



# Conclusion of Negotiations

## *The Future of Swiss-EU Relations*

19<sup>th</sup> of March 2025

Mission of Switzerland to the EU, Brussels

# Welcome

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**Dr Gabriel Rumo**  
CEO  
*SwissHoldings*



# Content and Context: The Agreements and Next Steps

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**Minister Alexander Renggli**

Deputy Head

*Mission of Switzerland to the EU*





Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Federal Department of Foreign Affairs FDFA

# Content and Context: The Agreements and Next Steps

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**Conclusion of Negotiations: The Future of Swiss-EU Relations**

High-level event in Brussels, economiesuisse and SwissHoldings, 19 March 2025, Alexander Renggli



# Historical overview



**Bilateral relations since 1972**  
**On the basis of over 100**  
**agreements**





# Historical overview

**Free Trade Agreement (trade)**

1972

**Bilaterals I (economy)**

1999

**Bilaterals II (politics)**

2004

**Additional agreements**

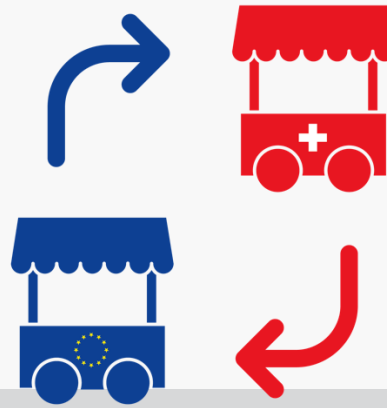
from 2004 on



# Key elements of the bilateral approach



**Tailor-made  
sectoral agreements**



**Access to EU single market**



**A Swiss approach**



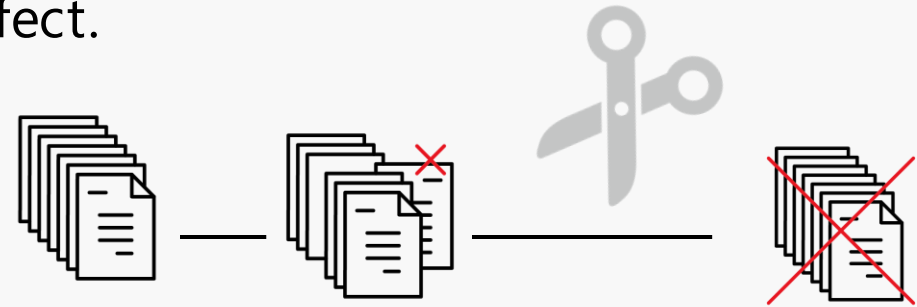
# Guillotine clause – Bilaterals I

**Principle of parallelism:** the seven agreements were negotiated, signed and entered into force as a single package.

They were linked in legal terms by a **guillotine clause**. If one of the agreements is terminated, the others would also cease to have effect.

- Free movement of persons
- Technical barriers to trade (Mutual Recognition Agreement – MRA)
- Public procurement markets
- Agriculture
- Land transport
- Civil aviation
- Research\*

\*The 1999 research agreement expired at the end of 2002.



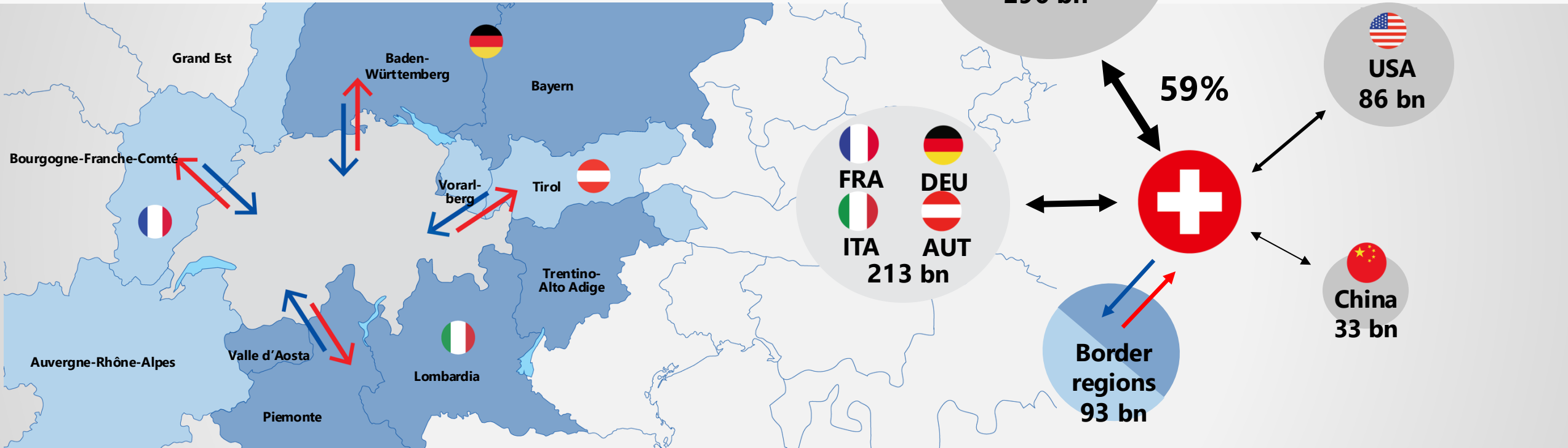
## Summary

If an agreement is terminated, all the other agreements under Bilaterals I will lapse after a period of six months.





# Swiss-EU trade





# Switzerland–EU: a win-win relationship



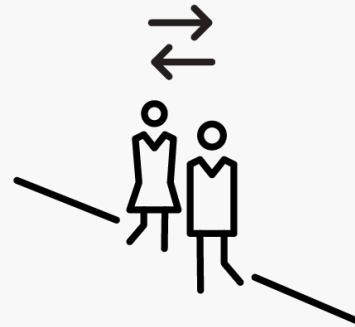
## Trade

Switzerland was the EU's fourth largest trading partner in 2021, after China, the US and the UK (third in services)



## Infrastructure

New Rail Link through the Alps (NRLA)



## Mobility

About 450,000 Swiss citizens live in the EU and around 1.4 million EU citizens live in Switzerland

More than 369,000 workers cross the border into Switzerland every day



## Swiss investments in the EU

CHF 665 billion invested in the EU (2020)

Switzerland is the third biggest investor in the EU after the US and the UK



## Emerging and future technologies

Switzerland supplies important components for the development of future technologies such as high-performance computers



# Stabilisation and further development of the bilateral approach

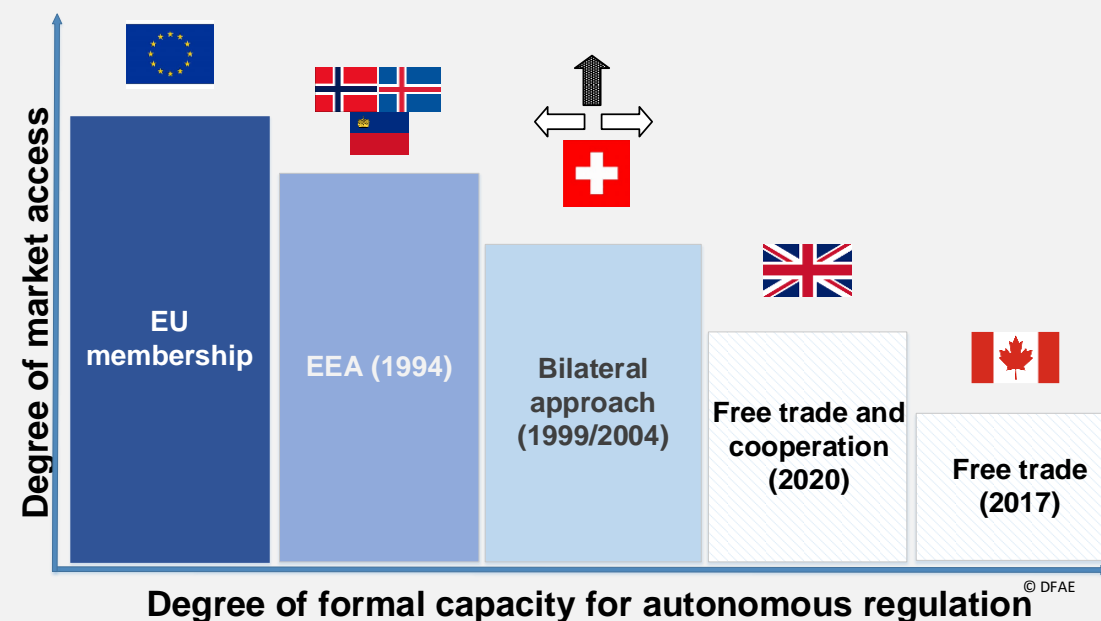
The **bilateral path** has proven its worth:

- Balanced relationship between political room for manoeuvre and sectoral, tailor-made participation in the EU single market
- Basis for a mutually beneficial CH-EU partnership
- Status quo is not an option: EU law is evolving and Switzerland has interests that go beyond what already exists.

The Federal Council is committed to **stabilising** the bilateral path and **further developing** it where it is in Switzerland's interest.

On 20 December 2024, the Federal Council took note with satisfaction the **material conclusion of the negotiations** on the package approach.

**Different ways of being in a relationship with the EU**  
EU membership, EEA, bilateral approach, FTAs



# Process **domestic** / **foreign policy**



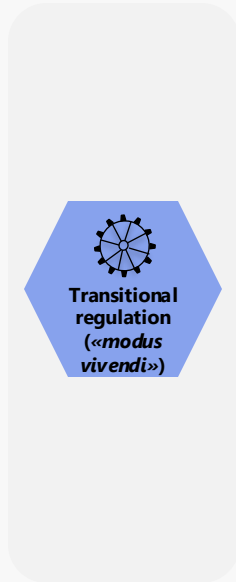
Bern, 20.12.24

Feb. 2022 – Nov. 2023	Exploratory talks
Dec. 2023 – Feb. 2024	Preparation and consultation of the negotiation mandate
March 2024	Definitive mandate and start of CH-EU negotiations
December 2024	The Federal Council takes note of the material conclusion of the negotiations
December 2024 - before the summer break 2025	«Legal scrubbing» and translation of the agreements into the Swiss national languages (German, French, Italian)
	Finalisation of domestic policy discussions with social partners, cantons and stakeholders
	Finalisation of internal implementation
	Initialling of the agreements (in EN), on the Swiss side by the chief negotiator and the person(s) responsible for the negotiations in each negotiation track
	Federal Council decision on the signature of the agreements
from the summer break 2025	Opening of the consultation
	Consultation of agreements with the EU and domestic implementing legislation
	Signature of the agreements
	Adoption of the message by the Federal Council and transmission to Parliament
	Parliamentary debate
	Public Vote

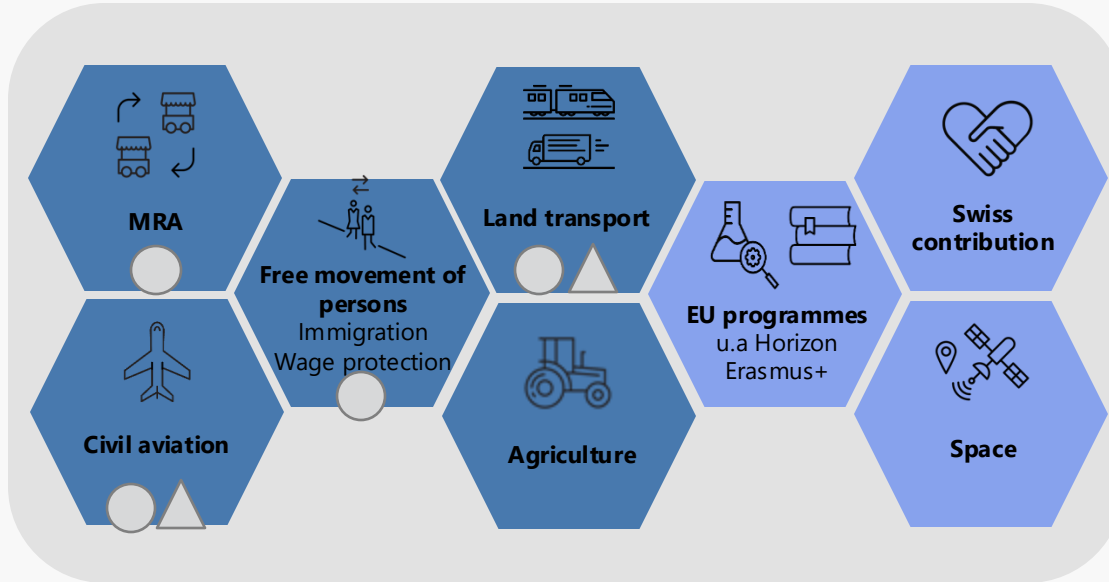


# The bilateral approach CH-EU

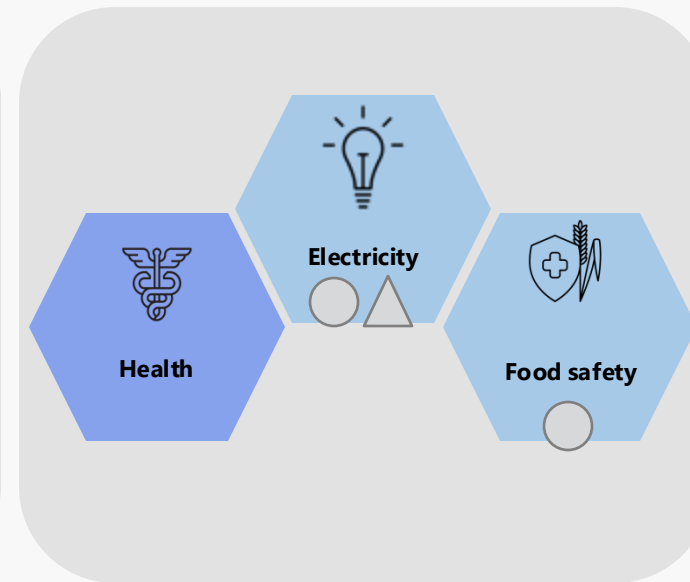
## Normalisation



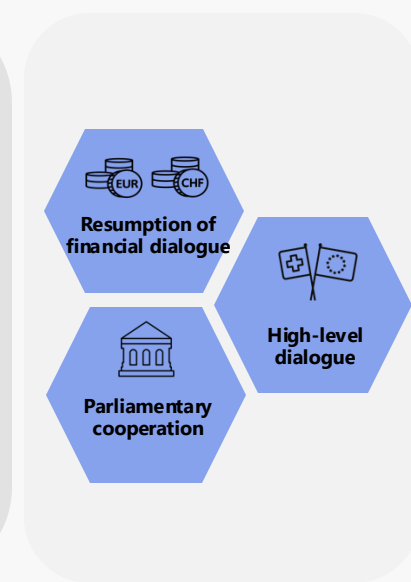
## Stabilisation



## Further development




## Dialogues and cooperation



 Existing single market agreements

 Other agreements and areas of interest

 New single market agreements

 Institutional elements  
Dynamic alignment,  
dispute resolution

 State aid



# Switzerland has much in common with the EU and its member states

Besides economic aspects, we share values, languages, culture and geography.



In the international arena, we often advocate for the same goals and values such as peace, human rights and democracy.



The Federal Council therefore wants to **stabilise and further develop the bilateral path with the EU.**



Schweizerische Eidgenossenschaft  
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Confederaziun svizra

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A close-up photograph of railway tracks with wooden sleepers and gravel ballast. The tracks curve to the right in the background.

# Thank you for your attention

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# What Is in It for Business?

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**François Baur**  
Head European Affairs  
*economiesuisse*





# Assessment by economiesuisse

## Negotiation results 3<sup>rd</sup> Bilateral Package

François Baur, March 19th, 2025

# Business assessment of 3<sup>rd</sup> Bilateral Package

## Positive assessment of the result:

- Targets defined in the negotiation mandate largely achieved
- Compromises and exemptions for Switzerland reached in negotiations
- In particular, the EU has made compromises in the sensitive area of free movement of persons.

## Decision Executive Bureau of economiesuisse (January 27<sup>th</sup>)

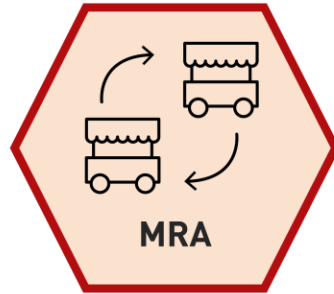
- Initial support of the foreign policy outcome of the Bilaterals III negotiations
- Decisive for final position: **Business-friendly implementation of the package in Switzerland**

# Domestic legislative changes

- Changes of about **30 federal acts and 42 ordinances will be necessary** (not 1'500 or more as opponents claim)
- Only few EU-acts are directly applicable in Switzerland

Subject	Demands business community
<p><b>EU-State aid rules</b></p> <p>Applies only to agreements on land/air transport and electricity</p>	<ul style="list-style-type: none"><li>• Independent Swiss authority</li><li>• Precise delimitation in the sector-specific laws on the applicability of EU state aid law</li><li>• Harmonisation of CH/EU state aid law where it makes economic and administrative sense .</li><li>• Maintain competences in CH subsidy law as far as possible</li></ul>

## The removal of technical barriers to trade benefits all



### Demands business community

- Until adoption of bilateral package, amendments of the MRA only in areas with risk of interruption (machinery, construction products, possibly medicines)
- Until then no adjustment in the medtech sector

- **Mutual recognition of certifications for industrial products** (the certification process only needs to be completed once)
- **CH and EU companies save money** and time when marketing new products
- Consumers in Switzerland and the EU benefit from a **wider range of products and lower prices**.
- **In future, regular, timely adjustment, no more arbitrary counter measures** (i.e. non-application of medical devices regulation in MRA)

# Lower prices and a wider choice of flight connections



## Demands business community

- As harmonised an aviation law as possible in the EU and Switzerland
- Implement the 8th and 9th freedoms as soon as possible

- Extension by 8<sup>th</sup> and 9<sup>th</sup> freedom
- EU and Swiss airlines benefit from the same competitive conditions in the European aviation market
- Attractiveness of ZRH, BSL and GVA as a hub is increasing. **(Better capacity use of intercontinental flights)**
- **Switzerland's participation in the European Aviation Safety Agency (EASA)**

# Transfer of transalpine freight transport to the railways



- Opening of the road and rail transport market (passenger and freight) between Switzerland and the EU
- Legal basis for the introduction of the Lump-sum heavy vehicle charge (PSVA) for foreign vehicles
- **PSVA contributes to the financing of Switzerland's railway infrastructure** (CHF 1.5 billion per year went to projects such as the Gotthard Base Tunnel)

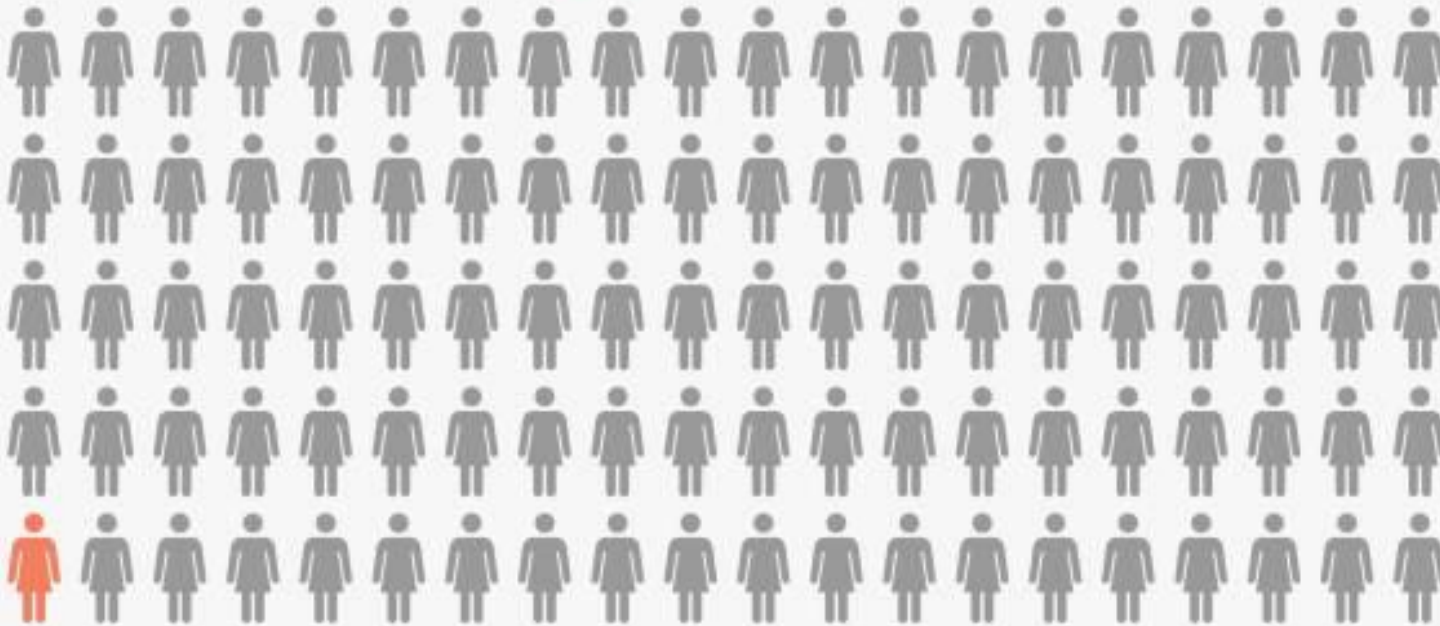
# Free movement of persons

## Wage level protection

- It is only about posted workers from the EU – adoption of EU posting of workers directives.
- **Problem:** Average Swiss salary twice as high as in Austria and Germany and around three times as high as in Italy (Adjusted for purchasing power, Swiss average salary still 30-40% higher according to OECD data).
- **Negotiation results:**
  - Principle “equal pay for equal work at the same workplace” applies
  - Non-regression clause: No weaker wage level protection in Switzerland
  - EU recognises Swiss flanking measures to protect wage level

# Swiss wage levels are not threatened by EU short-term residents

1/100



Short-term residents account for only 1% of total employment.

Accompanying measures thus concern 1% of the workforce in Switzerland.

But trade unions are worried – and population as well



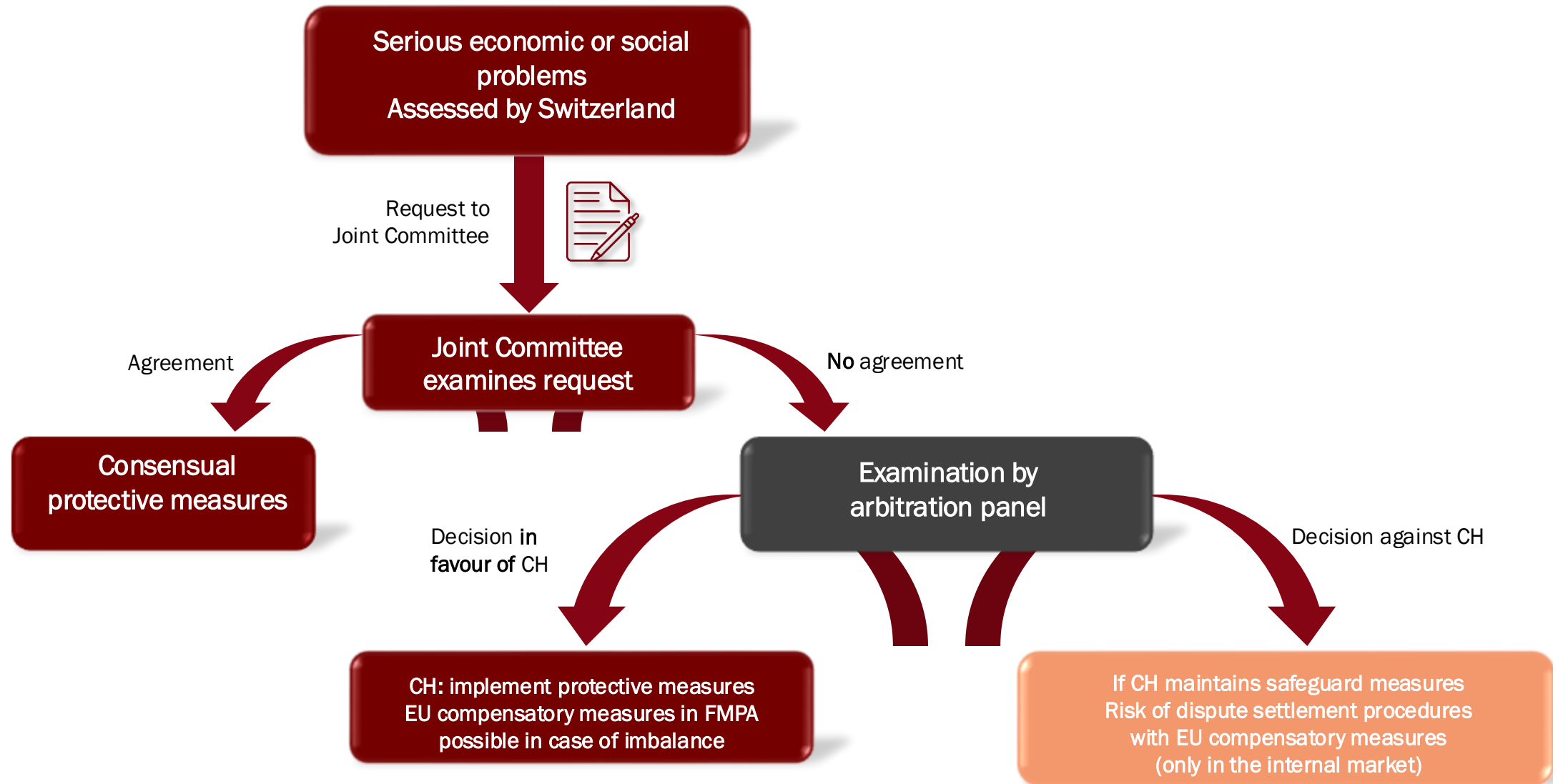
# Exemptions in Free movement of persons agreement

## Wage level protection

- 4-day prior notification in high-risk sectors
- CH social partners monitor compliance with wage provisions; CH determines monitoring intensity on foreign service providers
- Security deposit in high-risk industries in the event of repeated infringement
- The EU rules on expenses (rules of the sending country) also apply in Switzerland.

**Agreement of social partners on further internal measures – in line with EU-law/Free movement of persons agreement**

# Specified Safeguard Clause (Art. 14 2<sup>nd</sup> Paragraph FMPA)



# Specification of safeguard clause

- **Federal Council** checks for serious problems and defines measures
- Federal Council consults with social partners and cantons **before** triggering the safeguard clause
- **Indicators:** Unemployment, social assistance rate, percentage increase in net immigration, percentage increase in cross-border commuters
- Assessment based on defined threshold values
- Not all of them need to be exceeded
- **Possible measures:** limits on the number of residents and quotas, greater use of the priority given to Swiss nationals for employment, tighter controls on the right of residence, etc.

# Electricity agreement



- **Switzerland's equal participation in the EU electricity market**
  - CH-electricity producers and traders
  - Swissgrid fully integrated into EU-bodies and -processes
- **In the interest of both sides to improve grid stability and strengthen security of supply**
- Possible upgrade to renewable gas and hydrogen in the future

# Negotiation result electricity

## Core content:

- Introduction of **freedom of choice** of electricity suppliers
- **Freedom of choice (free market or fixed prices)** for households and SMEs
- **Security of supply: Ban on reducing border capacities into Switzerland, even in the event of an energy crisis**

## Exceptions:

- Swiss electricity suppliers and distribution system operators can remain in the ownership of the public sector
- **No obligation to adopt EU environmental law** (principle of equivalence)
- **Water charges and concessions** for hydroelectric power plants **as before**

# Participation in EU-Programs – negotiation result



- **framework agreement** for Switzerland's association with EU programs in education, research and innovation
- Full Swiss participation in Horizon Europe, the Euratom program, the ITER research infrastructure, the Digital Europe program
- Participation in Erasmus+ and EU4Health
- Framework conditions for possible future participation in other EU programmes (e.g. culture and space travel)
- **Of great importance for the innovative economy**

# Cohesion contribution – negotiation result



- Until 2029: **annual payment of 130 m CHF**
- 2030 – 2036: **annual payment of 350 m CHF**
- **Every 7 years: Renegotiation of the Swiss annual contribution**
- Agreement on projects between Switzerland and the beneficiary EU country without the involvement of the EU Commission (= EEA EFTA States)
- **Swiss business:**
  - Market access is worth the price to pay
  - More economic cohesion is good for the Single market

# Timeline next steps

Subject	Month/year
Consultation on 3rd Bilateral Package III and its transposition into Swiss law	June – October 2025
Final position economiesuisse/Swiss Employers	10 July/4 Sept. 2025
Message on 3rd Bilateral Package to Parliament	March 2026
Debate in Parliament (with special parliamentary sessions + referendum)	June 2026 – February 2027
Parliamentary debate (orderly procedure + referendum)	February/June 2028



**Thank you for your  
attention**

**Q&A**

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**Thank you for  
your attendance!**

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