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

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The European Parliament adopted by 482 votes to 116 with 48 abstentions, a resolution 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: Parliament 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.

Members welcomed the considerable efforts made with regard to improving the swift incorporation of the relevant EU acquis into the EEA Agreement. They 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).

Parliament 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.

Transposition deficits: Parliament 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 resolution **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).

Parliament reiterated that the **free movement of persons was one of the fundamental freedoms** and a pillar of the single market and that the latter always had been an inseparable part of and precondition for the bilateral approach between the EU and Switzerland. Accordingly, it 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.

It noted with concern reports concerning the application by some firms and cantons of a national preference system, and pointed out that such a practice was at odds with the agreement on freedom of movement.

Stressing that **reciprocity and fairness between the EEA and Switzerland** were necessary with regard to their use of the single market, Parliament deplored the introduction and subsequent consolidation of **unilateral flanking measures** by Switzerland in the context of the agreement on the free movement of persons, such as the charging of fees to cover administrative costs, the requirement to give bank guarantees or a combination of such measures, as these were seriously hampering the provision of services in Switzerland under the agreement, in particular by SMEs. Parliament called on Switzerland, accordingly, to revise these measures in order to bring them into line with the agreement on freedom of movement.

Moreover, following the suspension of the negotiations on **Swiss participation in the ERASMUS+ programme**, Parliament 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, Members 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, Parliament called for the **obstacles to cross-border professional mobility to be removed** in order to deepen the internal market. It 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.