



European Affairs Committee

Corrected oral evidence: The UK-EU reset

Tuesday 6 May 2025

3.30 pm

Watch the meeting

Members present: Lord Ricketts (The Chair); Baroness Anelay of St Johns; Baroness Ashton of Upholland; Lord Frost; Baroness Hayter of Kentish Town; Lord Jackson of Peterborough; Baroness Ludford; Baroness Nicholson of Winterbourne; Lord Stirrup; Baroness Suttie; Duke of Wellington; Lord Whitty; Baroness Winterton of Doncaster.

Evidence Session No. 11

Heard in Public

Questions 115 - 129

Witnesses

[I](#): His Excellency Markus Leitner, Ambassador of Switzerland to the United Kingdom; Alberto Groff, Deputy Ambassador of Switzerland to the United Kingdom.

Examination of witnesses

His Excellency Markus Leitner and Alberto Groff.

Q115 **The Chair:** Welcome to the European Affairs Committee for another evidence session in our inquiry into the EU-UK reset, what it is likely to be, what it should be, and what we consider should be the priorities. I am delighted that we are joined today by Ambassador Markus Leitner, the Swiss ambassador, a third country with the EU, with a great deal more experience than the UK has had of third-country status. We are delighted to have you and to be able to put questions to you. We will try to do this in an hour. I think that is reasonable for a single witness to have to cope with us. Of course, we are being broadcast and there will be a transcript. We will make sure you have an opportunity to review that before it is published.

To get us started, if you would not mind, Ambassador Leitner, could you perhaps set out for us briefly what the package is of new bilateral agreements that you have negotiated with the EU? We have all heard about them and they have been referred to quite a lot in our evidence so far. To open up, could you give us an overview of what the package is and then we will take up more detailed questions?

Markus Leitner: Chair, thank you very much for having me. It is a great honour to be here.

As a brief historic, this is the third package. We have two previous packages of bilateral agreement from 1999 and 2004. These are the result of a referendum that we held in 1992 on the access to the European Economic Area. The idea was to solve these issues after the 'no' from the Swiss people to some of these issues—that they be mutually agreed with the European Union. This is now the third package that we negotiated.

There is a history to this as well and we can go into that, but the agreement has basically two parts, or it can have four parts, depending on how you want to do it. There is a stabilisation part that includes all the agreements that we have concluded as part of these two packages that I mentioned. Some of them are market access agreements. Others are co-operation agreements. This is the idea of a consultation on stabilisation, and then you have three more new agreements on electricity, health and food security. That is, in a very brief outline, what we have negotiated. The stabilisation itself is not just an update, it is also some institutional arrangement amendments and all the co-operation programmes that Switzerland will join or rejoin—Horizon, for example.

The Chair: Thank you very much. I am sorry, I should have invited you to introduce your colleague, the deputy ambassador.

Markus Leitner: This is Deputy Ambassador Alberto Groff and I am very happy that he can join me today.

The Chair: Thank you very much for being with us.

Q116 **Baroness Ludford:** Thank you very much, Ambassador and Deputy Ambassador, for that overview. Could you bring out for us in the background of the Swiss model—which as you described goes back to 1999, I think you said—what you would say was the significance of the new package? In order not to come back, can I follow that up? I understand that as one of the new elements in the context of, currently, dynamic alignment—although people understand that term slightly differently—your government summary said you have been granted a say in EU legislation, similar perhaps to EEA countries like Norway. In explaining the package, could you also explain what that element consists of and what it really means?

Markus Leitner: I will start with the dynamic alignment because it is a term that is much discussed. Dynamic alignment is not automatic alignment. I do not need to teach you this and obviously we have people who know this first-hand, but in general terms people tend to confuse dynamic alignment with automatic alignment. There are two different ways of how you can dynamically align, or two different methods for this. One is the integration method and one is the equivalence method. These are completely different approaches. We have a mixture of all this in our agreements. The integration method is when you refer to the EU legislation as such and that becomes the new rule, or you have the equivalence method where you have Swiss laws that apply that are equivalent to the EU regulation. We have to make the distinction there and, as I said, there is a mix in this package when it comes to dynamic alignment.

Dynamic alignment does not mean automatic. It also does not mean that Switzerland will integrate everything all at once. We have the possibility of deciding independently what we will take over. It is a decision by the Swiss competent authorities, including the direct democratic elements, the referendums. It is just that if we do not take over everything there are compensatory measures that can be taken that need to be proportionate, and there is a procedure outlined in such a case. It is not automatic; there are different areas or different methods to have dynamic alignment.

For us, on the package itself, I do not want to take out certain elements and say, "This was particularly important to us". Especially in the current situation, we want to have a stable and prosperous relationship with the European Union. We want to give certainty to business that this is a strong working relationship, not just to business but also to the people, to the researchers, and to all the stakeholders that are key for us in our relations with the European Union.

Baroness Ludford: Could I pursue the point? Sorry, I fired several questions at you. What does the say in EU legislation consist of? How does it work? What input would the Swiss authorities be able to put in and get out of any say with the EU, given the whole structure of co-decision, including the European Parliament?

Markus Leitner: I am sorry that I did not address this question. Yes, in terms of dynamic alignment, Switzerland will be part of the decision shaping. We will participate in the preparation of EU legal acts. This belongs to the internal market arrangements, and I should have outlined this as well. The question of dynamic alignment refers to agreements that are linked to the internal market; for example, free movement of persons, air transport, land transport, and elements like these.

The Chair: To go just one step further than Baroness Ludford, in the consultation as part of decision shaping, if Switzerland puts forward a view to the EU, does it sometimes get adopted and reflected in the EU legislation?

Markus Leitner: We feel very confident that we will be able to bring our point across in terms of the issues that are dear to us. We feel that this is a way of participating in the preparation of EU legal acts that is not just window dressing; it is a real opportunity to participate.

- Q117 **Baroness Hayter of Kentish Town:** There are obviously two stages of this. At the time of the agreements when they go through, it will presumably go through your process and through the Parliament. Afterwards, as new laws are coming within the EU and if you are going for the dynamic alignment as opposed to equivalence, at what stage will the Parliament be involved in those bits and pieces—at the beginning when you are negotiating, or not until you have finished negotiating with the EU? You and I have discussed the problem of treaties before, about waiting until the treaty has finished, and it gives Parliament very little say. I am just wondering whether your Parliament would be more involved as you are going through that negotiation on dynamic alignment, or will it only have a say at the end?

Markus Leitner: Taking the whole package as an example, our Parliament was consulted very early on on the negotiation mandate, on the common understanding that we had reached with the EU as a base for these negotiations. These elements were also published subsequently. Parliament has an active say. In terms of dynamic alignment, whenever we need to change a law Parliament will be involved in this process. Our decision-making process is a very consultative approach. It is a government proposal that goes into consultation and then into Parliament, and after Parliament there is a possibility, depending on the law, of a referendum. It might not even be Parliament that the law says; it might be a public vote that will decide on this dynamic alignment. I just want to say that dynamic alignment, whether this is integration or equivalence, is the same for us. There is an independent decision to be taken on this.

- Q118 **The Duke of Wellington:** Reading this very good brief, it does strike us that over many years Switzerland has been able to negotiate to its advantage a number of agreements with the EU. How would you describe Switzerland's ability to achieve that as a non-member state—as a third country? We are now faced with trying to negotiate various new agreements with the EU as a third country, and it seems that Switzerland

has been rather successful in achieving its negotiating objectives. How would you explain that?

Markus Leitner: It is not one reason, or it might not have been the same things all the time. With the first set of bilateral agreements, and the second one, we were in a logic that the Swiss Government had requested to become a member of the European Union at the time. That was part of the package to join the European Economic Area. There was obviously a motivation to say, "Let's close the gap somewhat to make it easier eventually to join". I think there was a logic from both sides in terms of saying we want to solve some of these issues that are particularly difficult for us.

That is not the logic now. This request to join the European Union is off the table. We are about to say we want to stabilise our relations with the European Union. There is the geographical position of Switzerland in the midst of the European Union. We are a growth motor in the European Union. In 2023 Switzerland created 100,000 new jobs, which were filled mostly with European citizens. We have a high salary level that is attractive as well for many EU citizens to come to Switzerland. I think we have a very positive effect on the EU economy and the internal market as such. We are very much integrated, if you like, into the EU without being a member. We have always engaged very constructively with the European Union. Our bilateral approach has turned into a success story.

What I know is that these two sets of bilateral agreements are very popular among the Swiss. We have voted on several occasions on certain aspects of these agreements, and the response from the Swiss population was always to follow the Swiss Government on these issues. As part of the procedure now for the third package, we will see if they will be equally popular, if they will stand the test of the parliamentary debate and then possibly a referendum.

Q119 **Baroness Suttie:** From the Swiss point of view in terms of the actual negotiations, what do you think are the pluses and minuses of adopting a package approach to EU-Swiss negotiations?

Markus Leitner: The initial idea was a different one. This institutional framework agreement approach, as it was called, wanted to build a roof over our existing agreements to solve some of the institutional issues. The approach was abandoned in 2021. There are different reasons behind this, but we could not find a compromise that felt comfortable and that would stand a chance of adoption in Switzerland, so we had to walk away from the negotiation table. We feel that it was not just us, it was also a general feeling at the time that made it difficult for the EU Commission to reach compromises with a country that is outside of the European Union, given that Brexit was just happening.

This was a break. We came back with a new approach to look at it vertically, so agreement by agreement, and to find solutions agreement by agreement. In each of these agreements the institutional set-up is different, from dynamic alignment but also in other areas, state aid and

so on. For each one we could find solutions that are bespoke to this agreement.

At the end of the day, that is the question now. That is why I was hesitant to answer the question whether it is one package. We look at it more as four packages now. One is the stabilisation package and then you have the three new agreements that we will put forward to Parliament.

Baroness Suttie: Are there any disadvantages to this style of negotiation, do you think?

Markus Leitner: As I said, the first idea was to say, "Let's build a roof over this". I am always intrigued to hear the term "Swiss model" because we never felt this is a model. It is a pragmatic approach to solve issues, to find win-win elements for both sides when you negotiate. This roof would have given it more of a sense of a model or a specific approach. It is more of a pragmatic approach. We feel now that it has benefits in terms of finding a more bespoke solution that is fitting for both sides.

Q120 **Lord Jackson of Peterborough:** You may know that last week we went to Brussels. We discussed the Swiss agreement with the chef de cabinet of the EU Council. I challenged him—which he did not really like—on why it was possible to formalise the flexibility that you have in your new agreement; for instance, on not necessarily having to go to the European Court of Justice and going to arbitration panels and joint committees rather than the *acquis*. He was very negative about what had gone on in the bilateral relationship between the EU and Switzerland, but my point was that that same flexibility could be applied to the UK. It certainly is in Northern Ireland.

What is your assessment? I think that you may have already answered and said it is not a Swiss model, but if you will forgive me, I think that it is a new model because it is not the single market and it is not third-country status. What is your assessment of that new flexibility and how it takes your relationship with the EU forward? Could I tempt you to say whether it might be possible to extend that to other third countries that are not members of the EU?

Markus Leitner: You will forgive me that I will not comment on your conversation with the chef de cabinet. Our experience is a different one. In the current situation we feel there is a readiness to co-operate. We have already fast-tracked our participation in the co-operation programmes and that is also for us a very positive sign that these agreements were welcomed by the EU.

It is always a compromise at the end of the day. You might not be enthusiastic about all the points and they are probably not enthusiastic about all the points on the Swiss side either, but overall in what we have seen we have reached a very good point. I am not in a position to say if the Swiss model is on offer or not, so it is not up to me to comment.

Lord Jackson of Peterborough: May I just put you on the spot a bit?

Would you characterise it as a partial integration into the single market? Would that be fair? You are accepting free movement and you are paying into various structural funds for the EU. Is it de facto partial membership of the single market for Switzerland?

Markus Leitner: We are not members but we participate in the single market. That is correct, but it is not that we have to accept one thing or the other. We feel it is a benefit to have free movement of persons with proper safeguard clauses and that, as I said, was challenged a number of times through referendum. The Swiss always agreed that this is a benefit and the Swiss see these two packages as an overall benefit to us.

Yes, we are very much integrated, if you like, and some people would even say that we are more integrated into the EU than some of the EU member states to a certain extent. That is what we feel. We have been very clear in our minds where we want to get closer to the EU, where we accept EU legislation and where we want to deviate, where we feel an advantage from that. I think that is key to us, that we have a clear understanding of where we want to get closer and where we want to differentiate ourselves from the EU.

The Chair: Thank you very much. It is very interesting.

Q121 **Lord Frost:** To follow up a bit on this discussion, you talked about the different benefits and costs of this particular agreement. To what extent do you think the fact that you accept free movement and you are part of the Schengen area and other things goes with that? How much is that a lubricant to other bits of the deal? Is free movement important, do you think, to making this work?

Markus Leitner: Again, I am probably the wrong person to ask if this is a lubricant for the EU. We see it as an advantage to be able to attract talent, to bring an interesting workforce to Switzerland. This was a deliberate decision. We had a quota system before and now we changed into the system of free movement of personnel. This free movement of personnel helped us to improve our attractiveness and to attract more qualified workers. We lost some opportunities to engage lower skilled workers but as a result we have a more qualified workforce coming to Switzerland. That has been a fundamental change to our migration policy.

I would not say that we gave in there. It is rather a deliberate choice in our migration policy. There are public initiatives to challenge this and we will see how this goes, but overall the decision to join free movement of persons was a deliberate decision in our migration policy.

Lord Frost: Yes, because that is one of the areas where, given current government policy here, the Swiss model, such as it is, cannot be replicated into our arrangements. That is a major difference.

You said there is not a Swiss model but I know we are using it as shorthand. To what extent do you think this agreement is made possible because of the specific features of Switzerland, i.e. the population, the

wealth of the country, the location, the particular nature of the economy, the sectors? Do you think those things make it more possible for Switzerland? Do you think the model is tailored to Switzerland because of these specifics of Switzerland as a country?

Markus Leitner: I do not want to read anything into your statement, but we have heard from time to time, "Oh, Switzerland is cherry picking". I think that is the wrong approach to look at things. We negotiate with the EU as a third country and we are busy finding areas of common interest and then, within these areas, to find win-win situations where we can find solutions. That is a give and take. We have paid for every concession that we got and so has the EU. If we negotiate and when we negotiate currently with the UK on a free trade agreement, that is the same thing. We find a lot of areas of common interest and we find a lot of win-win positions. We do not ask for any solidarity in this context. Yes, we have tried to bring in all the specificities that the country has and that makes it possible for us to adhere to this and to participate in this internal market to the terms that are possible within a bilateral agreement.

Q122 **Baroness Winterton of Doncaster:** I think that it is true to say, is it not, that Switzerland and the EU held about 14 months of negotiations after producing the "common understanding" document? After that, the political agreement on the package could be announced. Do you think that is the timeframe the UK should be envisaging in its reset negotiations?

Markus Leitner: Especially for diplomats, timing predictions are extremely difficult. I would like to stress what you mentioned, this common understanding, which was for us a very helpful guideline for our negotiations. You have a lot of stakeholders in this. You have EU member states. You have cantons. You have a lot of people who have good ideas in your negotiations, and it is important to have some landing zones defined when you enter into these negotiations. Without the common understanding, I do not think that we would have reached this within 14 months.

Preparation is key. If you have good preparations, why not? It obviously depends on how broad these agreements are that you want to reach. As I said, most of our disagreements are the so-called stabilisation part. They are existing agreements that need some adaptation. Only three agreements are really new agreements.

Q123 **Lord Stirrup:** Ambassador, thank you very much. I am trying to understand the connection or relationship, if there is any, between the EU-Swiss negotiations and the EU-UK negotiations. It is quite clear that the earlier stage of the negotiations with Switzerland was significantly impacted by Brexit and the desire not to be offering Switzerland something that might be seen as helpful to the UK. Of course, it is the same team in Brussels that is conducting all these negotiations.

Moving to the situation we are in now, is it not the case that there is not really such a thing as a Swiss model? There is an arrangement that is

acceptable to Switzerland and the EU and it suits that particular negotiation, but there is perhaps a key lesson or a key implication of the Swiss deal, which is that the EU has demonstrated that in areas where previously it has said no movement is possible politically, it has shown that actually there is movement possible if there are pragmatic arrangements that are acceptable to both sides and both sides contribute something of worth. In Switzerland's case, of course, perhaps it is free movement of people and contribution to EU funds, but it might be in some other area.

I am perhaps asking you to speculate a little bit here with regard to our particular negotiations with the EU, but is it not the case, following your example, that it should be perfectly possible for the UK to come up with a UK model that satisfies the EU and the UK much more pragmatically than has been possible with the EU in the past?

Markus Leitner: I do not need to speculate, but what I want to say is that we have every interest that there are excellent UK-EU relations because it is only beneficial to the EU-Swiss relations. We might negotiate on similar topics. I am not privy to the thinking and the consultations that are taking place between the EU and the UK, but certain areas that we hear of, like SPS agreement and CBAM, might be areas where Switzerland and the EU already have a solution. We are talking to the same people in this context and we might end up in similar situations or solutions.

What is important in this context is the triangulation, that we do not just have a UK-EU and a Swiss-EU view but we also do the triangulation between the UK and Switzerland, be that on CBAM, on SPS, or on any other topic, youth mobility, whatever it may be. That is an important point where I have certainty. The rest, as you say, is speculation and more for the EU to answer than myself.

Lord Stirrup: Would you agree that what you have demonstrated is that a tailored agreement, which is perhaps another way of describing cherry picking, is entirely possible and entirely acceptable to the EU provided there are sufficient benefits to both sides?

Markus Leitner: If you refer to cherry picking for both sides, then I would agree with you.

The Chair: Very interesting, thank you. We have a new definition of the Swiss model, I think.

Q124 **Baroness Anelay of St Johns:** I think that Lord Stirrup has analysed the question I was going to ask, so I will just add something else to that.

Thank you, Ambassador, for being so clear about the nature of negotiations, even though, of course, because they are confidential it is very difficult to go into a huge amount of detail. I was intrigued by the fact that you referred to Switzerland as having become very integrated with the EU without being a member. From your experience of watching the negotiations of the UK, do you feel that the way in which we are

negotiating will have any effect on your future negotiations? Do you have any, shall we say, discussions—which, of course, I am sure would be private—with the UK about how you and we carry on our negotiations?

Markus Leitner: We follow with great interest the discussion in the UK and the discussion about possible approaches and possible topics that might be subject to negotiations, as I said, for a very direct interest that we have. As I mentioned, we have concluded the political agreement, but now we are in the process of scrutinising it. There is initialling. There is the signing. There is the EU Council. There is the Swiss Parliament. There is a referendum. It is a long process that is still going on. In that sense, what is happening in the UK with the EU might even have an influence on our debate as we go along. For that reason, we have a very close interest in what the UK is doing and in the upcoming summit, so we will be following this very closely.

I do not have advice on this. For us, as I said, it was always helpful to be very clear. We are an export nation so we are used to living up to the standards of our customers. To take up standards from abroad, to be successful, especially if we say export products, is not such a major interference in sovereignty. There are other questions that for the Swiss are much more delicate in terms of sovereignty. What is important is to have it clear where the UK wants to get closer to the EU and where the UK feels it has its advantages by going a separate way and seeing if this is acceptable to the EU at the end of the day.

Q125 **Baroness Ashton of Upholland:** Pursuing that a bit more, Ambassador, as you know I negotiated with the Swiss and I have done lots of bespoke agreements across the world with third countries on behalf of the EU, from trade to defence and security and so on. I take the point about the cherries and the bespoke nature of them extremely well. In my experience, every agreement is different. It is very difficult to take one and try to use it to tell you something about the potential of another agreement.

However, there is one particular way in which I think you could help us, which is the characteristics of a good negotiation. The EU is full of different institutions that operate differently—intergovernmental versus community method, the Parliament, the nature of the way in which agreements are ratified, whether it is referendum in your country, the European Council, often through the Parliaments of the 27, so nothing is quick. In that process there will be different issues for different nations at different times and a constant turnover of Governments. You have to be a very effective negotiator; you have to have a very effective negotiating team. When you think about how you have successfully completed at least these parts of your negotiations, I wondered what the lessons might be about how you approached the EU. What made it successful in terms of the character of the way that you did it?

Markus Leitner: You know us well and you know the previous negotiations well. As I said, we are not selling a model. You referred to it as a Swiss model. We see it as a bilateral agreement. It is important to

have it very clear what we want to reach, as in these defined landing zones. The first seven years, basically, of the institutional framework agreement that we negotiated and abandoned at the end of the day at least gave us clarity where we could see some of the landing zones happen. As you say, you need a certain momentum to finish this. It can drag out, and that was a lesson learned from the institutional framework agreement: things can change so fundamentally that it becomes difficult to find a solution at the end of the day. The common understanding, the landing zone, and then the momentum—the willingness to finish this in a reasonably short period of time—are the three elements that I feel made us successfully conclude this.

Baroness Ashton of Upholland: That is very helpful. Thank you.

Q126 **Lord Whitty:** Switzerland is a great trading nation. To what extent, if at all, has the fact that in certain sectors you are more integrated with the European Union had on dealing with non-EU partners—the United States, Asia, India and others? Has the fact that you are closely tied in certain sectors had an effect on your relations with other countries?

Markus Leitner: We have a very ambitious free trade agenda. For example, we have concluded a free trade agreement with India through EFTA. We have a free trade agreement with China and we are currently negotiating modernising this agreement. We always made it very clear we are a third country. Obviously, the EU is our most important trading partner, our immediate neighbour. That is not just trade but far beyond trade. We have this principle of universality as part of our foreign policy approach, and we always feel that as a trading nation we need to be able to trade with all the countries that are reliable trading partners. That is true for the US. That is true for India. That is true for the European Union.

It has certain elements. When you look at some of the legislation we took over, you can argue whether it would have been better to do it separately, find a more bespoke agreement to be more competitive in a specific sector, or is it that overall following a European standard made it more competitive because you have a bigger market that you can test and you can export to, which then has a little bit less of an edge in Asia or the United States.

If you look at our economic success, I think that the strategy has worked well. We have not had a link to say, "Okay, now we should stop negotiating with China" or "We should take a different approach to the United States". We will see now the approach that we all take to these tariffs in the United States and how we go about that. However, overall, this policy of universality has worked well.

Lord Whitty: For example, if the United States, particularly currently, is objecting to certain food standards or agricultural standards, which are largely European, you have not run into any difficulty in your relationship with your food exports to the United States because you are putting standards very similar to those of the EU?

Markus Leitner: We have our standards that sometimes are more stringent than the EU standards. What we will create as part of the food safety agreement is a food safety area with the EU, but it is about food safety. Certain agricultural policy elements, for example, will stay the same and are very much Swiss standards. We have high animal protection standards, for example, in certain fields even higher than the European Union. We feel very strongly about that and we want to maintain this.

There is still leeway in this. The policy on US tariffs in terms of food standards is not because of the EU, it is very much a Swiss wish or a Swiss policy that we are adopting in that way.

The Chair: I will give the floor to Baroness Hayter, who wanted to follow up in this general area.

Q127 **Baroness Hayter of Kentish Town:** It follows on from some of the other things you were saying earlier. A long time ago when we were still in the European Union, we had discussions about variable geometry. At that point we had opted out of, I think, EMU or the single currency then and I think Social Chapter and Schengen, but we were very much inside. You said something that interested me. Again, you and us, if you like, are part of something that is “close to” but “separate from”. I think you said that it would be in Switzerland’s interest for there to be excellent relations between the UK and the EU. I guess my question is: in that framework around the EU, what from a Swiss point of view would look like a good outcome for our negotiations? From what you are saying, it is clearly important to you, so what would look good from a Swiss point of view?

Markus Leitner: I would think that it is less in the nuts and bolts and more of the trust relationship—that you are able to find a solution-oriented relationship, and that we can see that Brussels and London can find solutions to the issues that are at hand. That gives the spirit as well to Brussels to say, “We need to be pragmatic and find solutions to the issues that go beyond the single market”. In that sense, for us it is important to have this trust relationship.

We have seen a change in tone after the Windsor Framework. We walked away from the negotiation table in 2021, something that Switzerland never does or very rarely does. However, we found the way back in 2022 and we felt the Windsor Framework had helped to create a more trusting relationship between Brussels and London, which was definitely beneficial in restarting our negotiations.

The Chair: Thank you very much. Before we let you go, Ambassador—and thank you for an extremely interesting set of responses—we have not yet discussed security and defence. I would like to give the floor to Lord Stirrup to take us into that territory.

Q128 **Lord Stirrup:** The security and defence relationship will clearly be an important part of the UK’s negotiations with the EU, perhaps the most

important part. To what extent did it figure into your approach to discussions with the EU? Switzerland participates in CSDP missions, in the EDA and in PESCO, but it does so as a third country. It is very much an arm's-length relationship, which perhaps suits Switzerland, I do not know. What is the Swiss experience of co-operating with the EU on security and defence with that arrangement?

Markus Leitner: You outlined quite well what we are already doing in terms of our participation in EU peacekeeping operations with EULEX and with EUFOR Althea. Obviously, there is Schengen and Dublin. I would also count this as part of the defence and security field at the end of the day.

We feel at ease where we are at the moment in terms of our policy of peace promotion and partnership with the EU in that field. We are very engaged in these fields. We will be the chair next year for the OSCE, the Organization for Security and Co-operation in Europe. It is something we feel strongly about. We have just finished our term at the UN Security Council as a European member. We feel very strongly about these topics, but we feel we bring a different set of instruments, maybe, than the United Kingdom, more in peace promotion and mediation elements, which is complementary to a lot of elements that the EU provides. We feel we can make a contribution on that side.

Lord Stirrup: You referred earlier in a different context to having input and some influence over EU deliberations and decisions. That is not the case for third-party countries participating in EU missions.

Markus Leitner: We are not part of the decision shaping, that is correct. That is only in elements pertaining to internal markets.

Q129 **The Chair:** In Brussels last week we heard a lot about movement on the EU side in the defence industrial area. It has been in the press as well, the new funds for investment in defence and the need for countries to have security and defence partnerships with the EU in order to be able to participate in these funds. Is there thinking going on in Switzerland about signing such a security and defence partnership, which now seems to be the gateway to participation in these new funds?

Markus Leitner: You mentioned our participation in the PESCO military mobility project. In that sense, we are looking very much at interoperability questions, co-operation questions, the mobility in general of our armed forces. Procurement is a question as well that is discussed in Switzerland, but we are in a different position at the moment.

The Chair: Very good. Thank you very much indeed. I am just looking around to see whether any colleagues have any other questions. I think you have been very full in your answers and it is very interesting as well. With just a few minutes to spare before an hour, I draw this public session to a close with our renewed thanks.