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President  
European Commission  
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Mr. Ignacio Cassis  
President of the Swiss Confederation  
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**Joint open letter to the EU-Commission and the Swiss government on the bilateral relations**

Dear President of the European Commission,  
Dear President of the Swiss Confederation,

At a time when one of the most brutal wars since the end of the Second World War is raging on European soil, those nations that share the same values of freedom, democracy, the rule of law and a social market economy must work together even more closely than before. It is therefore the right time to talk about bilateral relations between the European Union and Switzerland.

The EU is by far Switzerland's most important trading partner. Conversely, Switzerland is the EU's fourth most important trading partner. In addition, the EU has a considerable trade surplus with Switzerland. Thanks to the bilateral agreements, Switzerland has now been participating in the EU's internal market for 20 years. At the same time, integrated value chains have emerged between companies on both sides of the border. Together with its neighbouring countries, Switzerland forms a real industrial "powerhouse" in Europe. It also offers a home to more than 1.4 million EU citizens and more than 420,000 EU citizens commute every day to their jobs in Switzerland. Conversely, more than half a million Swiss citizens live and work in the EU.

In such a mutually beneficial relationship, we are particularly concerned that the non-application of the existing agreements on technical barriers to trade and research and the non-recognition of equivalence of Swiss stock exchange regulations are detrimental not only to Switzerland, but also to the European single market.

It has been clear to both sides for some time that in order to realise the full potential of this politically and economically important relationship, the existing internal market agreements need to be updated and supplemented with institutional rules. From a business perspective, the current patchwork of bilateral agreements between the EU and Switzerland leads to uncertainty, with a direct negative impact on economic relations. Therefore, a more stable legal framework agreement that also includes an effective way to address bilateral disputes would be the preferred option to ensure legal certainty and a level playing field.

After having broken off negotiation in May 2021, the Swiss government, has now committed to continuing the bilateral path with the EU. Specifically, all open issues are to be settled on the basis of a broad package approach.

The business associations welcome the intention of the Swiss government to resume negotiations on all outstanding issues. Switzerland and the EU are called upon to seek solutions that are as pragmatic as possible and reflect the interests of both sides. The settlement of the following issues is of particular importance for the business community:

#### **Institutional Questions:**

- Companies need legal certainty regarding economic relations between Switzerland and the EU.
- Equal rules for all market participants are indispensable in a single market. For this reason, it is essential for companies that the market integration agreements are brought into line with the relevant EU law in a timely manner.
- An effective and efficient legal procedure for dispute resolution is in the interest of companies in Switzerland and the EU.

#### **Strengthening the European energy market**

- Europe's energy supply security must be strengthened. Improving cooperation between the EU and like-minded neighbouring countries such as Switzerland is central. This includes an electricity agreement between Switzerland and the EU.
- The European energy grid must be improved, and the energy mix broadened. Renewable energy sources must be promoted. This requires closer cooperation between the EU and the other Western European states as soon as possible.

#### **Strengthening of the European supply chains**

- In view of the supply bottlenecks, continental supply chains must be strengthened. Now is not the time to create artificial trade barriers in Europe – i.e., the non-updating of the CH-EU agreement on the recognition of conformity assessments (MRA).

#### **Strengthening Europe's research and innovation base**

- The knowledge and innovation-based economy is Europe's strongest weapon in competition with other regions and political systems. Here, cooperation between the EU and like-minded European states must become even closer.
- The research sector is not part of the outstanding issues in the area of the internal market. Therefore, the association negotiations with Switzerland and the United Kingdom to the Horizon Europe Research and Innovation programme should be concluded as soon as possible.
- Due to the new "pay as you go" principle under Horizon Europe, each associated country pays as much as its researchers are granted in EU project funding. This fundamentally rules out any privileged treatment of the associated countries.

With the support of Swiss universities, the Institute for Computer Science, Artificial Intelligence and Technology (INSAIT) was opened in Sofia on 11 April 2022. It is an example of Switzerland's contribution to strengthening the entire European Research Area.

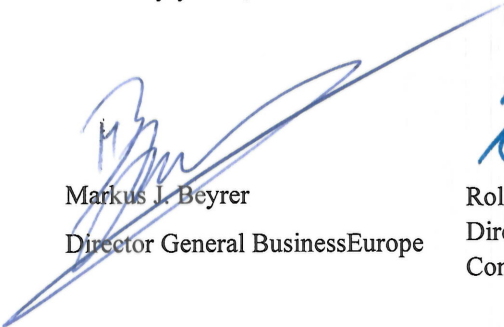
**Adopting the MoU on the Swiss cohesion contribution**


- In 2021, Switzerland has approved the second contribution towards reducing economic and social disparities in the European Union and for cooperation in the area of migration.
- The Memorandum of Understanding necessary to release the funds should be approved by EU as soon as possible in order to allow negotiations between Switzerland and the selected EU countries to start.

Until a third bilateral agreement package is concluded, the two sides should strive to maintain as much as possible existing legal frameworks. This is critical to safeguard existing value chains and provide legal certainty for economic operators. The priority should be to find pragmatic solutions and avoid unilateral actions that have a negative impact on business or on the negotiating climate.

With this in mind, the business associations call on the European Commission and the Swiss Federal Council to resume negotiations on the continuation and expansion of bilateral relations as soon as possible in a result-oriented mode and to bring them to a satisfactory conclusion for both sides.

Sincerely yours,

  
Markus J. Beyrer  
Director General BusinessEurope

  
Roland Müller  
Director General Swiss Employers  
Confederation

  
Monika Rühl  
Director General Economiesuisse