



International Market Access

Mercosur: National Council delays entry into force – ***A disastrous sign for the business climate***

18.06.2026

At a glance

- The National Council's rejection of the Mercosur agreement is unnecessarily delaying its entry into force.
- It prolongs discrimination against EU competitors.
- In an increasingly protectionist environment, this decision sends a disastrous signal for Switzerland as a business location, which the Council of States must now urgently correct.

economiesuisse regrets the National Council's rejection of the free trade agreement with the Mercosur countries. The decision unnecessarily delays the entry into force of an agreement that is crucial for the Swiss export sector. This threatens to have direct consequences for the competitiveness of the Swiss economy and Switzerland's reputation as a trading partner.

Delay leads to a competitive disadvantage compared to the EU

Switzerland urgently needs equivalent market access. Local export companies face direct competition from EU suppliers in the Mercosur markets—particularly in the pharmaceutical industry, mechanical engineering, precision instruments, chemical products, watches, and the food industry. Since companies from the EU have been benefiting from tariff concessions since May 1, Swiss companies are coming under pressure both in terms of pricing and strategy.

The delay resulting from the National Council's decision further exacerbates competitive disadvantages. For an export-oriented country like Switzerland, this is a clear disadvantage in terms of its position as a business location.

Environmental and social sustainability are firmly established

The only bright spot in the National Council debate is the rejection of the adoption of the EU Deforestation Regulation (EUDR). The EUDR is complex, administratively burdensome, and controversial even within the EU regarding its effectiveness and practicality. The claim that the agreement does not offer sufficient protection against potential negative environmental and social impacts falls short: The relevant provisions are formulated in a binding manner and allow for a rapid response to negative developments.

A Fatal Signal in Uncertain Times

Especially at a time of geopolitical tensions, rising protectionism, and fragile supply chains, this decision sends a disastrous signal. The Swiss economy depends on open markets, diversification, and international cooperation.

The Mercosur Agreement strengthens economic resilience and ensures access to a strategically important growth market with over 270 million consumers. Rapid implementation is therefore clearly in Switzerland's interest.

economiesuisse continues to advocate for the agreement to enter into force promptly. It is now up to the Council of States to quickly rectify this situation.

What Are the Benefits of the EFTA-Mercosur Agreement?

1. Switzerland, an export-oriented nation, is gaining better access to the South American market, which offers significant growth potential.
2. The agreement promotes the diversification of Switzerland's trade relations in a geopolitically uncertain environment
3. High tariffs will be largely abolished, and competitive disadvantages compared to competitors from the EU and other markets will be eliminated.
4. Legal certainty, investment conditions, and intellectual property protection will be improved.
5. The agreement enshrines sustainability in a legally binding manner with clear commitments to climate, forest, marine, and biodiversity protection, as well as to workers' rights.



Rudolf Minsch

Head of General Economic Policy & International Relations, Chief Economist, Member of the Executive Board



Luc Schnurrenberger

Deputy Head of International Relations

