  

European Policy & Open Markets

New study shows ***high benefits of bilateral agreements***

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At a glance

- If the bilateral agreements were abolished, GDP would be 7.1 percent lower in 2045 and per capita GDP would be 4.7 percent lower.
- Per capita GDP would be a cumulative 45,700 francs lower by 2045 without the bilateral agreements.
- The bilateral agreements are highly beneficial and are a key element in Switzerland's attractiveness as a business location.

The bilateral agreements with the EU have great economic benefits for Switzerland. Various studies have shown this. Now new simulation calculations by BAK Economics AG on behalf of economiesuisseon behalf of the Swiss Federal Council: The study shows that the loss of bilateral agreements would have a negative impact on growth momentum. The impact would be significant: if they were abolished, Switzerland's gross domestic product (GDP) in 2045 would be 7.1 percent lower than with the agreements. Cumulatively, this would correspond to a loss of economic output of CHF 685 billion from 2028 onwards.

Less prosperity if the bilateral agreements are abolished

The agreements with the EU are not only important for overall economic development, but also for the prosperity of the population. The new analysis by BAK also shows that if the bilateral agreements were to be abolished, the level of real GDP per capita in 2045 would be 4.7 percent lower than in the scenario with the continuation of Bilaterals I. This corresponds to a loss of CHF 5,200 for each resident in 2045. It was taken into account that net immigration would be lower due to the abolition of the free movement of persons and that population growth would therefore also be lower.

The treaty package is important for the attractiveness of the location

The negative effects of the discontinuationof Bilaterals I would not be a short-term shock, but would reduce the long-term growth potential of the Swiss economy. The loss of individual agreements would have negative effects. According to BAK's model calculations, the termination of the free movement of persons would have a particularly significant impact. If the possibility of recruiting optimally qualified workers from the EU is restricted, then this would have noticeably negative consequencesfor the economy as a whole, for productivity and ultimately also for the development of prosperity. economiesuisse has pointed out in various publications that Switzerland remains dependent on foreign workers due to demographic ageing. In addition, the study underlines the value of the contract package as a whole for Switzerland's attractiveness as a business location. The model calculations show that systemic effects are significant. The benefits of the package therefore exceed the sum of the individual agreements. Stable and regulated relations with the EU are important for economic development. The Swiss economy needs reliable framework conditions and clear rules so that trade, investment and innovation can flourish in the best possible way.

Rudolf Minsch

Head of General Economic Policy & International Relations, Chief Economist, Deputy Chairman of the Executive Board

Guido Saurer

Deputy Head of Economic Policy & Education