



Annual Report

2015/2016

OCTOBER - SEPTEMBER

An aerial, high-angle photograph of a large industrial vessel, likely a chemical tanker or offshore supply ship, sailing on the open sea. The ship is viewed from a perspective that shows its length and deck structure. The deck is filled with various pieces of equipment, including pipes, ladders, and structural supports. The ship's superstructure is visible at the stern. The water is a deep blue-grey, and the ship's wake is visible. Overlaid on the center of the image is the logo for STSA, which consists of the letters 'STSA' in a bold, blue, sans-serif font, followed by a small red square containing a white cross, resembling the Swiss flag.

STSA 

2015/2016 Annual Report

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Message from the President



Commodity trading companies are an integral part of the global commodity supply chain. By moving physical commodities around the globe, removing surpluses and satisfying deficits, we perform a critical economic role and make markets more efficient. We have to do this in

a responsible manner, obeying not just Swiss laws and regulation, but those of all countries in which we operate.

The process of regulation is most advanced in respect of financial activities. All of us use the financial derivative markets to mitigate and manage risk and the challenge of FinfraG is to ensure consistency with the regulation in the US and Europe.

In addition to the regulatory framework in which we operate, there is an increasing interest from civil society in our sector. We are a responsive industry, used to adapting to changing environments and we have to recognise and respond to these demands as well. Understandably civil society wishes to ensure that populations benefit from the natural resources which are abundant in many developing economies and to be reassured that the risks of corruption are minimised. To this end, the term transparency is often presented as a panacea. As with most things in life, reality is complex and the real success, or otherwise, of transparency initiatives will depend upon the detail.

What is absolutely clear however, and equally recognised by EITI, is the critical role to be played by producing countries. It is the producing countries who must drive the transparency initiative forward. Transparency initiatives without their participation would be inappropriate and ineffectual.

As we move forward with all these initiatives, we should also look back to where we have come from. Our sector is maturing and it is easy to forget how much we have changed over the years. Most companies now have professional teams monitoring compliance and regulation, and sustainability is becoming an integral part of our business planning. As a sector, we do behave responsibly, and we must demonstrate that we do so.

At the same time, we should recognise the important role our business activities play in many developing economies. We assist them with financing, we invest in their infrastructure, we supply their economies and we compete with each other, thereby maximising the value attainable for their raw materials. But we must never forget that each country is sovereign and that whilst we can advise, the decisions are, rightly, in their hands.

David Fransen
STSA President



STSA: a nationwide industry organisation



2015-2016 proved to be a formative year for STSA, one in which the Association gained its spurs as a professional, fully-fledged industry trade association. The Swiss political agenda over the past 12 months shone a direct spotlight on the commodity trading industry in

Switzerland. The Association faced, and successfully defeated, its first political campaign led by the Swiss Young Socialists (JUSO) who sought to ban speculation on foodstuffs. Building on its growing membership and the political campaign, the Association has leveraged the Swiss hub's expertise in order to engage more proactively with the general public, the media, and Swiss policymakers alike. The Association further reached its overarching objectives in relation to the Corporate Tax Reform III package and the likely adoption of a tonnage tax regime in Switzerland for shipping activities.

Policy and regulation continue to be central to the Association's activities. Whilst the Association and its members are actively working on the implementation of new FinfraG rules for derivatives, we are becoming increasingly involved in the development of soft law approaches tailored to the sector's needs.

At the Association level, the past year has seen great advances in the sector's governance and transparency. STSA adopted a Code of Conduct which entered into force on 1 August 2016, and to which all members are committed. In addition, STSA for the first time publicly disclosed its entire list of members, and is currently working on a sizing study to provide accurate figures on its membership and the industry at large. Further reinforcing the Association have been the adoption of a number of strategic communications initiatives to raise the industry's profile.

STSA takes its role as a steward for the sector very seriously and is fully involved in several transparency initiatives. The Association has participated actively in all of EITI's commodity trading working group meetings since it was set up in October 2015. In parallel, STSA has been working with the Swiss federal authorities and the Institute of Human Rights and Business towards sector-specific guidance on how to implement the UN Guiding Principles on Human Rights and Business.

If the past 12 months are to be taken as an indication of things to come, the coming year should prove to be actively centered on the Swiss political agenda and the global trend towards greater corporate accountability.

Dr Stéphane Graber
Secretary-General

Mission & Values

STSA's mission is to provide a neutral platform of exchange for professionals in the commodity trading industry, advocate industry interests in Switzerland, and to enhance the understanding of the industry within the general public.

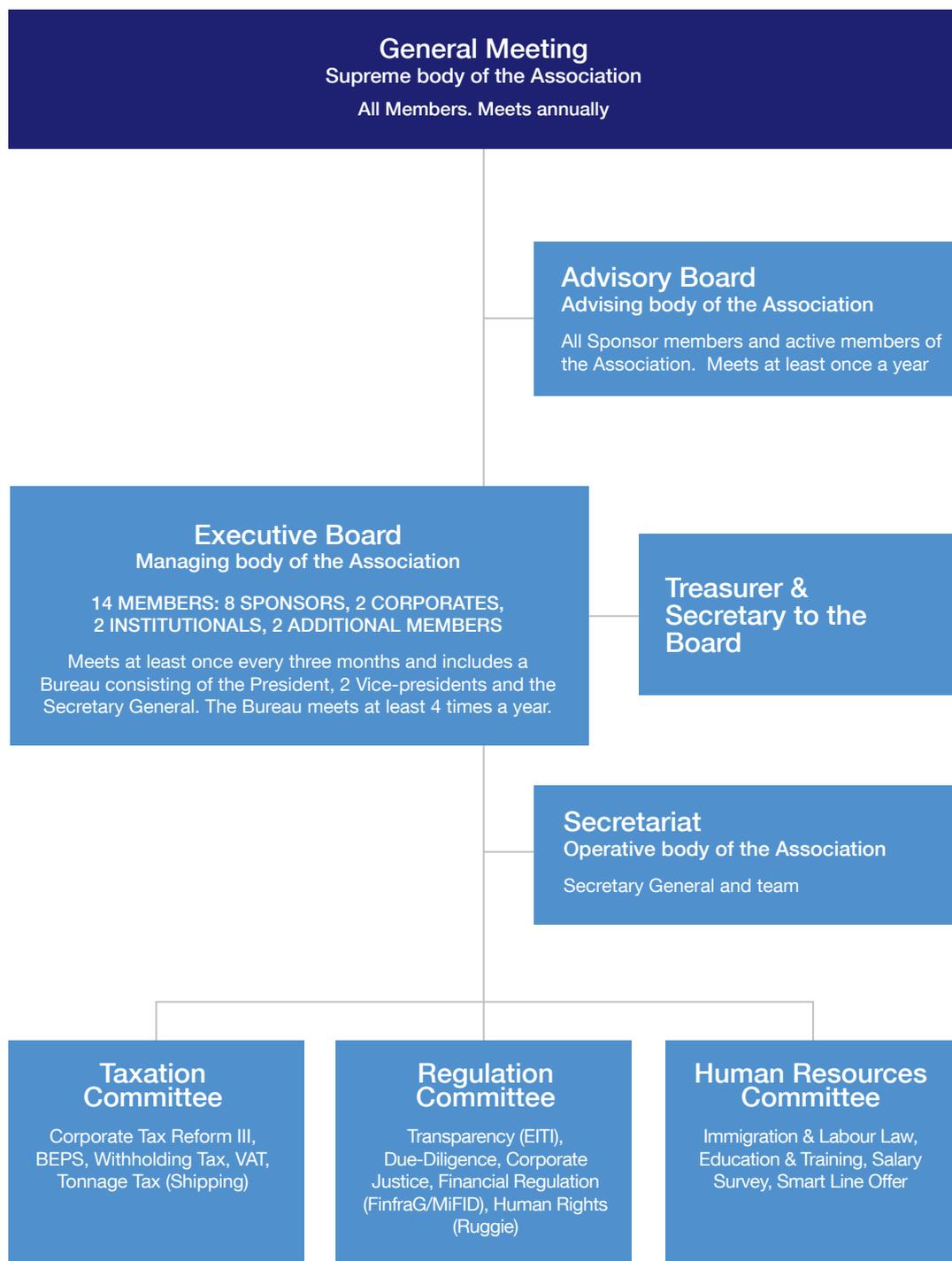
Core Values

- **Sustainability**
Putting the interests of the Swiss trading hubs first by driving best practices.
- **Transparency**
Honest and fact-based communication as found in our Code of Conduct.
- **Neutrality**
Bringing together all actors and commodity classes.
- **Education**
Being a partner in, and provider of academic and practical education and training for commodity traders and supporting the rise of emerging talent.
- **Collaboration**
Engaging with all industry stakeholders to ensure policies favourable for the sector and host communities.

6 Key Areas of Action

- **Sharing**
Forum for all actors in the commodity trading industry.
- **Representing**
The united voice of the industry.
- **Servicing**
Value-added services for its members.
- **Training**
Academic and professional education and training, and supporting the rise of emerging talent.
- **Informing**
Useful information for its members and fostering public knowledge of the industry.
- **Monitoring**
Seminars and conferences on the regulatory and political environment for its members and the public.

STSA Organisational Structure



The Bureau 2015-2016



David Fransen

President

Mr Fransen is the Managing Director of Vitol where he has worked since 1986, and a board member of the Vitol Group. He has served on the Executive Board since GTSA's inception in 2006. He has a wide range of experience in many aspects of commodity trading, from gasoline trading to management and the creation of the Vitol central management information system. Mr Fransen holds a BSc (Hons) in Mathematics and Computer Science from Royal Holloway College, University of London.



Dominique Le Doeuil

Vice President

Mr Le Doeuil has been with Cargill SA since 1998, serving as the Business Unit Leader of Food Processes – Russia, the Director of Business Processes – Food Europe, Treasurer, and currently Vice-President of Finance. A French national, he studied Accounting and Finance at the Institut Supérieur du Commerce.



Nicolas Tamari

Vice President

Mr Tamari is a Geneva local where he grew up. He then completed a BSc in Economics at the London School of Economics before joining his family's business, Sucafina SA, in 1994 where he is currently the CEO. He has been President of the Swiss Coffee Traders Association since 2002, and has served as a member of the Executive Board for many years.



Stéphane Graber

Secretary General

Dr Graber has served as STSA's Secretary General since October 1, 2012. Previously, he worked for the Economic Development Office of the Canton of Geneva. He holds an MBA and DBA from the University of Geneva, and has taught marketing courses there and at the University of Lausanne since 2005, as well as serving on the steering committees of a number of Executive Master programmes.

Board Members 2015-2016



Alexa Aponte
Sponsor Members Representative
MSC Mediterranean Shipping Company SA



Hans Christian Jensen
Sponsor Members Representative
ADM International SA



Olivier Coppey
Sponsor Members Representative
SGS SA



Dominique Le Doeuil
Sponsor Members Representative
Cargill SA



Roland Eigenmann
Corporate Members Representative
Lia Oil SA



David Ohayon
Sponsor Members Representative
Louis Dreyfus Company Suisse SA



Martin Fasser
Institutional Members Representative
ZCA President



Thomas Patrick
Institutional Members Representative
LCTA President



David Fransen
Sponsor Members Representative
Vitol SA



Alexander Peters
Corporate Members Representative
Sahara Energy Services Sàrl
(Until January 2016)



Pierre Glauser
Sponsor Members Representative
Crédit Agricole (Suisse) SA



Yasmina Rauber
Corporate Members Representative
Alcofra SA



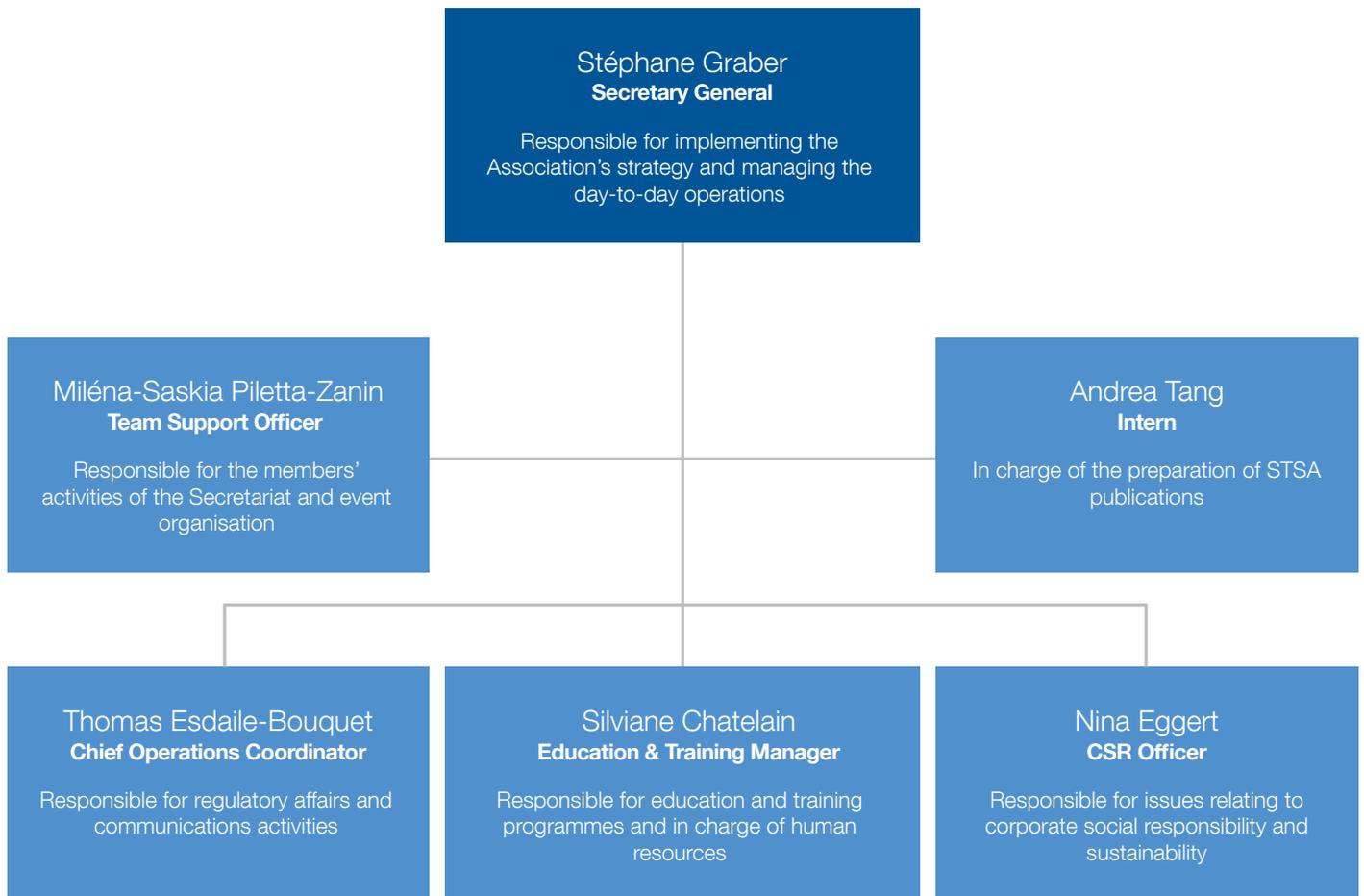
Daniel Jaeggi
Sponsor Members Representative
Mercuria Energy Trading SA



Nicolas Tamari
Sponsor Members Representative
Sucafina SA

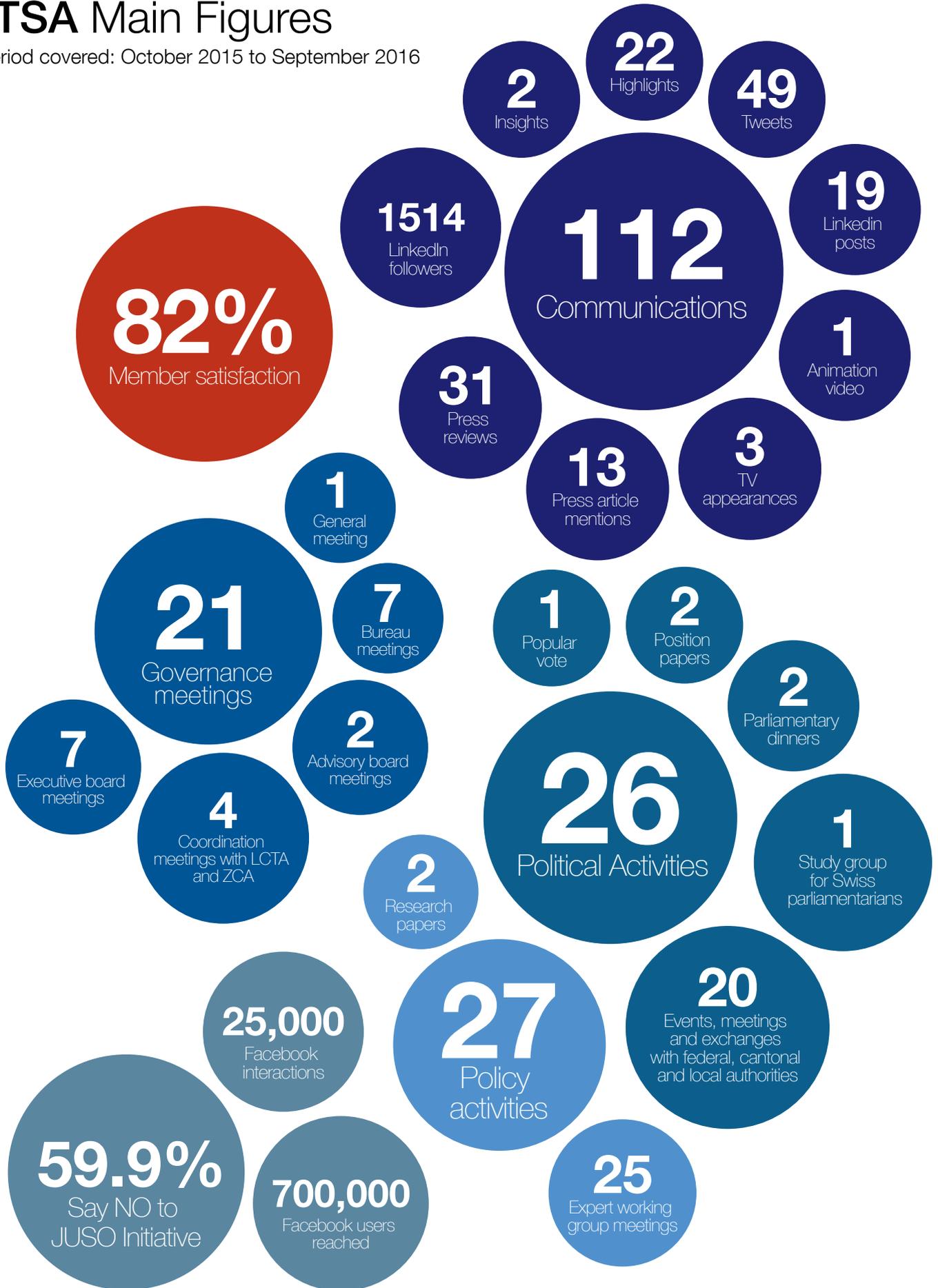


The Secretariat



STSA Main Figures

* Period covered: October 2015 to September 2016



Commodity Trading in Switzerland

STSA Swiss Trading & Shipping Association (STSA)

Switzerland benefits from a high density of actors along the entire commodity trading value chain. STSA bridges the gap between the industry and local institutions and authorities to leverage commodity trading expertise. It serves as an active information exchange and advocacy platform for the commodity trading industry, an industry that represents 4% of the Swiss GDP. As the sector's umbrella association in Switzerland, it brings together the three regional associations based in Lugano, Zug, and the Lemanic region. It also supports other organisations active in our industry such as the Women's International Shipping & Trade Association (WISTA which supports the role of women.

Geneva Trading & Shipping Association (GTSA)

www.stsaswiss.ch



GTSA was founded in 2006 and represents companies based in the Lemanic region. Today, it has around 100 members who represent the bulk of STSA's membership.

Lugano Commodity Trading Association (LCTA)

www.lcta.ch



Established in 2010, LCTA has 53 members who are principally active in metals, coal and energy trading. LCTA unites the sector in the Swiss-Italian area of Europe, including developing services and training, and building links with the authorities to improve business conditions and ensure the continued attraction to Ticino as a business location. The last year has been a great one for LCTA. In addition to organising seminars in Turkey, Ukraine and Kazakhstan on commodity trading in Switzerland, LCTA organised a number of specific courses and networking events for its members. LCTA also organised conferences on commodity trade finance at the Residence of the Swiss Ambassador in Moscow in May and September 2016.

Zug Commodity Trading Association (ZCA)

www.zugcommodity.ch



Established in 2012, ZCA has 45 members, principally active in metals and energy trading. ZCA maintains a strong focus on providing specialist professional training and education, raising public awareness to demystify the commodity trading industry, and building strong links with the Swiss authorities to represent the interests of the industry.

Over the past year, ZCA has continued to meet regularly with the cantonal administration and politicians in Zug. It has also participated in several public information events and discussions on topics including Switzerland's responsibility in international commodity trading, and the human rights and environmental responsibilities within the industry.



Women's International Shipping & Trading Association (WISTA)

WISTA is a professional networking organisation for women in the maritime and trading industries with 2,300 members in 40 countries worldwide. In Switzerland they are located in both Geneva and the Zug/Zurich area, where they meet regularly. WISTA focuses principally on facilitating the exchange of contacts, experiences and information among its members.

In this regard, its main activities include facilitating knowledge-sharing among women active in the industry through conferences, seminars and 'lunch & learn' events and providing networking opportunities with other related institutions and associations such as STSA and ZCA in Switzerland and worldwide. Over the past year, it has organized a variety of events including 4 conferences, several networking events, and a coaching session.

03 Focal Points 2015-2016

Conferences

STSA actively participates in conferences to represent the sector, explain its role and promote and disseminate its key messages.

22.09.16

WISTA lunch conference

WISTA President Karin Orsel (middle) with STSA Secretary-General at the WISTA lunch conference



27.05.16

11th Sustainability Conference of the Swiss Forum for Sustainable Development

22.03.16

SCX Geneva 2016

29.02.16

10 Years of the Human Rights Council

16.11.15

UN Forum on Business and Human Rights

STSA explaining the Swiss Ruggie strategy for commodity trading at the UN Forum on Business and Human Rights 2015



05.11.15

STSA Workshop on the role of traders for cocoa production at the Journée de Genève

2016

28.06.16

2016 Annual Marine Money Geneva Forum

24.03.16

Global Energy 2016

25.11.15

PWC event on 'Regulation and the Future of the Commodities Trading in Switzerland'



13.11.15

Groupement des Institutions de prévoyance.
« Financement du négoce international »

30.10.15

Roundtable on Sino-Swiss Synergies in Commodity Trade Finance

2015

Sector Activities

STSA organises relevant activities, providing the latest professional information and facilitating networking and knowledge exchange amongst its members.



14.09.16

Publication of STSA Insight on “The Role of Commodity Traders in the Transition to Cleaner Fuels”

01.09.16

Public Disclosure of the STSA Members List

01.08.16

Entry into force of STSA Code of Conduct

17.06.16

Publication of STSA Working Paper on FinfraG

02.06.16

STSA Summer Networking Cruise on the Neptune

President Fransen welcomes STSA Members at the STSA Summer Networking Cruise 2016



18.05.16

ZCA Association General Meeting

19.04.16

Advisory Board meeting on member wishes and Association strategy

15.03.16

8th Trading Forum, “An Evolving Landscape, a Resilient Industry?”



08.03.2016

9th annual HR meeting

STSA celebrates its 9th anniversary with its members



10.03.16

Debriefing Meeting on the campaign against the JUSO initiative

07.03.16

Publication of Commodities 2016, “Through Booms and Busts”

20.11.15

Seminar Credit Suisse: “The State of Play for Swiss Commodity Trading”

10.11.15

STSA Lab: Mutualisation of services for SMEs

03.11.15—05.11.15

Commodity Week

02.11.15

Advisory Board with Yves Rossier, State Secretary, FDFA

02.11.15

STSA Commodity Dinner

State Councillor Pierre Maudet takes the floor at the STSA Commodity Dinner 2015



02.11.15

STSA Commodity Dinner

State Secretary Yves Rossier exchanges views with STSA Commodity Dinner 2015 participants



20.10.15

Side event to the 30th Board Meeting of the Extractive Industries Transparency Initiative (EITI)

30.10.15

Geneva Roundtable on Sino-Swiss Synergies in Trade Finance in collaboration of CCIG and Geneva Financial Centre

19.10.15

STSA presentation to the Board of CoBank: “Geneva, a leading Commodity Trading Hub”

Political Activities

STSA maintains strong links with the authorities to explain and promote the sector's interests and provide expertise on regulatory matters regarding the sector.



12.09.16

Autumn STSA Parliamentary dinner, Bern

18.08.16

Meeting with State Secretariat for International Financial Matters in Bern

28.02.16

JUSO Initiative Vote

08.02.16

Study trip to Côte d'Ivoire with Swiss parliamentarians

Learning more about the commodities supply chain in Côte d'Ivoire



09.12.16

Working breakfast with Geneva State Councillor Pierre Maudet

30.11.15

STSA presentation on JUSO Initiative at the CCIG

19.11.15

Meeting with Geneva State Councillor Serge Dal Busco on corporate Tax Reform III (as part of STSA AGM)

14.10.15

STSA presentation at the Economic Mission of Geneva of Singapore and Kuala Lumpur



24.08.16

STSA workshop for Swiss diplomats on commodity trading at the Ambassadors Conference 2016

Over 60 diplomats registered to learn more about the commodity supply chain

13.05.16

Meeting with Federal Councillor Ueli Maurer

24.02.16

FDFA Stakeholder Roundtable on Commodities: "Perspectives and Challenges: Where do we stand?"

26.01.16

Geneva Department of Security & Economy press conference on the Cantonal Economic Strategy 2030



01.12.15

STSA presentation on JUSO Initiative to Vaud Canton Green Liberal Party delegates

Empowerment of young political parties in the campaign against JUSO's anti-speculation initiative

24.11.15

STSA presentation at Prométerre

07.11.15

STSA debate on JUSO Anti-Speculation Initiative at the 25th Assembly of the Green Liberal Party

Educational & HR Activities

STSA provides technical expertise fundamental to the competitiveness of the Swiss commodity hub, promoting talent, reciprocity and practical experts exchanges.

22.09.16

Graduation 7th intake Master in commodity trading programme and 8th intake DAS in commodity trading

President Fransen makes a speech at the MAS & DAS graduation ceremony 2016



2016

16.09.16

Opening 8th intake STSA Operator's Certificate



09.06.16

Graduation 7th intake STSA Operator's Certificate

President Fransen congratulates the 2016 graduates STSA Operator's Certificate 7th intake graduates of 2016

07.06.16

Exploratory meeting on collaboration with JP Morgan Institute on Commodities of Denver University

31.05.16

IFM lecture "The Swiss Commodity Trading Hub, Roots and Forthcoming challenges"

31.05.16

Outreach to and briefing of University career advisors

23.05.16

DAS Selection Committee

18-19.04.16

Speed recruiting

26.04.16

Forum Uni-Emploi presentation on careers in international trade law

07.04.16

SmartPension+ presentation at Bank Lombard Odier



03.03.16

STSA Operator's Certificate Alumni Event

Our attentive alumni community at the STSA Alumni Party 2016

12.02.16

Launch of animation movie "Le négoce de matières premières, un métier à découvrir"

26.01.16

Master in Trading Advisory Board



28.01.16

Graduation 6th intake STSA Operator's Certificate

The graduates in the presence of STSA Vice-President Nicolas Tamari

25.11.15

Uni-Emploi presentation and stand

22.01.16

Opening 7th intake STSA Operator's Certificate

2015

STSA Highlights 2015-2016

August 2016,
Geneva

Ambassadors Conference 2016

STSA's Commodity Trading workshop for Swiss Ambassadors organised as part of the 2016 Ambassadors Conference was a great success, with over 65 ambassadors registered, 15 STSA members' representatives and a fully packed room.

STSA organised a series of presentations to raise awareness on the key aspects and challenges of the industry. This included the role of traders in the commodity supply chain by Ramon Esteve of ECOM Agroindustrial who underlined the sustainable approach to development taken by trading firms in the agricultural sector and policy-related challenges faced in some countries. Mercuria's Benoît Lioud spoke in detail on the key steps along the commodity supply chain, while Stéphane Graber presented the sector's importance to the Swiss economy and the activities of STSA and its members, particularly in education and training. All in all, it was an excellent event, fostering exchange between diplomats and traders and presenting an opportunity for STSA members to build strong relationships with Swiss ambassadors.



October 2015,
Switzerland

EITI Commodity Trading Working Group Launch

On 20 October 2015, STSA participated in the launch of a multi-stakeholder working group on transparency in commodity trading. Partly instigated by the State Secretariat of Economic Affairs (SECO) and the Federal Department of Foreign Affairs, the launch took place as a side event to the EITI (Extractive Industries Transparency Initiative) Board Meeting in Bern.

In accordance with its Terms of Reference, the working group aims to provide technical support to the EITI-implementing pilot countries to meet the EITI Standard's disclosure requirements, which covers the 'first sale' of commodities by governments and state-owned enterprises to commodity traders. In addition, the working group will also develop complementary guidance regarding the practicalities of EITI Standard implementation. Development and refinement of guidance materials are set to take place over the coming year as best practices are established and further countries join the targeted effort. STSA looks forward to its continued engagement with all stakeholders in the ongoing dialogue for greater transparency in commodity trading.

February 2016,
Côte d'Ivoire

STSA brings Swiss Parliamentarians to Côte d'Ivoire

STSA and the Swiss-Africa Inter-Parliamentary Group led a study group to Côte d'Ivoire to learn more about the commodity supply chain.

The delegation gained valuable insights into the rich diversity of upstream commodity activities on the ground through visits to a cotton plantation and factory, Barry Callebaut's chocolate factory, the operations of SGS in the port of Abidjan and CIC's rice activities in Côte d'Ivoire. These visits were complemented by exchanges with local parliamentarians and NGOs such as UNICEF and the Jacobs Foundation. All in all, the trip fostered a greater understanding of the commodity supply chain and the contribution of commodity trading in economic development, as well as its challenges and interactions with local communities.



February 2016,
Switzerland

The Successful Defeat of the JUSO Initiative

In early 2016 the sector was faced with a national referendum, marking the conclusion of several months of a campaign initiative led by the Swiss Young Socialists (JUSO), which sought to ban speculation on foodstuffs. This posed a severe threat to Switzerland's business environment, particularly for the commodities trading industry.

With the invaluable support of its members, STSA rigorously defended the industry's interests by educating politicians and the general public, presenting a united voice for the industry through a series of media interviews, presentations, political debates, and even producing a short animation film in collaboration with the the State of Geneva, Cotecna and the CCIG. Such efforts proved fruitful as on 28 February 2016 the Swiss population rejected by referendum the JUSO initiative by 59.9% of the vote.

STSA in the Media 2015-2016

Commodities Magazine



Aptly titled '**Through booms and busts**', the special 2016 edition of Commodities analysed the rapid and major changes that have taken place within the commodity trading sector over the past few years, and their impacts on the Swiss hub. Despite reversal of price movements, geopolitical disruption, technological innovation, and fluctuating political agendas, the commodity trading sector has shown an incredible resilience.

In this third issue, the reshaping of global dynamics highlights challenges faced by China's rebalancing model and the internationalisation of the renminbi. At the same time, the increase in regulation calls for harmonized international regulation. In this context, the interplay between Swiss and international regulations becomes critical.

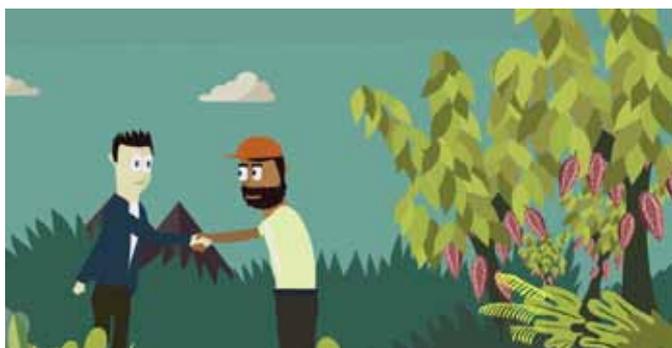
An exclusive interview with Jacques de Watteville of the Federal Department of Finance underlines the need for the elaboration of internationally agreed key standards in Switzerland in order to ensure its continued competitiveness. Environmental issues are also largely debated, focusing on the renewable energy transition and the search for sustainable development, respecting the climate goals set in Paris.

Published annually by STSA in partnership with l'Agefi, Commodities demonstrates STSA's keen commitment to informing professionals in a transparent and open manner of the current issues faced by the industry and how they can be addressed sustainably. With expert insights from the sector, it is the go-to publication for better understanding trends and challenges in the Commodity Trading industry.

Video & Television

Video

Short animation movie « Le Négoce des matières premières : un métier à découvrir »



Under the leadership of the Canton of Geneva and STSA with the support of Cotecna and CCIG, this animation video was developed and made available in February 2016. This video was part of the campaign against the JUSO Initiative and was part of STSA's initiative to better inform the public about the commodity trading industry and its role in the Swiss economy.

The animation movie will be translated in German, Italian and English before being officially launched at the beginning of 2017. Despite no marketing efforts being made so far, the movie has already been viewed almost 2,000 times.

Television



For the first time ever, STSA participated in a 1-hour JUSO referendum special episode on RTS Infrarouge, the only prime-time political debate on Swiss Television: 'Spécial votation, faim dans le monde, la Suisse complice?' which was aired at 21h20 on 17 February 2016.

This appearance was preceded by other TV appearances including an interview with STSA on RTS 1245 news on 20 January 2016, and a political debate with the participation of ZCA on SRF-TV Arena, the main political TV-show in German-speaking Switzerland, on 16 January 2016.

STSA in the Press *

- 19.04.2016** [Swissinfo.ch](#)
Response to the film 'Trading Paradise' which criticised the industry, stating the new measures being developed relating to responsibility in '*Switzerland – a trading paradise?*'.
- 28.02.2016** [Tribune de Genève](#)
Comments on the defeat of the JUSO Initiative in '*Pas de frein à la spéculation alimentaire*'.
- 06.02.2016** [Bilan.ch](#)
Voicing the potential adverse economic consequences of the JUSO Initiative in: '*Interdire la spéculation alimentaire, est-ce la seule solution?*'.
- 05.02.2016** [24 Heures](#)
Speaking on the importance of commodity trading in the Swiss economy in: '*Plaque tournante du grain*'.
- 03.02.2016** [Swissinfo.ch](#)
Responding to criticisms concerning transparency in the industry in an interview: '*Les sociétés de négoce s'adaptent aux nouvelles exigences de transparence*'.
- 21.01.2016** [LeTemps.ch](#)
Organised an interview with Ramon Esteve of ECOM Agroindustrial: '*Sans les contrats à termes, les risques reposeraient en grande partie sur les paysans*'.
- 08.12.2015** [Bilan.ch](#)
Discussing the Swiss commodities hub and advocated the introduction of a 13% flat rate tonnage tax in an interview: '*Négoce: les conditions en Suisse se détériorent*'.
- 24.11.2015** [La Vie Economique](#)
Representing the views of the sector on transparency: '*La transparence du négoce de matières premières, vue par la branche*'.
- 06.11.2015** [Agefi.com](#)
Following STSA's presentation at Palexpo, explaining the economic importance of the sector to the general public: '*Le secteur des matières premières se rapproche des citoyens en Suisse*'.
- 04.11.2015** [Global Trade Review](#)
Explaining the impact of the fall in commodity prices on Swiss traders at the GTR Commodity Trade Finance Conference in an article: '*Swiss traders brace for challenges ahead*'.

* This is not an exhaustive list



04 Education, Training & Research

Education and training are essential in supporting the continued competitiveness of Swiss commodity trading, shipping and trade finance companies. STSA continued to expand its offering to suit students from a variety of backgrounds, including professional training, academic programmes in conjunction with the University of Geneva, and post-graduate research. These programmes uniquely cover all commodities and activities along the commodity value chain, serving the evolving needs of STSA members and making Switzerland the leading training hub and talent pool for the industry.

Professional Training

STSA offers a range of practical courses for both newcomers and existing industry professionals, all of which are taught by accredited professional teachers who are experts in their specialised field.

STSA Operator's Certificate

Four-month programme, 104 hours of training

2 intakes per year

STSA's flagship programme for junior or aspiring operators continued to thrive, exceptionally expanding to include a 7th intake. Taking a dynamic learning approach, it combines the technicalities of the entire operational life cycle of a trade with practical experiences including a study trip to a major European port. Its graduates are highly sought after within the industry.

87%

success rate

60%

of students with an industry background

Over 50%

of those looking to enter the industry succeeded after completion of the STSA Operator's Certificate

Commodity Trading Fundamentals

Two-day overview course

2 intakes per year

This short course offers an opportunity for those in administrative positions to enhance their general knowledge of the commodity trading industry as a whole, including the steps necessary to execute a transaction from start to finish. Aimed at both industry newcomers and those in related positions, it is a valuable tool for gaining an overview of the sector and improving their interactions within their companies.

Academic Programmes

In 2008, the University of Geneva, in partnership with STSA, launched two academic programmes:



Master in International Trading, Commodity Finance and Shipping

Two-year programme, 24 modules of 24 hours

21 students enrolled in the 2016 intake

This Master programme is taught in English and combines academic rigour with practical experience through an internship in a commodity trading or finance-related company. In 2015-2016, STSA members continued to demonstrate their strong commitment to this unique and attractive programme by hiring its students as interns.

Diploma of Advanced Studies in Commodity Trading

One-year programme, 12 modules of 24 hours

28 students enrolled in 2016

Designed for professionals with at least 3 years of experience, this programme presents an excellent opportunity for those seeking to move into a new area within their field, make a career change, or simply stay at the cutting edge of commodity trading practice. It is an intense programme which focuses on commodity markets, commodity trading contracts, risk management and the financing of commodity trading activities.

Academic Research



Successfully launched in 2015, the SRIC Foundation (Swiss Research Institute on Commodities) promotes research in the areas of commodity trading, trade finance and shipping, provides access to resources for research purposes, and facilitates links between researchers and professors. It acts as a platform of exchange, helping all stakeholders to anticipate future challenges and discuss solutions based on scientific research.

The SRIC published its first set of working papers in June 2016. It also organises the annual Trading Forum held every March in Geneva, as well as other relevant conferences. The eighth edition was dedicated to the changing landscape facing the industry and the sector's resilience.

05 Looking Forward

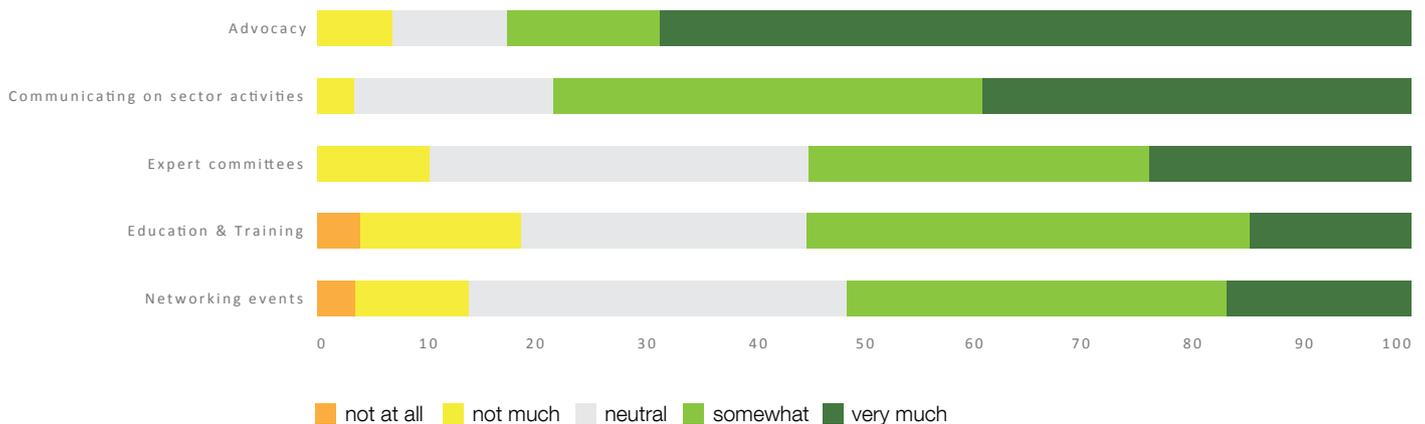
STSA an Association for its members, with its members

An impressive 82.15% of our members indicated their satisfaction with STSA in our survey in March 2016, demonstrating how far we have come together over the past 10 years. However, we cannot rest on our laurels. In the coming year, the commodity trading sector's size and recent expansion will continue to attract regulatory pressure and public and media scrutiny as reflected in our survey. Results found that the overwhelming majority of members considered lobbying to be their key priority for STSA, closely followed by communicating a better image of the sector, expert committees which include education and training, and networking events for industry members.

These priorities fall in the context of the new financial and fiscal rules which will start to apply in earnest in 2017, and of which the impacts are not yet clear.

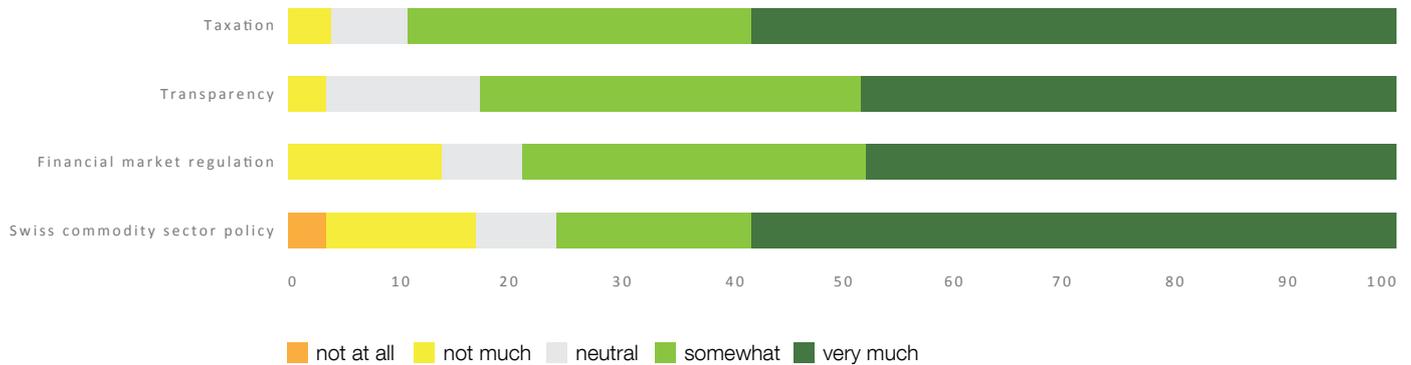
As an association working exclusively for its members, STSA will continue to play an active and leading role in promoting the industry's interests. Taking guidance from the survey which highlights our members' top policy concerns, particular focus will be placed upon ensuring a suitable regulatory environment, while addressing the challenges of transparency and sustainability faced by the industry.

Gaining insights into what members expect from STSA



SOURCE: Internal Survey Conducted in April 2016

Importance of policies area



SOURCE: Internal Survey Conducted in April 2016

The coming year will also mark a turning point in our interactions with the general public. In light of the new Multinationals Initiative, our industry will again be periodically put under the spotlight. The visibility from the now-defeated JUSO Initiative campaign has also created greater public expectations. It must not be forgotten that we are in Switzerland, and direct democracy traditionally puts such important issues to the popular vote. In addition to a maturing dialogue with politicians, we must therefore promote a constructive dialogue with Swiss voters and the media to improve public understanding of our activities and the measures taken to reinforce responsibility. However, it is only with the commitment and participation of our members that we can fully achieve these goals.

Explaining the Commodity Trading Industry to the General Public

Focused communication to demystify our industry's activities and its significant economic contribution in the three regional hubs and at the national level. The Association will make its first foray into developing and implementing a more comprehensive communications strategy, engaging professional assistance where necessary and using all existing communication channels.

In addition to increased media and social media presence, the Association will widen the reach of the animation film released in February 2016 by making it available in all national languages and in English.

Proper outreach can only be achieved with the support and involvement of the STSA members in the communications activities of the Association.

Sustainability & Best Practices

With the UN Guiding Principles on Human Rights and Business continuing to dominate the political agenda, the development of sector-specific guidance will be one of the Association's top priorities in 2017.

On the heels of the mapping study carried out by the Institute of Human Rights and Business (IHRB) to be published in December 2016, federal authorities will be working together with STSA and sector stakeholders to define a human rights framework for companies active throughout the commodity trading supply chain.

Once the final guidance is published, implementation and best practices will be at the centre of STSA's efforts in 2017, requiring the full commitment and input of our members.

Advocating a supportive regulatory environment

Taxation & Financial Market Regulation

A public referendum will be held at the start of 2017 on the new Corporate Tax Reform (CTR) III package, which if accepted, will likely take effect in January 2019. Whilst political divisions remain as to its exact details, STSA supports the authorities' approach, focusing on the reduction of the tax rate (to a level of 13.49% in Geneva) over other measures.

The referendum will also impact upon the adoption of a Swiss tonnage tax regime. STSA, together with its shipping members, will continue to advocate actively in favour of the Swiss tonnage tax. If adopted, it will contribute to consistency with international tax regulation and result in an expected increase of over 600 extra jobs as revealed by the STSA-mandated CREA Study.

As for the Swiss Financial Market Infrastructure Act ('FMIA' or 'FinfraG'), several outstanding issues still require further work. These include threshold calculations, position limits and reporting obligations, given that the Swiss financial regulator (FINMA) is only expected to authorise and recognise trade repositories at the end of 2016.

STSA will continue to play a central role in resolving these issues, aiding members' understanding of the new rules and facilitating their implementation, and keeping a firm eye on the latest developments on MiFID II.

Human Resources

The consequences of the popular vote on 9 February 2014 in favour of limiting work permits for foreigners remain uncertain, causing great concern for companies in Switzerland. The Association is following up on this issue closely with the authorities, and is ready to react quickly to defend the interests of our industry.

Key facts

Corporate Tax Reform (CTR) III Act

- Adopted on 17 June 2016 but not expected to enter fully into force until 2019.
- Brings an end to the special fiscal regimes applicable to holding companies and mixed status firms, including many commodity trading houses, and introduces a flat corporate tax rate.

Swiss Financial Market Infrastructure Act ('FMIA' or 'FinfraG')

- Entered into force on 1 January 2016, but implementation has been delayed.
- Governs the way trading firms will utilise financial derivative products to hedge their risks.

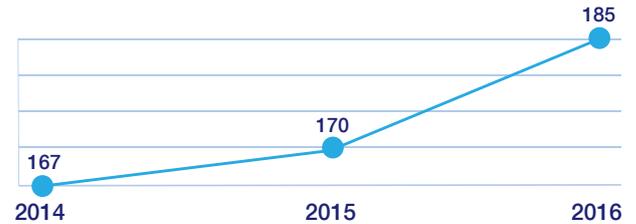
Tonnage Tax

- A legislative proposal will be discussed in Parliament in the first half of 2017.
- 91% of the world merchant fleet already comes under a tonnage tax regime, which makes such regime a necessity for the survival of the Swiss Shipping industry and the sake of international regulatory consistency.

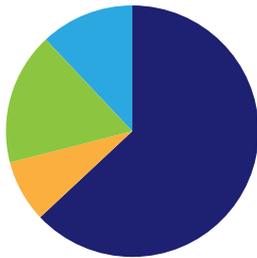
06 Membership & Finances

Membership

As of 2015-2016, STSA counts 185 members together with ZCA and LCTA. The full list of members is available on the STSA website.

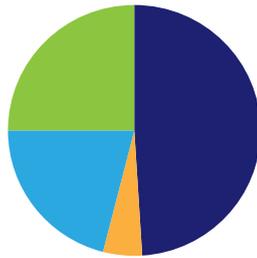


STSA Members by Type



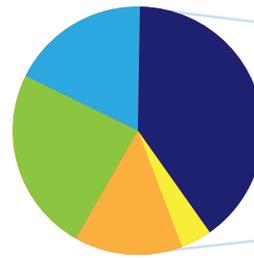
- Corporate, 63%
- Associate, 17%
- Sponsor, 12%
- Institutional, 8%

STSA Members by Region



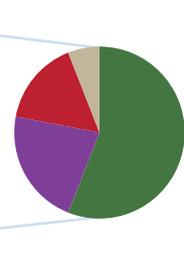
- Geneva, 47%
- Ticino
- Zug, 22%
- Vaud, 5%

STSA Members by Activity



- Finance & Services, 34%
- Energy, 27%
- Metals, 20%
- Agriculture, 15%
- Shipping, 4%

Service Companies by Activity

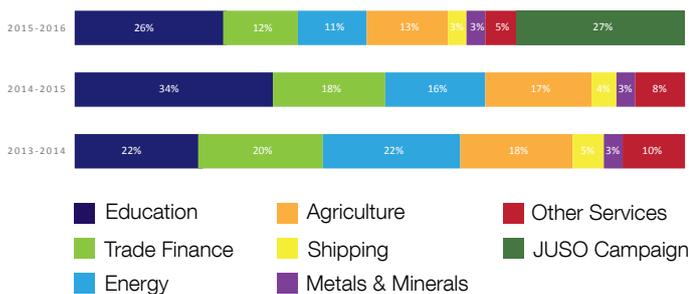


- Finance, 56%
- Audit, 22%
- Legal, 16%
- Inspection, 6%

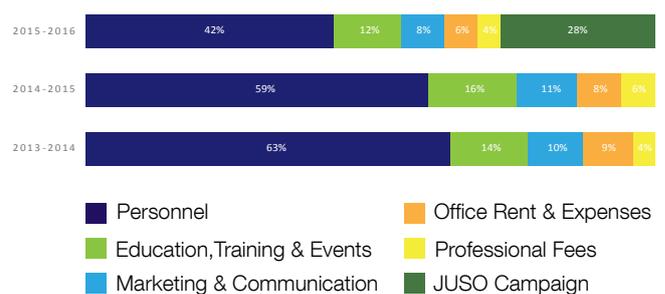
SOURCE: Official membership lists of the 3 associations

Finances

Income by Member Sectors and STSA Activities



Expenditure by Type



SOURCE: STSA Audited Accounts



07 The Commodity Trading Industry in Switzerland

36,154

estimated employees in the Swiss commodity trading industry

550

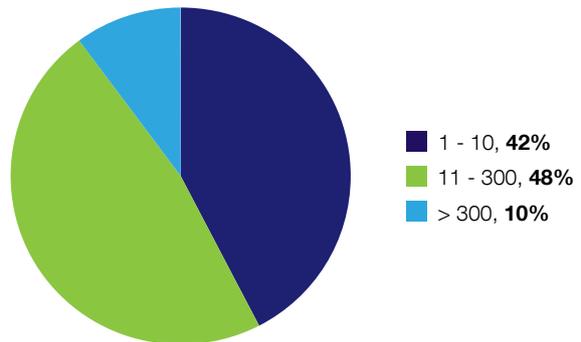
active companies in the industry

4% = 25 bn CHF

of Switzerland's GDP

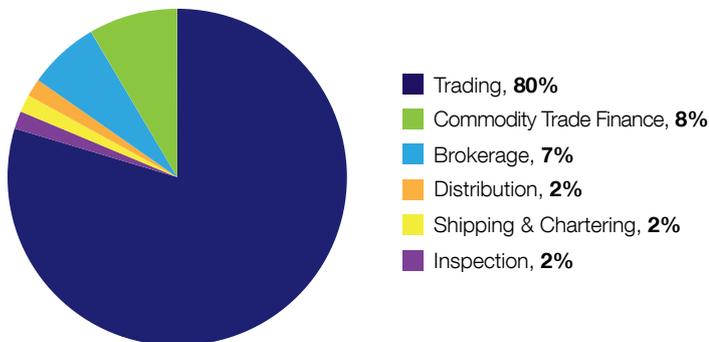
Distribution of Companies by Number of Employees in Switzerland

The industry is dominated by small and medium sized businesses.



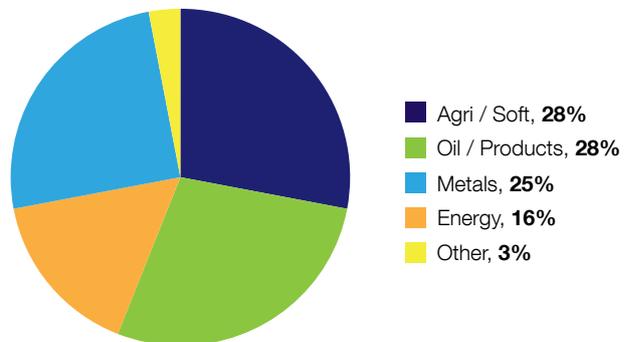
Distribution of Companies by Main Activity Controlled From Switzerland

The industry in Switzerland is composed of trading companies in the commodity trading sector.



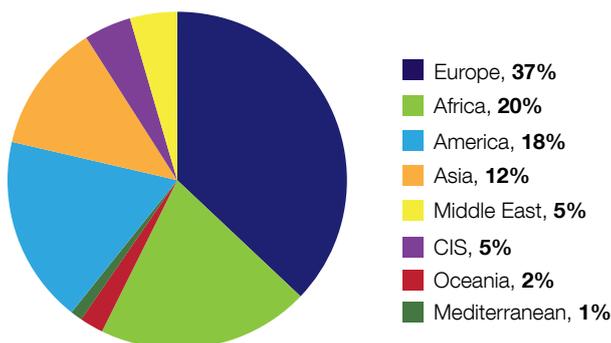
Distribution of Companies by Commodity Class Traded from Switzerland

There is a balanced representation between the different commodity classes.



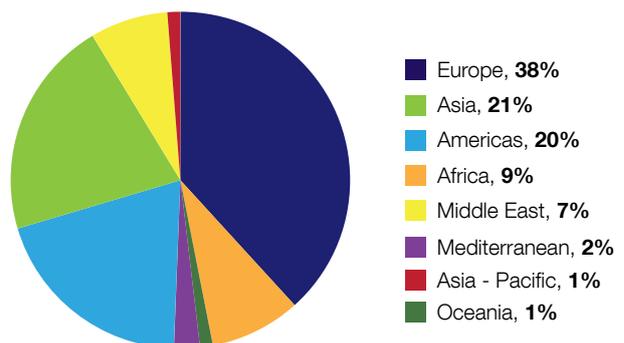
Sources of Commodities Traded by Swiss Traders

Swiss commodity traders are strongly linked with Europe as the origin and destination of commodities.



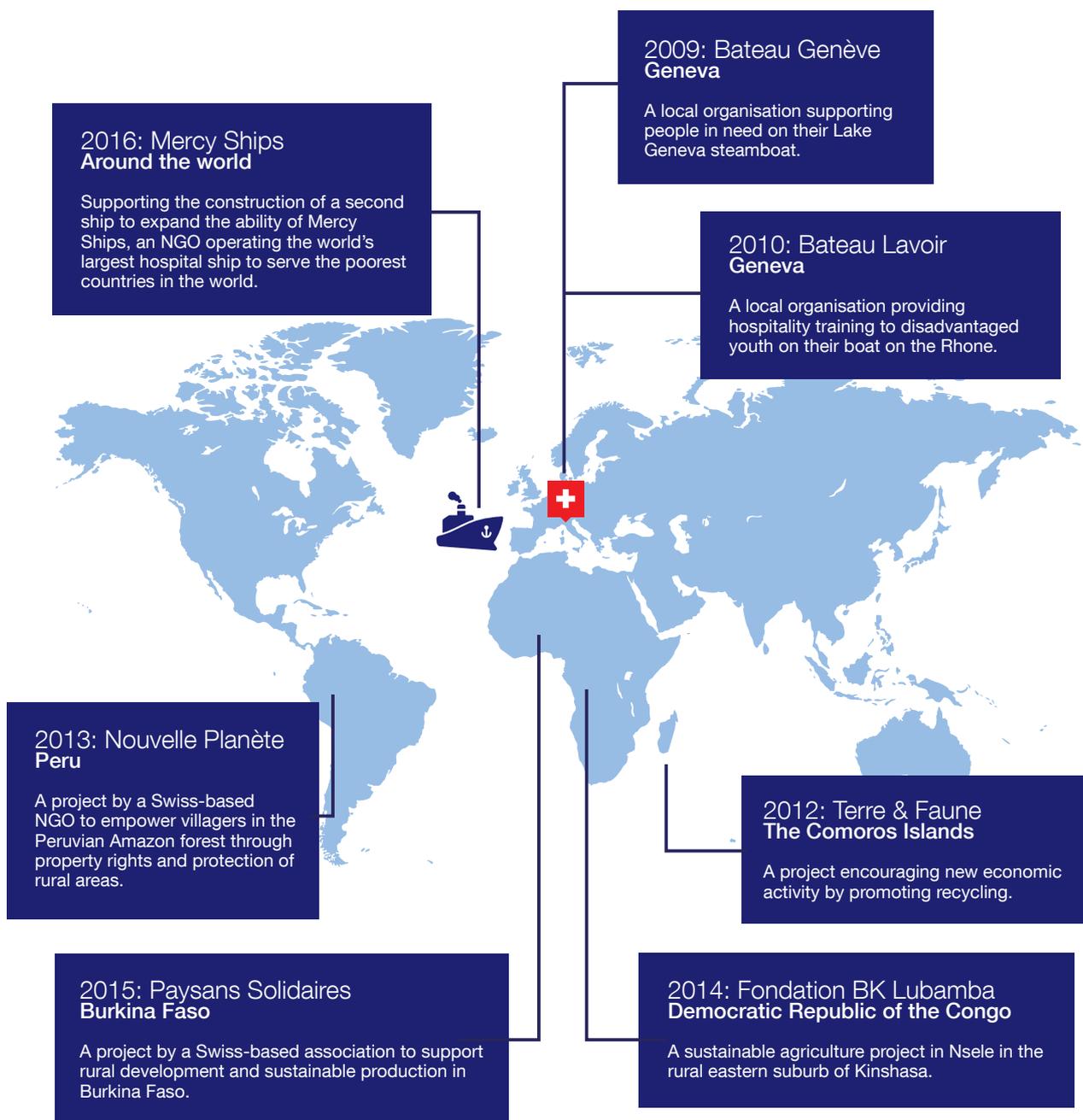
Swiss Traders Supplying Commodities to the World

Swiss commodity traders are strongly linked with Europe as the origin and destination of commodities.



08 Social Projects

STSA is firmly committed to contributing to the wider goal of sustainable development. Each year, the Association supports a social project which meets this criteria.







STSA 

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