

Free Trade Agreement with Vietnam: New Opportunities for Swiss Companies

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At a glance

- After more than 14 years of negotiations, the EFTA states and Vietnam signed a new free trade agreement in Hanoi.
- The agreement improves market access and strengthens the competitive position of Swiss companies in Vietnam's dynamic growth market.
- To ensure that companies can quickly take advantage of these benefits, swift ratification and an early entry into force are now crucial.

After more than 14 years of negotiations, a breakthrough has been achieved: Vietnamese President Tô Lâm and Swiss President Guy Parmelin signed the free trade agreement between Vietnam and the EFTA states in Hanoi, in the presence of other EFTA partners. The signing marks the culmination of Federal President Parmelin's economic mission to Vietnam. He is accompanied by a high-level Swiss business delegation led by *economiesuisse* President Silvan Wildhaber.

Vietnam as a Strategic Growth Market

The free trade agreement is of great importance to the Swiss economy. Vietnam is one of Asia's most dynamic economies: In 2025, its real gross domestic product grew by 8.0 percent to approximately 494 billion U.S. dollars. With a bilateral trade volume of approximately 2.9 billion Swiss francs, the country is already Switzerland's third-largest trading partner in the ASEAN region. In addition, over 100 Swiss companies employ more than 17,000 people there.

However, this potential is far from being fully realized. Sustained growth, a growing middle class, and Vietnam's deeper integration into global value chains are opening up a wide range of opportunities for the Swiss economy, particularly in the fields of health and life sciences, infrastructure, energy, logistics, industrial manufacturing, food processing, and textiles. At the same time, companies with a stronger presence in Vietnam can diversify their sales markets and broaden the base of their supply chains in Asia.

Free Trade Agreement Boosts Competitiveness

The agreement lays the groundwork for better harnessing this potential and strengthening the competitive position of the Swiss economy. The EU and the United Kingdom already have free trade agreements with Vietnam. Eliminating this competitive disadvantage is therefore also strategically important: in an environment marked by geopolitical tensions and shifting supply chains, early access to growth markets enhances Switzerland's economic resilience.

Specifically, Vietnam will completely eliminate tariffs on the vast majority of industrial products from EFTA countries within a maximum of eleven years. Key Swiss food products will also become duty-free. At the same time, the

agreement improves the framework conditions for services and investment, strengthens intellectual property protection, and facilitates cross-border trade through modern rules of origin and trade facilitation provisions. Binding provisions on trade and sustainable development complement the market opening.

Now it's up to Parliament

Next, the Federal Council will submit the agreement to Parliament. Swift approval and prompt entry into force are essential so that Swiss companies can take advantage of the improved market access conditions and reduce their competitive disadvantage as quickly as possible.

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