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## Study shows major influence of Swiss trading companies on environmental impacts

For the first time, a pilot study shows how many raw materials and other products are traded from Switzerland and how large the associated environmental impact is. It is almost nineteen times higher than the environmental impact of Switzerland's final consumption.

Many raw materials and products such as crude oil, metals, diesel, and wheat are traded internationally by companies based in Switzerland. The extraction, processing and transport of these raw materials pollutes the environment. For the first time, traded quantities and environmental impacts were estimated for 16 important raw materials and products. The environmental impacts are about nineteen times higher than those caused by final consumption in Switzerland.

Goods traded from Switzerland do not physically reach Switzerland. Thus, the quantities are not recorded in the foreign trade statistics. The associated environmental impacts were therefore not assessed in earlier studies on the overall environmental impact caused by Switzerland.

A pilot study closes this gap. It answers three key questions for 16 selected raw materials:

- What quantities are traded by Swiss companies?
- What are the environmental impacts of the extraction, production and transport of these raw materials?
- Which countries of origin are relevant for the global production of these raw materials?

Depending on the raw material, between 20 and 65% of world trade is handled by Swiss companies. According to the study, more than 3 billion tonnes of these goods are traded via Switzerland.

Extraction, production, and transport to the market cause more than 4 billion eco-points<sup>1</sup> or 1.3 billion tonnes of greenhouse gases per year. The total environmental impact of the production of raw materials traded by Swiss companies is at least 19 times higher than the direct environmental impact of final consumption in Switzerland. Raw materials from the energy sector (e.g. crude oil) have the highest relevance in terms of mass, total environmental impact, and greenhouse gas emissions. The most important are raw materials from the USA, Russia, Australia, Saudi Arabia, Brazil, Indonesia, and China.

Swiss corporations and companies in the trading sector are thus directly involved in monitoring and, if necessary, influencing major environmental impacts. An important prerequisite for reducing these impacts would be to increase transparency regarding origin, production methods and the associated environmental impacts for raw materials traded worldwide.

Jungbluth N. and Meili C. (2018) <u>Pilot-study for the analysis of the environmental impacts of</u> <u>commodities traded in Switzerland</u>. ESU-services Ltd. financed by Swiss Federal Office for the Environment - FOEN, Schaffhausen, Switzerland. Download <u>http://esu-</u> services.ch/de/projekte/handel/

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<sup>&</sup>lt;sup>1</sup> <u>http://esu-services.ch/projects/ubp06/</u>