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Comments to Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions to Investigate Harm from Non-Reciprocal Trade Arrangements

Dear Ms. Gibson

This letter is responding to the request for comments to assist the U.S. Trade Representative in reviewing and identifying unfair trade practices. The request mentions Switzerland. I would like to take this opportunity to underline Switzerland's commitment to free, open, and reciprocal trade. Our economy is wide open for U.S. goods, services, and investment. We contribute strongly to job creation in the United States.

As natural partners to the United States, we value market- and competition-based economic policy and entrepreneurship. Like the U.S., we apply common sense to regulation, avoiding unnecessary burdens for companies, be they active offline or online. Switzerland does not have a digital services tax and adopted neither onerous AI legislation nor wide-ranging and transformative obligations on online intermediaries and platforms. We do not intend to apply a Carbon-Border Adjustment Mechanism. Furthermore, we do not distort the playing field with industrial subsidies. For all these reasons, many U.S. companies use Switzerland as their bridge to Europe.

Switzerland creates jobs in America. Despite being a mid-sized economy, we are the sixth-largest foreign direct investor in the United States (the fourth largest in manufacturing and Nr. 1 in R&D). Swiss investments support 400,000 American jobs, foster innovation, and strengthen the manufacturing sector across all 50 U.S. states, not only in the big centers but all over the country. A Swiss investor opened for example a train factory in Utah. The average annual salary paid by Swiss companies in the United States amounts to over \$130'000. According to the OECD FDI Restrictiveness Index, Switzerland and the United States are almost equally open to foreign direct investment.

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Switzerland strengthens America as a hub for manufacturing, research and development. Swiss companies account for \$19 billion in annual U.S. goods exports and employ more than 190,000 American workers across the United States. These workers build their competitiveness through pioneering vocational training programs, providing opportunities for young Americans without a college education to build a career. For the proper functioning of their supply chains, these firms rely on unfettered trading relations between our two countries. We count on the U.S. government wishing to continue this mutually beneficial relationship.

Switzerland is most open to American exports. Switzerland prides itself on being one of the most open economies in the world. Trade-weighted average MFN applied duty rate was 1.0% in 2024, compared with 2.2% for the United States. In January 2024, Switzerland took the bold move of unilaterally eliminating all tariffs on industrial goods with immediate effect. As a result, 99% of all U.S. exports now enter Switzerland duty-free. This measure reduced the total amount of tariffs paid on U.S. product exports to Switzerland by 74% between 2023 and 2024.

Switzerland is full of opportunities for American business and provides world-class products. Our trade is broadly balanced, which provides mutual benefit. Switzerland is the fourth largest overseas market for U.S. services globally, with U.S. exports to Switzerland worth \$55.6 billion in 2023, representing a strong U.S. surplus. According to the OECD, our economies are equally open to trade in services. Switzerland has a fair and transparent tax system, including a non-discriminatory value added tax (VAT). The standard VAT rate of 8.1% is lower than the sales tax in 14 U.S. states.

Switzerland protects American innovation today and in the future. Both Switzerland and the United States are innovation-driven economies with strong intellectual property protections. We have worked together at the WTO and in other international fora to defend the rights of intellectual property holders, as well as e-commerce. Switzerland has been a key player in pharmaceutical innovation and manufacturing for over a century, producing life-saving medicines for patients in the U.S. and around the world. The Swiss pharmaceutical industry relies heavily on U.S. research and development and intellectual property, so our markets are closely intertwined, helping to create jobs and boost the economies of both countries. Switzerland's specialization in this industry, combined with the large U.S. market, is a major reason for the U.S. bilateral trade deficit in goods cited by the USTR in its request for comments. Another important reason for the recent increase in the U.S. goods trade deficit with Switzerland is the trade in gold. This accounted for more than 23% of Swiss goods exports to the U.S. in 2024 and was alone responsible for the rise in the bilateral trade deficit to \$19 billion in January 2025. This was due to physical gold transfers from Switzerland, a major gold refiner, to the United States. These volatile gold transfers are recorded in trade statistics and must be seen as an outlier.

In closing, let me stress my government's interest in engaging with the U.S. to drive this success story forward. Let us explore new thematic and sectoral deals or build on existing ones like the Pharmaceutical Good Manufacturing Practices Agreement of 2023, or the Organic Equivalency Arrangement of 2015.

Switzerland has been a true friend of the United States, representing for example U.S. interests in Iran and other places since many decades. We look forward to working with you in the years to come, not only in the field of trade and innovation but also in other areas.

Yours sincerely,



Andrea Rauber Saxer
Ambassador
Head of Bilateral Economic Relations