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US Tariffs Hit Swiss Gold Industry Hard

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Switzerland's gold refining sector faces increasing pressure after the United States imposed tariffs as part of its broader trade policy aimed at reducing America's trade deficit. The tariffs, announced by the Trump administration, include a 39 percent levy on select Swiss imports, unexpectedly covering gold bars, a move that has drawn sharp attention on both sides of the Atlantic.

Although Switzerland does not mine gold, it serves as the world's largest gold refining hub, processing vast quantities of gold that are then exported to the United States. Over the 12

months ending June 2025, Swiss gold exports to the US were valued at approximately \$61.5 billion, contributing significantly to Switzerland's trade surplus with the US.

The tariffs have sparked a national debate in Switzerland about the role of the gold industry in the country's economy and whether it should bear some responsibility for the strained trade relations. Some Swiss politicians, particularly from centrist and left-leaning parties, have suggested that the sector should contribute to offsetting the economic impact.

Hans-Peter Portmann, a lawmaker from Switzerland's liberal Free Democratic Party, proposed measures such as returning gold shipments to their countries of origin – such as the UK, Brazil, or the Netherlands letting those countries handle transport to the US. He also suggested the possibility of introducing a sustainability tariff on the gold industry.

Lisa Mazzone, leader of Switzerland's Green Party, has called for the gold sector to pay "appropriate taxation" to balance the effects of the US tariffs. Meanwhile, members of the Social Democratic Party have criticised the Swiss government for not anticipating the political sensitivity of gold exports in trade negotiations.

Despite these domestic criticisms, industry leaders defend Switzerland's role in the global gold trade. James Emmett, CEO of gold refiner MKS Pamp, described the industry as a "flag bearer" for Swiss expertise, noting that the country's strict regulations and specialised skills make it a key player in the market.

The international gold trade typically follows a triangular route, with bars moving between London, New York, and Switzerland, where they are recast into different sizes to meet market standards. However, this process has become complicated by tariffs and changing demand.

Earlier this year, Swiss refineries were processing bars for shipment to New York, but from April onward, metal stocks started moving back to London. Recently, Switzerland's gold exports to the US have dropped sharply amid tariff uncertainty and the drawdown of US inventories.

Robin Kolvenbach, co-CEO of Argor-Heraeus refinery, questioned the use of different bar sizes in London and New York, calling for standardisation that could simplify trade and reduce reliance on Switzerland as an intermediary.

The tariffs could also affect the luxury watch industry, which relies on Swiss refineries for precious metals. Reduced demand in the US market may prompt customers to seek

watches from other regions.

Christoph Wild, president of the Swiss Association of Manufacturers and Traders of Precious Metals, emphasised the uncertainty created by fluctuating US tariff policies and warned against blaming individual industries.

“It is important that Switzerland remains united in addressing this challenge,” Wild said.

Simone Knobloch, COO at Valcambi, echoed this sentiment, noting that the gold sector has simply responded to market demand and deserves recognition for its contribution.

As trade talks continue, the Swiss gold industry is considering expanding refining operations within the US, which has large gold production but limited refining capacity. MKS Pamp has already established a minting facility in Oklahoma and is committed to growing its US presence.

Swiss government officials recently returned from Washington without securing tariff reductions but pledged to continue negotiations.

The White House has indicated it will issue an executive order soon to clarify the US position on gold bar tariffs.