

US Tariffs on Swiss Gold Bars Escalate Trade Tensions

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On July 31, 2025, the United States imposed tariffs on imports of one-kilogram and 100-ounce gold bars, a decision that has sent ripples through the global bullion market and strained trade relations with Switzerland, the world's leading gold refining hub. According to a ruling letter from the U.S. Customs and Border Protection (CBP), cited by the Financial Times, these gold bars are now classified under a customs code subject to duties, reversing earlier industry expectations of tariff exemptions. This move, effective as of August

7, 2025, introduces significant costs for Swiss gold exporters and could reshape global gold trade dynamics.

Switzerland, responsible for refining much of the world's gold, exported \$61.5 billion worth of gold to the U.S. in the 12 months ending June 2025. Under the new 39% tariff rate applied to Swiss imports, approximately \$24 billion in additional duties could be levied on this trade volume. The one-kilogram gold bars, the most commonly traded size on the Chicago Mercantile Exchange's Comex the largest gold futures market globally represent the bulk of Switzerland's bullion exports to the U.S. This tariff is seen as a major setback for the Swiss gold industry, already grappling with a broader 39% tariff on all Swiss imports announced the previous week.

The global gold trade operates through a well-established triangular system. Large 400-troy-ounce bars, preferred in London, are shipped to Switzerland, where they are recast into smaller one-kilogram bars for the New York market. This process has long facilitated smooth trade flows, but the new tariffs threaten to disrupt this system. Christoph Wild, president of the Swiss Association of Manufacturers and Traders of Precious Metals, described the ruling as "another blow" to Switzerland's gold trade, noting that the tariffs could make it challenging to meet U.S. demand for gold. Some Swiss refineries have already reduced or halted shipments to the U.S. due to uncertainty surrounding the customs code classification.

The decision has already impacted gold markets. On August 7, 2025, gold futures in New York surged, with December delivery contracts climbing to a premium of over \$100 per ounce above London's spot prices, reflecting market uncertainty and potential supply constraints. Gold prices have risen 27% since the end of 2024, briefly reaching \$3,500 per troy ounce, driven by inflation concerns, rising government debt, and a weakening U.S. dollar. The tariff ruling adds further pressure, potentially exacerbating price volatility and disrupting liquidity in gold trading.

Trade relations between Washington and Bern have deteriorated amid these developments. The 39% tariff on Swiss imports, the highest among developed nations, prompted Swiss President Karin Keller-Sutter to make an emergency trip to Washington on August 7, 2025, seeking to negotiate relief. However, she returned without securing a meeting with U.S. President Donald Trump, underscoring the challenges in resolving the dispute. The Swiss government argues that the U.S. trade deficit calculations, which include gold exports, are

misleading, as the value of gold primarily reflects the metal itself rather than Swiss labor or production.

The tariffs have broader implications for U.S.-Swiss trade. Switzerland's gold exports, while high in value, employ only about 1,500 people in its refining sector, with profit margins described as slim. The Swiss National Bank has advocated excluding gold from trade balance calculations, arguing that refining adds minimal value. Meanwhile, Swiss refineries have spent months consulting lawyers to navigate the ambiguous customs codes, with some pausing shipments to avoid unexpected costs.

This development follows earlier market adjustments, as traders rushed to build U.S. gold stockpiles ahead of anticipated tariffs, leading to record Comex inventories and temporary shortages in London. The reclassification of one-kilogram and 100-ounce gold bars under customs code 7108.13.5500, rather than the duty-exempt 7108.12.10, has upended expectations and could cost the industry billions. As global gold trade faces new hurdles, the U.S. tariffs signal a broader shift in trade policy, with Switzerland caught in the crosshairs.