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Swiss Lower House Rejects Mercosur Trade Pact in Blow to CHF4 Billion Export Market

The vote delays tariff cuts on 96% of Swiss exports to Mercosur and clouds planned wine import quotas.

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Switzerland’s lower house has rejected the free trade agreement between the European Free Trade Association and Mercosur, a setback for a pact that would have lowered barriers between Switzerland and Argentina, Brazil, Paraguay and Uruguay and

opened limited new access for sensitive farm imports, including wine.

The National Council voted 96 to 86 against the deal on Wednesday, with nine abstentions. Lawmakers from the Social Democrats and the Greens opposed it, joined by part of the Swiss People’s Party and some members of the Centre party.

The agreement was negotiated by the four EFTA countries — Switzerland, Iceland, Liechtenstein and Norway — with the four Mercosur members. Supporters had argued that the pact would strengthen trade ties with a market of about 270 million people. According to figures cited during the debate, Swiss exports to Mercosur totaled more than CHF4 billion in 2024, and 96% of those exports would eventually become duty-free under the agreement.

For the drinks trade, the vote matters because the text included 25 bilateral import quotas for sensitive agricultural goods from Mercosur, among them wine. The rejection does not end the process, but it delays any liberalization that importers and exporters may have been expecting and could affect assumptions about future volumes, pricing and competition in Switzerland’s wine market.

The debate in Bern was at times tense and emotional. In detailed consideration of the package, lawmakers also rejected accompanying measures for farmers, including a multi-year commitment credit of CHF880 million. They also voted down adoption of the European Union Deforestation Regulation as part of the broader political handling of the accord.

Members of parliament also discussed amendments tied to extra funding, including support for Swiss farmers and contributions linked to protection of the Amazon rainforest and Indigenous rights. Several speakers raised the prospect of a referendum, underscoring how politically sensitive the agreement remains in Switzerland.

Backers of the pact had pointed to estimated customs savings of about CHF155 million a year. Switzerland was also set to manage most of the agricultural quotas autonomously, with limits designed to protect domestic producers while still granting Mercosur some additional access.

The bill now moves to the upper chamber, the Council of States. If senators approve the federal decision on the Mercosur agreement, the lower house would take up the matter again, meaning the accord is not dead but faces a more uncertain path.