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**Committee on Regional Trade Agreements
Hundred and Fourth Session**

FREE TRADE AGREEMENT BETWEEN THE UNITED KINGDOM AND SWITZERLAND (GOODS)

NOTE ON THE MEETING OF 22 SEPTEMBER 2022

Chairman: Ambassador H.E. Mr. Taeho LEE (Republic of Korea)

1.1. The 104th Session of the Committee on Regional Trade Agreements (hereinafter "CRTA" or the "Committee") was convened in Airgram WTO/AIR/RTA/29/Rev.1 dated 12 September 2022.

1.2. Under Agenda Item F.III of the Session, the CRTA considered the Free Trade Agreement between the United Kingdom and Switzerland, goods (hereinafter "the Agreement"). The Chairman stated that the factual presentation had been prepared by the Secretariat on its own responsibility in full consultation with the Parties, in accordance with paragraph 7(b) of the Transparency Mechanism for Regional Trade Agreements (document WT/L/671).

1.3. The Chairman recalled that the Agreement had entered into force on 1 January 2021. It had been notified to the WTO by the Parties and Liechtenstein on 31 December 2020 under Article XXIV:7(a) of the GATT 1994, as establishing a free trade area for trade in goods, within the meaning of Article XXIV of the GATT 1994 (document WT/REG437/N/1). The text of the Agreement, together with its Annexes, was available on the Parties' official websites and in the WTO RTA database. The factual presentation, documents WT/REG437/1, and questions and replies, document WT/REG437/2, had been distributed. The Parties had informed the Chairman that the representative of the United Kingdom would make a joint statement on behalf of both Parties.

1.4. The representative of the United Kingdom speaking also on behalf of Switzerland, recalled that at the previous meeting, Members had had the opportunity to review the UK's trade agreements with Canada, Chile, and Jordan. The factual presentations on the agenda continued the process of multilateral review of the UK's FTA programme.

1.5. The Agreement had successfully entered into force on 1st January 2021 following the end of the transition period of the UK's membership of the European Union. The Agreement had incorporated, and replicated to the extent possible, the provisions of eight pre-existing EU-Switzerland Agreements, including the 1972 EU-Switzerland Free Trade Agreement and EU-Swiss agreements on Agriculture, Mutual Recognition of Conformity Assessment, Procurement and Anti-Fraud.

1.6. The Agreement reaffirmed the strong relationship between the UK and Switzerland, two dynamic European economies outside the EU.

1.7. The Agreement had provided important continuity, preserving the key elements of the UK and Switzerland's trading commitments, allowing individuals, businesses, and stakeholders in both Parties to continue key trading relationships going forward.

1.8. The representative of the United Kingdom said that Switzerland was one of the UK's closest trading partners and their thriving trade relationship had increased almost three-fold over the last 20 years. It was worth over GBP38 billion in 2021.

1.9. The Agreement followed a short form approach, which incorporated by reference the relevant provisions of the EU-Switzerland agreements *mutatis mutandis* with a few, necessary modifications. The UK and Switzerland had agreed that entering into a short form agreement was the most

pragmatic and sensible approach to delivering continuity in the circumstances. This approach had been applied to other UK continuity agreements that had been ratified since February 2019.

1.10. The Agreement included provisions on trade in goods, geographical indications, and government procurement. The Parties had also secured the key chapters in the Mutual Recognition Agreement on conformity assessment, providing vital continuity for sectors such as the automotive sector. The Agreement extended relevant goods provisions to Liechtenstein which formed part of the Swiss customs territory.

1.11. The Agreement reproduced the effects of the EU-Swiss FTA as far as possible, including the establishment of institutional arrangements between the UK and Switzerland based on existing structures. For instance, the 'EU-Switzerland Free Trade Agreement Joint Committee' had been replaced by the 'Incorporated Free Trade Joint Committee'. A further five Joint Committees had been established to manage the corresponding transitioned EU-Swiss Agreements. This approach had allowed for the ongoing management and updating of the umbrella Trade Agreement and incorporated agreements.

1.12. Where more substantive amendments were required to reflect the bilateral context, or where the UK and Switzerland had jointly agreed that incorporating the provisions *mutatis mutandis* would not deliver adequate certainty or transparency, detailed amendments had been included in the Annexes to the Agreement. In addition, certain provisions under the EU-Swiss Agreements had not been transitioned, in particular under the incorporated Agriculture Agreement, Mutual Recognition Agreement of Conformity Assessment and Customs Security Agreement. However, the relevant Joint Committees were empowered to assess any changes to domestic legislation in the UK and Switzerland on an ongoing basis to ensure continuity where possible. To date, this had already been achieved by applying a revised Annex 9 to the Agreement on organically produced agricultural products and foodstuffs.

1.13. As a guiding principle, where there were time bound commitments in relation to liberalising market access, Switzerland and the UK had agreed to 'inherit the clock' thus ensuring continuity had been maintained in the new bilateral agreement. Should the time bound commitments relate to commitments to undertake reviews, the clock had been reset, thus allowing the UK and Switzerland to carry out the reviews in a bilateral context.

1.14. Upon entering into the Agreement, the Parties had recognised that there were opportunities to deepen their trade further. Therefore, they had committed to a 24-month review clause under Article 8 of the Agreement to hold exploratory discussions to modernise it.

1.15. Work was underway to prepare negotiations for an enhanced FTA. The UK had an 8-week public 'call for input' on a new trade agreement with Switzerland between 28 April and 22 June 2022, giving stakeholders the opportunity to help inform the UK's negotiating objectives. Switzerland had undertaken an analogous public interest survey between 7 July and 2 September 2022. Switzerland and the UK were looking forward to working closely on an agreement that was ambitious, modern, and comprehensive.

1.16. The representative of the United Kingdom was pleased to conduct this important exercise of transparency, and, on behalf of both Parties, she thanked the Secretariat for the work done for preparing for the meeting and the Members who had joined the debate for this consideration.

1.17. The Chairman thanked the Parties for having presented the big picture for the Agreement and noted the Parties' cooperation in making a joint statement on behalf of both Parties, which had helped the efficient conduct of the meeting. He opened the floor to the Members for comments.

1.18. The representative of the European Union said she had taken due note of the Agreement and the presentations that had been made as well as the details included therein. She reiterated the great importance that the European Union attached to the continued work of the Committee in terms of promoting transparency amongst Members and encouraged the Secretariat and the Members to continue to contribute towards this transparency exercise which was of great use.

1.19. The representative of Canada thanked the Parties for their efforts to bring the transparency process to a fruitful conclusion for their regional trade agreement.

1.20. The representative of Japan thanked the Parties for their comprehensive and informative presentation. He also thanked the Secretariat for its efforts in preparing the factual presentations and wished the Parties success in the implementation of their agreement. Japan believed that they would further strengthen the multilateral trading system.

1.21. The Chairman noted that the consideration of the Trade Continuity Agreement between the United Kingdom and Switzerland (goods) had allowed the Committee to clarify a number of questions and conclude oral discussion of the RTA in accordance with paragraph 11 of the Transparency Mechanism. Any delegations wishing to ask follow-up questions were invited to forward submissions in writing to the Secretariat by 29 September 2022 and the Parties were asked to submit replies in writing by no later than 13 October 2022. In accordance with paragraph 13 of the Transparency Mechanism all written submissions, as well as the minutes of the meeting would be circulated promptly, in all WTO official languages, and made available on the WTO website.

1.22. The Committee took note of the comments made.
