

SWITZERLAND

TRADE SUMMARY

U.S. goods exports in 2013 were \$27.0 billion, up 2.2 percent from the previous year. Corresponding U.S. imports from Switzerland were \$28.3 billion, up 10.1 percent. The U.S. goods trade deficit with Switzerland was \$1.3 billion in 2013, shifting from a surplus of \$718 million in 2012. Switzerland is currently the 14th largest export market for U.S. goods.

U.S. exports of private commercial services (*i.e.*, excluding military and government) to Switzerland were \$26.3 billion in 2012 (latest data available), and U.S. imports were \$21.1 billion. Sales of services in Switzerland by majority U.S.-owned affiliates were \$70.4 billion in 2011 (latest data available), while sales of services in the United States by majority Switzerland-owned firms were \$55.5 billion.

The stock of U.S. foreign direct investment (FDI) in Switzerland was \$130.3 billion in 2012 (latest data available), up from \$113.7 billion in 2011. U.S. FDI in Switzerland is led by the nonbank holding companies, manufacturing, wholesale trade, and finance/insurance sectors.

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 33.5 percent for agricultural goods and 2.0 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 comprised only of specific (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 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 give reasons why the successful bidders were awarded the contract.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

Although Switzerland generally maintains high standards of intellectual property rights (IPR) protection, U.S. copyright holders have expressed concerns about the subsequent interpretation by prosecutors and judges of a verdict of the Swiss Supreme Court in 2010, which has significantly diminished the ability of

copyright holders to defend their intellectual property from piracy over the Internet. In 2013, Switzerland convened two dialogues on copyright protection and enforcement that the United States supports – a round-table process on the 2010 verdict and the Working Group on Copyright 2012 (AUGR12). On December 6, 2013, the Swiss Federal Council published a final AUGR12 report. The United States looks forward to consulting with Switzerland and interested stakeholders on the contents of that report and combatting copyright piracy generally.

SERVICES BARRIERS

Insurance

The manager of a foreign-owned branch must be a resident in Switzerland and the majority of the Board of Directors of the Swiss subsidiary must have citizenship in an EU or EFTA country. Public monopolies exist for fire and natural damage insurance in 19 cantons and for the insurance of workplace accidents in certain industries.