

## AGREEMENT BETWEEN THE EUROPEAN COMMUNITIES AND SWITZERLAND

### Biennial Report on the Operation of the Agreement

#### *Communication from the Parties*

The report below presents the information received from the Permanent Delegation of the European Commission, dated 21 March 2000. It is organized in accordance to the Standard Format for Information on Regional Trade Agreements (WT/REG/W/6).

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## **I. BACKGROUND INFORMATION ON THE AGREEMENT**

### **1. Membership and Dates of Signature, Ratification and Entry into Force**

Since 1994, the Principality of Liechtenstein participates in the European Economic Area (EEA). Trade relations between the EC and Liechtenstein were previously governed by additional agreements which were examined in 1973 by the same GATT Working Party which examined the EC/Switzerland free trade agreement.<sup>1</sup>

### **2. Type of Agreement**

The agreement is unchanged.

### **4. Trade Data**

The Annex presents information on the development of trade between the EC and Switzerland. Trade flows between the EC and Liechtenstein are also included.

## **II. TRADE PROVISIONS**

### **1. Import Restrictions &**

### **2. Export Restrictions**

All transitional periods associated with the establishment of the free-trade area between Switzerland and the EC have long been completed. All trade in non-agricultural products is conducted free of duty and quantitative restrictions (as has been the case since the mid-1980s). There has been no change to the arrangements governing trade in agricultural products, which are set out in the relevant Protocols.

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<sup>1</sup> BISD 20S/196.

### **3. Rules of Origin**

Protocol 3 of the agreement concerning the rules of origin was amended as of 1 January 1997 to allow Switzerland to participate in the system of European cumulation of origin. An Additional Protocol on mutual administrative assistance in custom matters entered into force on 1 July 1997.

### **8. Sector-Specific Provisions**

Seven sectoral agreements between the EC and Switzerland were signed on 21 June 1999. Of these, the agreements on the mutual recognition of conformity assessment, on certain aspects of public procurement and on trade in agricultural products are relevant in the context of this report. The purpose of the agreement on trade in agricultural products is to liberalise bilateral trade in certain products, in addition to that already provided for in the existing agreements. These seven agreements will have to be ratified in Switzerland and in the European Union and are expected to enter into force in 2001.

### **9. Other**

Following the rejection of Switzerland's participation in the EEA by public referendum in 1992, Switzerland endeavours to autonomously adapt its internal legislation to EU standards.

# ANNEX<sup>2</sup>

Table 1 - EU Imports from World and Switzerland/Liechtenstein, 1980-1998  
(Million ECU)

SITC:	0	1	2	3	4	5	6	7	8	9	TOTAL
<b>1980 (EU 9)</b>											
World	23,908	1,929	27,501	85,384	1,579	11,374	37,648	37,853	22,176	20,502	269,853
Switz./Liecht.	288	58	320	217	8	1,736	2,497	3,068	2,025	4,908	15,124
<b>1984 (EU 10)</b>											
World	33,643	2,810	36,139	107,594	2,803	19,968	48,969	71,432	34,537	24,205	382,100
Switz./Liecht.	430	169	443	353	13	3,405	3,832	4,515	3,207	5,077	21,444
<b>1988 (EU 12)</b>											
World	32,221	2,152	35,752	47,393	1,499	25,067	59,078	106,689	49,968	27,937	387,757
Switz./Liecht.	589	40	509	311	11	5,327	4,556	7,990	4,805	5,316	29,454
<b>1992 (EU 12)</b>											
World	34,580	3,215	32,218	65,183	1,748	33,888	69,355	146,277	76,771	23,900	487,135
Switz./Liecht.	743	35	536	323	13	7,436	5,296	9,834	6,070	4,670	34,955
<b>1996 (EU 15)</b>											
World	41,305	3,599	34,829	75,910	2,423	44,328	75,479	189,056	93,962	20,131	581,065
Switz./Liecht.	945	55	626	338	10	10,550	9,062	12,027	7,120	2,422	43,182
<b>1997 (EU 15)</b>											
World	44,248	4,072	40,131	85,155	2,554	51,485	87,685	229,346	108,779	17,690	672,413
Switz./Liecht.	950	73	712	374	8	11,083	9,394	12,627	7,079	2,389	45,706
<b>1998 (EU 15)</b>											
World	45,198	4,458	39,370	64,843	2,891	55,290	94,672	264,153	116,092	22,676	709,643
Switz./Liecht.	994	72	682	367	8	11,711	9,548	14,759	7,589	3,221	49,894

<sup>2</sup> The source of all the tables is Eurostat (COMEXT).

**Table 2 - EU Exports to World and Switzerland/Liechtenstein, 1980-1998**  
(Million ECU)

<b>SITC:</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>TOTAL</b>
<b>1980 (EU 9)</b>											
<b>World</b>	13,662	3,422	4,327	10,071	717	23,228	46,455	84,154	21,333	13,716	221,084
<b>Switz./Liecht.</b>	821	250	439	1,411	20	1,779	7,866	4,677	3,059	1,953	22,276
<b>1984 (EU 10)</b>											
<b>World</b>	21,120	5,784	7,319	18,087	1,343	38,465	65,412	129,088	39,835	24,806	351,259
<b>Switz./Liecht.</b>	1,178	323	583	1,994	29	2,930	5,821	6,579	4,938	1,938	26,313
<b>1988 (EU 12)</b>											
<b>World</b>	19,588	6,205	7,602	8,232	1,158	44,449	65,673	141,249	48,507	20,256	362,917
<b>Switz./Liecht.</b>	1,430	507	914	1,212	24	4,418	6,671	11,455	7,464	1,790	35,884
<b>1992 (EU 12)</b>											
<b>World</b>	24,887	8,778	8,068	10,552	1,491	54,200	71,091	180,838	59,247	16,939	436,091
<b>Switz./Liecht.</b>	1,582	564	828	1,967	41	5,361	6,432	12,070	8,256	1,528	38,627
<b>1996 (EU 15)</b>											
<b>World</b>	30,646	10,339	11,414	15,431	1,998	79,144	102,957	283,081	79,287	12,695	627,011
<b>Switz./Liecht.</b>	1,882	681	1,026	2,353	57	7,602	9,354	16,661	9,977	1,957	52,013
<b>1997 (EU 15)</b>											
<b>World</b>	33,504	12,374	13,084	17,109	2,575	93,046	114,927	331,113	88,686	13,717	721,109
<b>Switz./Liecht.</b>	1,914	710	1,037	2,411	60	8,457	9,338	17,090	10,502	1,048	53,575
<b>1998 (EU 15)</b>											
<b>World</b>	31,772	12,005	11,554	13,833	2,831	95,885	112,815	343,435	89,424	16,869	730,423
<b>Switz./Liecht.</b>	1,968	757	984	2,300	68	9,120	9,529	19,881	10,981	1,201	57,609

Table 3 - EU Trade with Switzerland by HS Section  
(Million ECU)

EXPORTS					
SECTION	1988	1992	1996	1997	1998
<b>TOTAL</b>	35,884	38,627	52,013	53,575	57,609
I	401	423	530	537	521
II	738	762	861	875	811
III	33	45	52	57	63
IV	1,057	1,253	1,543	1,587	1,731
V	1,360	2,102	2,506	2,564	2,464
VI	3,521	4,480	6,368	7,217	7,873
VII	1,843	1,915	2,550	2,625	2,693
VIII	527	441	344	473	439
IX	410	363	624	643	696
X	1,217	1,385	2,411	2,477	2,679
XI	2,532	2,735	3,038	3,112	3,197
XII	421	461	531	571	551
XIII	709	739	969	958	1,051
XIV	1,799	1,301	2,898	2,529	2,249
XV	2,982	2,906	3,764	3,985	4,222
XVI	7,231	7,599	10,844	11,265	12,794
XVII	4,357	4,685	6,133	6,186	7,474
XVIII	1,283	1,500	1,855	1,961	2,097
XIX	20	24	26	47	32
XX	1,363	1,442	1,916	1,892	1,990
XXI	1,116	990	1,133	1,072	1,163

IMPORTS					
SECTION	1988	1992	1996	1997	1998
<b>TOTAL</b>	29,454	34,955	43,182	45,706	49,894
I	323	326	320	309	293
II	42	47	67	68	75
III	12	13	9	8	8
IV	296	446	666	699	758
V	355	366	378	414	417
VI	4,809	6,650	9,472	9,964	10,508
VII	1,072	1,436	1,896	1,944	2,069
VIII	136	117	117	129	125
IX	189	271	318	346	362
X	769	985	1,354	1,426	1,526
XI	1,653	1,723	1,678	1,582	1,608
XII	90	77	113	82	76
XIII	190	286	369	403	383
XIV	2,204	2,037	5,195	5,561	6,149
XV	2,051	2,516	3,173	3,305	3,499
XVI	6,991	8,580	11,044	11,175	12,622
XVII	1,031	1,369	1,165	1,550	2,252
XVIII	2,345	3,145	3,799	3,912	4,254
XIX	4	14	19	30	31
XX	503	588	776	756	803
XXI	1,158	1,179	925	1,055	1,134

Table 4 - EU Trade with World by HS Section  
(Million ECU)

EXPORTS					
SECTION	1988	1992	1996	1997	1998
<b>TOTAL</b>	362,917	436,091	627,011	721,109	730,423
I	7,060	8,001	9,980	10,897	10,062
II	6,372	8,511	8,819	9,757	9,145
III	1,341	1,673	2,286	2,977	3,156
IV	13,817	19,194	24,510	27,744	27,279
V	9,723	12,152	17,487	19,630	16,711
VI	37,393	46,951	68,968	81,772	85,215
VII	15,521	16,914	23,128	27,148	27,504
VIII	4,119	4,084	7,159	7,375	6,435
IX	1,771	2,035	4,045	4,927	5,182
X	7,937	10,271	18,033	19,764	19,803
XI	20,244	25,208	31,611	34,724	35,221
XII	3,440	4,526	5,922	6,313	6,043
XIII	7,153	8,120	11,257	12,916	12,894
XIV	13,026	12,425	16,992	19,285	17,990
XV	30,826	30,864	42,214	46,944	45,623
XVI	93,666	120,842	193,730	226,482	234,539
XVII	46,674	59,351	89,086	104,705	110,049
XVIII	14,107	17,067	23,982	28,129	29,109
XIX	402	388	1,097	1,326	1,656
XX	7,819	9,378	13,350	15,177	15,242
XXI	8,204	5,727	13,354	13,115	11,565

IMPORTS					
SECTION	1988	1992	1996	1997	1998
<b>TOTAL</b>	387,757	487,135	581,065	672,413	709,643
I	8,349	10,300	10,897	12,227	13,296
II	17,555	17,353	23,130	25,437	24,992
III	1,542	1,781	2,250	2,390	2,693
IV	13,638	15,595	18,511	19,019	19,518
V	55,920	73,081	84,793	95,737	75,508
VI	22,179	29,303	39,774	46,234	49,432
VII	10,125	13,862	17,132	19,323	21,043
VIII	6,121	5,701	7,590	8,498	8,224
IX	9,615	10,926	9,118	10,973	11,434
X	17,605	19,227	11,110	11,996	12,571
XI	28,639	39,478	47,467	55,248	57,903
XII	3,325	5,451	7,029	8,308	8,274
XIII	2,593	3,883	4,386	5,090	5,648
XIV	17,526	15,037	21,620	23,890	26,981
XV	26,101	29,345	33,661	40,312	44,472
XVI	81,389	106,397	146,298	173,122	195,378
XVII	25,240	40,386	42,797	56,275	68,476
XVIII	14,869	19,652	24,343	27,814	29,926
XIX	118	194	466	603	510
XX	6,655	12,072	14,394	17,529	19,046
XXI	5,733	5,511	14,298	12,387	14,318