

Press release

## **SWISSAID sheds light on the African industrial gold trade**

**Bern, 30 March 2023 - A groundbreaking SWISSAID report uncovers more than 140 business relationships between African industrial gold mines and refineries. In 2020, these relationships involved more than 450 tonnes of gold worth over 23 billion Swiss francs. The research shows that the lack of transparency that most refineries maintain about their sources of supply has more to do with human rights and environmental issues at the mines than with trade secrecy.**

The new SWISSAID report "Out of the Shadows", which is the result of intensive data collection and discussions with stakeholders, reveals almost all the existing or past business relationships between 116 African industrial gold mines and 16 refineries around the world, over the period from 2015 to 2023. It was found that 79 per cent of these business relationships are with refineries in Switzerland, South Africa and, to a lesser extent, India. This suggests that African industrial gold is mainly refined in these three countries. In detail, 96 of the 142 relationships listed concern the South African Rand Refinery, the Swiss Metalor, and the two refineries of the MKS PAMP Group based in Switzerland and India.

In the past, under the guise of trade secrecy, refineries have always refused to disclose the identity of their suppliers. It was only when SWISSAID obtained this information from other sources and confronted the refineries with it that some of them were willing to break their silence. However, the majority of refineries have been reluctant to be transparent. Six confirmed the names of the African industrial mines from which they are or were sourcing during the reference period, while ten refused to do so, citing confidentiality or competition arguments. This opacity is puzzling given that this information is disclosed by most of the partner mining companies or is already in the public domain. "This report certainly highlights the different transparency practices of the refineries, but above all it proves that the culture of secrecy maintained by certain refineries is not justified", summarises Yvan Schulz, project manager for raw materials and responsible sourcing at SWISSAID and co-author of the study.

### **Multiple problems**

However, without transparency, it is impossible to improve the situation of workers and local populations living in the vicinity of mines. And the challenge is enormous. In the course of this research, SWISSAID identified serious problems in the majority of the 125 industrial mines listed. These cases were identified in reports by civil society organisations, reports by international organisations, journalistic investigations and scientific studies, and are evidence of human rights violations, environmental degradation, expropriation, adverse health effects, violence and corruption. Ultimately, local communities benefit little from the revenues generated by their subsoil.

### **Act**

At the end of the report, SWISSAID makes a list of recommendations to various actors. The organisation claims, among others, that national legislation and industry standards should

require refineries to disclose the names of all mines from which they are sourcing. One specific recommendation is addressed to the Swiss authorities and concerns the Swiss Precious Metals Control Act, which is due to be debated in parliament this year. “This law should be aligned with the OECD’s Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In concrete terms, this means that refineries operating in Switzerland should be subject to mandatory due diligence in terms of human rights and environmental protection. It must no longer be possible to import dirty gold into Switzerland with impunity”, says Marc Ummel, Head of Raw Materials at SWISSAID and co-author of the study.

#### **Some figures:**

- Industrial gold accounts for 80 per cent of the world’s gold production, with the remainder extracted from artisanal or small-scale mines.
- Switzerland imports more than half of the world’s gold each year.
- Four of the nine largest gold refineries in the world are located in Switzerland.
- In 2020, the five Swiss LBMA refineries imported more than 177 tonnes of gold, with a commercial value of 9 billion Swiss francs, from African industrial mines.

#### **Contacts:**

- Marc Ummel, Head of Commodities at SWISSAID, co-author of the study: [m.ummel@swissaid.ch](mailto:m.ummel@swissaid.ch). Tel. +41 79 694 49 21
- Yvan Schulz, Project Manager for Raw Materials and Responsible Sourcing at SWISSAID, co-author of the study: [y.schulz@swissaid.ch](mailto:y.schulz@swissaid.ch). Tel. +41 76 391 38 36
- Delphine Neyaga, Media Officer, SWISSAID: [media@swissaid.ch](mailto:media@swissaid.ch). Tel. +41 76 582 76 66