PRESS RELEASE

No. | H | N | 27 March 2015

Government of the Principality of Liechtenstein adopts Government Bill on 20 years of EEA membership: Positive assessment - EEA as a success model

Vaduz (ots/ikr) - On 24 March 2015, the Government adopted its Government Bill on 20 years of membership of the Principality of Liechtenstein in the European Economic Area (EEA). With this Government Bill, the Government aims to provide comprehensive information to Parliament and the Liechtenstein public on the country's experiences with the EEA membership. The Government gives a positive assessment of 20 years of the EEA membership. This assessment is confirmed by the results of the survey conducted for the first time of the population, businesses, and the public authorities and by the statements of business associations and other interest groups on the 20th anniversary of the EEA membership. These results and statements have been included in the Government Bill. According to Prime Minister Adrian Hasler, "Joining the EEA was a milestone in the recent history of our country. It is remarkable that the citizens of Liechtenstein demonstrated such foresight already in 1992 and continue to support that decision today."

High level of acceptance of the EEA among the public and businesses
The Government's European policy is not only accepted by the Liechtenstein public but also actively supported. The survey showed that 85% of respondents have a positive view of the EEA, 74% consider the EEA to be a success model, and 81% believe the EEA continues to be the best option for Liechtenstein's European policy.

77% of businesses consider the impact of the EEA on Liechtenstein as a business location to be positive. The access to the EU internal market granted by the EEA is a great advantage and important location factor for businesses. In particular, large enterprises with more than 250 employees consider the EEA to be especially positive. Industrial companies actively supported accession to the EEA from the beginning, and they continue to support this integration approach after 20 years of EEA membership.

This assessment is shared by directors of public authorities as well as by the EEA experts who deal with EEA issues in their daily work.

Gratifying economic development
Economic development has been positive overall, leading to the conclusion that Liechtenstein's EEA membership has been successful in maintaining and even expanding the country's good framework conditions. The competitive pressure by the EEA has been a great challenge for some sectors and companies. However, Liechtenstein's economy has
been able to face the new challenges and is taking advantage of the opening of the EU internal market. Unhindered access to the EU internal market for goods and services, which includes a total of 31 countries and about 500 million citizens, has also been reflected in the export statistics.

**Strengthening of autonomy**

EEA membership has made an important contribution to Liechtenstein's autonomous foreign policy. The perception of Liechtenstein as a sovereign member of the international community has been enhanced. At the same time, it cannot be ignored that the costs of EEA membership have increased.

**Relations with Switzerland and Austria**

Despite accession to the EEA, Liechtenstein has been able to preserve its close relations with Switzerland. In regard to the movement of goods, the so-called "parallel marketability" has worked smoothly. But it has increasingly been observed that the different integration paths of Liechtenstein and Switzerland can lead to problems due to the different regulations and regulatory approaches. So far, mutually beneficial solutions have always been found where necessary. But this is likely to become a greater challenge in the future. Unlike Switzerland, Austria is a member of the EU. Thanks to the common membership in the EEA, Liechtenstein's relations with Austria have deepened and become more intensive.

**Liechtenstein-specific solution for the movement of persons**

The provisions governing the free movement of persons that were negotiated upon the EEA accession and that have been adjusted over the course of Liechtenstein's membership take account of the country's geographic, demographic, and sociological situation. A tailored solution was negotiated that was not only maintained during the EEA expansions in 2004, 2007, and 2014 but was even improved, since the provisions will now no longer expire automatically.

**Complexity and costs of implementation**

The EEA Agreement also contains legal provisions that cause problems and in some cases considerable costs for implementation into national law as well as the application thereof. The continuing development in the EU internal market and the expansion of the legal framework of the EEA Agreement also pose a special challenge. The EEA/EFTA countries must adjust to the fact that increasingly, specialized EU authorities separate from the EU Commission will be responsible for regulation and supervision - in order to increase homogeneity and effective monitoring of the law within the EU internal market. Demanding negotiations have been necessary so far to mirror the role of these authorities within the EEA, while taking account of the powers of the EFTA Surveillance Authority provided under the EEA Agreement. The increasing regulatory density of the law of the EU internal market law means that Liechtenstein must accept limitations of its legislative autonomy. But the opportunities and new business options that the EEA Agreement offers for Liechtenstein, such as in the areas of insurance, investment funds, telecommunication, and certification, outweigh these limitations.
**Appropriateness to size**
Prior to EEA accession, some concerns were voiced that membership would entail disproportionate costs. After 20 years of experience, the assessment in this regard is positive in general, even though more new positions had to be created within the National Administration than had originally been predicted. The establishment of the EEA Coordination Unit as the main authority responsible for EEA affairs, the strengthening of the Permanent Mission in Brussels, the development of expertise in the ministerial and administrative offices, and the involvement of interest associations have proven to be an efficient approach to administering the EEA Agreement and safeguarding Liechtenstein's interests in an optimal way. The implementation statistics of the EFTA Surveillance Authority show that Liechtenstein honours its implementation obligations to a very high degree.

Some of the statements on the 20th anniversary of the EEA membership the Government received criticized aspects of the EEA Agreement, including the impact of competition as required by the EEA on accustomed practices and procedures (e.g., public procurement) and of the EEA Agreement’s state aid rules on the state’s political leeway. Some interest associations have also criticized the regulatory density associated with the EEA Agreement.

**Education and youth**
Expectations have been far surpassed in regard to participation in programmes, in particular in the fields of education and youth. This component of the EEA Agreement is especially important for creating a European identity and should be seen as a long-term investment that promotes peace and increases quality of life.

**Good starting point for future developments**
Concluding its positive assessment of Liechtenstein's 20 years of EEA membership, the Government noted that Liechtenstein's integration status is currently considered to be appropriate. Nevertheless, the dynamic both within and outside the EEA cannot be underestimated, especially in regard to integration policy developments in the EU, other EFTA countries, and first and foremost Switzerland. The Government is observing these developments very carefully in order to adjust policy where necessary. According to Foreign Minister Aurelia Frick, "The EEA has proven to be an appropriate integration solution for Liechtenstein so far, and it continues to be the right path for our country. Despite this good starting point, we must follow the developments in Europe very closely so that we can continue to safeguard Liechtenstein's foreign policy interests in the best possible way."

**Obtaining the report**
The Government Bill of the Government to the Parliament of the Principality of Liechtenstein on 20 years of membership of the Principality of Liechtenstein in the European Economic Area (EEA) (No. 18/2015) can be obtained from the Government Chancellery (tel. +423 236 60 35) or at [http://www.bua.llv.li/](http://www.bua.llv.li/) (in German).
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