International Market Access

Free trade agreement signed with Mercosur: Important boost for the Swiss export industry

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At a glance

- Today, the EFTA and South American Mercosur states jointly signed the new free trade agreement in Brazil.
- For the Swiss export industry, the agreement opens up improved access to a growth market with around 270 million people.
- The agreement provides Swiss export companies with important impetus in the current difficult trade policy situation.

Today, the EFTA and Mercosur countries (Brazil, Argentina, Uruguay and Paraguay) signed the new free trade agreement in Rio de Janeiro today, including Switzerland. After the agreement with India, this is another important milestone for Swiss export companies.

Improved access to a huge growth market with future potential

With the new agreement, Switzerland is strengthening its economic ties with a dynamic growth region with a total of around 270 million consumers. The EFTA-Mercosur Agreement provides for tariff reductions for 96 percent of Swiss exports - either from the date of entry into force or after transitional periods.

This will improve market access for numerous Swiss products - from machinery to medicines and watches to cheese. Switzerland will also have a new instrument for enforcing the protection of intellectual property. Meanwhile, the concessions on the import of agricultural goods remain manageable. The agreement also brings improvements in the area of sustainability: It contains a comprehensive, legally binding chapter on trade and sustainable development with provisions on environmental and social standards.

Important sign in a phase of increasing protectionism

The signing of the agreement comes at a crucial moment for Swiss foreign trade. The high US import tariffs on Swiss goods represent an enormous burden for many industries and regions. According to calculations by economiesuisse, around 100,000 employees in Switzerland are directly affected by the US tariffs. In view of the difficult trade policy environment, the EFTA-Mercosur agreement is a welcome and important ray of hope for many export-oriented companies. Once the new agreement comes into force, Swiss exporters could save high customs duties of over CHF 155 million a year, among other things. This is the highest savings potential of all Swiss free trade agreements, comparable with that of the EU and China, and with India.

Rapid approval by Parliament central

Now it is up to Swiss politicians. It is crucial to complete the approval process for the new agreement just as quickly as for the free trade agreement with India. In this way, our export companies will be relieved at a critical moment, placed in a better position compared to their European competitors and the diversification of Swiss foreign trade policy will be consistently promoted.

In times of trade policy turmoil, it would also be nothing less than a sign of responsibility to refrain from delaying measures. The new agreement strengthens the competitiveness of our companies, opens up new export opportunities and secures jobs in Switzerland. In addition, global challenges such as sustainability and climate protection can be tackled much better together than alone.

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