

# EU-Swiss trade relations and the institutional framework agreement

## SUMMARY

On 26 May 2021, the Federal Council of Switzerland (Swiss executive authority) announced that the country will not formally sign the institutional framework agreement (IFA) agreed at political level with the European Union (EU) in 2018, thereby ending the negotiation process. The objective of the IFA was to create a horizontal governance framework that would have covered five major EU-Swiss trade-related bilateral agreements signed in 1999, part of the 'Bilaterals I' package. It also provided for dynamic alignment of standards in the domains covered by the IFA, a dispute settlement mechanism with jurisdiction of the Court of Justice of the EU on EU law, and State aid rules.

The EU considers that Switzerland does not respect all of its commitments in the existing agreements, which give the country access to parts of the EU's single market; it perceives the current situation as unbalanced, partly due to the absence of dispute settlement mechanisms in the existing agreements. In addition, the dynamic alignment and State aid rules envisaged in the IFA would have enhanced fair competition between EU and Swiss businesses ('level playing field'). Switzerland, although it aims to 'deepen' its relations with the EU by means of new sectoral agreements, is concerned by the potential application of the EU Citizens' Right Directive, as well as the potential future removal of the labour market exemptions provided by the IFA protocols. To a lesser extent, it is also concerned with the IFA's State aid rules. Switzerland consequently requested 'explicit clarification' from the EU on these points in 2019, then resumed talks in 2021.

According to the European Commission and European Parliament, 'the door is always open', but new agreements are unlikely to be signed without a framework agreement. The Commission has also emphasised that the upgrading of existing agreements – necessary whenever new EU standards are adopted to maintain their applicability – will be assessed on a case-by-case basis to prevent unintended effects. Medical device equivalence, previously covered by provisions of the EU-Swiss Mutual Recognition Agreement, is the first no longer to be applied as a consequence of changes in EU standards.



### IN THIS BRIEFING

- Background
- Scope and content of the IFA
- Issues raised by Switzerland
- Positions
- Expert opinions
- Prospects

## Background

On 26 May 2021, Switzerland's [Federal Council](#)<sup>1</sup> [decided](#) not to sign the [institutional framework agreement](#) (IFA) that the EU and Switzerland concluded in 2018. EU-Swiss relations are governed by 20 [main bilateral agreements](#) and about as many [joint committees](#), plus another [100 agreements](#). The first three main agreements are:

- [Free Trade Agreement](#) (FTA) (in force since 1972).
- [Insurance](#) (1993)
- Goods transportation (1991), superseded by [Customs facilitation and security](#) (2011).

Following the [referendum](#) held in 1992, where Swiss voters rejected EEA membership by a narrow margin, Switzerland engaged in discussions with the EU on sectoral bilateral agreements aimed at deepening [EU-Swiss relations](#), especially on trade. These discussions were concluded with the signature of a package of seven bilateral agreements ([Bilaterals I](#))<sup>2</sup> on 21 June 1999 (in force since 1 June 2002), which cover the following areas:

- free movement of persons
- air transport
- carriage of goods and passengers by rail and road (land transport)
- trade in agricultural products
- mutual recognition in relation to conformity assessment
- certain aspects of government procurement
- scientific and technological cooperation

With the exception of the Air Transport Agreement, the Bilaterals I agreements provide no mechanism for automatic or dynamic adjustment of standards, and require both parties' agreement to be modified. In 2004, nine additional sectoral agreements were signed ([Bilaterals II](#)), namely:

- participation in Schengen and Dublin treaties (in force since 2008);
- agreement on the taxation of savings income (2005), superseded by automatic exchange of information (2017);
- fight against fraud (not in force);
- processed agricultural products (2005);
- Creative Europe (MEDIA) (terms to be defined for 2021-2027);
- Environment (2006);
- Statistics (2007);
- Pensions (2005);
- ERASMUS+ (terms to be defined for 2021-2027).

Nine other bilateral agreements have been signed since 2004, concerning:

- [Europol](#) (in force since 2006);
- [Eurojust](#) (2011);
- [Framework for Cooperation with the European Defence Agency](#) (EDA) (2012);
- [Cooperation between competition authorities](#) (2014);
- [Satellite navigation systems](#) ([Galileo](#), [EGNOS](#)) (2014, provisionally applied);

### Swiss accession to the EU

As a member of the European Free Trade Association ([EFTA](#)), Switzerland took part in the [negotiations](#) for the European Economic Area ([EEA](#)) Agreement, signed on 2 May 1992; Switzerland also submitted an application for accession to the EU on 22 May 1992. However, in a referendum held on 6 December 1992, Swiss voters rejected EEA membership by 50.3 %, with a high participation of voters (79 %); as a result, Switzerland suspended the EU accession process.

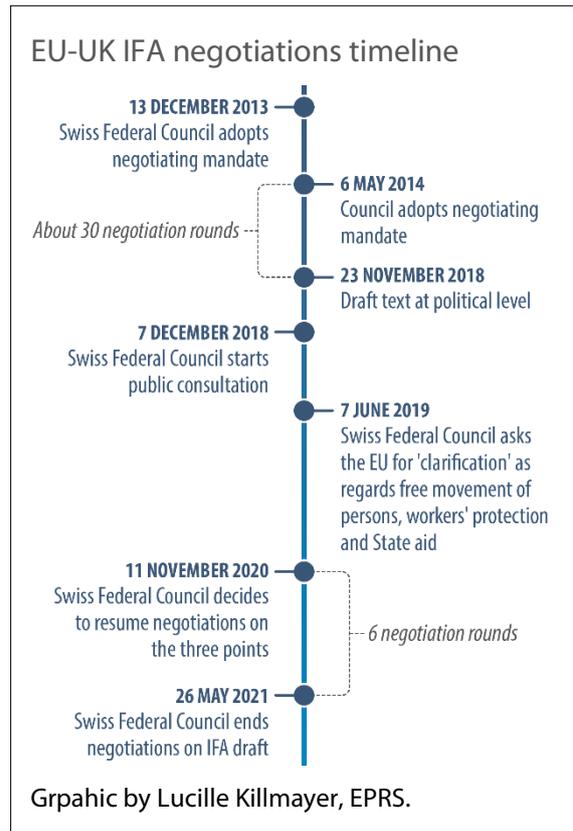
In two subsequent consultations in 1997 and 2001, more than 75 % of voters were against EU membership. The referendum was called by pro-European actors, although others [considered](#) the vote came too soon: reporting in *The Economist* suggests that Swiss citizens felt they already enjoyed economic benefits via the Bilaterals I agreements with the EU and did not want further constraints, on grounds of national identity. In June 2016, the Swiss Parliament [officially withdrew](#) the application to join the EU.

- [Arrangement on participation in the European Asylum Support Office \(EASO\) \(2016\);](#)
- [Linking of emissions trading schemes \(2020\).](#)

In 2014, the [EU](#) and [Switzerland](#) launched negotiations to consolidate most of the trade-related agreements into a single legal framework, which would provide a robust institutional framework for future sectoral agreements. On 23 November 2018, the text of the IFA was agreed at political level, before European Parliament (May 2019) and Swiss Federal Council (October 2019) elections.

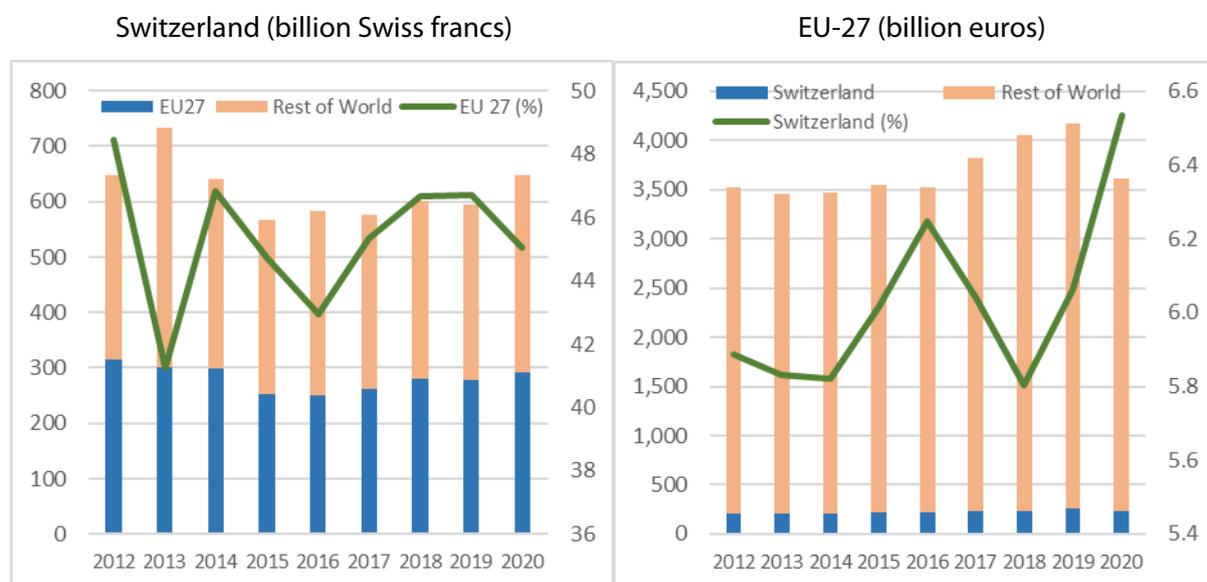
## EU-Swiss trade relations

Today, the EU and Swiss economies are substantially interconnected. According to pre-pandemic figures in 2019, the EU-27 represents about 50 % of Swiss imports of goods, and 41 % of exports, with the numbers relatively stable since 2012.<sup>3</sup> In 2020, Switzerland was the fourth destination of EU goods exports (7.4 %), and the fourth originating country of EU goods imports (6.3 %). Figure 2 shows that total Swiss trade (imports plus exports) is concentrated in five countries, which represented about 75 % of pre-pandemic total trade in 2019. The second largest Swiss trading partner, after the EU (at 47 %), is the United States (at 11 %). The USA is the EU's largest trading partner (15 %). The EU's five largest trading partners represent about 50 % of EU trade.



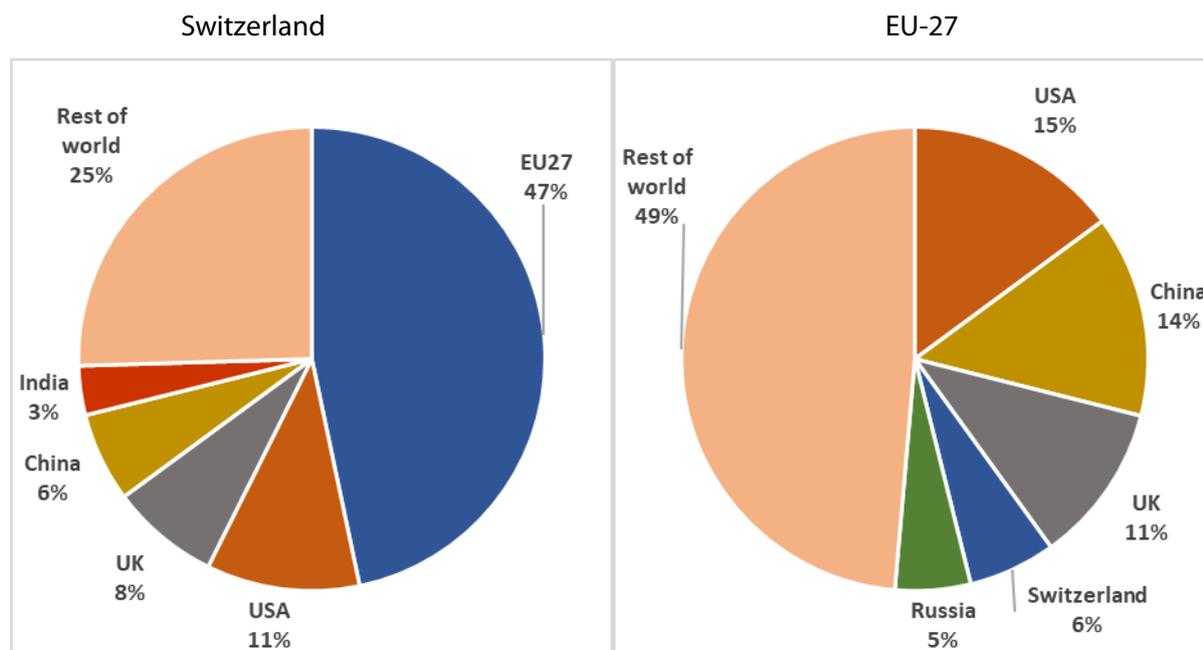
Finally, the main sector of trade activity (Table 1) is **Chemical products and allied industries** (31.4 % of total trade) followed by **Machinery and electrical equipment** (14.5 %), the two of which represent nearly half of total EU-Swiss trade in goods.<sup>4</sup>

Figure 1 – Total Swiss and EU-27 trade (imports plus exports)



Source: [UN Comtrade database](#); author's calculations.

Figure 2 – Top five Swiss and EU-27 trading partners, total trade 2019.



Source: [UN Comtrade database](#); author's calculations.

Table 1 – Total EU-Swiss trade (imports plus exports) by sector, 2019

Sector	Flow
Chemical Products, Allied Industries	31.4
Machinery; Electrical Equipment	14.5
Precious Stones, Metals, Jewellery	11.5
Precision Instruments	7.1
Transportation	6.3
Base Metals	6.3
Mineral Products	3.8
Plastics; Rubbers	3.8
Prepared Foodstuffs; Beverages; Tobacco	2.8
Textiles	2.5
Misc. Manuf.	2.0
Pulp of Wood; Paper; Printed Books	1.7
Vegetable Products	1.5
Stone, Plaster, Cement; Ceramic; Glass	1.0
Wood, Articles of Wood	0.8
Animal Products	0.8
Footwear, Headgear, Umbrellas	0.7
Works of Art	0.7
Raw Hides and Skins, Leather, Furskins	0.5
Arms and Ammunition	0.1
Animal/Vegetable Fats and Oils	0.1

Source: [UN Comtrade database](#); author's calculations.

## Scope and content of the IFA

As stated in [Part I](#) of the IFA, its objective was to guarantee 'greater legal certainty' and 'fair treatment in the parts of the EU single markets in which Switzerland participates', and would have applied to five of the 1999 Bilateral I agreements, namely those relating to access to the EU's single market ([Article 2](#)):

- free movement of persons;
- air transport;
- carriage of goods and passengers by rail and road (land transport);
- trade in agricultural products;
- mutual recognition in relation to conformity assessment.

The IFA included provisions aimed at cooperation and coordination ([Part III](#)), which sets out a single overarching institutional framework ([Article 15](#)) and parliamentary cooperation for dialogue ([Article 16](#)).

To ensure the effective functioning of the parts of the single market in which Switzerland participates, the IFA includes provisions on State aid rules ([Article 8A-C](#)) and the alignment of current and future standards in the areas covered by these agreements – 'dynamic alignment', Articles [13](#) and [14](#). Shared State aid rules and the dynamic alignment of standards are aimed at safeguarding fair competition between EU and Swiss businesses – the **level playing field**.

Finally, the IFA includes provisions establishing a dispute settlement mechanism encompassing standard state-to-state arbitral tribunal rules. Nevertheless, the interpretation and application of EU law falls under the jurisdiction of the Court of Justice of the European Union (CJEU), and the tribunal may (and either party may ask the tribunal to) consult the CJEU for an interpretation of EU law. The objective is to safeguard the principle of 'uniform interpretation'.

Importantly, although the scope of the IFA is to cover the five aforementioned bilateral agreements, it also includes a decision of the Joint Committee of the EU-Swiss Free Trade Agreement (FTA, 1972), stating that, as regards the interpretation of EU law in the FTA (1972), including State aid and safeguard measures, an arbitral tribunal shall decide according to Article 10 of the IFA, which gives powers to the CJEU on the interpretation of EU law.

The IFA also introduces exceptions for the application of EU law in Switzerland. Firstly, [Protocol 1](#) introduces a number of exceptions for EU service providers on the Swiss market:

- they will have to register the service up to four days ahead of the date the service is provided;
- whenever a service has not been registered in due time, proportionate deposits shall be requested for subsequent service provisions;
- Swiss authorities can conduct ex-post controls.

Secondly, [Protocol 2](#) introduces exemptions in the application of EU law to Switzerland in the domains of freedom of movement of persons, land transport, and trade in agricultural products. Among others, exceptions relate to pensions and payments on social security funds; maximum weight of transport vehicles and trains, Gotthard tunnel capacity rules, and some prohibitions on circulation; restrictions on imports of agricultural products into Switzerland, live animal transit, and the possibility for Switzerland to import beef meat treated with growth promoters.

Finally, future agreements, such as those on electricity and on public health under negotiation, would have fallen under the scope of the IFA.

## Issues raised by Switzerland

Shortly after the IFA was agreed in principle on 23 November 2018, the Swiss Federal Council [communicated](#) on 7 December 2018, that it would launch consultations with Swiss stakeholders to

assess whether the IFA could receive sufficient political support in the Swiss Parliament and from the Swiss people. The communication includes some clarifications of the IFA text, in particular: the dynamic adoption of standards, as set out in the IFA; ruling out the automatic adoption of EU law and allowing agreements to be updated regularly; and affording Switzerland autonomous decision-making on whether to incorporate any development in EU law into a market access agreement, in line with its legislative procedures, including the option of holding a referendum.

The consultations were conducted with the [Federal Assembly committees](#), the parties, the *cantons*, social partners and academia. The Federal Council took stock of the results of the consultations and on 7 June 2019, Swiss President of the Federal Council Ueli Maurer, addressed a [letter](#) to then European Commission President Jean-Claude Juncker, declaring that the discussions had highlighted three aspects of the text.

- State aid;
- EU Citizens' Rights Directive (CRD, [Directive 2004/38](#)) on the rights of citizens of the EU and members of their families to move and reside freely in the territory of the Member States;
- the protection of wages in connection with the posting of workers.

The letter continues with a request to clarify the following points:

- the provisions relating to the regulation of State aid do not have horizontal effects, in particular on the 1972 FTA before its possible modernisation; this would be achieved in particular by waiving the decision of the Joint Committee of the EU-Swiss FTA (1972);
- providing legal certainty on the level of wage protection in force in Switzerland;
- with regard to the Directive on the free movement of EU citizens, Switzerland specifies that no provision of the institutional agreement can be interpreted as an obligation for Switzerland to take over the said directive, as well as its developments, and that a possible adoption of the said directive by Switzerland cannot be carried out through negotiation between the parties.

The letter concludes by stating that the Federal Council was ready to engage in dialogue with the Commission with the aim of arriving at a mutually satisfactory solution.

In his 11 June 2019 [reply](#), Juncker declared that the EU could bring about the necessary clarifications, but negotiations could not be re-opened. Nevertheless, talks on the 'controversial points' of the IFA [resumed](#) in January 2021.

## Positions

### Swiss Federal Council

In a [statement](#) issued on 26 May 2021, announcing that the negotiations 'on the draft of the IFA' were at a close', and especially in its [annex](#) on the outcome of the talks with the EU, the Swiss Federal Council motivates its decision by explaining that differences remain between the EU and Switzerland, in three fields:

- Citizens' Rights Directive (CRD)

The 'explicit exemptions' in the IFA need to be granted because there is the risk that EU citizens' rights could be extended in the future, which would have a significant impact on social security costs. Moreover, the application of the EU CRD to Switzerland would constitute a 'shift' in Swiss migration policy, which receives wide support in the country.

- Wage protection

The Federal Council also highlights the difference in the interpretation of the principle 'equal pay for equal work': to Switzerland, this principle 'serves to protect workers', while for the EU, preventing competitive distortions in labour markets is 'also of major relevance'. The Swiss

statement specifies that, because the EU is 'unwilling to clarify', Switzerland is concerned that (future) EU law may affect these accompanying exempting measures.

#### ➤ State aid

Finally, the Federal Council statement reiterates that the State aid provisions should have no horizontal effects beyond the fields covered by the IFA, in particular not on the 1972 EU-Swiss FTA before its modernisation; the annex of the statement observes that the EU was open to making such a clarification regarding this matter.

## European Commission

During a [debate](#) in the European Parliament's Committee on International Trade (INTA) on 16 June 2021, the European Commission representative, Michael Karnitschnig, declared that the IFA was aimed at preserving fairness, non-discrimination and a level playing field for EU citizens and companies. He added that, even though the Commission has no intention of engaging in any kind of retaliatory attitude and will remain fully committed to its legal obligations, the status quo is not an option, because it would worsen the problem. Indeed, according to Karnitschnig, the IFA negotiations should not be regarded as standard free trade agreement negotiations because the IFA was aimed at providing an institutional framework for existing agreements, and, in the current set-up, where the 'Swiss are not playing by the rules', there are no legal mechanisms available to the EU to address this issue. In future, therefore, when EU rules are modified by the Council and Parliament – and provided that there are no legal obligations to upgrade an agreement with Switzerland – the EU will assess carefully on a 'case-by-case' basis whether or not to upgrade the related agreement based on the EU's interest, and decisions will be taken accordingly. During the same debate, Karnitschnig added that the EU has made a series of offers and it is now up to Switzerland to assess each of the options and return to a constructive relationship, to which 'we are extremely committed'.

## Council

In its [mandate](#) for the negotiations of 6 May 2014, the Council had stated the need for a horizontal framework governing the various bilateral agreements, in particular to protect the homogeneity of the single market and ensure legal certainty for authorities, citizens and economic operators. The Council had voiced the need for an overarching institutional framework for EU-Switzerland relations as early as in [2010](#) and [2012](#).

In its [conclusions](#) on EU relations with the Swiss Confederation dated 28 February 2017, the Council reiterated that the free movement of persons is a fundamental pillar of EU policy and that the single market and its four freedoms are indivisible. Nevertheless, the Council paid close attention to the legislative process in Switzerland that took place following the result of the [popular initiative](#) 'Against Mass Immigration' of 9 February 2014 – asking for the reintroduction of quotas on EU immigration, which was approved by a majority of 50.3 % – and the resulting [text](#) adopted on 16 December 2016 by the Swiss Federal Assembly, regarding whether it can be implemented in a manner compatible with the rights of EU citizens under the agreement on free movement of persons.<sup>5</sup>

In its [conclusions](#) of 19 February 2019, the Council emphasised that the conclusion of the IFA is a precondition for the conclusion of future agreements on Swiss participation in the EU internal market and essential for 'further progress towards mutual market access'. The IFA would allow for a consolidation of the bilateral approach, since it would ensure its 'sustainability and further development'. The General Affairs Council meeting of 11 May 2021 took stock of the state of play in the negotiations. In the [press conference](#) following the meeting, the [Portuguese Presidency](#) and Commission Vice-President for Interinstitutional Relations and Foresight, [Maroš Šefčovič](#), called jointly for the conclusion of the IFA.

## European Parliament

Andreas Schwab (EPP, Germany), Chair of Parliament's Delegation for relations with Switzerland, Norway, Iceland, the European Economic Area (EEA) and the North (DEEA), published a [statement](#) on 26 May 2021, regretting the Swiss government decision. He also regrets that some in Switzerland have misapprehended that the United Kingdom (UK) withdrawal from the EU would strengthen their negotiating position, nurtured the narrative that the EU works against Swiss interests, and notes that political actors should recognise that the European project has brought about peace and prosperity – including for Switzerland. For Schwab, the Swiss negotiating team 'will now have to pick up the pieces' and the issues remain unresolved. It will now be more difficult for Switzerland to retain access to the EU single market, from which it has benefited. The main issue remains the lack of legal certainty due to the absence of a robust and reliable dispute settlement mechanism. Nevertheless, Schwab reiterates that the door for negotiations is always open.

Bernd Lange (S&D, Germany), Chair of the European Parliament Committee on International Trade (INTA) [declared](#) that he regretted the decision, but that there can be no 'half-measures in agreements' with the EU. However, he stated that cooperation will continue. David McAllister (EPP, Germany), Chair of the Committee on Foreign Affairs (AFET), also [reacted](#) to the Swiss decision, saying that there can be no exceptions when it comes to access to the EU internal market, and the EU is much stricter there than when it comes to trade agreements with states that are significantly less close to the EU. These positions were reiterated during Parliament's [debate](#) on future EU-Swiss relations with Commission Vice-President [Maroš Šefčovič](#), which took place during the European Parliament plenary session on 24 June 2021.

## Debates and reactions in Switzerland

In Switzerland, the Swiss government decision was particularly [welcomed](#) by trade unions and the Swiss People's Party (SVP), while other main parties regretted the failure to reach a compromise with the EU. The institutional framework agreement would have needed to be approved by referendum. Although according to the latest polls, published in May 2021, before the Swiss decision, [public opinion](#) was 64 % in favour of the IFA, a [poll](#) published on 18 June 2021 shows that 51 % of Swiss supported the Federal Council decision, and only 35 % were in favour of the IFA. Those polled who supported the IFA are voters for the centrist Liberal Green Party (57 % in favour), the left-wing Social Democratic Party (55 % in favour), and the Green Party (54 % in favour). The IFA is rejected by voters for the right-wing Swiss People's Party (82 % against), the centre-right Radical Liberal Party (53 % against), and the Centre Party (50 % against).

The main Swiss concerns are the free movement of persons, CJEU jurisdiction and the 'automatic' adoption of EU law by Switzerland through the dynamic alignment mechanism. Trade unions were against free movement and favoured the inclusion of barriers such as delays and deposits to enter Switzerland – as envisaged in IFA protocol exemptions – to prevent 'wage dumping', considered a serious threat to Swiss workers. The trade unions are also afraid that EU citizens would make claims on Swiss social security funds, as reflected in the result of the [referendum](#) held on 9 February 2014.

According to the Association of Swiss Electricity Companies (AES), reaching an electricity deal is no longer realistic in the short term, and the stability of the [Swiss electricity grid is at stake](#). The AES [explains](#) that Switzerland finds itself increasingly excluded from the development of an integrated European market, with negative effects on the country. The Swiss network is increasingly congested with unplanned and random current flows, thereby adding costs for the end consumer. In addition, Swiss electricity companies are excluded from price negotiation platforms,<sup>6</sup> thereby losing opportunities. This situation will worsen without an agreement.

## Expert opinions

According to [Thomas Cottier](#), Professor of European and international law at Bern University, the Federal Council was not [competent](#) to take this decision, since it goes beyond the IFA and brings about the end of relations based on bilateral agreements; a decision of this importance would thus have required the approval of parliament under constitutional law. In the past Thomas Courtier has expressed his [support](#) for the IFA, arguing that the IFA would have been beneficial for Switzerland, and was acceptable from the perspective of a modern understanding of sovereignty. Other scholars, such as [Christa Tobler](#), Professor of European law at Bern University, had argued that the IFA required further negotiation, not with respect to the main body of the draft text but rather with a view to formulating common declarations regarding the three issues mentioned by the federal government. [Gilbert Casarus](#), Professor of European studies at Freiburg University, [believes](#) that, by not signing a text co-drafted by its own negotiators, the Federal Council has betrayed its own diplomacy. According to Gilbert Casarus, Switzerland declined to [sign](#) the agreement for ideological reasons and the lack of convincing motivations for that decision may result in the collapse of Swiss European policy. Professor Casarus emphasises the gap between the exemplarity of Swiss multilateral diplomacy and its lack of assertiveness as regards European policy, and that the decision will be perceived as a rejection of belonging to 'Europe'.

According to an expert opinion published on the [London School of Economics \(LSE\) blog](#), further frictions are likely to occur in the coming months, but scope for a compromise remains. Indeed, while, similar to the UK, Switzerland might opt for a basic form of free trade agreement, the authors believe that Switzerland's central location creates tighter economic and political ties to the EU than those of the UK, and that the EU has demonstrated its ability to compromise. Talks are therefore likely to resume. In another LSE blog opinion, an expert [emphasises](#) that the context of growing tension in Switzerland may explain the decision, but the way in which it was announced is very abrupt and 'un-Swiss': the decision 'came out of the blue', made no reference to parliament, and gave no prospects for the future. Nevertheless, the expert recognises that political concerns as well as concrete issues motivated the decision taken. Finally, another expert argues on the [Bruegel blog](#) that the fundamental reasons for the failure of the IFA negotiations stem from a Swiss unwillingness to abandon their system of direct democracy, which allows them to have a say on a variety of domains, but also from exceptional Swiss support for relations with the EU based on bilateral agreements. For the author, future Swiss-EU relations will depend on new offers from the EU, as well as on internal Swiss developments.

## Prospects

The Swiss decision will primarily have an impact on EU-Swiss relations through the dis-application of existing bilateral agreements, which will not be upgraded as new regulatory standards are put in place, especially those covered by Bilaterals I. On 26 May 2021, the EU communicated on the [non-renewal](#) of the mutual recognition agreement (MRA) on medical devices. In its [notice to stakeholders](#), the European Commission explains that the new Medical Devices Regulation (EU) [2017/745](#) (MDR) becomes fully applicable on 26 May 2021, replacing the previous Medical Devices Directives [90/385/EEC](#) and [93/42/EEC](#). Without an update, the new Medical Devices Regulation is not included, in its relevant parts, in the medical devices chapter of the MRA.<sup>7</sup> 'The EU has always made clear that in absence of a deal on the Institutional Framework Agreement, a full update of the MRA cannot be considered, including the medical devices chapter'. Switzerland is now considered a third country under the EU MDR. Switzerland modified its Medical Device Ordinance (MedDO, [RS 812.213](#)) also on 26 May 2021, to account for the EU MDR. Consequently, producers located in the EU and the European Economic Area ([EEA](#)) will need a Swiss Authorised Representative ([Swiss Rep](#)) to sell their products in Switzerland.

Another impact of the Swiss decision is that new EU-Swiss agreements are less likely to be agreed in the future, especially those relating to trade. Negotiations for potential new agreements that the

IFA would have governed are likely to terminate, such as the agreement on [public health](#) and that on [electricity](#). However, analyses suggest the [consequences](#) will be more significant for Switzerland as it gradually loses its connection with the EU electricity system.

During the INTA committee [debate \(14:27\)](#) mentioned above, the Commission made clear that upgrades of existing agreements will be assessed on a case-by-case basis, controlling for any adverse effects on the EU. The agreements will remain in force in a majority of cases, as they function properly on the ground, but there will be cases where issues will arise stemming from the fact that Switzerland does not properly adopt the EU *acquis*. Following the divergence on medical device equivalence, the next decisions on mutual recognition unlikely to be upgraded will be those concerning machinery, probably in 2023.

Another concern regards other bilateral agreements which will not be signed, although they are not directly related to trade and not covered by the IFA. In particular, Swiss researchers [fear](#) that, because of the failure of the IFA negotiations, they may be denied access to [Horizon Europe](#), as [happened](#) with Horizon 2020 after the 2014 referendum.

## MAIN REFERENCES

Álvarez López, M., Rakstelyte A., [The European Economic Area \(EEA\), Switzerland and the North](#), European Parliament Fact Sheets on the European Union, September 2020.

Damen M., [Balancing integration and autonomy: how EFTA countries reconcile EU-approximation and independence](#), European Parliament Policy Department for External Relations, Study, February 2020.

Swiss Federal Department of Foreign Affairs FDFA, [The main bilateral agreements between Switzerland and the EU](#), February 2021.

Swiss Confederation, Integration Office FDFA/FDEA, [Bilateral agreements Switzerland–EU](#).

## ENDNOTES

- <sup>1</sup> The Swiss government comprises the seven members of the [Federal Council](#). The president is elected for a one-year term of office and is regarded during that time as 'Primus inter pares', or first among equals. Members of the Federal Council are elected by the two parliamentary chambers which compose the [United Federal Assembly](#). The election takes place every four years in December, following the election of the entire [National Council](#). Any Swiss citizen with the right to vote is eligible to stand for election to the Federal Council. The different regions and language communities must be fairly represented in the Federal Council, even though there are no specific rules.
- <sup>2</sup> See also [Bilaterals I](#) on the Swiss Federal Council website.
- <sup>3</sup> The share of total Swiss total trade with the EU-27 increases to 57.5 % if the 'precious stones, stones, and jewellery' sector, where prices are volatile and which represents a large share of Swiss trade, is removed. This methodology is suggested by a recent [research article](#) published in the Swiss Journal of Economics and Statistics. In comparison, total trade with the EU-27 represented [52.3 % of the UK's total trade](#) before its withdrawal from the EU.
- <sup>4</sup> According to additional calculations based on UN Comtrade statistics, these two sectors alone – *Chemical products and allied industries* and *Machinery and electrical equipment* – represent 39.7 % of total Swiss trade with the world, and the EU captures 54 % of that.
- <sup>5</sup> The conclusions add that the necessary implementing ordinance clarifies outstanding open issues, such as the right to information as regards vacancies, and the procedure for the adoption of further measures, in particular with a view to guaranteeing respect for frontier workers' rights.
- <sup>6</sup> Furthermore, as Switzerland is not a Member State of the EU, EU law on public procurement is not applicable.
- <sup>7</sup> Except for the part on *in vitro* diagnostic medical devices, based on the [Directive 98/79/EC](#) and the corresponding Swiss legislation. This part of the chapter continues to apply until the date of application of [EU Regulation 2017/746](#) on *in vitro* diagnostic medical devices.

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