

## Commodity Trading Industry in Ticino: Key Findings from the 2021–2023 LCTA Survey

To monitor the evolution of the commodity trading industry and assess its overall economic impact, LCTA conducted a survey among its members in fall 2025, focusing exclusively on trading companies. The findings provide a detailed overview of sector performance over the 2021–2023 period, highlighting solid financial fundamentals, constantly evolving markets, workforce expansion, and a labor structure aligned with the operational nature of the commodity trading ecosystem - despite the challenges faced in global markets.

### A Strong and Consolidated Corporate Presence in Lugano

More than three quarters of the participating companies maintain their group headquarters in the Canton of Ticino, underscoring the **region's strategic relevance for the industry**. **Lugano remains the main hub**, complemented by other locations across the Canton.

### Financial Performance and Growth Trajectory

The survey results show significant year-on-year variations across the sector's core economic indicators, reflecting the volatility of many commodities during the period under review:

- **Revenue:** After a sharp 70% increase in 2022, annual revenues fell by 35.5% in 2023 but remained well above 2021 levels.
- **Corporate income tax:** Contributions surged 91% in 2022, followed by a 23.5% decline in 2023, yet overall contributions remained substantially higher than in 2021. A cross verification with Cantonal Authorities on aggregate data available confirms that **the survey sample accounts for over 70% of the industry's consolidated tax revenues (federal, cantonal and municipal)**, demonstrating both the Association's relevance and the materiality of the data collected through the survey.
- **Wage expenditure:** Increased by 45.2% in 2022 and by an additional 1% in 2023, reflecting both corporate performance and employment growth.

Collectively, these indicators portray a resilient industry that continues to generate **substantial economic value for the Canton** despite cyclical fluctuations typical of commodity markets.

### Workforce Expansion and Structure

Employment within the sector grew steadily over the three-year period: 5.7% growth in 2022 followed by a further 3.3% in 2023.

The strong rise in wage expenditure in 2022 indicates that variable compensation components - such as bonuses - contributed alongside headcount growth. The data overall suggest **sustained investment in operational capacity and highly qualified professionals**. This may warrant further assessment of the sector's contribution to personal tax revenues; such analysis, however, fell outside the scope of this survey.

In addition to the increase in headcount, the survey assessed organizational structures at a high level. **The sector generally exhibits a streamlined organizational setup:**

- **Operational and specialist roles** account for approximately three quarters of total staff, a stable and slightly increasing proportion over the period. This demonstrates companies' willingness to retain an important share of operational activities in Ticino, which require qualified personnel.
- **Managerial roles** (junior, middle and senior) represent a stable share of approximately 25% of the total staff, with gradual annual increases. This reflects the sector's capacity to train and attract high-level talent and, while aligned with lean organizational models typical of trading companies, strengthens the evidence of local consolidation.

Based on LCTA projections, the **total workforce in Ticino reached 1,000 full-time equivalent positions in 2023**. Both existing and newly established entities appear to have absorbed staff from companies that left Ticino or significantly scaled back operations following Russia's invasion of Ukraine.

### ***Cross-Border Workforce Evolution***

Cross-border workers consistently accounted for around 30% of the sector's workforce, confirming both the industry's **structural reliance on regional talent** and its **integration with the wider cross-border labor market**. LCTA closely monitors this indicator in relation to overall growth, investing in **education initiatives aimed at fostering, attracting and retaining talents** – an essential competitive asset for the community.

## **Trading Activity and Market Repositioning**

**Trading volumes reflect global market volatility as well as strategic adjustments within the sector.**

### ***Energy Commodities***

As expected, energy-related commodities experienced the most pronounced fluctuations:

- **Oil & fuels** increased modestly by 3.4% in 2022 before surging 54% in 2023;
- **LNG** contracted sharply by 65% in 2022 before rebounding by 142.9% in 2023;
- **Coal** declined by 47.5% in 2022 and 8.9% in 2023, reflecting challenges faced by EU-based traders in financing and insurance markets due to energy-transition policies implemented by most EU operators in the two aforementioned sectors;
- **Gas**: followed a similar pattern, falling to 43.5% in 2022 and 16.7% in 2023, likely driven by factors more closely related to developments in the European and global geopolitical contexts;
- **Electricity** saw moderate variation, up 5.3% in 2022 and down 12.5% in 2023.

These shifts reflect the effects of **broader market restructuring, driven by substantial transformations in the geopolitical and industrial landscape**.

### ***Metals***

Metals display divergent dynamics:

- **Non-ferrous metals** more than doubled in 2022 (+106.5%) and stabilized in 2023 (+2.1%), partly supported by trends linked to energy transition and sustained global industrial demand;
- **Ferrous metals**: continued a steady downward trajectory (-20.2% in 2022; -4.3% in 2023). While the sharp drop in 2022 appears largely associated with relocation or loss of trading volumes previously linked to Russian or Ukrainian materials - historically relevant for Ticino traders - the three-year trend points to broader consequences tied to lower infrastructure investment and the impact of global uncertainty on industrial activities.

### ***Other Commodities***

Other categories expanded by 89.6% in 2022 before contracting by 13% in 2023, reflecting the sector's ability to reposition toward more profitable or high-growth segments.

## **Industry Resilience and Economic Integration**

**The 2021–2023 results depict a resilient industry, capable of navigating market volatility through strategic adjustment of its trading mix and strong integration within Ticino’s economic ecosystem. Sustained employment growth, a solid territorial footprint, and consistent diversification underscore a mature industry that manages fluctuations effectively and contributes reliably to the Canton’s development.**

**The sector’s ongoing consolidation reinforces its role as a key pillar of the local economy. However, intensifying global competition and geopolitical pressures are expected to exert increasing influence on companies—particularly given their average scale. To safeguard long-term competitiveness, the community must continue investing to preserve attractiveness, foster talent, and sustain a dynamic business environment, building durable success on robust and sustainable foundations.**