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The main bilateral agreements between Switzerland and the EU

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The main bilateral agreements between Switzerland and the EU

Title, date, speaker

As of February 2023

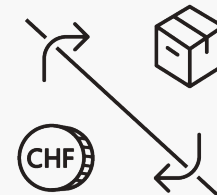


Main bilateral agreements

1. Free trade
2. Insurance
3. Customs facilitation and security



Benefit: removing barriers to trade



Free trade

Contents

- Establishes a free trade area for industrial goods and also covers trade in processed agricultural products (foods such as chocolate, biscuits, coffee, drinks, pasta, etc.)
- Abolishes customs duties and prohibits quantitative restrictions, i.e. quotas, and other measures having an equivalent effect for industrial products in Switzerland and the EU

Relevance

- Crucial to the Swiss economy: 50% of Swiss exports go to the EU (approx. CHF 130 bn.), while 67% of Swiss imports (approx. CHF 136 bn.) come from the EU (2021). A large part of these exchanges are governed by the free trade agreement.

Came into force 1973



Insurance

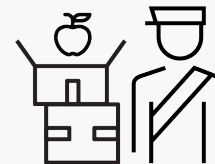
Contents

- Ensures, on a reciprocal basis, freedom of establishment for agencies and branches of undertakings pursuing the activity of non-life insurance (home contents, motor vehicle, travel, third party liability insurance, etc.), or the option to acquire such undertakings

Relevance

- Important for insurance companies operating internationally
- Insurance industry is major component of the Swiss economy, employing around 48,000 people in Switzerland and some 100,000 outside Switzerland

Came into force 1993



Customs facilitation and security

Contents

- Facilitates customs clearance for goods traded between Switzerland and the EU and coordinates cooperation at border posts
- Sets out the terms of cooperation on customs security and exempts Switzerland from measures applying to third countries, e.g. the prior declaration requirement in relation to imports

Relevance

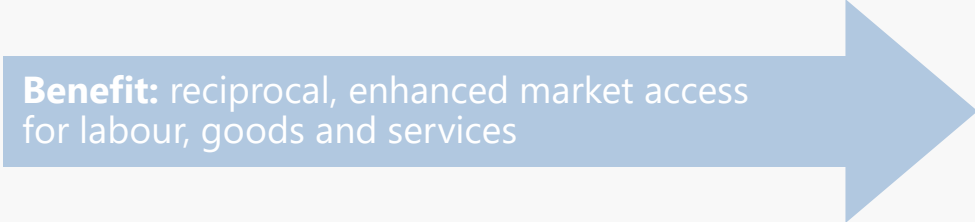
- Greatly facilitates customs clearance, e.g. for the 21'000 trucks crossing the Swiss border every day

Came into force 2011
supersedes the 1991 agreement on goods transportation

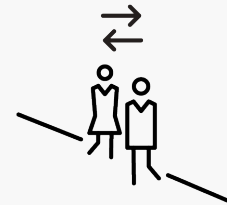


Bilateral Agreements I (1999)

1. Free movement of persons
2. Technical barriers to trade (MRA)
3. Public procurement
4. Agriculture
5. Research
6. Air transport
7. Land transport



Benefit: reciprocal, enhanced market access
for labour, goods and services



Free movement of persons

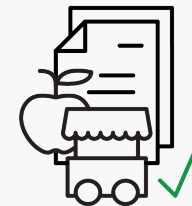
Contents

- Gives Swiss and EU citizens the right to live and work in the territory of the contracting parties, subject to certain conditions
- Gradual and controlled opening up of markets thanks to transitional rules
- **Accompanying measures** introduced to protect workers (preservation of Swiss working conditions and wages)

Relevance

- The Swiss economy relies on labour from outside Switzerland
- Swiss nationals have a better chance of finding work within the EU

Came into force 2002



Technical barriers to trade (MRA)

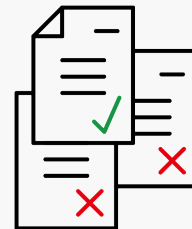
Contents

- Ensures mutual recognition in relation to conformity assessment for the majority of industrial products
- Regime for monitoring compliance with current rules for introducing products to Swiss and European markets

Relevance

- Essentially means that Swiss manufacturers and their EU competitors have the same market access conditions
- Saves businesses time and money in bringing new products to the market: the Mutual Recognition Agreement (MRA) covers about two-thirds of trade between Switzerland and the EU in respect of industrial products

Came into force 2002



Public procurement

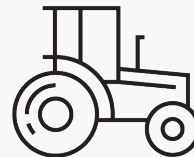
Contents

- Sets out the basis for international competitive bidding for certain public contracts
- Extends the scope of the World Trade Organization (WTO) agreement to procurement by local authorities as well as other areas such as rail transport and energy supply.

Relevance

- Competition generates potential savings for the Confederation, cantons and communes
- Gives Swiss companies equal access to the European single market worth billions

Came into force 2002



Agriculture

Contents

- Facilitates trade in agricultural products between Switzerland and the EU by:
 - eliminating **duties and quotas** for cheese and **non-tariff barriers to trade**, e.g. in respect of wine and spirits, organic farming, phytosanitary measures, animal feed and seeds
 - introducing **tariff concessions** in respect of fruit and vegetables, horticulture, dried meats and wine
 - Facilitates trade with live animals and products of animal origin (Annex 11)

Relevance

- The EU is Switzerland's main trading partner for agricultural products (2021: 50% of Swiss agrarian exports, 74% of imports)
- Increased exports: e.g. +2.3% year-on-year increase for cheese between 2000-2021

Came into force 2002

2009: Extension to include veterinary sector (Annex 11): CH becomes part of the common veterinary area of the EU
2011: Extension of the Agreement (Annex 12): Mutual recognition of protected designations of origin (PDOs) and protected geographical indications (PGIs).



Research

Contents

- Involvement of Swiss universities, companies and individual researchers in EU framework programmes for research
- Scientific, technology and economic contributions

Relevance

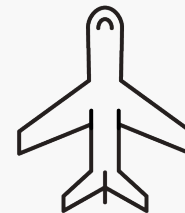
- More effective coordination and consolidation of research, e.g. in relation to information and communication technologies, healthcare, energy, nanotechnology, space and the environment

Status of negotiations

- Agreement signed in 2014 on Switzerland's **partial association** with **Horizon 2020** (framework programmes 2014–2020), applicable until end-2016
- **2017-2020: Full association** with the 8th Horizon 2020 framework programme for research following Switzerland's ratification of Protocol III to the AFMP

Horizon Europe 2021–27

Switzerland has the status of a non-associated third country. Switzerland's full association to the Horizon 2021-2027 package remains the Federal Council's declared goal.



Air transport

Contents

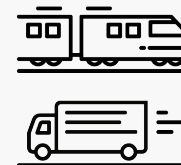
- Reciprocal access to aviation markets for Swiss and EU air carriers
- Swiss air carriers can operate under virtually the same conditions as their European competitors (e.g. equal landing rights)

Relevance

- Access to the valuable European aviation market is critical to the success of Swiss companies
- For passengers this generally means lower prices and a wider choice of flights.
- The EU was in 2021 the final destination for almost 2/3 of 8,7 millions passengers from Switzerland.

Came into force 2002

Negotiations on internal flights by foreign airlines within Switzerland have been under way since 2011



Land transport

Contents

- **Mobility:** opens up the market for the transport of persons and goods by road and rail between Switzerland and the EU
- **Environmental protection:** helps to shift transalpine freight traffic from road to rail
- Introduces a **heavy goods vehicle charge (HGVC)** and increases maximum truck weight to 40 tonnes

Relevance

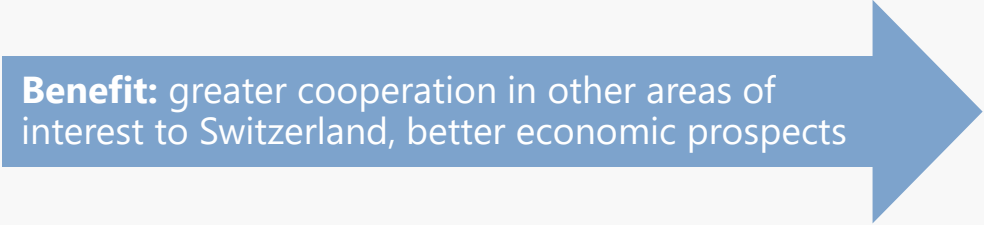
- Around 21,000 HGVs cross the Swiss border every day; almost 0.9 million HGVs cross the Swiss Alps each year
- Almost 75% of transalpine freight transported by rail; which is unique in the alps
- Revenues from heavy goods vehicle charge (CHF 1.5 bn every year) used to improve rail infrastructure

Came into force 2002

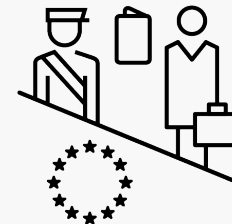


Bilateral Agreements II (2004)

1. Schengen/Dublin
2. Automatic exchange of information
3. Fight against fraud
4. Processed agricultural products
5. Creative Europe (MEDIA)
6. Environment
7. Statistics
8. Pensions
9. Education, vocational education and training, young people



Benefit: greater cooperation in other areas of interest to Switzerland, better economic prospects



Schengen

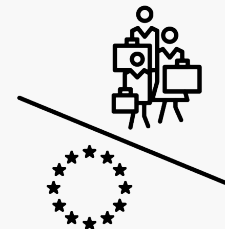
Contents

- Area of freedom: Facilitates transnational mobility in the Schengen area both for Swiss citizens and tourists (Schengen visa)
- Area of security and justice: Schengen Information System (SIS) reinforces external borders in the Schengen area and facilitates cooperation on law enforcement between Schengen countries

Relevance

- Provides mobility within Europe and access to tools for fighting crime; benefits the tourist industry
- Abandoning the Schengen/Dublin association would lead to a decline in GDP of between 1.6% and 3.7% by 2030 (Federal Council report on the economic and financial effects of the Schengen/Dublin association, 2018).

Came into force 2008 (2009 at airports)
Concurrently with Dublin.



Dublin

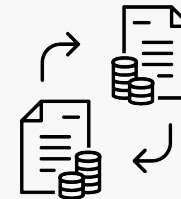
Contents

- Coordinates national responsibilities for processing asylum claims
- Provides access to the Eurodac fingerprint database, to identify applicants making multiple or false claims

Relevance

- Avoids the time-consuming and inefficient task of processing multiple asylum claims
- Eases pressure on the asylum system by spreading the burden
- Abandoning the Dublin association would involve additional asylum-related costs of up to CHF 270 million (Federal Council report on the economic and financial effects of the Schengen/Dublin association, 2018).

Came into force 2008
Concurrently with Schengen



Automatic exchange of information

Contents

- Based on the global standard on automatic exchange of information adopted by the Organisation for Economic Co-operation and Development (OECD)
- Financial account information has been collected since 2017, with Switzerland and the 28 EU member states exchanging that information on annual basis since 2018

Relevance

- Important contribution to fighting tax evasion
- Abolition of withholding tax on dividends, interest and royalties between affiliated companies in Switzerland and the EU makes Switzerland more attractive to international companies

Came into force 2017

Supersedes the 2005 agreement on the taxation of savings income



Fight against fraud

Contents

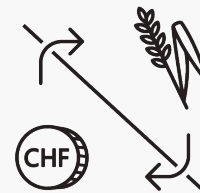
- Greater cooperation in the fight against smuggling and other offences relating to indirect taxation (customs duties, VAT, consumer taxes), subsidies and public procurement

Relevance

- Reduces the risk of Switzerland being exploited as a hub for illegal trade

Not yet in force

Early adoption by Switzerland along with EU member states that have also opted for early adoption



Processed agricultural products

Contents

- Agreement amending Protocol 2 to the 1972 Free Trade Agreement
- Sets out the terms of trade in relation to processed agricultural products (foods such as chocolate, biscuits, coffee, drinks, pasta, etc.)
- Creates tariff- and quota-free market access for the agrifood industry

Relevance

- Increases the competitiveness of the Swiss agrifood industry
- Secures a number of jobs in the Swiss food industry
- Trade in processed agricultural products with the EU has increased 88% since 2005 (volume of trade was CHF 7.1 billion in 2021)

Came into force 2005



Creative Europe (MEDIA)

Contents

- Switzerland's participation in the EU Creative Europe programme, including the MEDIA programme for European cinema and the 2014–2020 cultural programme.

Relevance

- Financial assistance for the Swiss film industry, better opportunities for the distribution of Swiss films in Europe, greater variety of films on offer in Switzerland
- Funding for Swiss artists, participation in cultural awards

Status of negotiations

- Switzerland was interested in an agreement on participation in the 2014–2020 cultural programme. Objective could not be met – implementation of compensatory measures at national level.

Creative Europe 2021–2027

The terms of Switzerland's potential involvement have not yet been defined.



The environment

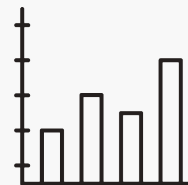
Contents

- Participation in the **European Environment Agency** (EEA)
- The EEA gathers and analyses environmental data and verifies compliance with mandatory criteria, has established a European environment information and observation network (Eionet) and provides advice on environmental policy

Relevance

- Involvement in projects and research activities
- Access to a range of European environmental data
- Allows Switzerland to compare and coordinate activities with neighbouring countries through the exchange of information

Came into force 2006



Statistics

Contents

- Aligns Switzerland's statistical data collection methods with those of Eurostat, the statistical office of the European Union
- Provides access to pan-European statistical data on economic, policy and social issues

Relevance

- Ensures the comparability of statistics between countries to facilitate research in and ongoing review of political solutions (e.g. socio-economic indicators, price movements)

Came into force 2007



Pensions

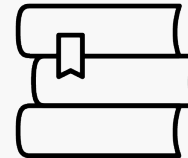
Contents

- Prevents the double taxation of pensions of retired EU officials living in Switzerland

Relevance

- Only applies to former officials of EU institutions (European Parliament, European Commission, Council of the EU, Court of Justice of the EU) who are now living in Switzerland

Came into force 2005



Education, vocational education and training, young people

Contents

- Participation in **Erasmus+**, the EU mobility programme for students and people in continuing education

Relevance

- Improved access to and quality of education and easier integration into the labour market
- Over 14,792 stays and traineeships in Europe were financially supported by Switzerland in 2021 as part of the Erasmus+ interim solution

Status of negotiations

- **Negotiations** on Switzerland's participation in Erasmus+ (2014–2020) were **suspended** at the start of 2014.
- The interim solution for Erasmus+ in place since 2014 will continue, funds for the years 2021-2024 have been approved

Erasmus+ 2021–2027

Switzerland has the status of a non-associated third country. Switzerland's full association remains the Federal Council's declared goal.

2022. Source: Movetia (annual report)



Bilateral agreements entered into since 2004

1. Europol
2. Eurojust
3. Cooperation with the European Defence Agency (EDA)
4. Cooperation between competition authorities
5. Satellite navigation systems (Galileo, EGNOS)
6. European Asylum Support Office (EASO)
7. Linking of emissions trading schemes



Benefit: broadening of cooperation in other areas of interest to Switzerland



Europol

Contents

- Cooperation agreement with Europol, the EU's **law enforcement agency**
- Greater police cooperation in the prevention and fight against serious and organised crime at international level and terrorism
- Facilitates information sharing and cooperation
- Enables intelligence sharing, access to training and the provision of advice and assistance in investigations

Relevance

- The volume of information exchanged is steadily increasing, with 20'262 operative notifications currently being issued each year

Came into force 2006
Scope extended in 2008 and 2018



Eurojust

Contents

- Cooperation agreement with Eurojust, the EU's **judicial coordination and cooperation agency**
- Enhances international cooperation in the fight against serious crime
- Coordinates investigations and prosecutions between member states and helps clarify jurisdictional matters
- Facilitates information sharing and the execution of international mutual assistance and extradition requests

Relevance

- The number of cases brought to Eurojust has been steadily increasing (3'892 in 2019, up 17% on 2018)

Came into force 2011



Cooperation with the EDA

Content

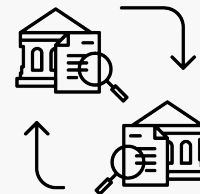
- Framework for cooperation on armaments with the **European Defence Agency (EDA)** (legally non-binding)
- Enables Switzerland to identify developments in armaments policy and gives access to multilateral cooperation projects, primarily involving research and development. Further, it opens the participation in EDA education and training activities
- Switzerland may decide what information it wishes to exchange and the projects, programmes and education activities in which it wishes to participate

Relevance

- The agreement strengthens Switzerland as an economic, research and technology location and enables the armed forces to expand their education and training programme.

Came into force 2012

In 2022, a **security Agreement for the protection of classified Information** came into force



Cooperation between competition authorities

Contents

- Cooperation agreement to address obstacles to cross-border competition
- Facilitates the exchange of confidential information and cooperation between competition authorities and avoids duplication

Relevance

- Essential given the close economic relations between Switzerland and the EU
- Makes the Swiss Competition Commission (COMCO) more effective, as it receives relevant information from the European Commission

Came into force 2014



Satellite navigation systems (Galileo, EGNOS)

Contents

- Switzerland's participation in the European Galileo and EGNOS programmes, including specific participation rights
- **Galileo:** accurate and reliable satellite-based navigation system
- **EGNOS:** regional system used to improve the accuracy and reliability of global satellite signals

Relevance

- Reduces dependency on the US GPS system and provides access to all signals in times of war and in peacetime
- Improves conditions for competitive tendering by the Swiss aerospace and service industries

Not yet in force

Has applied provisionally since 2014; Switzerland ratified agreement in 2015 (EU ratification process under way)



European Asylum Support Office (EASO)/European Union Agency for Asylum (EUAA)

Contents

- Agreement on Switzerland's participation in the activities of the European Asylum Support Office (EASO)
- Facilitates, coordinates and strengthens cooperation on asylum between member states
- Supports member states whose asylum systems and reception facilities are under particular pressure

Relevance

- Statement of interest by Switzerland
- Strengthens the Dublin system and contributes to a more efficient and fairer asylum system between member states
- Availability of expertise in other Dublin countries

Came into force 2016



Linking of emissions trading schemes

Contents

- Allows Switzerland to link its CO₂ emissions trading systems (ETS) to that of the European Union (EU) and facilitates the mutual recognition of emissions trading
- Creates a level playing field for the relevant Swiss sectors and European companies involved in emissions trading, thus preventing distortions of competition caused by climate policy

Relevance

- Encourages cost-effective action to combat climate change and reduce greenhouse gas emissions
- Incorporating civil aviation emissions into the Swiss CO₂ emissions trading system

Came into force 2020



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