International Market Access

Supreme Court halts IEEPA tariffs - ***uncertainty for Swiss companies remains***

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At a glance

- The US Supreme Court has ruled that certain punitive tariffs imposed by US President Donald Trump are unlawful. The US government responded immediately with new tariff plans.
- Although the tariff rate will fall for Switzerland, the trade policy uncertainty for local companies remains high.
- economiesuisse continues to support the Federal Council with regard to a legally binding trade agreement with the US.

The US Supreme Court has ruled in a 6-to-3 decision that the punitive tariffs based on the International Emergency Economic Powers Act (IEEPA) are unlawful. US President Trump had exceeded his authority, as such tariffs require the clear approval of Congress.

US government responds with new tariff instruments

On the same day, President Trump announced a new global tariff of 10 percent, based on Section 122 of the Trade Act of 1977. This instrument allows tariffs of up to 15 percent for a maximum of 150 days. According to the White House fact sheet, the 10 percent tariff will come into force on February 24. However, certain categories of goods are to be exempt, such as pharmaceutical products and cars.

At the same time, the Trump administration has announced investigations under Section 301 of the Trade Act. This means that the USA could impose higher tariffs on individual countries after a few weeks and with appropriate justification, and set them for the longer term.

Uncertainty for Swiss companies remains high

The previous tariff rate of 15 percent is to be dropped for Switzerland and a new tariff of 10 percent will apply. However, the sector-specific tariffs on steel and aluminum remain unaffected by the ruling and will continue to apply.

Despite the reduction in the general tariff rate, it remains unclear for the Swiss economy how access to the important US market will be structured in the future. There is also the possibility that US tariffs that have already been paid could be reclaimed, although the Supreme Court has not ruled on this and much therefore remains unclear.

Negotiations with the USA remain crucial

The Swiss economy has a great interest in the most stable and reliable trade relations possible with the USA. This is why economiesuisse continues to support the Federal Council in its efforts to achieve a legally binding trade agreement.

In parallel, Swiss policymakers are still called upon to strengthen Switzerland's competitiveness as a business location - for example by further diversifying trade relations and reducing bureaucratic hurdles at home.


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