

# SWITZERLAND

## TRADE SUMMARY

The U.S. goods trade surplus with Switzerland was \$1.6 billion in 2010, up \$111 million from 2009. U.S. goods exports in 2010 were \$20.7 billion, up 18.2 percent from the previous year. Corresponding U.S. imports from Switzerland were \$19.1 billion, up 19.2 percent. Switzerland is currently the 16th largest export market for U.S. goods.

U.S. exports of private commercial services (*i.e.*, excluding military and government) to Switzerland were \$17.5 billion in 2009 (latest data available), and U.S. imports were \$18.0 billion. Sales of services in Switzerland by majority U.S.-owned affiliates were \$57.8 billion in 2008 (latest data available), while sales of services in the United States by majority Switzerland-owned firms were \$53.5 billion.

The stock of U.S. foreign direct investment (FDI) in Switzerland was \$148.2 billion in 2009 (latest data available), up from \$132.1 billion in 2008. U.S. FDI in Switzerland is led by the nonbank holding companies, manufacturing, and wholesale trade sectors.

## IMPORT POLICIES

### Agricultural Products

Access for U.S. agricultural products is restricted by high tariffs on certain products, preferential tariff rates for other countries, and government regulation. Switzerland's tariff schedule is comprised only of specific (non-*ad valorem*) duties. According to the WTO, Switzerland's simple average *ad valorem* equivalent applied tariff is 36.9 percent for agricultural goods and 1.9 percent for non-agricultural goods. Imports of nearly all agricultural products, particularly those that compete with Swiss products, are subject to seasonal import duties and quotas. Agricultural products that are not also 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. Cantonal and communal governments carry out most public projects, and the value of their procurement is two to three times that of the federal government. At the cantonal and local levels, a 1995 law provides for nondiscriminatory access to government procurement. However, since cantons are allowed to implement the GPA independent from federal intervention, disparities in procedures may be found among the cantons, which may hamper 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 reasons for the award. Under the federal law on public procurement, tender procedures apply only where the value of the procurement exceeds SFr. 230,000 (\$240,856), SFr. 350,000 (\$366,520) for cantonal procurements, and SFr. 700,000 (\$733,040) if it involved a public or quasi-public actor in the field of water, energy or traffic. Furthermore, a tender procedure applies only to construction projects that exceed SFr. 8.7 million (\$9.1 million). The above stated values are valid until September 30, 2011.

## **INTELLECTUAL PROPERTY RIGHTS (IPR) PROTECTION**

Switzerland generally maintains high standards of IPR protection. However, U.S. industry has expressed some concerns regarding amendments that Switzerland made to its copyright law to implement the World Intellectual Property Organization Copyright Treaty and Performances and Phonograms Treaty. For example, industry has asserted that exceptions for use of multimedia content are overly broad. The United States will continue to monitor the implementation and effect of this legislation.

Switzerland was an active participant in the Anti-Counterfeiting Trade Agreement (ACTA) negotiations, which were concluded in November 2010. The ACTA establishes an international framework that will assist Parties in their efforts to effectively combat the infringement of intellectual property rights, in particular the proliferation of counterfeiting and piracy, which undermines legitimate trade and the sustainable development of the world economy.

## **SERVICES BARRIERS**

### **Telecommunications**

The Swiss government amended the Telecommunications Act in 2007 following an investigation by the Competition Commission and the Federal Communications Commission against Swisscom, a 52 percent government-owned former state monopoly that still retains a 62 percent market share. The grounds for the amendments were Swisscom's failure to unbundle the local loop completely and to provide leased lines at cost-oriented prices to competitors. The legal amendment gives the regulator explicit authority to force Swisscom to unbundle its local loop, sets a minimum transmission rate of 600 kbit/s downstream and provides a maximum price limit, thereby addressing a flaw cited in earlier court rulings. However, according to the OECD 2009 Communication Outlook, only 8 percent of the network accommodates unbundling. The amendment also requires that wholesale broadband access be offered to Swisscom's competitors at cost-oriented prices for four years in order to provide competitors time to invest in their own competing facilities, after which all operators are expected to provide the broadband investment themselves. However, Swisscom's competitors still complain that the price charged by Swisscom to use its fiber network is too expensive. The amendment is limited to the copper network; fiber-optic cables are excluded from regulation.

### **Insurance**

The manager of the foreign-owned branch must be resident in Switzerland and the majority of the board of directors of the Swiss subsidiary must have citizenship in the EU or the European Free Trade Association. Public monopolies exist for fire and natural damage insurance in 19 cantons and for the insurance of workplace accidents in certain industries.