

# SWITZERLAND

## TRADE SUMMARY

U.S. goods exports in 2014 were \$22.6 billion, down 15.5 percent from the previous year. Switzerland is currently the 16th largest export market for U.S. goods. Corresponding U.S. imports from Switzerland were \$31.2 billion, up 10.3 percent. The U.S. goods trade deficit with Switzerland was \$8.6 billion in 2014, an increase of \$7.1 billion from 2013.

U.S. exports of services to Switzerland were \$27.4 billion in 2013 (latest data available), and U.S. imports were \$22.0 billion. Sales of services in Switzerland by majority U.S.-owned affiliates were \$62.7 billion in 2012 (latest data available), while sales of services in the United States by majority Switzerland-owned firms were \$61.1 billion.

The stock of U.S. foreign direct investment (FDI) in Switzerland was \$129.8 billion in 2013 (latest data available), up from \$123.1 billion in 2012. U.S. FDI in Switzerland is led by the nonbank holding companies, manufacturing, and wholesale trade sectors.

## TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

### Technical Barriers to Trade

The Swiss Federal Roads Office (ASTRA) previously permitted Swiss importers of used automobiles to use reports generated by a private company to demonstrate vehicle history, in particular the “first use” of the vehicle – a data point required when registering a used vehicle in Switzerland. However, subsequent to a 2010 legal change, importers must present a vehicle’s first title and registration to meet this requirement, making registration of vehicles with multiple previous owners difficult in Switzerland. The U.S. government has coordinated multiple meetings with ASTRA officials to discuss possible solutions to the issue, but ASTRA officials insist they cannot recognize any document produced by a private company.

The Swiss Federal Council has determined that low-volume vehicle manufacturers (*i.e.*, under 300,000 units) and niche vehicle manufacturers (*i.e.*, fewer than 10,000 units) are not exempt from carbon dioxide targets of 130g/km to protect the environment. However, recognizing that the proposed legislation would likely eliminate the market for luxury European automobiles, the Swiss government granted select non-U.S. car manufacturers an adjusted target of approximately 75 percent of 2007 carbon dioxide emission levels. Although the volume of similar U.S. vehicles imported into Switzerland would fall well below these volumes, importers of U.S. vehicles are not subject to the adjusted targets; the carbon dioxide tax for U.S. vehicles remains based on the original 130g/km target. Prior to the implementation of the carbon dioxide law, the imported U.S. vehicle business in Switzerland represented \$40-50 million per year in revenue. The current level of business is approximately 20 percent of these values. In a November 2014 session, the Swiss Federal Council reaffirmed this law, acknowledging that it would eliminate U.S. imports into the Swiss market in the process, but did not address how the Swiss government planned to address this discrepancy, if at all.

## **Sanitary and Phytosanitary Barriers**

### *Agricultural Biotech*

Switzerland currently has a moratorium in place until the end of 2017 on planting biotech crops and marketing agricultural biotech animals. Switzerland's restrictive phytosanitary regulations, combined with a strong anti-biotech public sentiment, have dampened interest in the Swiss market for biotech products. U.S. officials will continue to urge their Swiss counterparts to conduct regulatory reviews in a timely manner, while pushing for a removal of the moratorium on cultivation of biotech products.

## **IMPORT POLICIES**

Switzerland, along with Norway, Iceland, and Liechtenstein, is a member of the European Free Trade Association (EFTA). However, unlike other EFTA members, Switzerland does not participate in the European Union (EU) single market through the European Economic Area (EEA) accord. According to the WTO, Switzerland's simple average applied tariff is 35.7 percent for agricultural goods and 1.9 percent for non-agricultural goods.

### **Agricultural Products**

Access for U.S. agricultural products is restricted by high tariffs on certain products, preferential tariff rates for other trading partners and government regulation. Switzerland's tariff schedule is composed only of specific (*i.e.*, non-*ad valorem*) duties. Imports of nearly all agricultural products, particularly those that compete with Swiss products, are subject to seasonal import duties, quotas, and import licensing. Agricultural products that are not produced in Switzerland, such as tropical fruit and nuts, tend to have lower tariffs.

## **GOVERNMENT PROCUREMENT**

Switzerland is a signatory to the WTO Agreement on Government Procurement (GPA), which covers both cantonal and federal procurement. However, since cantons are allowed to implement the GPA independent of federal intervention, disparities in procedures may be found among the cantons, which may affect participation by foreign firms. In contrast to cantonal and communal practice, federal authorities are not required to inform unsuccessful bidders of the selected tender or to justify the award of a contract to successful bidders.

## **INTELLECTUAL PROPERTY RIGHTS PROTECTION**

Switzerland was not listed in the 2014 Special 301 Report. Although Switzerland generally maintains high standards of intellectual property rights (IPR) protection, U.S. copyright holders have expressed concern that interpretations of a 2010 Swiss Supreme Court verdict has significantly diminished the ability of U.S. and other copyright holders to defend their intellectual property from piracy over the Internet. Switzerland convened two dialogues on copyright protection and enforcement – a round-table process on the 2010 verdict and a “Working Group on Copyright 2012.” In December 2013, the Swiss Federal Council also published the “AUGR12” report, which included recommendations for effectively combatting Internet piracy in Switzerland. In June 2014, the Swiss Federal Council decided to implement the AUGUR 12 recommendations, and is currently preparing a set of legislative amendments to implement those recommendations. The United States continues to consult with Switzerland and interested stakeholders on this issue.

## **SERVICES BARRIERS**

### **Insurance**

Managers of foreign-owned insurance company branches must be residents of Switzerland. The majority of the Board of Directors of any Swiss subsidiary must also have EU or EFTA country citizenship.

Public monopolies exist for fire and natural damage insurance in 19 cantons and for insurance of workplace accidents in certain industries.