International Market Access

Lower tariffs, more foresight: ***an appraisal of the Joint Statement Switzerland-USA***

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At a glance

- With the "Joint Statement", Switzerland has achieved an important breakthrough: country-specific tariffs will fall from 39 to 15 percent.
- The declaration of intent is a pragmatic step towards securing jobs and investments.
- Alarmism is now out of place. What is needed now is a united view towards the rapid start of negotiations.

Switzerland had no reason to celebrate on August 1 this year: US President Donald Trump imposed an additional tariff of 39% on Switzerland the day before. As deep the shock was in Switzerland, the expectations of the Federal Council were just as high: it must now do everything in its power to find a quick solution before our business location suffers serious damage.

Three and a half months later, the Federal Council has delivered: A memorandum of understanding between the two governments will reduce tariffs to 15 percent.

What the "Joint Statement" is all about

The reduction of the USadditional tariffs to 15 percent is clearly to be welcomed. This puts Swiss exporters back on an equal footing with their main competitors from Europe (with the exception of those in the UK). The loss of market share in the important US market can thus be halted. This is particularly important for SMEs in the machinery, electrical, medtech, food and watchmaking industries. They can now take a deep breath and actively cultivate the US market again.

Swiss direct investments will be greatly expanded in the coming years. The pharmaceutical industry, for example, has announced ambitious plans that are now reflected in the agreement. Other Swiss investors have also included plans to rapidly expand their US locations.

The joint statement contains further facilitations. The USA has lower tariffs for individual industrial products for countries with a deal - for example for aircraft and aircraft parts. A solution is clearly within reach for the latter. In terms of technical standards and safety regulations, simplifications are to be sought for vehicles and medical products.

No less important is the assurance that any import duties for Swiss pharmaceutical products and semiconductors would not exceed 15 percent. This tariff cap is crucial, as significantly higher duties, particularly for pharmaceutical products, have been under discussion in the USA since April.

Transferable agreements in the agricultural and food sectors

The two sides have agreed on trade facilitation measures with a sense of proportion for agricultural products and foodstuffs: Switzerland will now allow the import of fish, seafood and other non-sensitive agricultural products. For its part, the USA is reducing tariffs on Swiss cheese to the level they were at before April 2. In addition, there are duty-free quotas totalling 3,000 tons for beef, poultry and bison meat. To put this into perspective: this corresponds to less than one percent of Swiss meat consumption.

Foreign policy cooperation without ties

The intention to cooperate more closely on sanctions in future where these correspond to common values is relevant in terms of foreign policy. It is therefore about continuing the long-standing cooperation.

Soberly speaking, the "Joint Statement" is therefore currently the best possible deal for both sides. The US business of many export companies can continue to be operated from Switzerland - this is important for the business location and jobs.

What happens now

Like many other trading partners, Switzerland now has a joint statement with the US government.government. The tariff reduction to 15 percent will become a fact in a few days, coinciding with Switzerland's defensible tariff concessions. The rest of the memorandum of understanding contains the key points for the upcoming negotiations. According to the text, these are to be concluded in the first quarter of 2026. For the business community, it is clear that negotiations should now begin quickly.

Switzerland will certainly play to its strengths: Its innovative strength, quality and direct investments. Switzerland is number 1 globally in terms of innovation and number 12 in terms of direct investment. And our small domestic market? Not a weakness - it has one of the highest purchasing power levels in the world.

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