



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 a long-standing **development cooperation** with the Eastern European and Balkan countries outside of the EU (2.5 billion CHF for western Balkan countries since 1995). Moreover, Switzerland has carried out numerous projects with an autonomous **contribution of 1.3 billion EUR** in the 13 member states that joined the EU since 2004. Switzerland intends to continue its commitment in the EU with a second Swiss 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**. In the context of the Dublin reform Switzerland supports a fair burden sharing mechanism between member states. Beyond its obligations as a Schengen and Dublin associated state, it has participated voluntarily in the relocation and resettlement programmes of the EU during the last years. Following the worsening of the migration crisis in the Greek camps due to the Corona pandemic, Switzerland has participated in the reception of unaccompanied minors seeking asylum. In addition, Switzerland provided financial and personnel support to the European Asylum Support Office (EASO), it also contributed voluntarily with 5 million CHF to the EU Emergency Trust Fund for Africa.
- Switzerland contributes to the **promotion of peace, stability and security in Europe**. It participates regularly in the election observation missions of the EU: with this regard, it has sent an expert on secondment to the European External Action Service (EEAS). Switzerland also supports EU peace support missions with currently approx. 30 civilian experts and military troops in EU missions in the Western Balkans (EULEX Kosovo and EUFOR Althea) and the Sahel region (EUCAP Mali). It is also planning to participate in the EU Mission in Iraq (EUAM Iraq). About 165 members of the Swiss army in the NATO KFOR as well as civil secondments in the OSCE Special Observer Mission in Ukraine make other important contributions to European security.
- Switzerland also renders good offices to parties in conflict by mediating (e.g. dialogue Belgrade-Pristina), hosting negotiations (e.g. Iran/JCPOA), supporting ongoing peace processes (e.g. the Berlin process on Libya) and representing the interests of states that have broken off diplomatic relations (e.g. Georgia/Russia).
- Generally, Switzerland coordinates its foreign policy with the EU. It supports the EU sanctions policy and works closely with the EU and its member States at the international level in areas such as security, development cooperation as well as humanitarian, human rights and peace policies.

Close and intensive relations

- **Switzerland is among the top economic partners of the EU¹:**
 - **Trade in goods: Switzerland is the EU's 3rd partner - behind the USA and China** (~8% of total EU trade). The total trade value amounts to >1 billion EUR per working day. Trade with Switzerland is profitable for the EU, with an annual trade surplus of ~47 billion EUR.
 - **Trade in services: Switzerland is the 2nd partner of the EU behind the USA** (8% of the EU's imports and 13% of the EU's exports), with a total value of trade in services of 180 billion EUR yearly and an EU balance surplus of about 58 billion EUR.
 - **Foreign Investment: Switzerland is the 2nd foreign investor in the EU behind the USA** with direct investment stocks of almost 802 billion EUR (>12% of overall extra-EU investment stocks) which contribute to the creation of approx. 840 000 jobs. Inversely, Switzerland is the 2nd destination of EU foreign investment (> 979 billion EUR).
- Close to **1,4 million EU/EFTA citizens reside in Switzerland**. This corresponds to 17% of its total population of approx. 8,5 million inhabitants and approx. 7% of all EU/EFTA citizens that emigrated in another State within the EU/EFTA space. In addition, every day, around **328 000 EU residents**

¹ Statistical data from Eurostat, numbers apply to 2017 (investments) and 2018 (goods and services).

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**. Close to **460 000 Swiss citizens reside resp. work within the EU**.

- With the construction of the **AlpTransit worth around 23 billion EUR** (aka the transalpine railway network "NEAT") Switzerland is extending capacities for the smooth trade within the EU's internal market, including the world's longest railway tunnel: the Gotthard Base Tunnel. The NEAT will be completed at the end of 2020 with the commissioning of the Ceneri Base Tunnel.
- Switzerland and the EU have long engaged in successful cooperation in the area of research and innovation. In the EU Framework Programme for R&I, Horizon 2020 (including the Euratom Programme), Switzerland's participation amounts to 2.7% of all projects and 3.9% of the committed funds were allocated to Swiss partners. In addition, 39.8% of the academic personnel in Swiss universities are EU citizens. The Federal Council (government) aims 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).
- **Numerous bilateral agreements** are the basis of these very close relations. The EU has concluded more agreements with Switzerland than with any other third country (>120) 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.**
- 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 participates actively in the instruments to fight terrorism and criminality as well as in the concerted action to protect the external Schengen borders. In addition, Switzerland **contributes with 114 million CHF to the EU Internal Security Fund 2014-2020**.

Close partnership proves its worth in the Covid-19 crisis

- A close cooperation with the EU and the EU member States as well as a rapid integration of Switzerland into the EU crisis management mechanisms have proven to be important factors in order to manage the COVID-19 crisis. The importance of the bilateral agreements between Switzerland and the EU has been confirmed on both sides (among others to ensure supply and patient security).
- In this context, Switzerland will continue to offer its contribution to a successful joint crisis management. Examples of support provided so far are: repatriation flights (about 2'000 EU citizens were brought home with Swiss flights; about 1'400 Swiss nationals were repatriated on flights funded by EU member States); admission of emergency patients from and delivery of medical equipment to neighbouring countries;; humanitarian aid provided to migrants and refugees on the Greek islands

Institutional Issues

- For several years, Switzerland and the EU have been working towards solutions for the remaining **institutional issues** in the area of market access (legal developments, interpretation, supervision and dispute settlement). An institutional framework agreement (IFA) would allow for the **consolidation and development of reciprocal market access**. EU law incorporated in bilateral agreements on market access could be applied in full respect of each party's **autonomy** and its respective **legal order**. This would also guarantee the **further development of the bilateral approach**.
- The Federal Council led in 2019 consultations on the result of the negotiations on the IFA with the most concerned political and economic stakeholders. Based on the result of the consultations, the Federal Council confirmed its positive assessment of the IFA and required at the same time **clarifications with the EU on three points**: (i) legal certainty for the current level of wage protection in Switzerland, (ii) exclusion of horizontal effects of the rules on state aid and (iii) no obligation for an integral adoption of the Citizens Rights Directive.
- In order to secure the necessary internal support, the Federal Council is currently working out solutions in close cooperation with social partners and cantons. Only when mutually satisfactory solutions to these three remaining open points are found, there will be enough domestic support to sign the Agreement.

Further development and strengthening relations in areas of common interest

- An institutional agreement would provide legal certainty and enable an **efficient implementation of the five existing market access agreements**. In parallel to this, the Swiss government is keen to reach an agreement on further market access and cooperation dossiers with the EU, 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 contribute to the load balancing of European power supply as a “battery” in the alpine region.
- In addition, Switzerland and the EU have ongoing negotiations on **cooperation in various fields** such as public health or food safety.
- In 2013, Switzerland and the EU concluded cooperation agreements in the field of **satellite navigation** (Galileo), one of them between their competition authorities. In January 2020, the agreement between Switzerland and the EU on linking their CO² emissions trading systems (**ETS**) entered into force.