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Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO
Americas



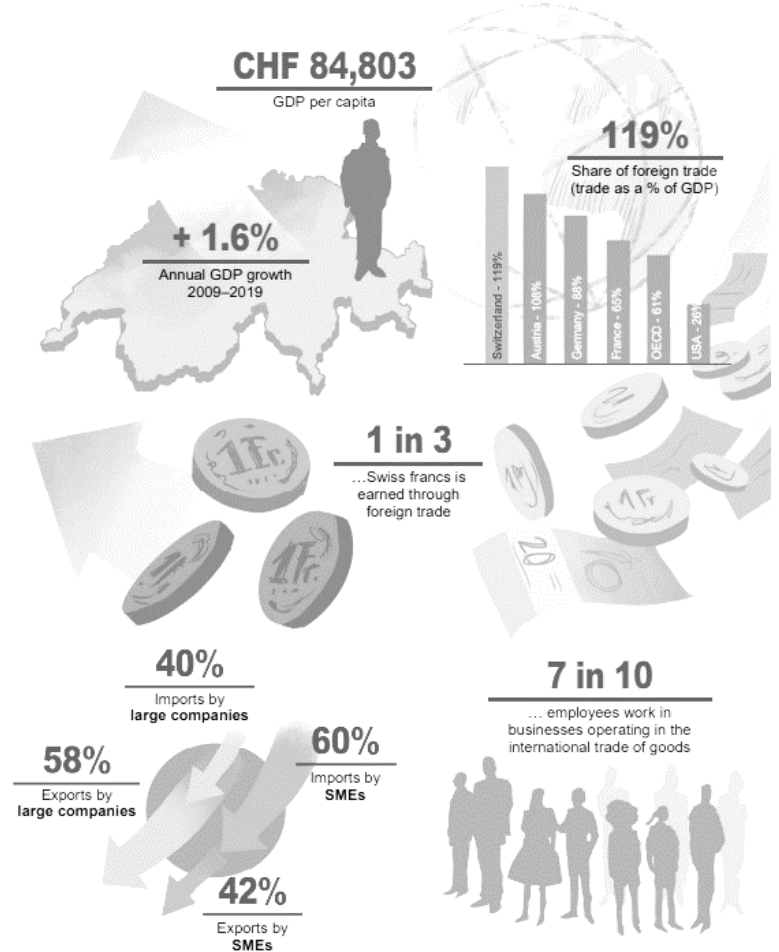
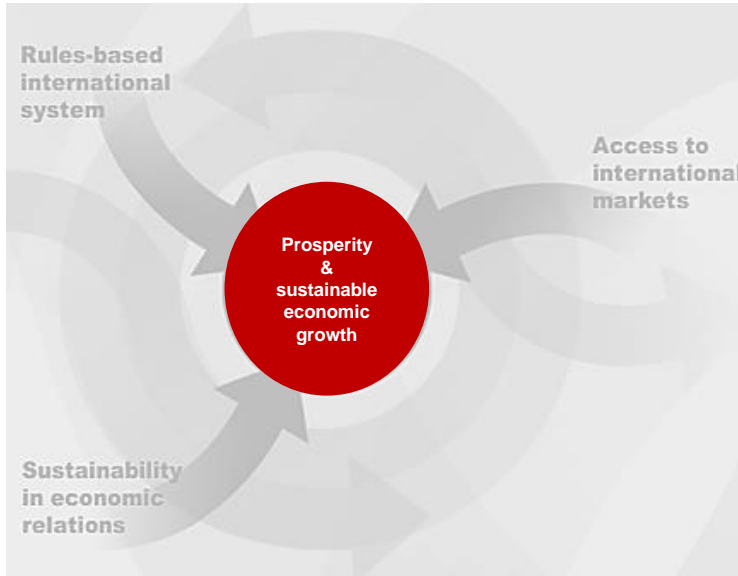
Free Trade with Latin America

Update on ongoing and concluded negotiations
& Use of existing agreements

12 March 2024



Swiss Foreign Economic Policy



FTAs with South America

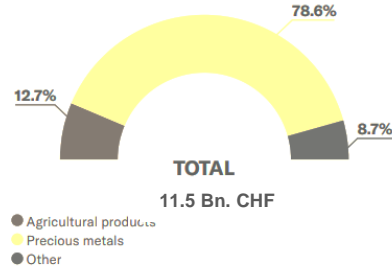


- **Chile** – in force since 2004 – modernization concluded
- **Colombia** – in force since 2011
- **Peru** – in force since 2011
- **Ecuador** – in force since 2020
- **Mercosur** – ongoing negotiations

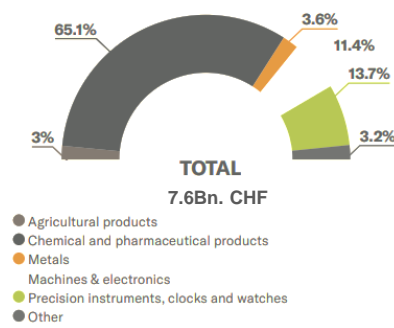


Economic Relations

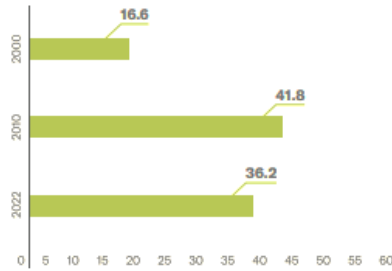
Swiss Imports from LAC



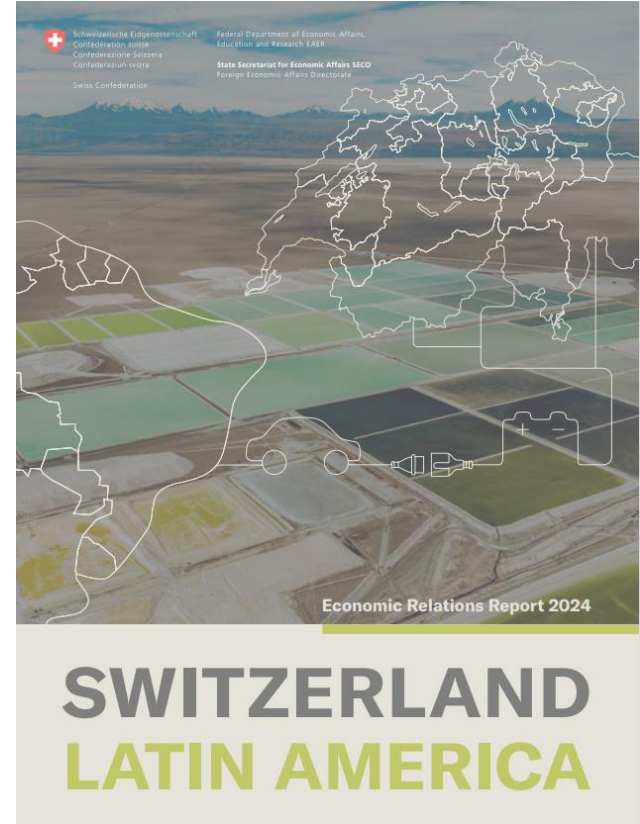
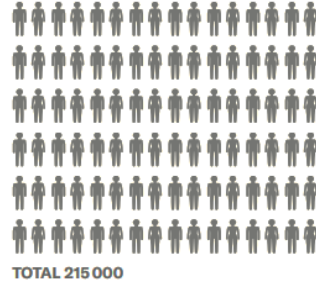
Swiss Exports to LAC



Swiss FDI (billion CHF)

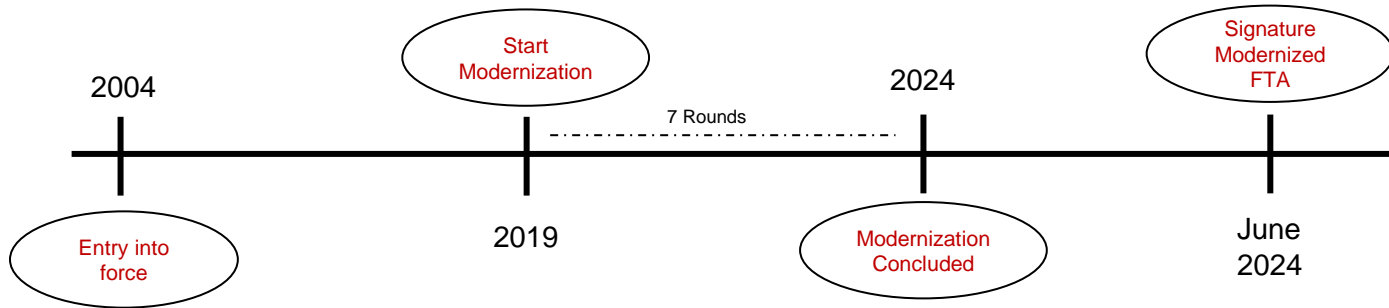


Employment by Swiss Companies





Chile





Chile – Modernization



Virtually complete liberalization



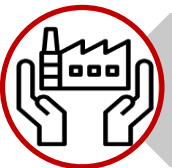
Modernized rules of origin



Now includes financial services



Protection of geographical indications (GIs)



New chapter on SMEs



Chapter on trade and sustainable development



Mercosur



- Economically important agreement
- Gradual liberalization of 95% of Swiss goods exports, immediate liberalization of 98% of Mercosur exports
- Comprehensive chapter on trade and sustainable development
- Finalization ongoing

Questions?



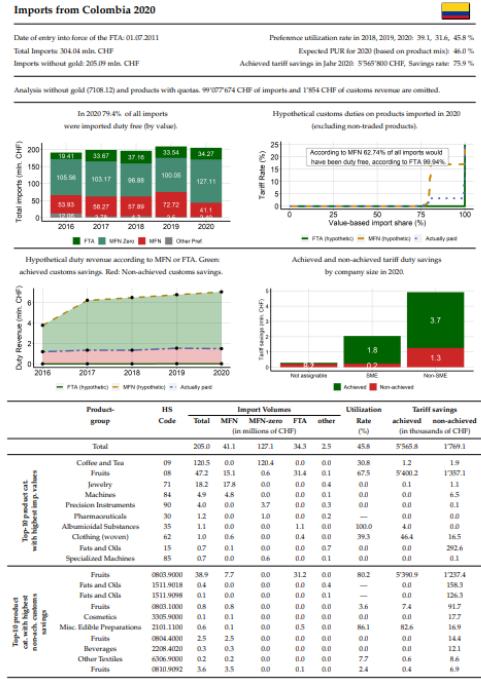


How are agreements used?

- Switzerland's dense FTA network is mirrored by its **open trade policy**
- Still, to harness the **gains of FTAs**, it is important to understand if preferences granted can actually be used
- Through the **FTA Monitor**, Switzerland tracks the utilisation rate of these agreements



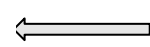
FTA Monitor



Trade by customs clearance type

Hypothetical tariff savings under MFN and FTA tariffs

Products with the largest potential tariff savings



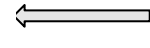
Essential information



Comparison FTA & MFN Duties



Usage rate by transaction / company size



Top 10 product groups

Switzerland FTA monitor and EFTA free trade monitor



Key figures (2021)



2.4 billion CHF in tariff savings



66.0% preference utilisation rate



75.7% of all imports duty free



Preference utilisation (LATAM)



Imports	Exports
2.5%	51.4%



Imports	Exports
15.3%	38.2%

Overall realized tariff savings
Potential tariff savings

29.2 million CHF
15.1 million CHF



Imports	Exports
93.9%	34.1%



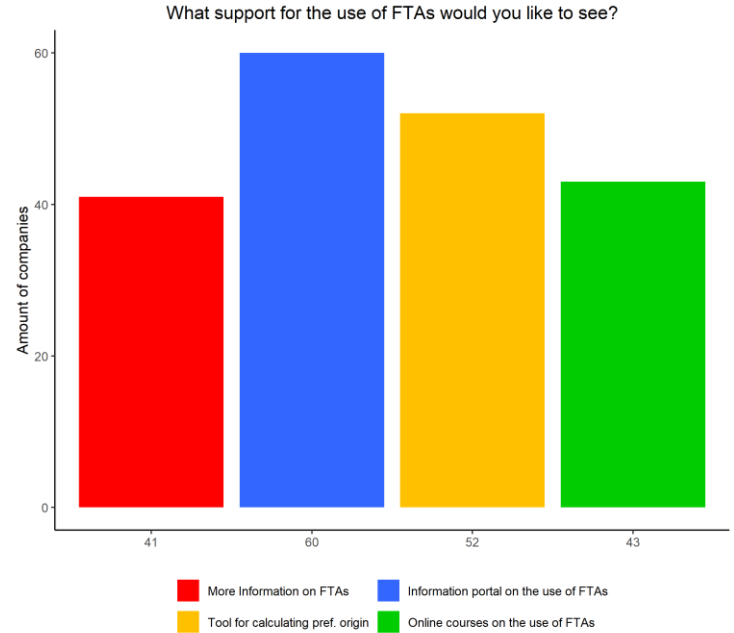
Imports	Exports
41.1%	69.5%



Are preferences granted used?

The short answer is **Yes**.
However...

...information plays a key role



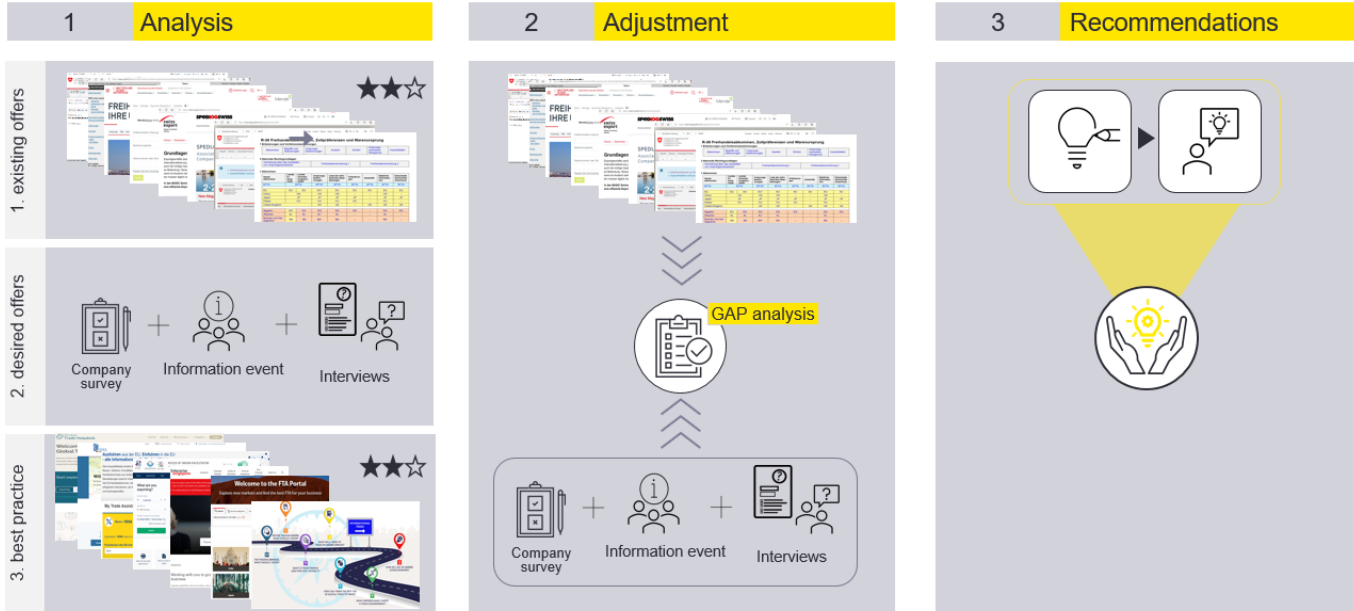


Can the use of FTAs be simplified?

- Two business surveys:
 - Importers in specific sectors: 2021
 - Exporters in all sectors 2021-2022
- Clear potential on how economic operators are informed on the use of FTA as well as request for further tools and information
- **Mandate from Federal Council:** examine whether and, how the use of FTAs could be simplified and improved for economic operators



External study by EY in three phases





Pletora of providers

Private providers

- S-GE
- Chambers of Commerce
- Trade associations
- Consultancy firms



International organisations

- ICC
- ITC
- UN
- WB
- WCO
- WTO

State providers

- SECO
- BAZG (Customs)
- BLW (Office for agriculture)
- EFTA



Result of the GAP analysis

1

Theoretical information on FTAs

- ▶ Comprehensive offer (SECO)
- ▶ No large gap between TARGET and ACTUAL

2

Practical information on FTAs

- ▶ Biggest gap in bringing together / making visible the information
- ▶ Centralisation and modernisation of information as a gap filler

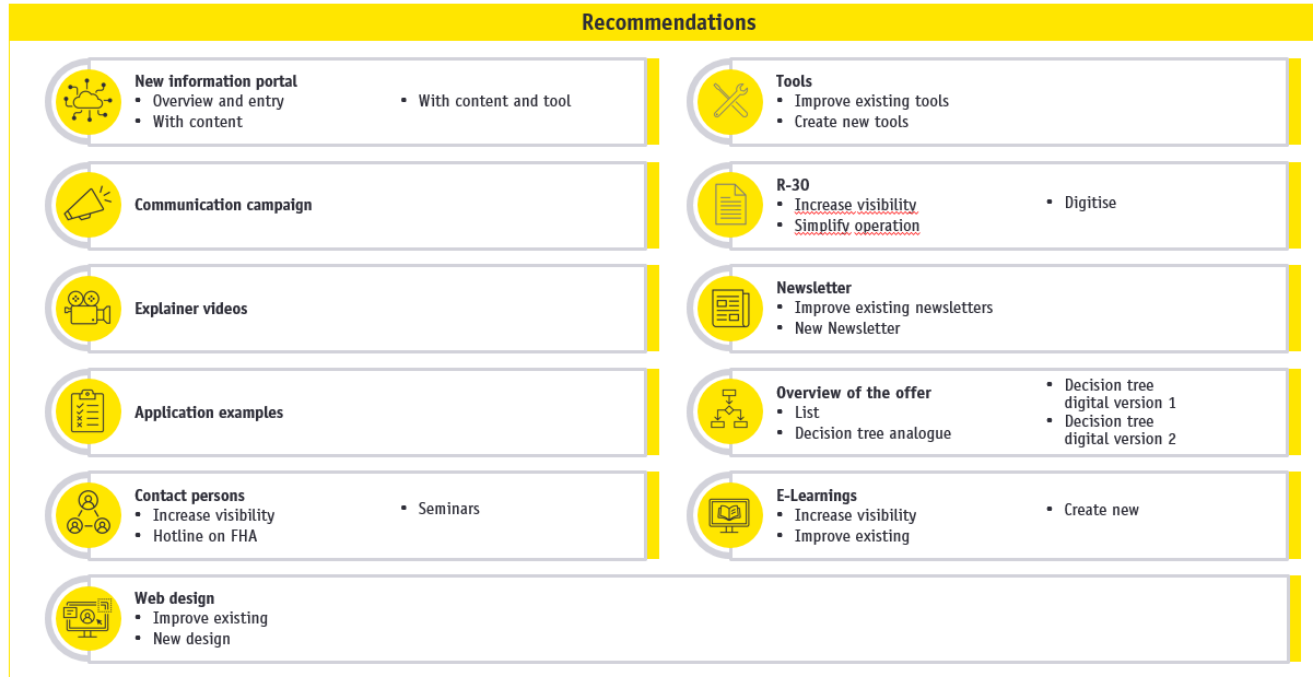
3

Practical support services for using FTAs

- ▶ Biggest gap in the creation of new offerings
- ▶ Often only the existing, which is less known, needs to be made visible
- ▶ Modernisation as a gap-filler

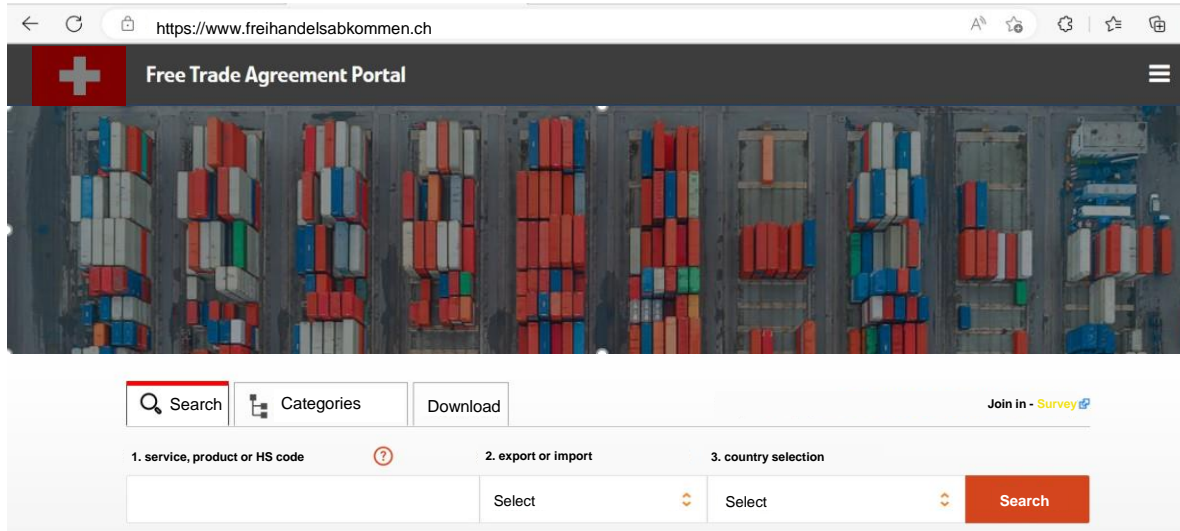


Overview recommendations





New information portal - Free trade agreements.ch



Questions?



Alfonso Orlando / Director ExportHelp / Switzerland Global Enterprise

FIRST POINT OF CONTACT - FOR ALL KIND OF ADMINISTRATIVE EXPORT INQUIRES





S-GE at a glance

- Non-profit organization with over 2,000 members
- **Export promotion:** On behalf of the Confederation (SECO) since 1927
- **Investment promotion:** On behalf of SECO and all cantons since 2008
- Swiss presence: Head office in Zurich, branch offices in Renens and Lugano
- Global presence: 26 shared global offices with the DFA, other markets via partner networks
- Approximately 200 employees of which around 100 are in Switzerland, 100 in 30 countries





ExportHelp

We support customers with questions about:

- Export documents
- **Free trade agreements**
- General customs matters
- Postings
- ...and many other current topics

We help you with the correct use of FTAs

- The ExportHelp team at Switzerland Global Enterprise can help companies in various ways **to take advantage** of free trade agreements (FTAs) with **South American** countries. With the support of ExportHelp, companies can take advantage of FTAs and increase their exports to South America.
- The support includes comprehensive information including **tariff preferences, rules of origin** and **proof of origin**.

TWO EXAMPLES FOR CHILE AND PERU – COFFEE MACHINES

Example FTA with Chile: Advice for a Swiss SME

HS-
Code?

- A Swiss SME that wants to export **coffee machines (HS 8516.71)** to Chile
- The ExportHelp team advises the SME on the **tariff preferences** in the FTA with Chile and the administrative procedures for applying for the preferences.

Duties | 8516.71

Any country → Chile

MFN - Most Favoured Nation (MFN) 6%

Switzerland and Liechtenstein
(CHLI)

free

Preferential
duty?

- ExportHelp advises which **Rules of Origin** must be observed and which **proofs of origin** are required:

Rules of Origin | 8516.71

Freihandelsabkommen EFTA-Chile (EFTA-CL-FTA)

Chapter 85

Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles

Basic rule: **Manufacture from materials of any heading**

Rules of
Origin
applied

Example FTA with Peru: Advice for a Swiss SME

HS-
Code?

- A Swiss SME that wants to export **coffee machines (HS 8516.71)** to Peru
- The ExportHelp team advises the SME on the **tariff preferences** in the FTA with Peru and the administrative procedures for applying for the preferences.

Duties | 8516.71

Any country → Peru

Switzerland and Liechtenstein
(CHLI)

free

MFN - Most Favoured Nation (MFN) 6%

Preferential
duty?

- ExportHelp advises which **Rules of Origin** must be observed and which **proofs of origin** are required:

Rules of Origin | 8516.71

EFTA-Peru Free Trade Agreement (EFTA-PE-FTA)

Chapter 85

Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles

Basic rule: Manufacture in which all materials used are classified **within a heading** other than that of the product

Alternative rule: Manufacture in which the value of all materials used does not exceed **50 per cent of the ex-works** price of the product

Alternativ-
Rule!

Excursion to the Custom Database (Worldwide Customs Tariffs):

Our **Customs Database** is a foreign trade portal for country-specific information on tariff and non-tariff trade measures.

Switzerland Global Enterprise provides companies in **Switzerland** and **Liechtenstein** free **access** to the modular database.

- The **Customs Tariffs** module provides detailed information on import duties in more than **160 countries**.
- The **Import Formalities** module contains a detailed overview of the customs procedures for imported goods in over **135 countries**.
- The **Rules of Origin** module contains list rules of the origin protocols **of all Swiss/EFTA Free Trade Agreements** on product basis.

Register for free: [Customs Database \(worldwide customs tariffs\) \(s-ge.com\)](https://www.s-ge.com)

Customs Database
powered by MendelOnline

MendelOnline is a foreign trade portal which provides and links extensive information on global tariff and non-tariff measures.

Country of preferential origin (optional)

Country of destination

Product code or keyword

[Customise your results](#)

Conclusion: Why should the FTAs be used?

Customs preferences:

- Switzerland's free trade agreements (FTAs) with South American countries **reduce or eliminate customs duties** on Swiss exports to these countries.
- This can lead to considerable cost savings or the **avoidance of competitive disadvantages** (e.g. compared to EU competitors) for Swiss companies and their competitiveness on the South American markets.

Improved market access:

- The **FTAs facilitate access** to the South American markets for Swiss companies.
- This can **help** Swiss companies **to win/retain new customers** and increase their exports.

Questions?



Thanks for your attention!





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 THE LATIN AMERICAN CHAMBER
OF COMMERCE IN SWITZERLAND
Your business bridge between Latin America and Switzerland



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