



Common goals and values

- **Switzerland is a reliable European partner.** As a committed member of the Council of Europe, OSCE and OECD Switzerland contributes to the promotion of democracy, the rule of law, human rights, stability and welfare in Europe and in the world.
- Switzerland maintains long-standing **development cooperation** with countries outside the EU in Eastern Europe and the Balkans (2.9 billion CHF for the Western Balkans since 1995). Moreover, Switzerland has carried out numerous projects to reduce economic and social inequalities within the EU with a **cohesion contribution** of 1.3 billion EUR to the 13 member states that joined the EU since 2004. Switzerland intends to continue its commitment to the EU with a second contribution of the same amount with a focus on vocational training and migration.
- Switzerland shows solidarity with its European partners in addressing challenges related to **migration**. Regarding the reform of the Dublin System, Switzerland supports a fair burden sharing mechanism between member states as well as an integrated and sustainable European migration policy. Switzerland also shows solidarity at the bilateral level, for example by recently supporting Greece with projects, humanitarian aid, the deployment of specialists and the admittance of unaccompanied minors seeking asylum. In addition, Switzerland provides financial and personnel support to the European Asylum Support Office (EASO) and voluntarily contributed 5 million CHF to the EU Emergency Trust Fund for Africa.
- Switzerland contributes to the **promotion of peace, stability and security in Europe**. It regularly participates in EU and OSCE election observation missions. Switzerland also supports EU peace-building missions with civilian experts in Kosovo (EULEX) and the Sahel region (EUCAP Mali), as well as with over 20 members of the Swiss army in Bosnia-Herzegovina (EUFOR Althea). It is also planning to participate in the EU Mission in Iraq (EUAM Iraq). Switzerland also makes important contributions to a secure Europe by deploying nearly 200 members of the Swiss army to NATO KFOR in Kosovo and seconding five civilians to the OSCE Special Monitoring Mission in Ukraine.
- Switzerland also provides **good offices** to parties in conflict. This can take the form of mediation (e.g. dialogue Belgrade-Pristina), hosting negotiations (e.g. Iran/JCPOA, talks on Cyprus), supporting ongoing peace processes (e.g. the Berlin process on Libya) and – on the basis of protecting power mandates – representing the interests of states that have broken off diplomatic relations (e.g. Georgia/Russia).
- Switzerland generally coordinates its **foreign policy** with that of the EU. It supports EU sanctions policy and works closely with the EU and its member states at an international level in areas such as security, development cooperation, humanitarian policy, human rights and peace policies.

Close and intensive relations

- **Numerous bilateral agreements** build the basis of the close relations between Switzerland and the EU. The EU has concluded more agreements with Switzerland than with any other third country (>100) covering a wide range of policy fields, including but not limited to: internal market (free trade, free movement of persons), internal security and asylum (Schengen/Dublin), transport (overland transport and civil aviation), cooperation in tax matters, research, environment, statistics, etc.
- Switzerland is one of the EU's **top economic partners**¹:
 - **Trade in goods:** Switzerland is the EU's 4th partner - behind the USA, China and the UK (with a share of ~7% of total EU trade). Total trade amounts to over 1 billion EUR per working day. Trade with Switzerland is profitable for the EU, with an annual trade surplus of ~28 billion EUR.
 - **Trade in services:** Switzerland is the EU's 3rd partner - behind the USA and the UK (with a share of 7.9% of the EU's imports and 12.3% of the EU's exports). The total yearly trade in services amounts to 131 billion EUR with an EU balance surplus of about 56.6 billion EUR.

¹ Statistical data from Eurostat, numbers apply to 2018 (investments) and 2019 (goods and services).

- **Foreign Investment:** Switzerland is the 2nd foreign investor in the EU behind the USA with 827 billion EUR in direct investments (over 12% of direct investments from outside the EU). This contributes to the creation of approx. 840 000 jobs in the EU. Inversely, Switzerland is the 2nd destination for EU foreign investment (1'063 billion EUR).
- The Swiss and EU **labour markets** are closely interwoven: 1.43 million EU/EFTA citizens reside resp. work in Switzerland. This corresponds to about 17% of Switzerland's total population of over 8.5 million inhabitants. In other words, one in 14 EU/EFTA citizens that emigrated in another State within the EU/EFTA space lives in Switzerland. In addition, every day, around 333 000 EU residents commute to Switzerland for work. Every year about 92 000 EU workers are posted to Switzerland, as well as approx. 27 000 independent service providers. On the other hand, 490 800 Swiss citizens reside resp. work within the EU, which accounts for 63% of all Swiss living abroad.
- With the construction of the **transalpine railway network "NEAT"**, Switzerland invested around 23 billion EUR in order to extend transport capacities and ensure smooth trade within the EU's internal market. A key component of this alpine corridor is the world's longest railway tunnel: the Gotthard Base Tunnel. The inauguration of the Ceneri Base Tunnel in mid-December 2020 marked the completion of the NEAT. Switzerland will also contribute around CHF 148 million to the expansion of the Lötschberg-Simplon axis on the Italian side by 2028.
- Switzerland and the EU have long engaged in successful cooperation in **research and innovation**. The Federal Council is aiming for a full Swiss association to the Next Generation of EU programmes in research and innovation and thus to the whole Horizon package (Horizon Europe, Euratom, ITER, DEP). Furthermore, 39.8% of the academic personnel in Swiss universities are EU citizens.²
- In the framework of its association to **Schengen and Dublin** Switzerland is committed to common European solutions in the areas of security and migration and to a credible asylum policy at a European level. It actively participates in the instruments to fight terrorism and criminality, as well as in the concerted action to protect the external Schengen borders and improve repatriation.

Close partnership proves its worth in the Covid-19 crisis

- A close cooperation with the EU and EU member states as well as a rapid **integration of Switzerland into EU crisis management mechanisms** have proven to be important factors in order to manage the COVID-19 crisis. This has confirmed the importance of the bilateral agreements between Switzerland and the EU for both sides (notably to ensure supply and patient security).
- The **crisis management support** provided by Switzerland includes repatriation flights, admission of emergency patients and delivery of medical equipment – to Italy, for example, or by supporting Greece with humanitarian aid to migrants and refugees.

Institutional Issues

- Switzerland and the EU intend to improve the bilateral market access agreements by finding an agreement on **institutional mechanisms** (legal developments, interpretation, supervision and dispute settlement). An **institutional agreement (InstA)** would strengthen legal certainty and legal homogeneity, consolidate mutual market access and enable the further development of market access through new agreements.
- In 2019, the Federal Council carried out consultations on the draft agreement with the most concerned political and economic stakeholders. Based on the result of the consultations, the Federal Council required **clarifications** on the open points in the areas of wage protection, state aid and the Citizens Rights Directive.
- On 11 November 2020, the Federal Council defined its position regarding the necessary clarifications. Since January 2021, discussions with the EU have been ongoing. Only when satisfactory solutions to these points can be found, will there be enough **domestic political support** for the agreement to be approved by parliament and - in the very likely event of a referendum - by the people.

² FSO University Staff Survey for 2019.

Further development of relations in areas of common interest

- The Federal Council is keen to develop relations by concluding further agreements with the EU on market access and cooperation dossiers in areas of common interest, in particular for the **electricity market**. The main concern for Switzerland and the EU is to secure the supply in a deregulated market environment. Network access for cross-border electricity must be regulated and security standards for power grids harmonised. Switzerland could remain Europe's electricity hub and, thanks to the storage capacity of its hydroelectric power plants, it could act as a "battery" in the alpine region and contribute to the load balancing of European power supply.
- In addition, Switzerland and the EU have ongoing negotiations on cooperation in various fields such as **public health** and **food safety**. The conclusion of a health agreement is also important because it would secure Switzerland's access to the EU's early warning systems in the health sector and to the European Centre for Disease Prevention and Control (ECDC), which proved to be key instruments for European cooperation during the COVID-19 crisis.
- In 2013, Switzerland and the EU concluded cooperation agreements between **competition regulators** as well as in the field of **satellite navigation** (Galileo). In January 2020, the agreement between Switzerland and the EU on linking their CO² emissions trading systems (**ETS**) entered into force.