

# Fact Check *Bilaterals III*

21.07.2025

## At a glance

In December 2024, Switzerland and the European Union (EU) announced the conclusion of negotiations on the third package of bilateral agreements (Bilateral Agreements III). Since June 2025, the final texts of the agreements have been available for public review. Bilateral III builds on Switzerland's 25-year history of successful bilateral relations with the EU and further develops this relationship through new agreements and cooperation initiatives in Switzerland's interest. The topic has been the subject of heated debate for some time. With the "Bilateral Agreements III Fact Check," we shed light on the key background information, provide facts, and answer current questions.

Below you will find an overview that highlights key background information and facts about the Third Bilateral Agreements and answers current questions on this topic. You can find economiesuisse's analysis of the third package of bilateral agreements and its various elements in our political dossier "[Bilateral Agreements III: Continuing on the Swiss Path](#)" (available in German) from February 2025. All information published by the federal government regarding the agreement package can be found on the following website.

## Broad support among voters for the Bilateral Agreements III

**Question:** What do voters think about the Bilateral Agreements III?

**Answer:** According to a representative [poll](#) conducted by gfs.bern on behalf of Interpharma in August 2024, 65 percent of respondents see mainly advantages in the bilateral agreements. **The Bilateral Agreements III between Switzerland and the EU are supported by a clear majority (71 percent).**

In general, the bilateral approach, which is to be secured and further developed through the Bilateral Agreements III, enjoys strong democratic legitimacy. Overall, the Swiss electorate has repeatedly confirmed the success of the bilateral approach in a total of eleven referendums since the year 2000.

## The EU is and remains by far Switzerland's most important trading partner

**Question:** Shouldn't Switzerland focus more on markets outside Europe?

**Answer: The motto is: Do one thing without neglecting the other!** Of course, Switzerland needs the best possible relations and free trade agreements with Asian countries, the U.S., or the Mercosur states. But anyone who claims that Switzerland could compensate for the loss of bilateral agreements with the EU by improving trade relations with these countries is misjudging reality. Due to our geographical location, we are surrounded by EU member states and therefore have a strong interest in working closely with the EU in areas relevant to us.

**The border regions of our neighboring countries, in particular, play a significant role in our foreign trade.** Looking at our trade volume, Baden-Württemberg and Bavaria are almost as important as China, our French border regions are more important than Japan, and our Italian border regions are more important

than India. Goods worth over 1 billion Swiss francs are exchanged between Switzerland and the EU every working day—that is as much as with Indonesia in an entire year.

While other economic regions have grown faster than the EU over the past twenty years, and Swiss exports to these markets have also increased at a higher rate than to the EU (this does not apply, however, to the period from 2020 to the present). This is a positive development, as it allows Switzerland's foreign trade to diversify and tap into new potential. **However, the volume of goods trade with the EU is so large (2024: 60% of all goods exports and imports) that, in absolute terms, trade with the EU is still growing faster than trade with the second and third most important markets, the U.S. and China, combined.** Given current growth figures, the EU will still be Switzerland's largest trading partner in 2040 and will surpass the trade volume with the US and China. **It is therefore completely unrealistic to attempt to replace the EU as the most important export market for Swiss industry with other export markets.**

## In the future, institutional rules will apply to only seven of 140 bilateral agreements

**Question:** Will Switzerland soon have to adopt all regulations and laws decided by the EU under the Bilateral Agreements III?

**Answer:** No. In total, Switzerland and the EU have over 140 bilateral agreements. However, the obligation to dynamically adopt legislation under Bilateral Agreements III **is limited to six bilateral agreements through which Switzerland participates in the European Single Market** Under the Bilateral Agreements III, Switzerland will adopt only 95 of a total of 14,000 EU internal market legal acts (two-thirds of which concern food safety). These are clearly and exhaustively listed in the relevant agreements. The existing Internal Market Agreement on Agriculture is entirely excluded from dynamic adoption of legislation. The 1972 Switzerland-EU Free Trade Agreement is not part of the Bilateral Agreements III and is therefore not subject to the institutional rules. Further information on dynamic adoption of legislation can be found in the following [blog](#).

## A joint arbitration tribunal rules on disputes between Switzerland and the EU

**Question:** Will Switzerland be governed by “foreign judges” in the future?

**Answer:** The bilateral agreements do not provide for “foreign judges” **either today or in the future**. Three types of legal cases must be distinguished:

1. If a legal dispute arises in Switzerland, a Swiss court has jurisdiction.
2. If a legal dispute arises in an EU country, such as Germany, a German court and, if necessary, the European Court of Justice (ECJ) have jurisdiction.
3. **If there are differences between the European Commission and the Federal Council regarding the interpretation of rules, for example in land transport or the free movement of persons, then a joint arbitration tribunal is called upon.**

The joint arbitration tribunal (e.g., with one judge each from Switzerland and the EU, as well as an independent chair) will in future decide which law applies in the event of a dispute—Swiss law, treaty law, or EU internal market law.

If Switzerland has contractually adopted EU internal market law, e.g., technical standards in the medtech sector, the ECJ will rule exclusively on the interpretation of European internal market law. If Switzerland and the EU have agreed on specific rules, such as special provisions or exceptions like the accompanying measures (FlaM) regarding the free movement of persons, that law applies.

**At the end of the proceedings, the joint arbitration tribunal will determine whether Switzerland or the EU has violated the law.** This is in line with established principles of international law: Switzerland has included such joint arbitration procedures in many of its agreements, including, for example, the recently concluded free trade agreement with India.

**The dispute settlement mechanism provided for in Bilateral Agreements III improves Switzerland’s negotiating position in the event of a dispute compared to today.** It thus gains an instrument to effectively enforce its interests vis-à-vis the EU through legal channels. Currently, Switzerland cannot defend itself before a joint arbitration tribunal against arbitrary measures such as the failure to update the Agreement on Technical Barriers to Trade (MRA).

If the joint arbitration tribunal finds a violation of an agreement, only **proportionate compensatory measures** may be taken under the agreement in question or another internal market agreement (with the exception of the Agriculture Agreement). **This severely limits the EU's options.** Compensatory measures simply serve to restore the balance between the contracting parties when one party fails to comply with the agreement. However, a suspension of entire agreements by the EU would hardly be proportionate should Switzerland reject individual legal developments. The **joint arbitration panel decides independently and conclusively whether compensatory measures are proportionate.**

**The concept of compensatory measures is not new.** It is particularly common in trade law, such as in the law of the World Trade Organization (WTO) or in investment agreements. In addition, Switzerland has concluded free trade agreements with partners such as Canada, Indonesia, China, and Turkey, which also provide for compensatory measures.

## Dynamic adoption of laws is compatible with Switzerland's system of direct democracy

**Question:** Does Switzerland lose its self-determination and direct democracy with “automatic” adoption of laws?

**Answer:** No. Switzerland will remain sovereign and independent in the future.

1. **We participate voluntarily in the European single market:** The Swiss people decided independently to conclude bilateral single market agreements with the EU. No one forced this upon us.
2. **Direct democracy remains untouched.** Direct democratic rights, such as the right to initiate and the right to referendum, will of course remain in place. **There is also no automatic adoption of EU law:** Switzerland will be able to decide independently on every single adoption of EU law within the six internal market agreements. So we can say no to anything at any time. Switzerland has two years to adopt legislation under the dynamic adoption process. Should a legislative referendum be held, Switzerland is guaranteed an additional year for implementation. That is better than the current situation.

3. **Switzerland was able to negotiate numerous important exceptions.** These are exempt from the dynamic adoption of EU law. The European Court of Justice (ECJ) has no say in disputes over exceptions unrelated to EU law.
4. **The obligation to dynamically adopt legislation is already enshrined in the Air Transport Agreement (Bilateral Agreements I) and the Schengen/Dublin Agreement (Bilateral Agreements II) concerned technical standards for tachographs in trucks, maintenance rules for aircraft, or the exchange of information on suspects.**

An independent location policy will remain possible in the future

**Question:** Can the EU unilaterally declare new laws, such as the supply chain regulation or the Allaw as relevant to the single market and thus impose it on Switzerland?

**Answer:** No. **Since Switzerland participates in the single market only in selected areas, it is irrelevant within the framework of dynamic legal adoption whether a new EU regulation is generally relevant to the single market.** What is decisive, rather, is whether it falls within the scope of a specific bilateral agreement. The applicable law is clearly and exhaustively listed in the bilateral agreements. Contrary to the claims of opponents of Bilateral Agreements III, numerous EU regulations—such as the Supply Chain Act (CSDDD), sustainability reporting (CSRD), the Deforestation Regulation (EUDR), the Carbon Border Adjustment Mechanism (CBAM), the Artificial Intelligence Regulation (AI Act), or the Digital Services Act (DSA). There are simply no corresponding bilateral agreements between Switzerland and the EU in these areas. Thus, there is no reason and no obligation to align with the EU in the tax sector, for example, or to adopt the EU’s sustainability regulations wholesale. **An independent location policy will therefore remain possible in the future, and that is important and a good thing.**

The Bilateral III package is not a rehash of the Framework Agreement

**Question:** Isn’t Bilateral III just old wine in new bottles?

**Answer:** No. There are significant differences and improvements compared to the previous framework agreement. **With the package approach of Bilateral III, institutional issues (dynamic adoption of legislation, dispute resolution) were resolved anew individually in each single market agreement (vertical, sector-specific approach).** This is a significant difference from the Institutional Agreement (InstA), where a single framework agreement for all internal market agreements was discussed (horizontal approach).

**The Bilateral Agreements III represent a significant improvement over the framework agreement,** which is no longer under discussion today. We now have a package of new agreements and cooperation arrangements. And particularly important: All sensitive issues have been clarified, and numerous exceptions have been secured for Switzerland that protect our interests.

**Concrete improvements are evident in the following areas, among others:**

- the **"super-guillotine" clause** has been removed
- the **accompanying measures** have been secured. Regarding wage protection, the non-regression clause is included.
- the **state aid** apply only to the agreements on electricity, air transport, and land transport
- Under the **EU Citizens Directive (UBRL)**, there are exceptions that prevent immigration into Switzerland's social welfare systems. Immigration under the free movement of persons will remain labor market-oriented in the future as well.
- The **safeguard clause regarding the free movement of persons** has been clarified. Switzerland can activate it independently and determine the trigger mechanism as well as all necessary protective measures in the Foreign Nationals and Integration Act (AIG).
- In addition, there are **countless exceptions and guarantees**, e.g., in the agriculture, land transport, and electricity agreements. All exceptions are excluded from the dynamic adoption of legislation.

These are all **fundamental improvements** that Swiss diplomats have wrested from the EU.

## We all benefit from an electricity agreement

**Question:** Does the electricity agreement, as part of Bilateral Agreements III, threaten Switzerland with full-scale electricity market liberalization? Is public service in the electricity sector at risk?

**Answer:** No. **Public service is not at risk.** Today, we are locked into a single electricity provider (unlike with a cell phone or health insurance contract). We have no free choice. With the conclusion of an electricity agreement, a new choice model will be introduced in Switzerland. Under this model, **households and small businesses with an annual consumption of up to 50,000 kWh per year will have the choice of whether to remain in the so-called basic supply system** (where they purchase electricity from their local grid operator at predefined prices) **or purchase their electricity on the open market.** In the future, we will therefore be able to choose for ourselves whether we want to switch to a cheaper electricity provider, for example, or remain with the regional basic provider. In addition, (taking into account notice periods and mid-year switching fees) also be possible to return to the basic supply with regulated prices.

**An electricity agreement with the EU is a key element for improving grid stability, strengthening security of supply, and creating new trading opportunities for Swiss electricity companies**, e.g., in the field of hydropower. Furthermore, the potential savings are enormous: According to an [ETH study](#) commissioned by economiesuisse, Switzerland could save around 50 billion francs by 2050 with an electricity agreement—that's 2 billion francs per year. We save so much because integration into Europe means we don't have to build many systems twice. Further information can be found in the following [articlearticlearticlearticlearticlearticlearticlearticle](#).

## The update to the Land Transport Agreement leads to a better range of international rail connections for Swiss consumers

**Question:** Does the Land Transport Agreement jeopardize public service in Switzerland?

**Answer:** No. There are **no plans to liberalize domestic transport.** Under the Land Transport Agreement, the EU only requires, as originally stipulated in

the treaty, that Switzerland open international passenger rail transport to European competition. For Swiss rail travelers, this means an expansion of international train connections is expected. However, foreign providers must strictly adhere to the Swiss regular-interval timetable, respect fare integration with the Half-Fare Card and GA travelcard, and comply with Swiss working conditions on Swiss sections of the route.

**Public service within Switzerland is not affected:** Any impact on the rail infrastructure is ruled out and is not part of the agreement. The outcome of Switzerland's negotiations on the Land Transport Agreement is so convincing that even the Swiss Railway Union (SEV), which was highly critical at the outset, now supports the update to the agreement. Further information can be found in the following [opinion](#).

## Swiss agricultural policy remains independent

**Question:** Can the EU decide on Swiss agricultural policy on its own in the future? Will the existing border protection for agricultural products now be abolished?

**Answer:** No. Switzerland remains independent in shaping its agricultural policy. Border protection through tariffs and quotas, as well as direct payments to farmers, remain untouched. The agricultural agreement does not affect Switzerland's environmental, climate, landscape, or food policies, nor does it cover the taxation of agricultural products.

With the Bilateral Agreements III, farmers have a deal that is very advantageous for them. For instance, the agricultural agreement is exempt from the dynamic adoption of legislation, and compensatory measures are only possible in the event of a violation of the agricultural agreement, including the section on food safety. In addition, the standards in force in Switzerland—for example, in animal welfare or food production—have been successfully safeguarded through exceptions.

The most likely alternative to the Bilateral Agreements III (modernization of the 1972 Free Trade Agreement / based on the EU-UK Trade and Cooperation Agreement) poses significant risks for farmers: The currently comparatively high agricultural tariffs and agricultural subsidies, the price compensation mechanism for processed agricultural products, and the agreement on customs facilitation and customs security would be at risk. All these elements

would be included in the negotiating agenda or put back on the table during negotiations on modernizing the 1972 Free Trade Agreement.

## Swiss companies depend on the removal of technical barriers to trade

**Question:** Can't Switzerland do without the Agreement on the Removal of Technical Barriers to Trade (MRA)?

**Answer:** No. **The MRA covers 20 product sectors** (including machinery, medical devices, electrical equipment, construction products, elevators, and pharmaceutical products) **and thus 73 percent of all Swiss industrial products exported to the EU.** It defines uniform product regulations and stipulates that conformity assessment (proof that a product complies with the regulations) need only be performed once—in Switzerland or in the EU. For example, it is possible to sell a hip prosthesis or machine manufactured in Switzerland in both Switzerland and the EU without additional effort.

Because product regulations are constantly evolving, the MRA must be updated regularly. Without updates to the MRA, market access for Swiss export companies to the European single market will steadily deteriorate after 2027. Following the medtech sector, the machinery, construction, and pharmaceutical industries are next in line. **Given the great importance of these sectors for Switzerland as an industrial hub, the business costs of adaptation are likely to exceed the billion-franc threshold** (see also [Erosion Monitor](#) by Avenir Suisse). This is money that is lacking for investments in innovative products and Switzerland as a business location.

Swiss companies are indeed highly adaptable and inventive. However, due to the current deadlock, **they are forced to make decisions that are detrimental to Switzerland as a business location** medtech company Ypsomed, for example, **had to have 400 products recertified in Germany, which cost over 20 million francs and took nearly 40 employees two years to complete.**

For SMEs, it is even more difficult: If a small Swiss medtech company (such as [Bürki Innomed](#)) has to appoint a responsible person in the EU, it very often also outsources other company activities, such as product development, to Germany because it is cheaper overall. Switzerland as a business location then loses out because innovation no longer takes place here. Overall, this weakens

not only Switzerland's growth potential as a business location but also our prosperity.

## The cohesion contribution is also in Switzerland's interest

**Question:** Is the cohesion contribution to the EU necessary?

**Answer:** It is also in Switzerland's interest to reduce economic disparities within the European single market so that the participating states develop into **attractive target markets with higher purchasing power (e.g., Poland)**. An important aspect of Switzerland's cohesion contribution is: **It is allocated only to selected projects and programs in the partner countries and is not transferred directly to their national budgets or to the EU.**

And let's not forget: The bilateral agreements go far beyond a standard free trade agreement. The continuation and level of the cohesion contribution are appropriate given **the significant benefits of Switzerland's privileged access to the European single market**. Based on the figures from the new Ecoplan study, the economic benefit of the Bilateral Agreements I will amount to around 31 billion Swiss francs in 2035. The fixed cohesion contribution accounts for just over 1% of this total. Compared to Norway, a non-EU but EEA member that will soon pay a cohesion contribution of CHF 450 million per year for full participation in the European single market, Switzerland's contribution of CHF 350 million is fair. Further information on the value of the Bilateral Agreements can be found in the following blog.

## Social welfare tourism can already be prevented today, and individuals dependent on social welfare will not receive a right of permanent residence in the future either

**Question:** Does the adoption of the EU Citizens Directive (UBRL) pose a threat of immigration into Switzerland's social welfare systems?

**Answer:** No. There is no risk of an influx into Switzerland's social welfare systems.

During the negotiations, the Federal Council succeeded in minimizing the risks to the Swiss social welfare system. The EU Citizens Directive will merely

be extended to Switzerland in a tailored manner and linked to an effective safeguard mechanism that includes exceptions and safeguards. The free movement of persons continues to apply only to the labor market and to individuals with sufficient means to support themselves.

**In addition, the EU grants Switzerland several exceptions that protect it from future changes to EU law:**

- 1. The right of permanent residence provided for in the UBRL, to which EU nationals are entitled after five years of residence, is only available to employed persons in Switzerland.**
- 2. The additional integration criteria for a settlement permit continue to apply (such as knowledge of a national language, respect for public order and safety, no dependence on social assistance, etc.).**
- 3. Switzerland may terminate the residence of unemployed persons** if they do not make an effort to integrate into the labor market and do not cooperate with the public employment service (RAV) to find a job.

Citizens of our neighboring countries are already entitled to a settlement permit after five years of residence in Switzerland

**Question:** Will the adoption of the EU Citizens Directive (UBRL), will many more people in the future be granted a right to permanent residence in Switzerland?

**Answer:** No. **Already today, nationals of 17 EU and EFTA states are entitled to a permanent residence permit after five years of residence in Switzerland under the Foreign Nationals and Integration Act (AIG) and bilateral agreements.**

With the adoption of parts of the UBRL, this entitlement will be extended to all other EU member states. **The consequences of this expansion are likely to remain limited**, since nationals of our neighboring countries with the highest immigration rates (Germany, France, Italy, and Austria) are already entitled to permanent residence in Switzerland after five years.

## Little will change regarding family reunification compared to today

**Question:** Will family reunification be made easier with the update to the Agreement on the Free Movement of Persons? Will immigration to Switzerland become easier in the future?

**Answer:** Compared to the Agreement on the Free Movement of Persons currently in force, there will be little change regarding family reunification.

Due to the partial adoption of the EU Citizens Directive (UBRL) as part of the Switzerland-EU package, the group of persons eligible for family reunification **now additionally includes only registered partners** (as well as their dependent relatives in the ascending line and relatives in the descending line, under the age of 21 or dependent). This is the only change regarding family reunification. It concerns a very limited group of people (registered partnerships). **As a result, only a small number of additional people will be able to come to Switzerland.**

**This does not impair Switzerland's independent control of immigration pursuant to Art. 121a of the Federal Constitution.** In practice, registered partnerships are already treated as equivalent to marriage today due to the principle of non-discrimination. The right to family reunification must be distinguished from facilitated family reunification. Both already exist in the current Agreement on the Free Movement of Persons. The latter includes, for example, family members who require care. However, under the updated agreement, family members in need of care do not automatically receive the right to join their family. This remains a discretionary decision. The updated agreement does not change this. Switzerland can still conduct a case-by-case review and also decide against the applicant's request.

## The Swiss Federal Constitution is respected, so that the deportation of criminal EU citizens will remain possible in the future

**Question:** Will it no longer be possible to deport criminal EU nationals in the future?

**Answer:** No. **Criminal EU nationals can still be deported in the future-**  
. Switzerland was granted an exception, meaning that the which provides enhanced protection for criminal EU nationals against deportation, does not

apply. This means we can continue with our current deportation practices. However, in 2023, nearly 70 percent of all individuals who received a deportation order were nationals from countries outside the EU/EFTA area.

## Wage protection in Switzerland is not at risk

**Question:** Is wage protection in Switzerland guaranteed under the Bilateral Agreements III?

**Answer:** Yes – wage protection is guaranteed. All key issues regarding wage protection for posted workers were satisfactorily resolved either through foreign policy negotiations or domestic policy measures. With the update of the Agreement on the Free Movement of Persons, the EU officially recognizes for the first time the necessity of wage protection in Switzerland as well as the accompanying measures (FlaM) required for this purpose. Thus, the existing dual control system—including the monitoring and sanctioning powers of the joint commissions (trade unions and employers) and cantons.

**Among other things, the EU has granted Switzerland the following exceptions to the posting of workers legislation:**

- a **non-regression clause** (should the EU reduce wage protection in the posting of workers legislation, Switzerland would not be required to dynamically adopt these rules),
- a **notification period** (for foreign companies wishing to provide services in Switzerland) of four working days based on an objective and sector-specific risk analysis,
- a **security deposit requirement** for companies that have failed to meet their financial obligations in the past and
- a **documentation requirement** for self-employed service providers as a measure to combat bogus self-employment.

The following points are also important in this regard:

- **The frequency of inspections will continue to be determined autonomously by Switzerland.**
- Failure to pay the deposit may result in a sanction, including a **service suspension** .

- The existing **reporting requirement** is being extended to self-employed individuals.
- In the negotiations, Switzerland secured its **role as an observer at the European Labor Authority (ELA)** .

## Posted workers account for only 0.2 percent of total employment

**Question:** Do posted workers lead to wage dumping in Switzerland and thus jeopardize wage protection?

**Answer:** : No. **The economic significance of the accompanying measures (FlaM) must be correctly assessed.** According to calculations by Avenir Suisse from 2022, posted workers in Switzerland **contribute a volume of work which accounts for just 0.2 percent of total employment.** Therefore, even with the adoption of EU posting regulations and thanks to the FlaM, no systematic negative impact on wage levels in Switzerland is expected in the future.

## The free trade agreement with the EU is important, but by no means sufficient

**Question:** Is the 1972 free trade agreement between Switzerland and the EU insufficient for the economy? Are the Bilateral Agreements even necessary?

**Answer:** Opponents of the bilateral approach repeatedly argue that modernizing the 53-year-old 1972 free trade agreement with the EU could compensate for the elimination of the bilateral agreements. However, they overlook the following: The bilateral approach meets Switzerland's needs and was tailored to them after the country rejected EEA accession in 1992. **At the time, an agreement was reached with the EU on the bilateral agreements, because a free trade agreement alone would have fallen far short of meeting the needs of the Swiss economy and population.**

If the Bilateral Agreements I were to be scrapped, for example, technical trade barriers for industrial products would no longer be removed, air traffic rights would not be covered, Swiss fruits and vegetables would require additional certification for export to the EU, Swiss freight forwarders could not benefit from additional contracts from the EU, Swiss companies could no longer participate on an equal footing in public tenders in cities and regions across

the EU, and it would be much more bureaucratic to recruit workers from the EU. Furthermore, the Swiss population would lose the right to live, work, and study anywhere in the EU. These are just a few examples.

**The bilateral approach is in no way comparable to a comprehensive free trade agreement.** The EU has ruled out concluding free trade agreements with economically closely linked, geographically nearby third countries such as Switzerland that are similar to those concluded with Canada, for example.

However, the UK-EU (TCA), however, there is a blueprint for what a comprehensive CH-EU free trade agreement might look like. **The example of the UK shows that modernizing the free trade agreement with the EU will not come at no cost for Switzerland**

## Switzerland must learn the right lessons from Brexit

**Question:** Aren't the British better off now than before Brexit? Shouldn't Switzerland follow the example of the UK when shaping its relations with the EU?

**Answer:** Not at all. Brexit brought the UK record-high immigration and no economic benefits.

In June 2016, British voters decided in the Brexit referendum, with 51.89% voting in favor, to leave the EU. As a result, in December 2020, the UK lost the free movement of people as well as its access to the EU single market.

**Eight years after Brexit, many Britons view leaving the EU as a failure.** A representative [poll](#) from early 2024 shows that 57% of Britons view Brexit negatively and 70% believe it has worsened the economic situation.

**Contrary to the promise to reduce migration, the UK has experienced record immigration since Brexit.** The [net immigration](#) is well above pre-referendum levels, with migrants from non-EU countries such as India, Nigeria, and China coming to the UK in particular. Economically, the UK has also not benefited from Brexit. **Despite new free trade agreements with Australia and New Zealand, the loss of access to the EU single market has not been nearly compensated for.**

According to a new [report](#) from Aston University, British foreign trade with the EU is suffering increasingly from Brexit: between 2021 and 2023—the years immediately following the UK's exit from the EU customs union and the single market - **the value of British goods exports to the EU fell by 27 percent, while the value of imports fell by 32 percent.**

Another [study](#) by the LSE's Centre for Economic Performance shows that of 120,000 British SMEs which exported their products to the EU before Brexit, **around 20,000 SMEs have ceased exports since the conclusion of the cooperation agreement with the EU.** They cited the increased administrative burden as the reason, stating that exports were simply no longer worthwhile. These negative economic experiences with Brexit are also the reason why the UK now wants to cooperate more closely with the EU again and improve the agreement.

These negative economic experiences with Brexit are also the reason why the UK now wants to cooperate more closely with the EU again and improve its trade agreement with the EU.

## **Per capita prosperity has clearly increased since the introduction of the Bilateral Agreements**

**Question:** Is Switzerland only growing in size? Has per capita prosperity decreased due to immigration?

**Answer: Since the signing of the Bilateral Agreements I in 1999 and 2023, real (inflation-adjusted) GDP per capita in Switzerland has grown by 26.5%.**

In absolute terms, the population has become 18,923 USD. This increase in prosperity is nearly twice as high as in Germany and almost three times as high as in France.

**The allegedly poor productivity trend in Switzerland is also a myth.** It is good—especially when one takes into account the increase in leisure time, the decline in hours worked, and demographic trends. Thus, productivity, prosperity, and leisure time per capita in Switzerland have steadily increased in recent years. This positive trend has been facilitated by the bilateral agreements and the free movement of persons.

Further information on this topic can be found in our [article “The Myth of Poor Productivity Growth”](#) as well as in the [political dossier \(available in German\)](#) on economic growth from March 2023 (including a country comparison and an explanation of the relevance of the base effect).

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