", snf.ch: programme commissioned by the Federal Council; final report by Georg Kreis, *Die Schweiz und Südafrika 1948–1994*, Bern 2005; CORDIS (European Commission), "Nationales Forschungsprogramm «Beziehungen Schweiz – Südafrika» abgeschlossen": ten studies, launched in 2000 with 2 million francs; restrictions on access to files imposed by the Federal Council in April 2003, affecting five of the ten projects; final report released on 27 October 2005; swissinfo.ch, "Licht in dunkle Schweizer Südafrika-Politik", 27 October 2005. Specific studies on the oil trade are not mentioned in these sources. ↩

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