

INSIGHT

ONE YEAR OF INTEREST- BASED NEGOTIATIONS WHAT CHANGED SINCE “LIBERATION DAY”?

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NEGOTIATION RISKS AND OPPORTUNITIES: FROM CEASEFIRE TO PEACE

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A Turning Point in Global Negotiation Culture

On his so-called Liberation Day (April 2, 2025), President Donald Trump shocked the international community by initiating a wave of bilateral trade renegotiations with nearly all major trading partners. His administration set tight deadlines and threatened steep tariffs, signaling a sharp break from traditional multilateral trade diplomacy. Beyond its political and economic consequences, this campaign demonstrates a deliberate effort to recast U.S. relationships and extract maximum value through Trump's favored approach: hard-nosed bargaining. Most countries, including long-standing U.S. allies, were taken by surprise. Forced into reactive positions, many struggled to respond effectively and negotiated below optimal terms.¹

One year after the tariff measures announced on Liberation Day, international negotiations with the United States have undergone a profound transformation. What initially appeared to be another episode of transactional trade politics has evolved into a broader shift in negotiation logic. It is nothing less than a clear shift away from value-based diplomacy toward a distinctly interest-based approach.²

The case of Switzerland provides a particularly instructive example. Traditionally perceived as a highly rational, rules-oriented negotiating partner, Switzerland suddenly faced tariffs of 31% imposed by the United States. Only a couple of weeks, tariffs for Switzerland later rose to 39%, the highest level among Western industrialized nations.³ Initial expectations in Bern and in major news outlets were optimistic.⁴ Even policymakers assumed that rational economic arguments and mutual dependency would lead to a rapid agreement by spring 2025.

Instead, the negotiations exposed a fundamental mismatch in negotiation philosophy. The administration of Donald Trump approached talks not as a search for shared values or fairness, but as a structured contest of interests, leverage, and psychological positioning. Switzerland's early strategy, grounded in traditional diplomatic reasoning, proved ill-suited for this environment.

Over the following year, the Swiss experience became a case study in how negotiation paradigms are changing globally. The example shows that countries must adapt when confronted with actors who consistently prioritize interests, pressure, and optionality over consensus and principle.

Part I – The Swiss Negotiation Errors A Schraner Perspective

From a negotiation-strategy perspective based on the Schraner Concept, several structural errors defined Switzerland's early approach (see Appendix for a condensed timeline since January 2025).

Decision-Maker Intervention and Loss of Negotiation Structure

Press reports reveal that Switzerland was caught off guard after President Trump announced a 39% tariff on Swiss goods, set to take effect on August 7. The Swiss government said it had received no indication such a high tariff was coming, even shortly before a phone call between President Karin Keller-Sutter and President Donald Trump.⁵

In our opinion, one critical misstep was the direct involvement of senior political leadership in operational negotiations at an early stage. The intervention of Federal President Karin Keller-Sutter, including a widely discussed phone call with Donald Trump in late July,⁶ shifted negotiations from a controlled professional framework into a political arena dominated by personal dynamics.

In interest-based negotiations, premature escalation to the decision-maker level removes tactical flexibility. Negotiators lose room to maneuver, and positions become publicly tied to prestige rather than outcomes. Instead of strengthening leverage, Switzerland unintentionally

narrowed its strategic options.

Reliance on Rational Arguments and Appeals to Fairness

The Swiss side largely relied on economic logic. Arguments revolved around the balanced trade relations, long-term partnerships, and arguments of fairness. However, such value-based reasoning had limited impact in a negotiation environment designed around measurable interests and visible concessions.

While Switzerland argued why tariffs were unreasonable, the U.S. side focused on what tangible benefits could be extracted. This asymmetry created a classic negotiation imbalance, in which one party argued legitimacy and the other party negotiated power.

The Swiss side largely relied on economic logic, framing arguments around balanced trade relations, long-term partnerships, and fairness. However, such value-based reasoning had limited impact in a negotiation environment shaped by measurable interests and visible concessions. In contrast, the U.S. side focused on extracting tangible benefits, reflecting a more pragmatic and outcome-driven approach.

Viewed through the lens of unpredictability,⁷ this asymmetry highlights a negotiation imbalance: Switzerland emphasized legitimacy, while the U.S. leveraged power and flexibility. The Swiss reliance on consistent, principle-based arguments was less effective against a counterpart whose strategy, though not openly articulated, could be characterized by inconsistency, inconsistency, and unreliability, making it harder to predict and counter.

Premature Communication and Loss of Face

Public communication further weakened Switzerland's position. Early optimism about a rapid deal created expectations that could not be fulfilled.⁸ When progress stalled, both sides faced reputational pressure and a potential loss of face.

Interest-based negotiators typically maintain ambiguity and discretion to preserve room for adjustment. By communicating prematurely, Switzerland reduced its ability to recalibrate without appearing to concede. This process effectively helped transform compromise into perceived capitulation.

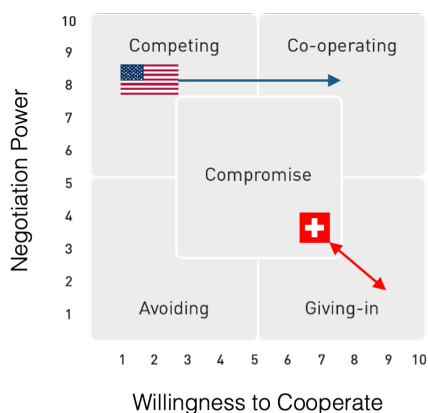
Thus, it is important to underline that strategic communication shapes both the execution and the perception of trade policy. For instance, researchers have examined how tariffs under President Donald Trump were used not only as economic tools but as instruments of strategic communication. Traditionally designed to protect domestic industries

and correct trade imbalances, tariffs in Trump's administration were also used to project political intent, assert national strength, and shape public opinion. Analysis of speeches, tweets, and official documents reveal recurring patterns of populist framing, strategic signaling, and moralistic rhetoric, with tariffs presented as symbols of sovereignty and resistance against perceived foreign exploitation. While rhetorically effective, these measures often produced negative economic consequences, including higher consumer costs, retaliation by trading partners, and reduced international confidence.⁹

Absence of a Clear Demand Catalogue and Strategy

Media criticism frequently highlighted the lack of a visible negotiation framework. From a Schraner perspective, this points to a missing structured demand catalogue. Switzerland, at least in the public domain, did not pose any clear demands and only reacted to the U.S. being in the driver seat.

Negotiations began from a position of compromise rather than leverage. The starting posture shifted quickly from "seeking agreement" to "giving in," signaling urgency and weakening bargaining power.¹⁰



Missing Back Channels and Relationship Architecture

Perhaps the most consequential weakness was the absence of reliable back-channel relationships.¹¹ Informal communication networks, often decisive in U.S. political negotiations, were underdeveloped.

Without trusted intermediaries, Switzerland depended almost entirely on formal diplomatic exchanges, where positions were already hardened. This situation also indicates an incomplete preparation, as political and diplomatic ties in the run-up to the 2024 U.S. presidential elections were not extended widely to the Trump campaign.¹²

Lack of Empathy and Cultural Understanding

Finally, cultural misreading played a major role. The U.S. approach emphasized competition, symbolic victories, and visible strength. Swiss negotiators underestimated the importance of narrative success for the American side.

Interest-based negotiations require understanding not only economic interests but also psychological drivers like recognition, domestic signaling, and political storytelling.¹³

Part II – The U.S. Negotiation Model and Why It Worked

In contrast, the U.S. negotiation strategy followed a remarkably consistent pattern. The U.S. trade and financial system have long been intertwined with global risk, reflecting the country’s foundational commitment to free trade. This principle, rooted in America’s historic emphasis on freedom, has positioned the U.S. as a leader not only scientifically but also economically, serving as a key architect of the modern globalized economy. However, this role is undergoing a significant shift under the new president. Upon taking office, he made it clear that he intends to leverage the U.S.’s economic strength through trade tariffs as a negotiating tool to advance national interests.¹⁴

High Anchoring: “Fish on the Table”

The United States opened with maximal demands, establishing an aggressive anchor. This created a negotiation corridor in which any later reduction could be framed as a concession while still achieving strategic goals.

By defining the psychological reference point early, the U.S. side ensured that the discussion revolved around the size of concessions rather than the legitimacy of the tariffs themselves.

No iterative bargaining created competition

When the United States announced tariffs on nearly all trading partners on Liberation Day, it effectively prevented a gradual, iterative bargaining process. The unexpected and sweeping nature of the decision caught many governments off guard, creating immediate uncertainty and pressure.

As a result, countries competed to secure early negotiations and preferential tariff reductions, turning trade diplomacy into a race for bilateral deals. From a strategic perspective, the approach concentrated negotiating leverage in Washington's hands.

Competitive Starting Position

The U.S. side maintained a constant competing stance rather than moving quickly toward compromise. Importantly, this posture was sustained even during apparent deadlock phases, reinforcing credibility. Consistency signaled resolve, discouraging the counterpart from waiting for a softening of positions and instead encouraging movement on its own side.¹⁵

As researchers emphasized, Trump's

use of tariffs can be understood through the lens of competitive bargaining. Key tactics, such as setting extreme opening positions, hiding reservation points, applying pressure, and signaling a willingness to walk away, are well-established in negotiation literature. For instance, Trump's readiness to suspend or withdraw from agreements like the North American Free Trade Agreement (NAFTA) demonstrated walk-away power, pressuring counterparts into concessions. A key question remains: when do aggressive tactics remain legitimate negotiation, and when do they undermine future collaboration?¹⁶

Strategic Dead Ends and Tactical Pressure

Negotiations were deliberately driven into temporary impasses. Such stalemates increased time pressure on Switzerland, whose export-dependent economy faced immediate consequences. Deadlock thus became an active negotiation instrument rather than a failure of dialogue.¹⁷

Trump appears to be striking a deliberate balance: setting tariffs high enough to extract concessions, yet not so high that retaliation becomes a more appealing option than compromise. The United States' structural advantages, such as dollar dominance, vast market size, military power, regulatory reach, and influence within global institutions, provide multiple leverage points that are difficult to counter without extraordinary levels of international coordination.¹⁸

Leaving the Door Open

Despite hard positioning, channels for renegotiation were always preserved. The combination of pressure without final closure proved highly effective. This maintained hope of resolution while ensuring that the incentive to re-engage remained stronger for the pressured party.¹⁹

Selective Issue Framing

Strategically important sectors such as pharmaceuticals were initially excluded from confrontation.²⁰ This allowed the U.S. to maintain escalation potential for later stages while signaling room for cooperation. By sequencing conflicts selectively, negotiators retained bargaining chips that could later be exchanged for higher-value concessions.

Calibrated Warnings

Warnings were not random, but carefully timed signals designed to reshape expectations and accelerate concessions. Each warning functioned as a controlled escalation step, preparing the ground for movement without triggering irreversible confrontation.

Part III – The Turning Point: Adaptation and New Negotiation Dynamics

A significant shift occurred in autumn 2025 when Switzerland adjusted its strategy.

Expansion of the Negotiation Team

The inclusion of business leaders and CEOs introduced a more pragmatic perspective. Negotiations became less ideological and more solution oriented. Their presence also increased credibility toward the U.S. side by signaling economic commitment rather than purely diplomatic intent.²¹

Discreet and Empathetic Communication

External communication became notably more neutral and restrained. This reduced public pressure and enabled face-saving solutions. By lowering rhetorical escalation, negotiators regained flexibility to adjust positions without triggering domestic backlash.²²

Creation of Back Channels

New informal communication pathways emerged, allowing exploratory discussions without political exposure. These channels proved decisive in rebuilding trust.²³ They enabled both sides to test potential compromises before formalizing them, significantly reducing negotiation risk.

Interest-Based Concessions

Instead of arguing principles, Switzerland began addressing U.S. interests directly, including investment commitments and measures aimed at reducing the bilateral trade deficit. This reframing shifted the discussion from justification to exchange, aligning the negotiation with the counterpart's decision logic.

Revised Timeline and Domestic Buffering

A new negotiation timetable incorporated political buffers at home, reducing the need for rushed agreements. Extended timelines transformed time pressure from vulnerability into a manageable strategic resource.

Multi-Level Engagement

Contacts intensified across all negotiation levels, between professional negotiators, political commanders, and decision-makers. This alignment improved message consistency. Coordinated signaling across levels reduced misunderstandings and strengthened perceived reliability toward the counterpart.²⁴

Part IV – Breakthrough and Controversy

The turning point came in November 2025, when the Swiss Federal Council announced a declaration of intent targeting tariff reductions to 15%. Switzerland committed to significant investments totaling CHF 200 billion and measures to reduce the trade imbalance.

Initial relief was quickly followed by criticism. Commentators questioned what was labelled “gold bar” or “cowboy diplomacy,” arguing that Switzerland had paid too high a price. Others doubted whether the promises were sustainable.²⁵

Although tariffs were retroactively reduced to 15% in December, economists predicted only a temporary stabilization phase. Many expected renewed U.S. demands within six months, a characteristic feature of interest-based negotiation cycles.

The anticipated personal encounters at the World Economic Forum 2026 in Davos were therefore viewed as a potential next stage rather than a final resolution. A recent decision by the Supreme Court of the United States represents more than a legal setback for U.S. tariff policy, because it has fundamentally reshaped the negotiation environment.

In a 6–3 ruling, the Court determined that the U.S. President exceeded executive authority by imposing sweeping global tariffs under emergency powers legislation. The judges concluded that

tariff-setting constitutes taxation authority, which constitutionally belongs to Congress rather than the executive branch. As a result, key elements of the original Liberation Day tariff regime were declared unlawful.²⁶

However, instead of reducing uncertainty, the ruling created a new phase of strategic ambiguity.

Within hours, President Donald Trump introduced replacement tariffs using Section 122 of the Trade Act of 1974, a rarely used mechanism allowing temporary import surcharges of up to 15% for 150 days without congressional approval. This produced three immediate consequences for international negotiators:

Legal Victory, Strategic Instability

Although many previous tariffs were invalidated, they were replaced almost immediately by a global tariff framework. Businesses and governments experienced what analysts described as a “reset rather than a resolution,” prolonging uncertainty instead of ending it.²⁷ For negotiators, this means agreements can no longer rely on legal permanence. Even court decisions do not end negotiations as they merely open new bargaining rounds.

Negotiations Move from Law to Politics

The temporary 150-day limit transforms tariffs into a political countdown mechanism. Because extensions require

congressional approval, negotiations now unfold under domestic U.S. political pressure cycles rather than economic logic.

This explains the growing divergence within Swiss politics:

- Some parties in the Swiss parliament such as the Greens argue that negotiations lack reliability because legal frameworks can change overnight.²⁸
- Business-oriented and centrist actors interpret the ruling differently as proof that negotiation leverage still exists and that adapted strategies can influence outcomes during the temporary window.

Both interpretations are valid, but they stem from different negotiation assumptions. It exemplifies the understanding of rule-based stability versus interest-based adaptability.

The Emergence of Permanent Renegotiation

The ruling unintentionally strengthens interest-based negotiation dynamics. If tariffs can be reintroduced under alternative legal authorities, agreements become inherently provisional.

Economists already expect only short stabilization phases before new U.S. demands emerge, a pattern consistent with iterative bargaining models rather than final settlements.²⁹

Strategic Implications for Switzerland

For Switzerland, the key question is no longer whether to negotiate again, but how to negotiate under conditions of structural uncertainty.³⁰

The Supreme Court decision does not eliminate tariffs as it only changes their function. Tariffs become negotiation instruments with built-in expiration dates, effectively forcing periodic renegotiation.

In this environment, refusing to negotiate may reduce exposure in the short term but risks exclusion from shaping future arrangements. Conversely, re-engagement without adapting strategy risks repeating earlier mistakes.

The emerging consensus from a Schraner Concept perspective is therefore pragmatic. Negotiations must continue, but with clearer interest in mapping, stronger back channels, and prepared re-entry strategies for recurring negotiation cycles.

Part V – Comparative Lessons: How Other Countries Adapted Faster

While Switzerland initially struggled to adjust to the new negotiation paradigm, several countries reacted more quickly to the shift toward interest-based negotiations and achieved comparatively stable outcomes, at least temporarily.

The European Union: Institutional Patience and Strategic Ambiguity

The EU adopted a markedly different approach. Rather than rushing into early concessions, the EU maintained procedural distance and emphasized negotiation sequence. Public rhetoric remained value-oriented, but operationally the EU acted in an interest-based manner. For the second part of 2025 and at the beginning of 2026, delaying ratification processes, signaling potential countermeasures, and preserving escalation options were strongly pronounced.³¹

Following the recent legal uncertainty in the U.S., EU institutions immediately requested clarification and slowed implementation of arrangements, thereby avoiding premature commitments. This illustrates a principle of interest-based negotiation as time itself becomes leverage.³²

In summary, the EU has so far managed to maintain unity in its response to Trump's tariff threats and imposed measures, adopting a strategy focused on minimizing economic and political damage. However, the EU should consider multiple scenarios, including the possibility that the tariff dispute is linked to debates over the future distribution of defense burdens within NATO, and that Trump may prioritize geo-economic interests over international law.³³

Japan: Quiet Alignment with U.S. Strategic Interests

Japan pursued a strategy centered on alignment rather than confrontation. Instead of debating tariff legitimacy, Japanese negotiators emphasized investments, supply-chain security, and technology cooperation, areas directly tied to U.S. domestic political priorities.³⁴

By framing concessions as contributions to American economic resilience rather than trade concessions, Japan transformed potential losses into politically usable wins for Washington. This reduced the need for visible pressure measures.

This approach clearly caused less friction in comparison to other countries' negotiation tactics. However, with the renewed round of tariffs imposed in February 2026, countries like Japan are stuck in an uncomfortable position to comply with their enormous investment pledges.³⁵

United Kingdom: Narrative Management and Face-Saving

The United Kingdom focused heavily on narrative control. British negotiators ensured that every partial agreement could be presented domestically in the U.S. as a success story. Even when concessions were substantial, communication emphasized partnership and joint achievement.³⁶

This approach minimized public confrontation and preserved flexibility when tariff conditions changed again after the court ruling.

Playing High Poker with Strategic Resources

Brazil adopted one of the most assertive negotiation tactics, effectively raising the stakes by leveraging structural dependency within the United States' industrial strategy. After initially imposing tariffs exceeding 60% on Brazilian goods, the U.S. administration unexpectedly reversed course and removed most punitive measures following direct exchanges between President Donald Trump and Brazilian President Luiz Inácio Lula da Silva.³⁷

The decisive factor was not diplomatic alignment but resource leverage. Brazil controls some of the world's largest reserves of critical minerals, including rare earths, niobium, lithium, nickel, and manganese, all essential for U.S. technology, defense, and

energy-transition supply chains. As Washington increasingly recognized its dependence on these materials, Brazil's bargaining position strengthened significantly.³⁸

Rather than seeking immediate compromise, Brazil tolerated escalation and allowed tariffs to remain temporarily, signaling willingness to absorb short-term costs. This "high poker" strategy reframed negotiations. Instead of defending against U.S. pressure, Brazil implicitly communicated that prolonged conflict would impose strategic costs on the United States itself.

Key Comparative Insight

1. Acceptance of volatility as permanent, not temporary.
2. Negotiation through interests before principles.
3. Protection of optionality, avoiding irreversible commitments.

Switzerland's later adjustment increasingly mirrored these patterns, suggesting a broader convergence toward a new global negotiation standard.

Part VI – From Agreements to Negotiation Ecosystems

The evolution of U.S. tariff policy under Donald Trump marks a strategic shift from traditional protectionism to a more assertive form of economic statecraft, with major implications for domestic industries, international trade relations, and global supply chains. What began as protective tariffs aimed at reducing trade deficits and shielding manufacturing sectors quickly evolved into a tool for leveraging geopolitical influence.³⁹

In our view, one of the most important lessons emerging since Liberation Day is that negotiations are no longer culminating in stable agreements. Instead, they increasingly resemble ongoing systems of managed interaction, negotiation ecosystems.

Traditionally, trade diplomacy aimed at definitive outcomes. A treaty was negotiated, ratified, and expected to provide predictability over years or even decades. This model assumed relatively stable legal frameworks, shared institutional norms, and a mutual interest in long-term certainty.

The past year has challenged these assumptions.

Agreements as Temporary Stabilization Points

The tariff negotiations between Switzerland and the United States demonstrate that agreements now function less as endpoints and more as temporary stabilization mechanisms. The reduction of tariffs to 15% did not conclude negotiations. It merely created a pause within a continuing bargaining process.

The subsequent Supreme Court ruling and the introduction of globally applied 150-day tariffs reinforced this dynamic. Legal decisions, executive actions, and political cycles continuously reopen negotiation space. In such an environment, durability shifts from written agreements to relationship management and strategic positioning.

The Three Layers of a Negotiation Ecosystem

Modern negotiations increasingly operate simultaneously on three interconnected levels:

The Formal Layer – Agreements and Legal Frameworks

Contracts, declarations of intent, and tariff arrangements still matter, but their lifespan is shorter. They provide structure rather than certainty.

The Informal Layer – Back Channels and Trust Networks

Informal communication channels have become decisive. They allow negotiators to test options, signal flexibility, and prevent public escalation. Switzerland's later success correlated strongly with the development of these channels.

The Political-Narrative Layer – Domestic Legitimacy

Negotiations now unfold under constant domestic scrutiny. Outcomes must be communicable victories for all sides. Narrative management therefore becomes a strategic negotiation tool rather than a communication afterthought.

Countries that manage all three layers simultaneously appear better equipped to navigate recurring negotiation cycles.

From Predictability to Optionality

In a negotiation ecosystem, the primary objective shifts from securing certainty to preserving optionality. Successful actors avoid locking themselves into positions that cannot be adjusted when political or legal conditions change.

This explains why several countries avoided early comprehensive agreements with the United States. By maintaining ambiguity, they retained maneuvering space when circumstances shifted following the court ruling.

For Switzerland, this represents a cultural adjustment. A negotiation culture traditionally built on reliability and finality must adapt to an environment where flexibility and reversibility are strategic assets.

Continuous Negotiation as the New Normal

Interest-based negotiation frameworks naturally favor iteration. Each agreement reveals new interests, alters power balances, and creates incentives for renegotiation. Rather than signaling instability, repeated negotiation rounds become the mechanism through which stability is temporarily maintained.

In this sense, Liberation Day did not mark the beginning of a trade dispute alone, it marked the transition toward continuous negotiation as a structural feature of international economic relations.

Conclusion and Outlook: The New Normal of Negotiations

One year after Liberation Day, the central lesson is clear. Negotiations with the United States, and increasingly globally, are no longer primarily value-driven exercises seeking consensus. They are structured competitions of interests, sequencing, and psychological positioning.

Switzerland's experience illustrates the risks faced by actors relying on rational persuasion in an environment defined by leverage and narrative control. Yet it also demonstrates adaptability. Once Switzerland shifted toward interest-based negotiation principles, building back channels, aligning stakeholders, and enabling face-saving outcomes, progress became possible.

Looking ahead, negotiations are unlikely to stabilize permanently. Interest-based frameworks favor iterative bargaining rather than final settlements. Periods of calm may simply represent preparation phases for the next round of demands. For negotiators worldwide, the implication is profound.

Success increasingly depends not on being right, but on understanding interests, one's own and those of the counterpart, and structuring negotiations accordingly. The era of assumption-driven diplomacy is giving way to strategic negotiation management as a core competence of statecraft.

APPENDIX - CHRONOLOGY OF EVENTS

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Escalation of the U.S.–Switzerland Trade Conflict (Condensed Timeline)

January 20, 2025 – Tariff announcement

At his inauguration, U.S. President Donald Trump announces plans for new tariffs to reshape global trade and protect American workers.

January 23, 2025 – Pressure on companies

Speaking at the World Economic Forum in Davos 2025, Trump urges companies to manufacture in the United States or face tariffs.

February 1, 2025 – First tariff measures

The U.S. imposes 25% tariffs on Canada and Mexico (later lifted) and increases tariffs on Chinese goods from 10% to 20% in early March.

February 5, 2025 – Swiss concerns grow

Swiss industry groups warn of economic risks but note Switzerland's lack of industrial tariffs and strong investment ties with the U.S.

March 2–9, 2025 – Political tensions rise

Debate begins in Switzerland over possible responses. The U.S. places Switzerland on a list of countries accused of unfair trade practices.

March 11, 2025 – Metals tariffs

The U.S. introduces 25% tariffs on all steel and aluminum imports.

March 18, 2025 – Negotiations begin

Swiss officials meet U.S. trade representatives in Washington and reject accusations of unfair practices.

April 2, 2025 – Global tariff wave

Trump announces tariffs on nearly all countries. Switzerland faces a 31% rate, higher than the EU's 20%.

April 5–9, 2025 – Diplomatic efforts

Swiss officials open talks with U.S. counterparts. After a call between President Karin Keller-Sutter and Trump, additional tariffs are suspended for 90 days.

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April 25 – May 9, 2025 – Search for agreement

Both sides agree to draft a memorandum of understanding. Meetings in Geneva highlight potential Swiss investments of up to CHF 200 billion in the U.S.

May 28, 2025 – Negotiation mandates

The Swiss Federal Council formally approves a negotiating mandate.

July 4, 2025 – Tariff letters

Trump announces tariff notifications to several countries. Switzerland receives none.

July 27, 2025 – EU reaches deal

The U.S. and EU agree on a reduced 15% tariff in exchange for major EU energy purchases and investments in the U.S.

July 31, 2025 – Talks collapse

Keller-Sutter announces Trump rejected the negotiated declaration of intent.

August 1, 2025 – Escalation

The U.S. sets tariffs on Swiss imports at 39%, effective August 7.

August 5, 2025 – Public dispute

In a CNBC interview, Donald Trump refers to a recent phone call with Swiss President Karin Keller-Sutter, criticizing her for “not listening.” Keller-Sutter responds that she rejected U.S. claims that Switzerland was responsible for a USD 40 billion trade deficit.

August 6, 2025 – Emergency diplomacy

On the eve of the tariffs, Keller-Sutter and Economy Minister Guy Parmelin travel to Washington and hold a 45-minute meeting with U.S. Secretary of State Marco Rubio. Parmelin continues numerous follow-up visits in the following months.

August 7, 2025 – Tariffs take effect

U.S. tariffs of 39% on Swiss imports enter into force. The Swiss Federal Council warns of serious consequences for export industries and employment.

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November 11–13, 2025 – Breakthrough signals

Media reports suggest an agreement is close that could reduce tariffs to 15%. During another visit to Washington, Parmelin says talks have clarified nearly all outstanding issues.

November 14, 2025 – Framework agreement

Switzerland and the U.S. announce a deal lowering tariffs from 39% to 15%. Switzerland agrees to cut tariffs on selected U.S. industrial and agricultural goods, recognize certain U.S. standards, and Swiss companies pledge at least USD 200 billion in U.S. investments by 2028.

November 17–27, 2025 – Political backlash

Parmelin defends the agreement against criticism, insisting Switzerland “bought nothing.” Prosecutors receive complaints alleging possible corruption linked to gifts presented to Trump during the Swiss CEOs’ White House visit.

December 2, 2025 – Government clarification

State Secretary Helene Budliger Artieda states Swiss authorities were informed about the gifts but did not participate, calling them a private initiative.

December 10, 2025 – Tariff reduction implemented

U.S. tariffs on Swiss goods officially fall to 15%, applied retroactively to November 14.

January 14, 2026 – Negotiations formalized

The Swiss Federal Council approves the final negotiating mandate, adding safeguards that Parliament and the cantons must be consulted if talks expand beyond the agreed scope.

February 19, 2026 – Trade deficit continues

Switzerland recorded another trade deficit with the U.S. in January 2026. Imports rose by 50%, while exports fell by 20%. This resulted in a total deficit of 1.4 billion Swiss francs.

February 20, 2026 – U.S. Supreme Court ruling

The U.S. Supreme Court has declared the IEEPA tariffs imposed by President Trump unlawful. The U.S. administration is responding with a new global tariff of 10%, effective February 24. This measure based on Section 122 of the Trade Act from 1974 is imposed temporarily for 150 days.

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