

EUROPEAN PARLIAMENT THE SWISS FEDERAL ASSEMBLY

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REPORT

Wednesday 18th June

Opening of the meeting

Ms Bilyana RAEVA, Head of the European Parliament delegation and Ms Brigitta GADIENT, Head of the Swiss delegation opened the meeting. Ms GADIENT thanked her colleagues from the European Parliament for the interparliamentary cooperation over the years. Both Ms RAEVA and Ms GADIENT were looking forward to this two-day meeting with a number of important subjects on the agenda.

Overview of the development, current state of play and future challenges of the bilateral relations between Switzerland and the EU

Presentations by

- Ambassador Jacques de Watteville, Head of the Swiss Mission to the EU
- Mr Michael Reiterer, Head of the EC Delegation to Switzerland

- EP Speaker: Ms Diana Wallis

Following the opening of the meeting, the floor was given to Ambassador DE WATTEVILLE, Head of the Swiss Mission to the EU. The Ambassador informed the meeting about the visits of Mr Barroso and Mrs Ferrero-Waldner to Switzerland - a confirmation of the excellent relationship between the Union and Switzerland - a number of issues had been discussed such as further involvement and implementation of bilateral agreements, free-movement of persons, cross-border workers, the Schengen agreement, protection of the environment, the cohesion agreement on Switzerland's contributions to the new EU member states Romania and Bulgaria and the tax controversy. The Ambassador also gave an overview of the close economic relations; Switzerland is the second largest trading partner to the EU after the USA and the third largest investor in the EU. Thousands of people travel over the borders for jobs or recreation. Further on, the Ambassador stated that the EU together with Switzerland has made an enormous contribution to peace and stability in Europe and Switzerland will continue its close cooperation with the EU by its participation in the Schengen/Dublin Agreements, contribution to the European infrastructure, cooperation in the work to protect the environment and combating international crime. Furthermore, the Ambassador commented on the Irish referendum. Switzerland has a long tradition of direct democracy

and several referenda occur per year. This might make the political process a bit more complicated and Swiss politicians have to put a lot of effort into informing the population about the pros and cons for a certain decision, but to take away the referenda would be to take away the symptoms, not the cause.

Mr REITERER thanked the Ambassador for his detailed introduction and expressed his content with the establishment, after 50 years, of a European Commission Delegation in Switzerland. Mr REITERER confirmed that the relationship between Switzerland and the Union in general is good, but that there are still many areas in which relations can be developed and/or deepened. The bilateral approach is not a "cherry-picking" approach, but a form of cooperation was the general interest sets the direction and both sides have to agree. When talking to people in Switzerland Mr REITERER got the impression that many show a lot of appreciation of the EU and its contributions to peace and stability in Europe. For this reason Mr REITERER believed that if there were a referendum today people would vote in favour of free-movement of persons. The visits of Mr Barroso and Mrs Ferrero-Waldner was a success and important for clearing up misunderstandings and deepening the relationship between the two partners. Further on Mr REITERER mentioned the 24h rule as creating unnecessary problems and direct democracy as not being better or less good than parliamentary representation.

Ms WALLIS thanked for the presentations and expressed her content with hearing from Mr REITERER that the establishment of the Commissions representation in Switzerland have improved the dialogue between the two partners since this is something that the European Parliament has been recommending for many years. Further on Ms Wallis referred to the long history of common values, reflected in the many bilateral agreements going beyond economics. Inevitably the constant development within the Union affects the cooperation and relationship between the EU and Switzerland, and whether we like the term or not there will be "cherry-picking". For this reason maybe, there is a need for some sort of framework agreement. Ms WALLIS also mentioned the Irish no in relations to the Swiss direct democracy which is very different from the EU experiences. The Irish no has stopped the process for the moment but this does not mean that the EU doesn't want to go further with regard to democracy question.

After the presentations of the keynote speakers, the following debate mainly revolved round the issues of co-operation, the Swiss system of direct democracy and the Irish no to the Lisbon treaty.

Mr Paul RÜBIG welcomed the meeting as an opportunity for discussion since it is the best way to solve any conflict of interest. He then gave a few comments with regard to the reform treaty. The reform process is a democratic process which has to take time since 27 member states have to reach a unanimous decision. The major problem in Ireland was that the politicians didn't manage to communicate what the treaty really was about. The Irish no has shown the member states that they need to improve their communicative work; people need to be better informed what the Union is about.

Mr Didier BURKHALTER expressed his opinions on the frustration sometimes shown from the Unions side on the need of carefulness with Switzerland because of the Swiss system of direct democracy. There is no need to see this system as anything negative; it is a part of the daily life in Switzerland and not something "tactical". Further on Mr BURKHALTER mentioned Security and Defence as areas that needs to be developed, particularly with regard to Peace keeping.

Ms Etelka BARSÍ PATAKY expressed her hopes that the Lisbon Treaty, taking into account the other member states that have ratified it, will not fall with the Irish no. Further on she stated that we have to recognise the possibility of very close cooperation with Switzerland not least in the area of a new European defence policy.

Mr Hans WIDMER gave his views on the system of direct democracy, the lower the level, the higher the legitimacy, and the new European defence policy which will certainly require bilateral agreements.

Mr Mieczyslaw Edmund JANOWSKI stated, like some of the previous speakers, that the Irish people didn't really know in what way the new Treaty could change the Union, and how could they, when not even the officials seemed to know. In any case the result of the referendum came as a cold shower for the Union, and this experience should now be used as an opportunity for improving the communication with the people.

Ambassador DE WATTEVILLE expressed that he basically could agree with everything that the previous speakers had said in relations to the Erasmus as a global program, the possibility of a discussion about future framework agreement or better structure of the bilateral agreements, and Galileo and taxation issues to mention some areas where, with a political will, a harmonious relationship could exist.

Mr REITERER pointed out that the relationship between Switzerland and the Union is based not only, and should not be so, on economics, but that it is very difficult to get topics relating to other areas of politics or society such as sustainable development or security into the media. Both parties need to sit down to the table and work harder.

Ms RAEVA closed the topic by stressing the need to recreate the trust of the people in the reform treaty.

Dialogue between the European Union and Switzerland on tax issues

Introductions by

- Mr Paul Rübig from the European Parliament, and
- Mr Eugen David from the Swiss delegation

Mr RÜBIG started his presentation by stating that tax is always a tricky issue. The problems from the past are known and we now have to find ways for Europe to compete with the rest of the world. The Lisbon agenda tries to bring

about higher wages and higher figures of employment. The discussion with Switzerland has to be approached in a step by step way. Neither the European Parliament nor the European Commission is against tax competition, the problem is that in Switzerland there is a difference between what someone local pays and what someone from abroad pays. This is discrimination and this is what we do not like. For these reasons the Union wishes to have an open discussion with Switzerland on how to achieve an open and non-discriminative tax system.

Mr DAVID focused his presentation on three key points in the discussion with the EU, namely the free-trade agreement (FTA) from 1972, what the FTA does involve and from where to go now. From a Swiss perspective non-Europe countries as well as European countries builds up their competition and Switzerland wishes to do the same as well as creating more job opportunities. When it comes to the tax issue, Mr DAVID said that Switzerland is surprised that this issue has come up now and the argument that Switzerland is not acting in good faith, several years after the conclusion of the agreement. He then gave an overview of the Swiss tax system since it seems to be so many misconceptions. First of all, there are two systems, the federal and the canton. At the federal level all corporations are taxed an 8.5 % federal flat rate corporate tax. In addition to this, it is up to each canton to decide cantonal corporate tax. If a canton sees that a corporation is not a burden to the infrastructure it can decide not to tax the corporation at all if it so wishes, which explain why different tax for national and non-national corporations is not discrimination. To change this system a referendum is needed and it would most likely not be accepted by the population to do so, just because the EU says so. However, Mr DAVID let the meeting know that Switzerland do have discussions with the EC on where to go next and that a high level working group has been set up to address the issue.

Mr Matthias BRINKMANN, the European Commission, expressed that he was pleased that the Union and Switzerland had entered into a constructive dialogue with a wish to look deeper into the difficulties with an aim of reaching a fair solution. From the Commission the problem is that it is clear that there are hundreds of thousands of facade post-box offices set up in, but with no activity in, Switzerland just to avoid taxation. How is it possible that 7.5 million Swiss people can be the second largest exporter to the EU, it is because of the brass plate companies. The Swiss system is being maintained on the expense of domestic companies. Further on Mr BRINKMANN stated that the Commission does not want to see the attempt to find a solution to the problem as a dictate from one side or to affect other bilateral agreements.

Mr KAUFMANN, as a reply to Mr BRINKMANN, asked from where the figure of hundreds of thousands of brass plate companies came? Further on Mr KAUFMANN stated that since there had been referenda on the taxation system there is no reason for the Commission to argue that the system is undemocratic or maintained at the expense of domestic companies. Switzerland does not subsidise exports and have no interest in doing so.

Mr DAVID, also as a reply to Mr BRINKMANN, stated that it is not true that foreign companies can set up a brass plate in Switzerland to avoid taxation in EU or to pay no tax in Switzerland. Yes, there are differences between each canton, but all have to pay the 8.5 % federal tax. Switzerland is happy to discuss taxation issues, but it has to be done in a calm, respectful way, without criticising each others taxation systems.

Mr RÜBIG closed the discussion by answering to the Swiss that the Union is not looking for a conflict but for a solution. Healthy competition has never hurt anyone, and Mr RÜBIG could not believe that it would be a problem to convince the Swiss population that it is a good thing for their country if foreign and domestic companies pay the same level of tax.

Free movement of persons - Experiences from the previous enlargements and accession of Romania and Bulgaria to the EU

Introductions by

- Mr Mieczyslaw Edmund Janowski from the European Parliament, and
- Ms Simonetta Sommaruga and Ms Kathy Riklin from the Swiss delegation

In her presentation Ms SOMMARUGA gave an overview of the development of the agreement of free movement of persons. The agreement has been adopted on a controlled step-by-step basis with quotas and back up measures to avoid wage and social dumping. Following a referendum in 2000 the agreement came into affect in 2002 with a possibility for Switzerland to opt out after 7 years. However, attached to the agreement is a guillotine clause, meaning if the agreement is not extended in 2009 all the sectoral agreements would end after a six month period. The Swiss government have not yet decided whether or not to hold a new referendum since 10 new states have joined the Union. As it seems now, a majority of the Swiss people is in favour, and has positive experiences of the free movement of people. The back up measures has worked well. The Swiss people have not experienced any loss of jobs and have, at the same time, had better access to jobs on the European market.

Mr JANOWSKI highlighted the many myths about migration and that the latest enlargements affected people which previously had not been used to free movement of persons. The importance of free movement of persons could not be underestimated, but of course this is not a one-way movement; people are moving in both directions. After the latest enlargements some countries expected floods of immigrants, but this has not happened and today many of those who actually moved are moving back again. Things may change, but not necessary to the worst, it is a win-win game. To set up quotas, restrictions for travelling or working for people from certain countries are not acceptable and have to be lifted.

Ms RIKLIN pointed out in her presentation that experiences show that less people than expected have immigrated. The majority of the Swiss population has a positive view on free movement since immigration of highly educated people is needed and they can also see that it is an opportunity for them

selves as well, to be able to move and work in EU-countries. If a referendum is held, it is likely to be with a positive outcome. However, some citizens still have doubts, which the Swiss government need to take seriously.

Mr BRINKMANN stressed that free movement of persons is a success story in which Switzerland has benefited highly. Countries like Romania and Bulgaria are not as interested in free movement of persons as many would like them to be since they experience a "brain drain" problem when high educated people are leaving to countries with better wages.

Mr DAVID pointed out that Switzerland is the non-EU country which has the most EU citizens within its borders and it is true that Switzerland has benefited but at the same time there are doubtful people that have to be respected as well.

Ms GADIANT commented that it has not yet been decided whether or not a referendum will be held. Further on Ms GADIANT expressed that there are some concerns related to the Roma population. In reality these concerns have nothing to do with free movement of persons, but it affects the populations' views on it since people read and hear about the problems with the Roma population in for example Italy.

Mr REITERER wanted to add one comment with regard to the discussion on Roma issue. When asking the office of justice in Switzerland the average level of criminality is lower among Romas and there is no case of a Roma committing a serious crime in Switzerland in recent years. People should be aware of this.

As a response to Ms GADIANT on the Roma population, Ms RAEVA stressed that instead of discussing on how to keep the Roma out we have to discuss on how to integrate them.

Ambassador DE WATTEVILLE expressed that the free movement of persons is working well. If some countries experience a "brain drain" it is just a proof of the openness of the Swiss market. Further on, the Ambassador announced that a working group had been set up and that Switzerland has the same views on the issue as the EU.

Swiss financial contributions to the EU enlargements in 2004 and in 2007

Introductions by

- Ms Etelka Barsi-Pataky from the European Parliament, and
- Mr Hans Kaufmann from the Swiss delegation

Ms BARSIPATAKY gave a brief overview of the background and current state of play. In 2004 a declaration of intent was signed, in 2005 the memorandum of understanding was passed and from the beginning of this year implementation has started. According to Ms BARSIPATAKY, Switzerland therefore have enjoyed the agreed benefits of contributing to the enlargement for four years without actually contributing as much as expected,

things now need to be speeded up. However it is very pleasing that Swiss offices have been set up in the new member states.

Mr KAUFMANN pointed out, as a response to the introduction by Ms BARSIPATAKY, that the basis for Swiss enlargement contributions has always been that they are voluntary. However, Switzerland does want to speed up the process and are planning to distribute the approved funds during a five year plan. Since the distribution is not going through Brussels there is a risk that some partners/project will be paid twice, Mr KAUFMANN hoped this will be prevented by the control mechanisms. Further on, Mr Kaufmann stated that it is important to remember that these are not the only money from Switzerland who also participates in Galileo, provides tunnel infrastructure and do purchase goods from these countries as well as the EU.

Ambassador DE WATTEVILLE said, also in response to Ms BARSIPATAKY, that it is correct that it has taken time for the Swiss contributions to get started since in Switzerland there is always a debate around every issue. Apart from this, Switzerland would be happy to spend the money but it has to be done in a good way, finding appropriate projects, overriding the risk of corruption, useless spending etc, which do take time.

In response to Ambassador DE WATTEVILLE, Mr BRINKMANN pointed to the Norwegian experience which shows that there are actually more appropriate projects than there are funds; an absorption problem does not exist. Mr BRINKMANN concluded by arguing that Switzerland has more advantages but contributes with less than Norway.

Ms BARSIPATAKY follow up by saying that it is obvious that this is a sensitive issue whereby she wished to clear up some things regarding the spending of the money. Of course it is important to make sure that the money are spent well, to avoid corruption and double spending; however, since there at the moment are so many projects without enough funding it shouldn't be a problem to find appropriate projects to support.

Mr KAUFMANN once again pointed out that the contributions are made on a voluntary base and that Switzerland only wants to make sure that the money is well spent.

Ms RAEVA closed the debate and the meeting for the day by making a reflexion over the fifth freedom to be added to the previous four, namely the freedom of knowledge. It is important to highlight that these money really come useful in the work to level out differences between new and old member states.

Thursday 19th June

Mr SAKALAS, 1st Vice Chair, replaced Ms RAEVA as Chairperson, opened the meeting and gave the floor to Mr WIDMER.

Cross border service provisions

Introductions by

- Ms Hanne Dahl from the European Parliament, and
- Mr Hans Widmer from the Swiss delegation

Mr WIDMER focused his presentation on answering to the criticism from its neighbours Germany and Austria and also from the Commission of the so called "eight day rule". The Commission argues that the rule/deadline is a violation of the free movement of persons' agreement. Switzerland does not agree with this, and in emergency cases this deadline does not even apply. Further on, a central information platform has been set up on Internet to answer questions from foreigners. However, there are also problems from the Swiss side, for example businesses have difficulties in receiving VAT refunds from France, which leads to a number of problems especially for small companies. In summary, even if the current agreement is well implemented there is room for improvement from both sides whereby Mr WIDMER announced that there is an idea to set up a joint committee by the end of June to tackle problems in a practical way.

Ms DAHL started with pointing out that, as an answer to the comments on the eight day rule by Mr WIDMER, she has understood that there is a communication from the Commission regarding this issue. She then explained that she only represented her own opinions and not necessary the views of her political group and then continued setting a focus on the Service directive. The main intention of the directive is to encourage growth, but from the European Parliament there was also a demand for a more social basis, representing the interest of the workers as well as the consumers' perspective. Who should you turn to if you, for example, have a problem or are dissatisfied with a service provided? Mentioning the recent court ruling in the "Waxholm-case", Ms DAHL also pointed out the need to safeguard workers rights and to maintain the welfare state. Adopted measures need to be proportional to what is being protected.

Mr BRINKMANN, in response to Mr WIDMER, pointed out some of the obstacles that will be discussed in the joint committee. The Commission have received complaints about the Swiss pre-application demand for citizens from new member states, which is not in line with the agreement. Furthermore, the eight day rule, meaning that you are not allowed to provide services until after eight days, presents an obstacle for the free provision of services. Switzerland has answered to the criticism that they will be more flexible but in the long run we insist that the agreement as a whole should apply. Mr BRINKMANN also mentioned the difficulties for foreign businesses to understand how to apply the correct rules on working conditions to avoid being fined. The Internet sanction list of all service providers which have not been able to comply with the regulation is a type of list that publicly shame people and is clearly not in line with the agreement and need to be abolished.

In response to Mr BRINKMANN, Ambassador DE WATTEVILLE expressed his full support to Mr WIDMER. Switzerland is taking these issues very serious; we have set up a working group, we meet with complaining member

states to try to find solutions to the problems and we will take place in the joint committee. We are looking for a practical solution to the barriers on both sides without being obliged to change the law which would be the same as being forced to hold a referendum. To solve the problems with foreign business not understanding which or how to apply the correct regulations an Internet platform has been set up.

Schengen/Dublin. Evaluation process by the EU and Switzerland's operational participation

Introductions by

- Mrs Marie Panayotopoulos from the European Parliament, and
- Mr Didier Burkhalter from the Swiss delegation

In her presentation Mrs PANAYOTOPOULOS gave a brief overview of what Schengen and Dublin is; agreements to deal with the abolition of systematic border controls, respectively to determine which state is responsible for processing an application for asylum, and its main objectives - to provide freedom of movement of people while at the same time maintain and reinforce the level of security, respectively to eliminate the expense of multiple processing of asylum requests and to reduce the burden on national asylum systems. Schengen is a great advantage to the Union since it makes it more accessible, but it could also, as Mrs PANAYOTOPOULOS highlighted, possibly mean that it makes it easier to traffic woman and children and to an increase illegal trade. At the moment Switzerland is undergoing an evaluation process, and providing that Switzerland meet the requirements the country is expected to be an operational member of the agreement in the end of 2008. The Swiss delegation was asked about their impressions and results so far of signing up to the Dublin convention and the increased cooperation.

Mr BURKHALTER started his introduction with reassuring that Switzerland does not want to be a hole in Europe but wish to participate fully in the agreements as well as in the fight against international crime. In a very Swiss way this process goes back to a referendum. 2008 will be a crucial year for the Agreement, the evaluation process has been launched and we have a great cooperation with the Slovenian Presidency. Positive results have already come from the first out of five areas to be evaluated namely data protection. Mr BURKHALTER also commented on Lichtenstein which probably won't join the agreement at the same time as Switzerland. However, this should not be a major problem since there is no international airport in Lichtenstein and all parties are now looking for a pragmatic solution.

Mr JANOWSKI pointed out the need to find a way to facilitate travels from neighbouring non-Schengen countries who now find themselves in a situation where it suddenly has become more difficult to travel to their closest neighbours. Schengen must not be a new iron curtain.

Mr BRINKMANN briefed the meeting about the current state of affairs with regards to Liechtenstein. The member states have insisted that Lichtenstein should be an out of the Schengen border which means that border needs to

be checked, but at the same time geographies and practicalities are understood and the Commission will try to find a practical solution. However, ultimately it is still the member states who decide.

Mr DAVID welcomed the pragmatic approach by Mr BRINKMANN on the Liechtenstein situation, and underlined that we all have to remember the people, and workers who have to cross the borders on a daily basis, when we make up laws and regulations.

Mr BURKHALTER agreed with Mr JANOWSKI that a new iron curtain is not desirable, and with Mr BRINKMANN pragmatic approach to the Liechtenstein issue.

Mrs PANAYOTOPOULOS closed the debate and expressed her best wishes for Switzerland soon being a member of Schengen since both parties have everything to gain.

Free-trade in agricultural products

Introductions by

- Mr Alyn Smith from the European Parliament, and
- Ms Marlies Bänziger from the Swiss delegation

Ms BÄNZIGER started her presentation with pointing out the close connections between Switzerland and the Union, huge volumes of goods pass the borders every day. The EU is the most important trading partner for Switzerland. However, the trade between the two could be even better. The free trade agreement has been in force since 1972, and in 1999 a bilateral agreement on the free movement of some agricultural products was established but didn't go into force until 2007. Further removal of tariffs and liberalisation in the trade on agricultural products would not only increase the trade and competition resulting in lower prices for Swiss consumers and increased purchasing power but also remove down streams barriers affecting large groups of products. All in all great benefits, but also raising the question of a probably reduction of Swiss farmers' income by 1/3, meaning that the Swiss government must step in to compensate the farmers. Ms BÄNZIGER also mentioned other issues that are important to the Swiss people when negotiating a new free trade agreement such as animal welfare, the current GMO moratorium, increased pressure on transport routes and the environment.

Mr SMITH gave as a member of the Agricultural Committee in the Parliament an update on the common agricultural policy health check proposals put forward by Commissioner Fischer Boel on the 20th of May. The health check is designed to simplify the way that European agriculture policy function and the way that our subsidies operate. It remains to be seen whether that will be the case. The implications of the legislative proposals still to be worked out are that we will see more decoupling of payment and more emphasis on efficiency and environmental benefits. Greater uniform support in the sense that the Commission also gives countries the choice of abandoning payment calculated on historical receipts in favour of a more efficient flat rate system.

Support for "set-a-side", as earlier promoted because of over-production problems, will be abolished. However, member states will still have the opportunity to reserve specific support for environmental benefits and the compulsory modulation rate for environmental schemes will get progressively higher which will take money away from direct payments to farmers. As regards the common market, market intervention instruments such as the milk quotas will be completely phased out until 2015. Market supply should be allowed to do as much as it can; farmers should be able to plant, grow and breed whatever they think is most appropriate at the same time as more emphasis is put into rural development and environmental protection.

Mr BRINKMANN informed the meeting about present talks between the Commission and the Swiss authorities and expressed that the Commission in basic have a positive attitude of the current state of play. Stepping up trade in agricultural products is something which can be positive for both sides especially since Switzerland, with high quality agricultural products such as cheese, very likely would be able to take a market niche in the EU. The Swiss argument that Swiss farmers do not have the same competition conditions, since fertilizers and machines are a third more expensive in Switzerland than in the EU (not a problem for the EU), is a problem for Switzerland to tackle. More preliminary talks are necessary to solve these issues on the basis of the acquis as with the EEA.

Ambassador DE WATTEVILLE expressed his content with the presentation made by Mr SMITH and the health check of the European agriculture system. In response to Mr BRINKMANN and the problems mentioned, the Ambassador stated that there is a difference in the Swiss approach to the issue on how to achieve results but Switzerland do have a good will and wants to move in the same direction.

Mr KAUFMANN said that he though this agreement is going to be highly disputed in Switzerland not only because of quality problems, of fear of poor products but also because of the risk of cuts in subsidies and increased competition for domestic farmers. It is true that a liberalisation of the market will result in increased exports, but what about the increased import? And when there is a downhill in the economy what will happen then? Switzerland is a small country with a small export possibility in comparison with the EU.

Mr RÜBIG stated, as a response to the previous speaker, that the debate on this issue is very intense in the European Parliament as well. Agricultural policies have taken a prime place because of rising food prices. Before we had problems of over production, now the problem is the opposite, we have a shortage. World wide there is an increase in the demand for renewable energy, which increases the demand and by so the prices. Requirements from the agricultural sector have changed a lot in a short time, and how can we deal with the surge of energy to China? We should see this as an opportunity for Europe in the WTO negotiations to come.

Mr REITERER said, in response to previous speakers, that he does not have the impression that the attitude of Switzerland towards free-trade in

agricultural products as being quite so gloomy. Of course there are differences in interests depending on which industry you talk about, for example the meat industry is in favour whilst the fruit industry is a bit less positive. However, we still don't know what will come out of the political process within Switzerland but I think we do have the basis and should stay positive, said Mr REITERER.

Ms GADIENT added to Mr REITERER that important negotiations are ongoing in Switzerland. A working group has been set up with the relevant members of the Federal Council and actors from the agricultural sector to discuss what domestic measures need to be taken to compensate for Swiss farmers' income loss. Regardless if the majority in some sectors are positive to an agreement it is important to involve all in the discussion and the agreement.

Ms BÄNZIGER and Mr SMITH rounded up the discussion by concluding that a free trade agreement is needed and that there is no alternative to this. However, free trade in agricultural products is a sensitive issue because of the socio-economic aspect and we now need to continue the discussion on how to go forward.