



International Market Access

# Free trade agreement with Mercosur successfully concluded

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## At a glance

- After more than eight years, the EFTA and South American Mercosur states have concluded their free trade negotiations.
- In times of protectionist tendencies, the agreement gives the Swiss export industry significantly better access to a dynamic growth market with around 270 million inhabitants.
- In addition to significant tariff reductions, the agreement also takes into account the vital interests of the innovation-driven Swiss economy.

The conclusion of free trade negotiations with the Mercosur states - Brazil, Argentina, Uruguay and Paraguay - is a significant success for Swiss foreign trade. Switzerland is thus strengthening its economic relations with a dynamic growth region with a total of around 270 million consumers. At a time of increasing protectionism, the agreement sends a strong signal in favor of open markets.

Great savings thanks to lower tariffs

The EFTA-Mercosur Agreement provides for tariff reductions for 95% of Swiss exports - either from the date of entry into force or after transitional periods. The extensive tariff reductions will therefore noticeably improve the competitiveness of the Swiss economy in the South American Economic Community.

In view of the previously high tariffs, Swiss exporters could save up to CHF 180 million a year. This is the highest savings potential of all Swiss free trade agreements, comparable to that with India. The agreement also brings benefits for agriculture: Swiss products such as cheese will gain better access to the Mercosur market. Meanwhile, the concessions made by EFTA on the import of agricultural goods from Mercosur remain manageable.

Protection of intellectual property is key

In addition to market access, the protection of intellectual property is also of key interest to Switzerland. This includes patents and geographical indications in particular. From the perspective of the Swiss economy, it is crucial that the Federal Council closely monitors the enforcement of protection standards in accordance with the applicable WTO TRIPS rules. The agreed review clause provides the Swiss government with the necessary instrument for this.

Great potential for trade and investment

In 2024, Switzerland's export volume with the Mercosur states amounted to around four billion Swiss francs (excluding gold). However, the two countries with the largest share of exports (Brazil: CHF 3.1 billion; Argentina: CHF 720 million) are only the 18th and 40th most important Swiss export countries. The growth potential is correspondingly high. There is also scope for direct investment: at the end of 2023, the Swiss portfolio stood at CHF 15.3 billion in Brazil and CHF 3 billion in Argentina.



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