

Swiss Trade Analysis 2020-2024

Gold as Key Deficit Driver

Artur Górski

1. The „Big Picture“ Context

Switzerland is the undisputed leader in the global gold industry. According to UN data, the country controls **20% of the world's gold trade**, trading an average of \$100 billion in imports and exports annually.

Quality Standards: Switzerland's influence is cemented by its refining capacity. 3 out of the 7 global LBMA Referees (the organizations that set world quality standards) are Swiss-based.

The Business Model: Switzerland imports raw gold (bars, bullion, or dore), purifies it to the highest standards, and sells it back to the global market.

2. Understanding the „Artificial“ Deficit

The trade deficit with certain nations is not a sign of economic weakness. Instead, it is a structural result of Switzerland's role in the supply chain.

The „Gold 27“ Impact: When we look at countries where **gold makes up over 80% of their exports to Switzerland**, we find a group of 27 states. This group alone is responsible for a **\$34.84 billion (54%)** of deficit in trade. They alone supply 50% of all gold imported into Switzerland.

Investment Focus: This analysis focuses strictly on gold (HS 7108), excluding jewellery or recycled scrap, which makes the concentration even more striking.

3. Strategic Dependency

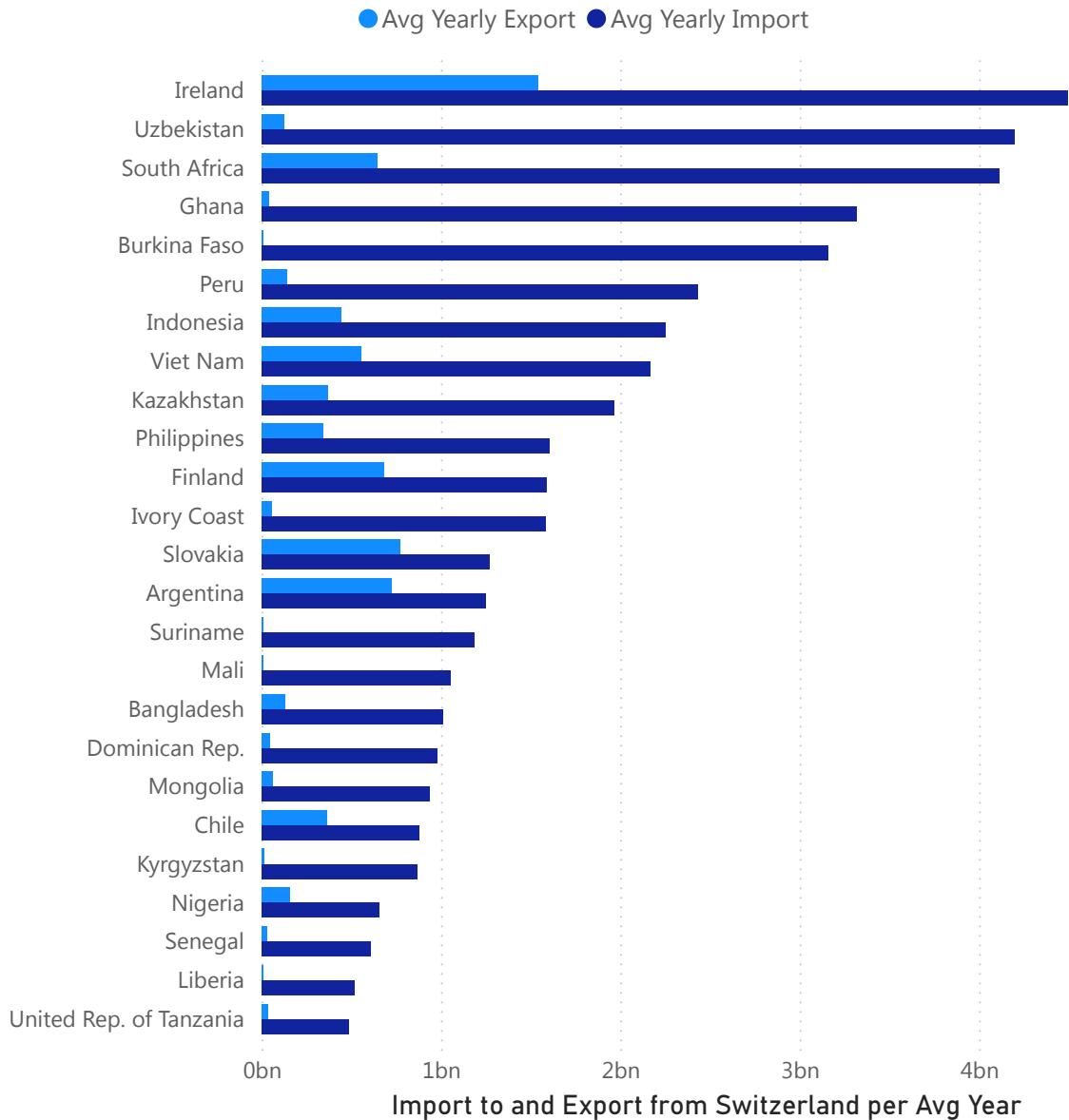
Gold from these 27 countries alone accounts for **15% of Switzerland's total imports**. To put this in perspective, this single commodity from this specific group of countries is worth more than all goods imported from the USA, Switzerland's second-largest trading partner.

To fulfil global demand for refined „Swiss-made“ gold, the country has become strategically dependent on these 27 partners. The deficit is simply the „price“ of maintaining its position as the world's gold refinery.

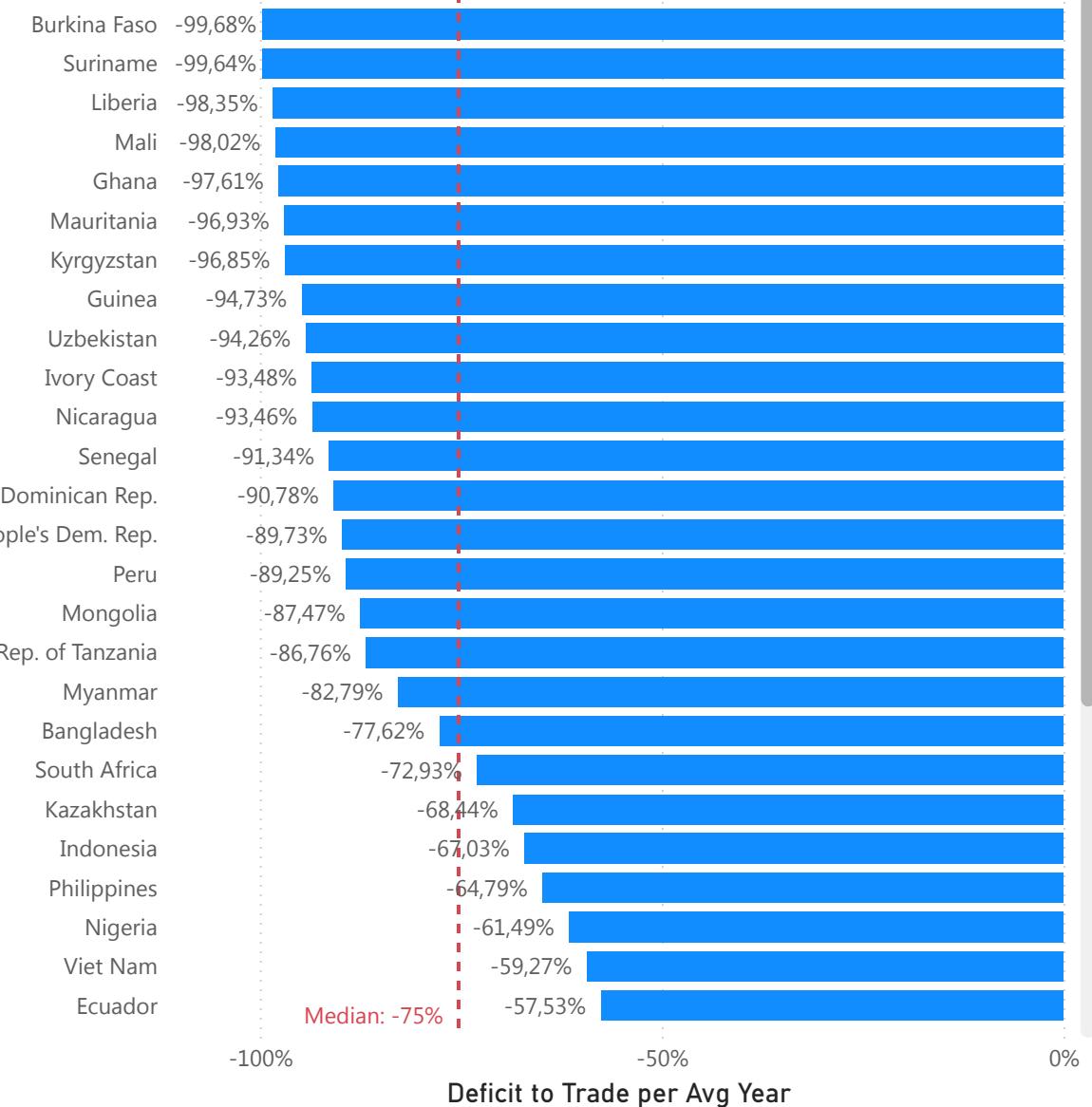
Who has a significant advantage over Switzerland in bilateral trade?

38 Countries with Deficit to Trade over 20% and at least \$100 mln in bilateral trade per

Who benefits the most on trade with Switzerland?



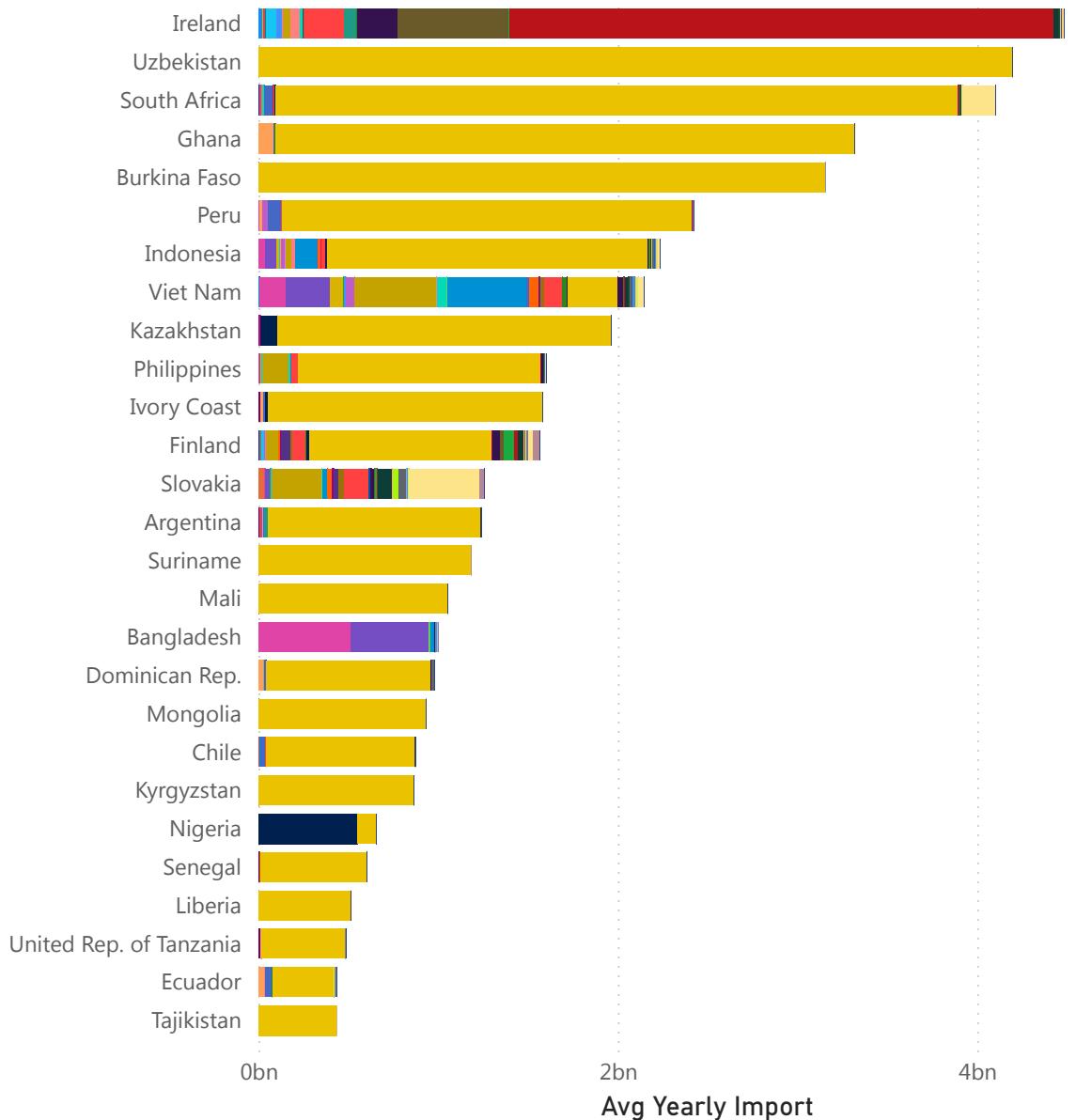
From which partners does Switzerland only buy?



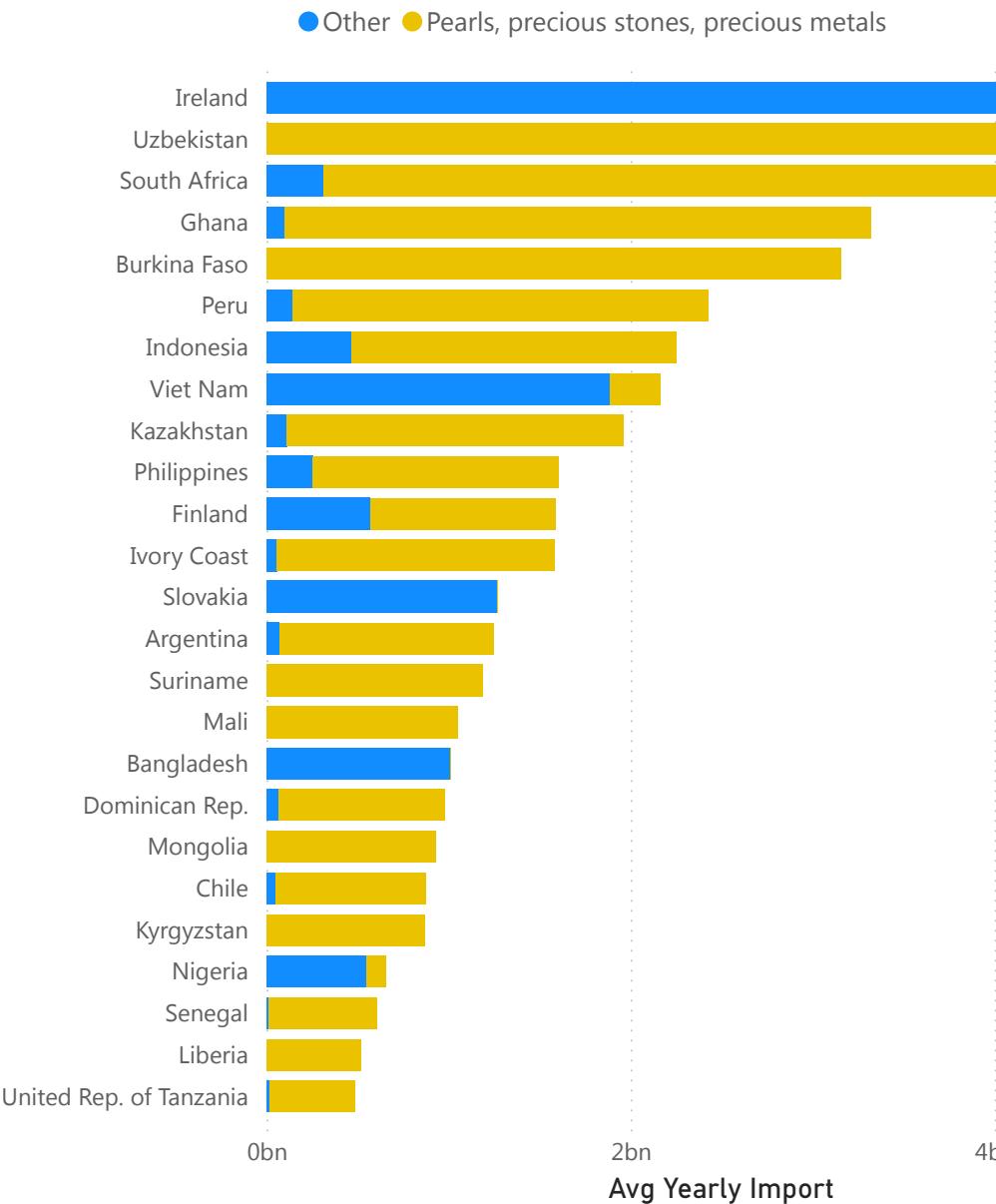
In which areas these countries have advantage over Switzerland?

There is clear correlation between big Deficit-to-Trade ratio and one group of products making almost whole import from these countries.

How diversified are imports from these countries?



What is single top commodity group?

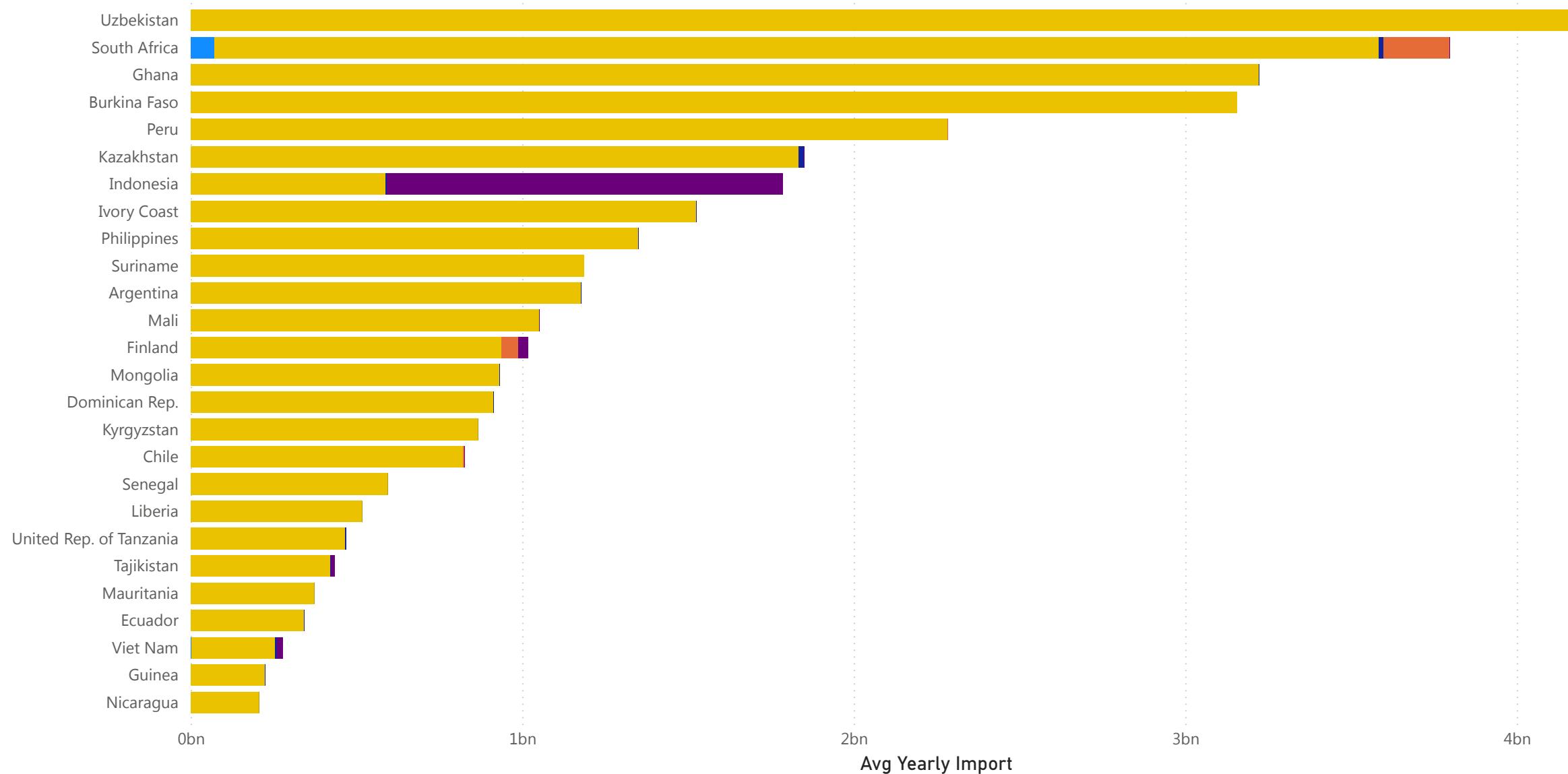


Drill-down: What is the biggest part of 'Pearls; precious stones and precious metals' category?

Most of this category consists of unrefined or investment gold.

Category 'Pearls; precious stones and precious metals' broken down for 38 'deficit-makers'

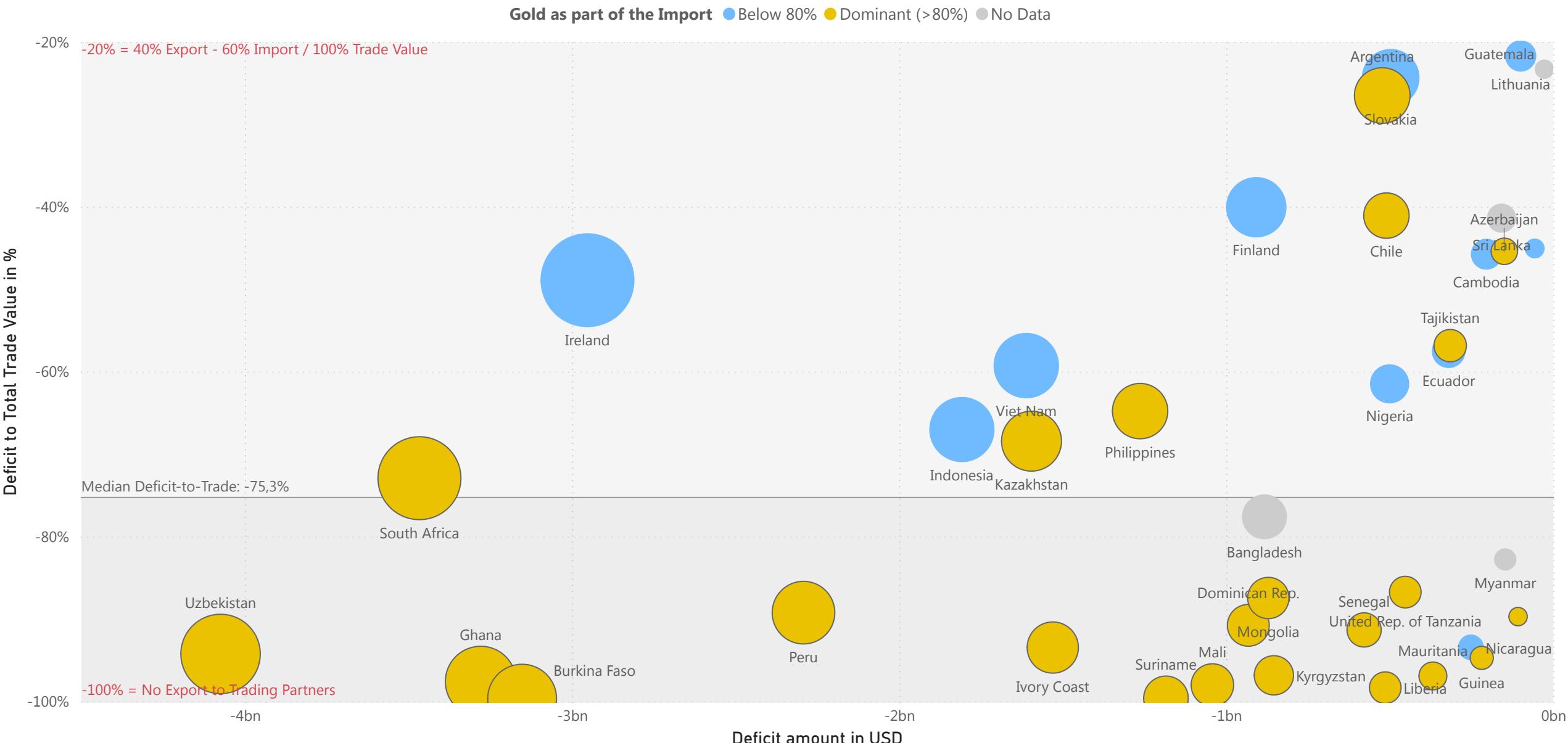
Commodities Names ● Diamonds ● Gold ● Other Precious Items ● Platinum ● Waste or scrap of precious metals



One-Way Trade: Does Gold Monopolize Switzerland's Bilateral Trade Deficits?

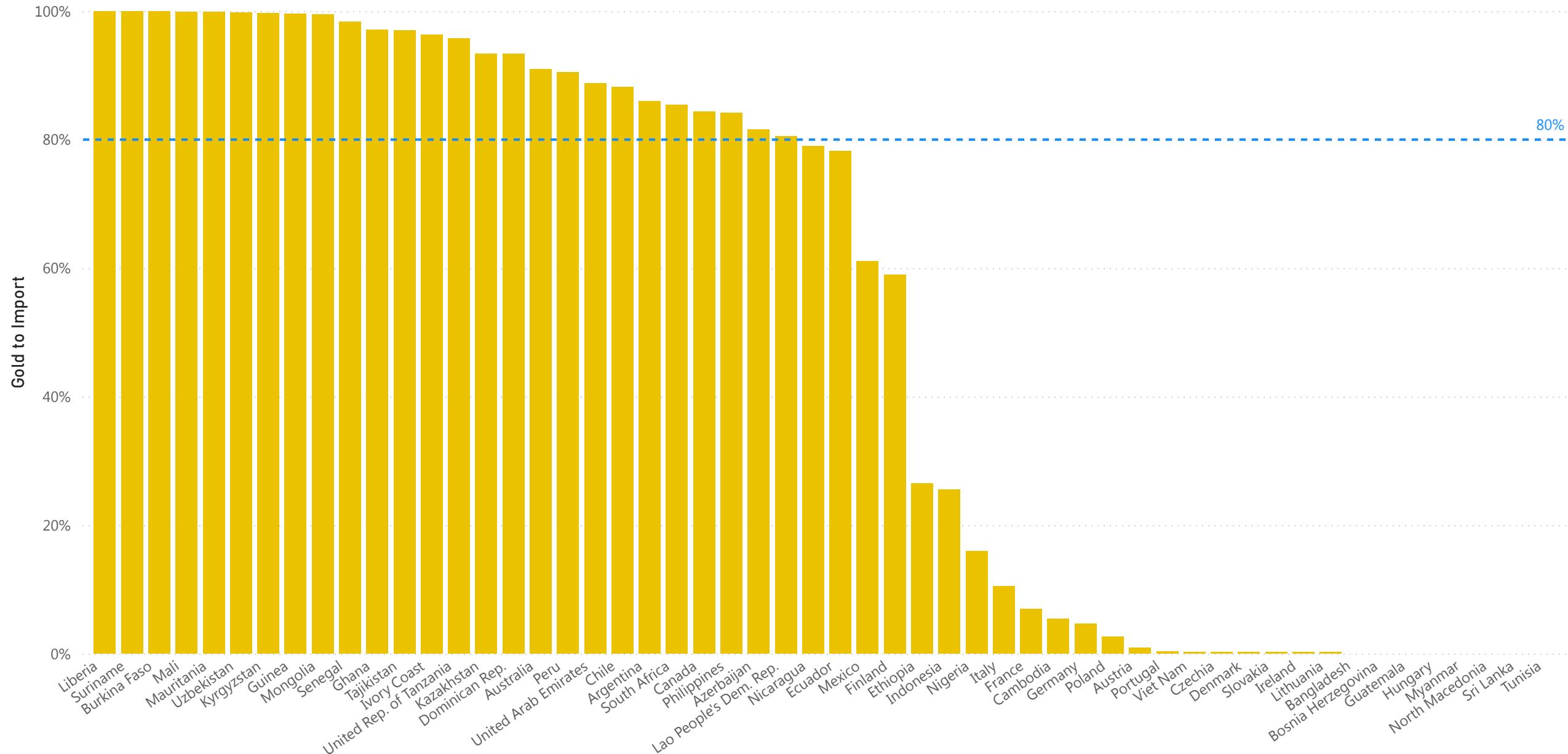
Largest deficit-making Trading Partners of Switzerland

38 Countries with Deficit to Trade over 20% and at least \$100 mln in bilateral trade per year



Gold: The Main Driver for 50% of All Swiss Deficit Partners

In half of all deficit-making partners (27/54), gold accounts for at least 80% of their total exports to Switzerland.

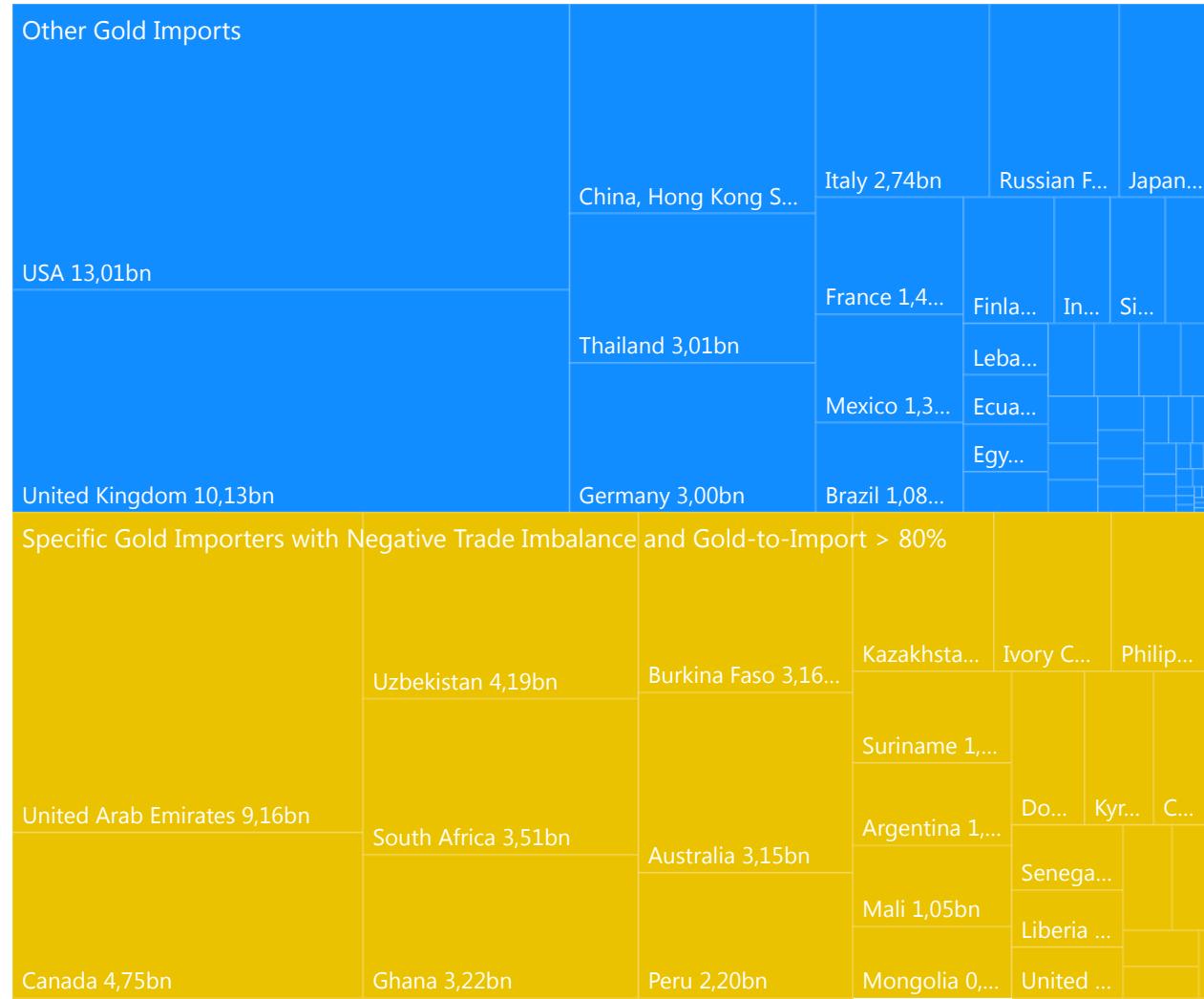


Monoproduction Dominance: Can scattered Gold Exporters hold a real advantage?

Gold Import to Switzerland

Gold Monoexporters account for around 50% of the whole Gold Import to Switzerland

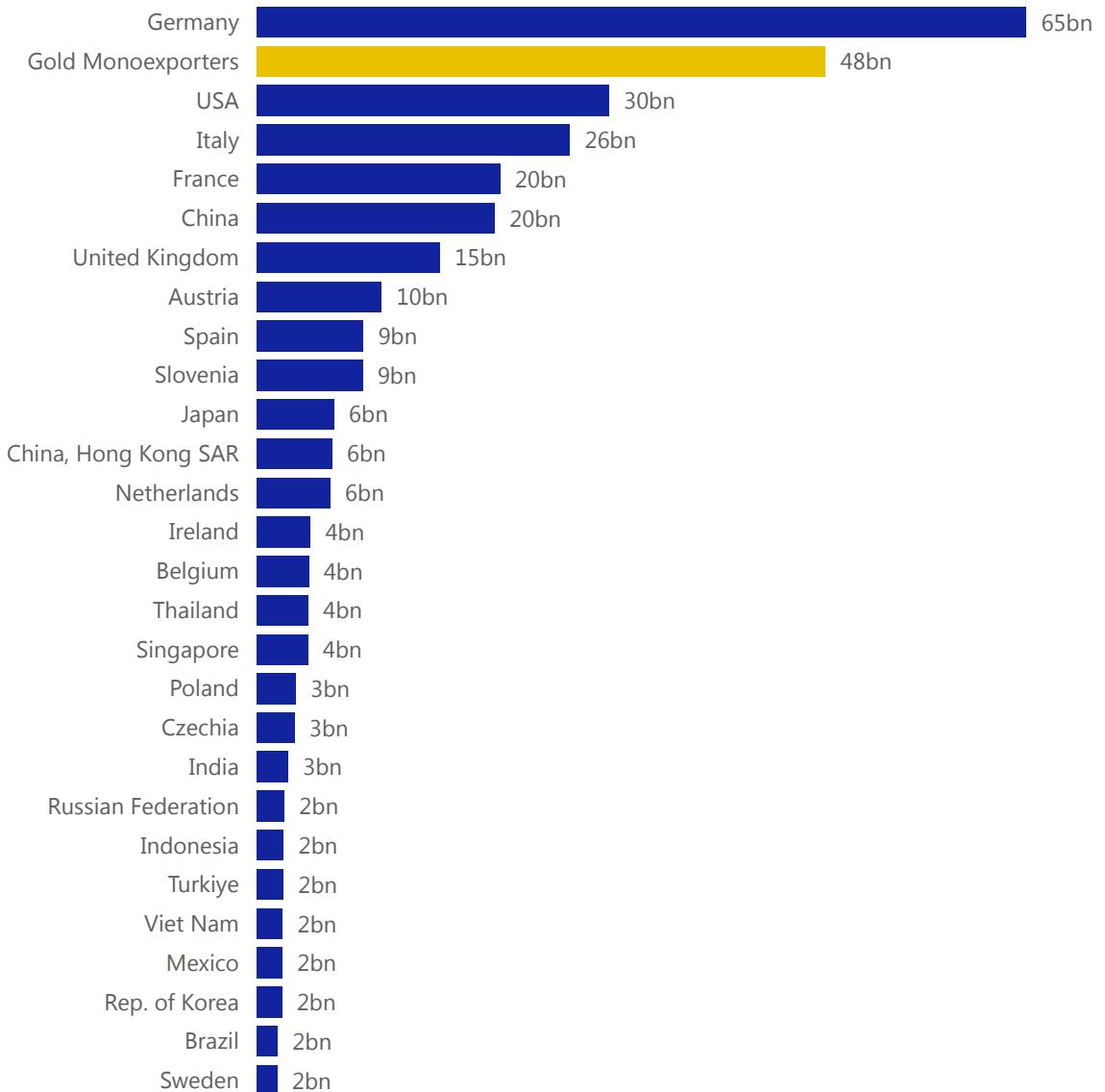
They supply \$48 bln out of \$97.7 bln of Total Gold Imports



Gold Importers ● Other Gold Imports ● Specific Gold Importers with Negative Trade Imbalance and Gol...

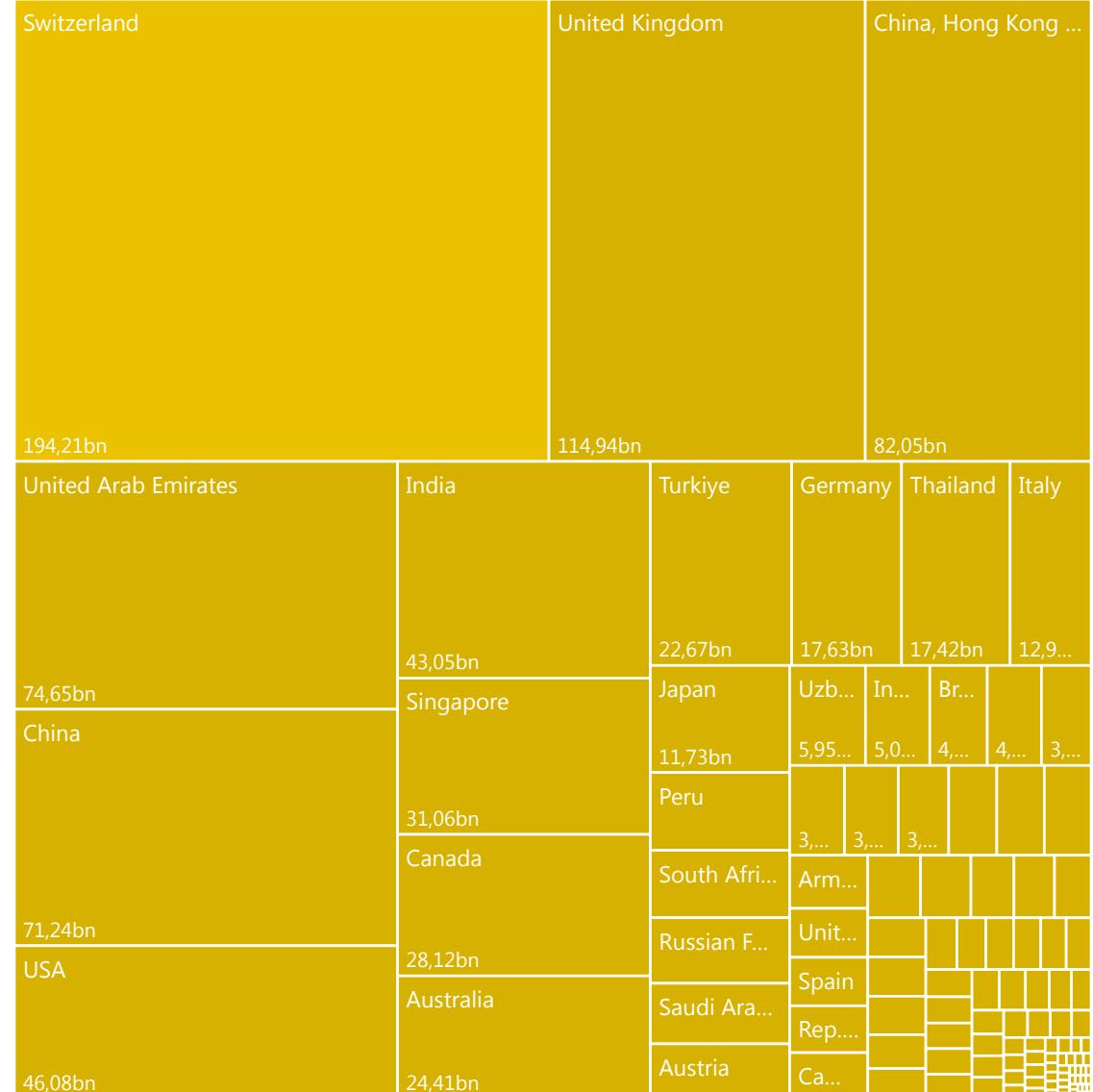
Scale: Import per Country vs. Gold from Monoexporters

Total Yearly Import per Country + Gold from All Deficit-making Gold Monoexporters



Bigger picture: Switzerland as the Global Gold Hub

Gold: Total Trade Value per Average Year



Gold: Import/Export per Average Year

