# From Entrepôt to Trading Hub: The Global Trader Programme: Singapore and Geneva compared

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## Two routes to the same business

The comparison with Geneva shows two different paths to the same result. Geneva's trading sector grew from the private initiative of grain merchants, cotton traders and oil companies, which settled in the city because of its banks, its neutrality, its time zone and its cantonal tax regimes. The state accompanied this development without directing it. Singapore's trading sector, by contrast, was the object of a deliberate strategy, in which the state identified trading as a sector to be developed and designed a statutory incentive for it.

The fiscal instruments differed accordingly. Until 2019, most trading companies in Geneva benefited from cantonal tax statuses, such as the auxiliary or mixed company status, which reduced the tax on income earned abroad. These regimes were abolished under the corporate tax reform approved by Geneva voters on 19 May 2019 and in force since 1 January 2020. All companies have since been taxed at the

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same effective rate, which was 13.99 per cent in the city of Geneva according to the cantonal administration.[1] Singapore has kept a targeted incentive with negotiated rates and has adapted it to the international rules by adding a 15 per cent tier.

## Convergence under the minimum tax

The global minimum tax has brought the two hubs closer together. A large trading group pays roughly 15 per cent in both cities, whether through Geneva's ordinary rate or through Singapore's concessionary tier and the domestic top-up tax. Fiscal competition between the hubs therefore now concerns mainly smaller traders, the taxation of individuals and the costs of living and operating. The Geneva volume notes that Geneva remains disadvantaged by the high taxation of the income and wealth of individuals, while Singapore applies moderate rates of income tax.[2]

The non-fiscal factors have gained in importance. Geneva offers its proximity to the markets of Europe, Africa and the Middle East, a mature cluster of banks, inspection companies and lawyers and a long tradition of trade finance. Singapore offers proximity to the Asian buyers of commodities, from China and India to Japan and Southeast Asia, a deep pool of Asian trade finance banks, English law and an arbitration centre of the first rank. The Geneva volume observes that the large houses divide their functions between the two cities, with Asian trading concentrated in Singapore and European, African and Middle Eastern trading in Geneva.[3]

## Measurement and transparency

The two hubs share a problem of measurement. Switzerland has made progress with the direct estimate of value added published in 2025, which placed the value added of commodity trading at 2.3 per cent of Swiss GDP for 2024.[4] Singapore relies on indicators such as the number of companies under the programme, their commitments and the share of wholesale trade in GDP, which do not isolate commodity trading. A publication of the aggregate value added and tax contribution of GTP companies would strengthen the public case for the programme and allow a comparison with Geneva on equal terms.

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Both hubs also share the reputational risks of the sector. The frauds revealed in Singapore in 2020 and the criminal cases against trading houses in Switzerland, examined in Part H of each volume, have shown that the attraction of traders brings exposure to corruption, sanctions evasion and fraud. Singapore's answer has been to tighten the governance expected of trading companies and the due diligence expected of banks. The substance requirements of the Global Trader Programme, which already oblige approved companies to perform compliance and risk management functions in Singapore, provide a framework for that answer.

## In figures

Approved Oil Trader programme: 1989, with 25 companies. Approved International Trader programme: 1990. Global Trader Programme: June 2001. Companies under the programme: over 200 in May 2007, some 400 global traders attracted by 2023. Concessionary rates: 5, 10 or 15 per cent (15 per cent tier from 17 February 2024), normally for five years, against a standard corporate rate of 17 per cent. LNG rate of 5 per cent: announced May 2007, lapsed after 31 March 2021. Extension: to 31 December 2026 (Budget 2020) and to 31 December 2031 (Budget 2026). Jobs created by global traders: 16,000 by 2023, close to 80 per cent held by locals. LNG traded in 2022: about US$240 billion. Total merchandise trade in 2025: S$1,397.7 billion. Wholesale trade in 2025: S$146.5 billion, about 18.6 per cent of GDP.

## Notes

1. Ressos, *Genève, place financière internationale*, partie G, chapitre VI, on the abolition of the auxiliary and mixed company statuses by the reform approved by Geneva voters on 19 May 2019 and in force from 1 January 2020, and on the effective rate of 13.99 per cent in the city of Geneva cited by the cantonal administration, with references to ge.ch. ↩
2. Ressos, *Genève, place financière internationale*, partie G, chapitre VI: senior traders bear in Geneva "une imposition élevée du revenu et de la fortune", while Singapore "applique des taux modérés". ↩

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3. Ressos, *Genève, place financière internationale*, partie G, chapitre VI: Singapore attracts the functions linked to Asia, while Geneva keeps those linked to Europe, Africa, the Middle East and the Americas; Russia-related activity has moved to Dubai. ↩
4. Ressos, *Genève, place financière internationale*, partie G, chapitre V, citing the Federal Statistical Office communiqué of 18 November 2025: value added of about CHF 19.2 billion in 2024, 2.3 per cent of Swiss value added. ↩

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