

# Free trade is the *lifeblood of Switzerland*

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## At a glance

- The free trade agreement with Mercosur is a commitment to the successful model of a cosmopolitan Switzerland.
- Every additional free trade agreement reduces this small, export-oriented country's dependence on individual markets.
- Especially in a more uncertain and protectionist world, Switzerland should confidently defend its economic openness.

Parliament has approved the free trade agreement with Mercosur after addressing concerns from the agricultural sector through targeted compensatory measures. This decision comes at a time when free trade agreements are facing increasing political pressure. In addition to the turmoil surrounding Mercosur, preparations are also underway for a referendum on the new EFTA-Malaysia agreement.

Economic openness must increasingly be defended and explained, which is actually paradoxical: In a world of growing uncertainty, free trade is more important than ever. Geopolitical conflicts, trade disputes, and protectionism are shaping international economic policy. Switzerland, however, relies on trade with the rest of the world more than almost any other country. Exports of goods and services account for about 78 percent of GDP. In 2025, Switzerland exported goods and services worth 624 billion francs. Net of all factors, roughly every second franc of our prosperity is generated abroad.

## Free trade strengthens the business environment

This strong international integration is part of our model for success. Switzerland has a small domestic market and few natural resources. Our prosperity is based on offering products, services, and innovations that are in demand worldwide. At the same time, we rely on imports of raw materials, intermediate goods, energy, food, and technology. Open markets therefore ensure both sales and supply. They are the key to a competitive economy.

This is exactly where free trade agreements come into play. They not only eliminate tariffs, but also provide legal certainty, simplify procedures, and ensure a reliable framework for investment and services. Small and medium-sized enterprises, in particular, benefit: less bureaucracy opens up new opportunities for them in international markets.

Free trade is therefore also a matter of business location policy. Swiss companies operate in a high-cost country. To ensure that value creation, investments, expertise, and jobs remain here, they need access to international markets that is as free from discrimination as possible. This also benefits suppliers, logistics providers, service providers, and small businesses.

## Greater Resilience in an Increasingly Uncertain World

Added to this is the geopolitical dimension. The global economy is becoming more fragmented, trade flows are shifting, and supply chains are coming under pressure. Every additional free trade agreement expands Switzerland's room to maneuver and reduces its dependence on individual markets. Diversification thus strengthens economic resilience.

It would be all the more problematic if Switzerland were to remain in international competition. The EU, the U.S., and Asian economies are not standing still; they are constantly expanding their trade networks. While foreign companies benefit from improved market access as a result, Swiss suppliers risk falling behind. For an export-oriented nation, inaction is a serious mistake.

At the same time, the criticism that free trade agreements run counter to environmental or social concerns falls short. On the contrary: Modern Swiss agreements contain provisions on workers' rights, climate, the environment, and biodiversity, as well as mechanisms for dialogue and monitoring. In this way, they promote high standards and make it possible to enforce compliance with them. Without such agreements, Switzerland has significantly fewer opportunities to drive improvements on the ground. Trade governed by clear rules is better for the environment and working conditions than the status quo.

## Openness Remains Key to Switzerland's Prosperity

Thus, the Parliament's decision on Mercosur is more than just a trade policy resolution. It is a commitment to a successful model that has brought Switzerland prosperity, jobs, and stability. Especially in a more uncertain and protectionist world, Switzerland should confidently defend its economic openness.

Free trade is not a luxury. For Switzerland—a small country with strong international ties—it is the lifeblood of prosperity, security of supply, and economic independence.

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