

Swiss trade policy: free trade agreements as insurance

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Switzerland's answer to the fragmentation of world trade has been to diversify its access to markets through free trade agreements, concluded either bilaterally or within the European Free Trade Association. Its network covers more than thirty agreements with partners outside the European Union. Three of them are particularly relevant for the life sciences of Basel.¹ The bilateral free trade agreement with China, signed in 2013 and in force since July 2014, made Switzerland one of the first continental European countries with such an agreement. It reduced tariffs on Swiss pharmaceutical and chemical exports in stages and contains chapters on intellectual property and on trade in services.² Negotiations on its modernisation began after 2023. Their status, including any provisions on intellectual property and regulatory cooperation, should be checked. Status to be verified.

The Trade and Economic Partnership Agreement between the EFTA states and India, signed in March 2024, entered into force on 1 October 2025.³ It combines tariff reductions with a chapter on investment promotion under which the EFTA states aim to increase foreign direct investment in India significantly over fifteen years, linked to a review mechanism. For the pharmaceutical industry the agreement was sensitive because India, as the world's largest producer of generics, had resisted intellectual property provisions going beyond the TRIPS Agreement. According to the Swiss government, the agreement improves the protection of intellectual property in certain respects without introducing data exclusivity for medicines, which India had refused.⁴ The outcome illustrates the limits of Switzerland's bargaining power where intellectual property collides with the industrial policy of a large emerging economy.

The agreement between the EFTA states and Mercosur, whose negotiations were concluded in 2025, was signed in September 2025 and

still required ratification at the time of writing.⁵ Swiss agriculture opposed it, as it had opposed earlier agreements with agricultural exporters, while the chemical and pharmaceutical industry supported it as a means of reducing tariffs on its exports to Brazil and Argentina. Other negotiations, among them with Thailand, Malaysia and Vietnam, and a possible agreement with the United States following the framework of November 2025, belong to the same strategy.⁶ The common logic is insurance: a country that cannot rely on the multilateral system of the World Trade Organization, whose dispute settlement has been paralysed since the Appellate Body ceased to function in December 2019, secures access through a dense web of bilateral rules.

The value of this insurance should not be overstated. Free trade agreements reduce tariffs and create legal certainty, yet they offer little protection against measures taken on grounds of national security, which most agreements exempt under clauses modelled on Article XXI of the GATT.⁷ The American measures of 2025 and 2026 were taken partly under emergency and security powers and would have been difficult to challenge under any trade agreement. For the pharmaceutical industry of Basel, the network of agreements is therefore a useful complement but no substitute for good relations with the United States and the European Union, the two markets that matter most.

1 Notes

1. State Secretariat for Economic Affairs (SECO), overview of Swiss free trade agreements; Convention establishing the European Free Trade Association of 4 January 1960 as revised by the Vaduz Convention of 21 June 2001. Number of agreements to be verified. ↩
2. Free Trade Agreement between the Swiss Confederation and the People's Republic of China of 6 July 2013, in force since 1 July 2014, SR 0.946.292.492. To be verified. ↩
3. Trade and Economic Partnership Agreement between the EFTA States and India, signed in New Delhi on 10 March 2024, in force since 1 October 2025; see the joint communiqué of EFTA and India of 1 October 2025. To be verified. ↩
4. On the intellectual property chapter of the EFTA–India TEPA and the absence of data exclusivity provisions for medicinal products, see the dispatch of the Federal Council on the approval of the agreement (2024) and the commentary of non-governmental organisations. To be verified. ↩

5. Free Trade Agreement between the EFTA States and the Mercosur States, negotiations concluded on 2 July 2025, signed in Rio de Janeiro on 16 September 2025; ratification pending. Status to be verified. ↩
6. On the state of Swiss and EFTA negotiations with Thailand, Malaysia, Vietnam and other partners, see the SECO website on ongoing free trade negotiations. Status to be verified. ↩
7. General Agreement on Tariffs and Trade 1994, Art. XXI (security exceptions); on the WTO panel report in Russia – Measures Concerning Traffic in Transit (DS512, 2019) and the debate on the justiciability of security exceptions, see the WTO documentation and the literature. To be verified. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/basel-swiss-trade-policy-free-trade-agreements-as-insurance