



Competitiveness

Solutions to the Tariff Dispute



US tariffs are weighing on the Swiss economy. For Avenir Suisse, it is clear: doing nothing is not an option. This applies both in foreign policy and domestically. Ahead of the Federal Council's strategy retreat, we have therefore published a brief analysis with **15 measures**. It outlines how competitiveness can be strengthened over the next twelve months. As the geopolitical environment becomes more challenging, companies should at least feel support at home.

The Figure



According to our calculations, 38% of government jobs are potentially at risk due to artificial intelligence. Language models such as ChatGPT could soon take over many of their tasks. This could potentially slow down the (often criticized) growth in public sector jobs and free up resources for other areas. (PLE, AGR)

Tax Policy

What's Next for the OECD Minimum Tax?

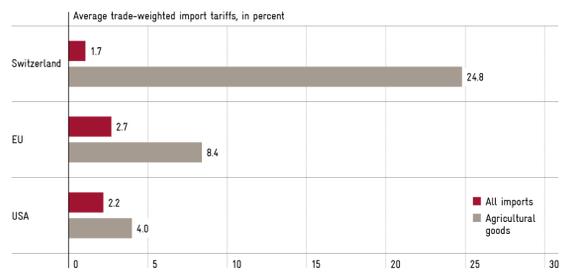
What measures can Switzerland take to strengthen its competitiveness as a business location? This question has gained importance since the tariff shock in early August. A frequently voiced demand is to suspend the OECD minimum tax in order to ease the burden on affected companies. While the idea seems obvious, the timing for such a suspension is unfavorable. As Lukas Schmid and Oguz Bayindir explain, **it would hardly strengthen Switzerland's position**.

Trade Conflict

Tariffs, Power, and Walls

When it Comes to Agriculture, Switzerland is a Tariff Fortress

With a 24.8% tariff rate, Switzerland ranks among the world leaders in agricultural protectionism – at the expense of consumers, innovation, and trade agreements.



Source: WTO (2023) Figure: Avenir Suisse

What to do when economic logic fails in trade policy? For Michele Salvi, neither submissiveness nor resignation is the answer, but rather sovereign action with a clear strategy. **This requires three things**: tactically smart diplomacy toward the US, a strategically oriented foreign economic policy, and sustainable domestic reforms.

Souvenir from Vacation

Learning from Former Crisis Countries

Were you annoyed by the news from Washington while on the beach? Understandable, but not very helpful. It's better to focus on the host country. As Jürg Müller writes in his column in the NZZ am Sonntag, there are **good examples of how modernization can be done**, especially in Spain and Italy.

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