EEA-Switzerland: obstacles with regard to the full implementation of the internal market

2015/2061(INI) - 24/07/2015 - Committee report tabled for plenary, single reading

The Committee on the Internal Market and Consumer Protection adopted an own-initiative report by Andreas SCHWAB (EPP, DE) entitled 'EEA-Switzerland: Obstacles with regard to the full implementation of the internal market'.

To recall, the four European Free Trade Association (EFTA) member states (Iceland, Lichtenstein, Norway and Switzerland) constitute major trade partners of the European Union (EU), Switzerland and Norway being respectively the fourth and the fifth most important EU trade partners by volume. Relations between the EU and three EFTA member states (Iceland, Lichtenstein and Norway) are based on the European Economic Area (EEA), which provides for participation in the internal market.

Switzerland's participation in the EEA Agreement was contested by a popular vote in 1992 and therefore relations between Switzerland and the EU are currently based on more than 100 sectoral agreements that provide for a far-reaching degree of integration.

Implementation of Single Market legislation: Members considered the **EEA Agreement a key factor for economic growth** and the most far-reaching, comprehensive instrument to extend the single market to third countries. Strong relations between the EU, the EEA EFTA countries and Switzerland went beyond economic integration and the extension of the single market, and contributed to stability and prosperity to the benefit of all citizens and businesses.

The report welcomed the considerable efforts made with regard to improving the swift incorporation of the relevant EU acquis into the EEA Agreement. It pointed out that the EEA EFTA states were involved in many EU programmes and agencies and in practical cooperation measures, such as the Internal Market Information System (SOLVIT).

Members stressed that **single market legislation must be properly transposed, implemented and enforced** in order to bring about its full benefits in the EU Member States and EEA EFTA states.

The committee was concerned by the facts that (i) **Liechtenstein**'s transposition deficit increased from 0.7 % to 1.2 %; (ii) **Iceland** (a candidate country) had a transposition deficit of 2.8 %, which was the highest of all the states concerned; (iii) **Norway**'s transposition deficit had increased to 2%. However, Members welcomed the opening of negotiations on association agreements with the **Principality of Andorra, Principality of Monaco, and Republic of San Marino.**

Swiss Confederation: commending the strong, continuously flourishing and longstanding relations between the EU and Switzerland, the report **welcomed the opening of the negotiations in May 2014 for an institutional framework** as a precondition for the further development of a bilateral approach. It stressed that without such a framework agreement no further agreements on Swiss participation in the internal market would be concluded. The Swiss Government was urged to **step up its efforts to progress with the negotiations on the outstanding issues.**

Members took note of the outcome of the popular initiative of 9 February 2014 '**Against Mass Immigration'**, but considered that the decisions taken on 11 February 2015 by the Swiss Federal Council in relation to its implementation of a draft implementing law and new flanking measures **ran counter to obligations** stemming from the Free Movement of Persons Agreement (FMPA). They reiterated that the

free movement of persons was one of the fundamental freedoms and a pillar of the single market and that it always had been an inseparable part of and precondition for the bilateral approach between the EU and Switzerland. Accordingly, they fully supported the EU's rejection of July 2014 of the Swiss Authorities' request to renegotiate the FMPA with a view to introducing a quota or a national preference system.

Moreover, following the suspension of the negotiations on **Swiss participation in the ERASMUS+ programme**, the report called on Switzerland and the EU to make every effort to satisfy the requirements laid down for their participation in the programme.

Regarding the implementation in 2013 of Directive 2005/36/EC on the recognition of professional qualifications, the committee recalled that this was long overdue and called for a swift incorporation of Directive 2013/55/EU in the annex to the agreement on freedom of movement.

Lastly, it called for the **obstacles to cross-border professional mobility to be removed** in order to deepen the internal market. Members stressed, to that end, the importance of promoting language learning and providing better information and practical support to jobseekers, in particular through the **EURES network**, in Switzerland and in all the EEA countries.