

Blood Gold. Dubai's "Gold Hub" and the Swiss Connection

PressTV Interview with Peter Koenig

By [Peter Koenig](#) and [Press TV](#)

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Region: [Middle East & North Africa](#)

Theme: [Global Economy](#)

Background

*The [Middle East Eye reports](#) there are **no gold mines under Dubai's sands** with artisanal miners or children toiling away trying to strike gold. But there is the Dubai Gold Souk and refineries that vie with the largest global operations as the United Arab Emirates (UAE) strives to expand its position as a major gold hub.*

In recent years, the UAE, with Dubai in particular, has established itself as one of the largest and fastest-growing marketplaces for the precious metal, with imports rising by 58 percent per annum to more than \$27bn in 2018, according to data collated by the Observatory for Economic Complexity.

With no local gold to tap, unlike neighboring Saudi Arabia, the UAE has to import gold from wherever it can, whether it be legitimately, smuggled with no questions asked, sourced from conflict zones, or linked to organized crime.

Blood Gold

The Sentry's investigation (*Sentry Investigations* specialize in private and corporate investigations in the UK) found that **95 percent of gold officially exported from Central and East Africa, much of it mined in Sudan, South Sudan, the Central African Republic and the Democratic Republic of Congo, ends up in the Emirates.**

Gold has become so important to Dubai's economy that it is the emirate's highest value external trade item, ahead of mobile phones, jewelry, petroleum products and diamonds, according to Dubai Customs.

And it is the UAE's largest export after oil, exporting \$17.7bn in 2019. Gold's importance has only increased as Dubai's oil reserves have dwindled and the UAE has tried to diversify its economy.

The Swiss connection

Dubai is not the only gold player with dirt, and even blood, on its hands.

"It is not just Dubai, it's also Switzerland. The Swiss get large quantities of gold from Dubai. The Swiss say they are not getting gold from certain countries [connected to conflict gold], but instead from Dubai, yet the gold in Dubai is coming from these countries. Dubai is complicit, but Swiss hands are equally dirty as they can't cut Dubai

from the market,” said Lakshmi Kumar, policy director, at Global Financial Integrity (GFI) in Washington DC.

Switzerland is the world’s largest refiner, while [more than half] of all gold goes through the country at some point, according to anti-corruption group Global Witness. Switzerland’s trade is tied to the UK, which imports around a third of all gold.

PressTV: Gold has become such an important commodity for the UAE, that it is the largest export after oil, exporting \$17.7bn in 2019. But there is the other side to this story. A report by the UK’s Home Office and Treasury earlier in December also named the UAE as a jurisdiction vulnerable to money laundering by criminal networks because of the ease with which gold and cash could be moved through the country. Is this the case?

Peter Koenig: First, International Gold Laundering is a gigantic Human Rights abuse, foremost because laundered gold stems from many countries in Africa and South America where massive child labor is practiced. Children not only are put at tremendous risk working in the mines, in narrow rickety underground tunnels that could collapse anytime, and often do – but they are also poisoned on a daily basis by chemicals used in extracting gold ore from the rock, notably cyanide and mercury – and others.

Second, Gold laundering is an international crime, because it illegal and it is mostly run by mafia type organizations – where killing and other type of violence, plus sexual abuse of women – forced prostitution – is a daily occurrence.

There should be an international law – enforceable – issued by the UN – and enforced by the International Criminal Court against anything to do with gold laundering. Infractions should be punished. And countries involved in gold laundering should be held responsible – put on a black list for illegal financial transactions and for facilitating human rights abuses.

The United Arab Emirates — has no gold, so all of the \$17.7 billion of their gold exports is being imported and “washed” by re-exporting it mainly through the UK into Switzerland and other gold refining places, like India.

With a worldwide production of about 3,500 tons, there are times when Switzerland imports more gold than the annual world production, most of it coming from the UK, for further refining or re-refining, for “better or double laundering” – erasing the gold’s origins.

From the refinery in Switzerland, it goes mostly into the banking system or is re-exported as “clean” gold coming from Switzerland. And its origins are no longer traceable.

Worldwide about 70% of all gold is refined in Switzerland.

Gold mine production totaled 3,531 tons in 2019, 1% lower than in 2018. About 70% of all gold, worldwide is refined in Switzerland. So, it is very likely that the UK, receiving gold from United Arab Emirates, re-exports the gold to Switzerland, for re-refining, for further export to, for ex. India. – Coming from Switzerland it has the “label” of being clean. How long will this reputation still last?

Metalor is the world’s largest gold refinery – established in Switzerland. And they are

absolutely secretive, do not say where they buy their gold from, because the Swiss Government does not require the origin when gold enters Switzerland.

Once it is refined – the origin can no longer be determined, because gold does not have a DNA.

PressTV: The Sentry's investigation found that 95 percent of gold officially exported from Central and East Africa, much of it mined in Sudan, South Sudan, the Central African Republic and the Democratic Republic of Congo, ends up in the emirate, through what's known as blood gold: gold obtained through brutal mining practices and illicit profits, including the use of children, how do you see this?

PK: Yes, this is absolutely true.

As mentioned already before – much of the gold from Africa / Central Africa, Ghana and South America, notably Peru, is blood gold. Of course, it passes through many hands before it lands in a refinery in the UK, Switzerland or elsewhere, and therefore is almost untraceable.

But, the company that buys the gold, like Metalor, they know exactly where the gold is coming from, but, as mentioned before, since the Swiss government does not require the importing company to divulge the origin of the gold – the human rights abuses will never come to light, or better – to justice.

It is estimated that up to 30% of all gold refined in Switzerland is considered blood gold. Imagine the suffering, disease, and even death – or delayed death through slow reacting chemicals like cyanite and mercury.

However, if there is no international law – a law that is enforced – that puts the criminals to justice – and put countries that facilitate gold laundering on an international list – for the world to see – and hold them accountable, with for example financial sanctions, little will change.

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