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Trump Imposes 39% Tariff on Swiss Goods After Failed Trade Call

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A high-stakes phone call between U.S. President Donald Trump and Swiss President Karin Keller-Sutter has ended in a breakdown, triggering a sudden 39 percent U.S. tariff on Swiss imports. The call, made on Switzerland's National Day, was part of ongoing efforts to secure a favorable trade deal, but instead escalated into what Swiss media are calling a political and diplomatic disaster.

Swiss negotiators had anticipated a tariff in the range of 10 percent, following months of behind-the-scenes discussions. However, during the conversation, Trump reportedly accused Switzerland of exploiting the U.S. through a nearly \$40 billion trade surplus. Sources familiar with the call told The Financial Times that Trump told Keller-Sutter that Switzerland was “stealing” from the United States, prompting the abrupt tariff hike.

The reaction in Switzerland has been one of shock and political fallout. Some Swiss newspapers compared the failed negotiation to a national humiliation not seen since the Battle of Marignano in 1515. Business leaders expressed alarm at the financial impact of the new tariffs, with executives from precision manufacturing firms calling the decision “catastrophic” for the country’s export-reliant industries.

Finance Minister Guy Parmelin confirmed the government is now scrambling to revise its trade offer and will hold an emergency cabinet session before the tariffs take effect on August 7. The announcement has already rattled Swiss financial markets. Major exporters such as UBS, Novartis, Roche, and several luxury watchmakers suffered immediate stock declines, while the Swiss franc fell against major global currencies.

The U.S. tariffs mark one of the highest imposed on a Western trading partner in recent years, and their sudden implementation has strained diplomatic ties. Switzerland, known for its longstanding neutrality and stable trade relations, now faces a significant economic challenge just days after its national holiday.

Analysts say the situation reflects the growing pressure on mid-sized economies navigating hardline U.S. trade policies. While further

negotiations may be possible, the fallout from the failed phone call has already cast a shadow over US-Swiss relations and highlighted the unpredictability of the current American trade strategy.

The Swiss government's next steps will likely determine whether a resolution is still possible or if the dispute sets a new precedent in transatlantic economic relations.