

BREXIT - What are the implications for Swiss companies?



Department for
International Trade



British Embassy
Berne

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ENTERPRISE

enabling new business



1. Parliament and Brexit update
2. Importance of the bilateral relationship between the UK-CH
3. Opportunities for Swiss & International companies active and interested in the UK
4. Preparing for the future with the UK Industrial Strategy, Trade Policy scoping
5. UK-CH Agreements signed assuring continuity
6. Closing words
7. Questions & Answers



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1. Parliament & Brexit





2. Bilateral Relationship - Trade



Switzerland is a crucial market for UK goods and services.

Bilateral trade between the UK and Switzerland is worth around £30 billion a year (2018).

Switzerland is the UK's

- 7th largest export market
- 3rd largest non-EU market after the US & China
- 9th largest foreign direct investor
- 8th destination for UK outward direct investment (2017)



2. Bilateral Relationship - Tourism



There are around 58,600 flights a year between Switzerland and the UK;

Germany is the only country to which there are more flights.

34,500 Swiss citizens live in the UK and 41,000 British citizens live in Switzerland.

Around 800,000 British tourists visit each year.



3. Opportunities UK



UK rankings:

7th largest economy worldwide - [Statistics Times 2019](#)

9th for ease of doing business - World Bank 2018

4th most innovative country globally - World Intellectual Property 2018

 is 1st

3rd most attractive FDI destination worldwide - UNCTAD

8th worldwide in the Global Talent Competitiveness Index - 2018



3. Opportunities UK



UK is a global financial hub

UK is home to 4 of the world's top ten universities - [QS World University 2019](#)

Top 10 in [Europe](#) are in  and 

UK as the Best Place in the World to do business - Forbes 2018

At 19%, UK has the lowest Corporate Tax Rate in the G20 and G7



3. Opportunities UK



EU exit will create a new dynamic for the UK and for the EU itself.

- Since the referendum in 2016
- The UK has added another 600,000 jobs to the economy.
- Exports have grown by £110 billion.
- The position as the #1 destination for FDI in Europe and #3 globally
- In the first 6 months of 2018 the UK was second only to China, attracting \$65.5 billion of investment compared to China's \$70 billion.

UN's Conference on Trade and Development



4. Future - UK Industrial Strategy



UK Industrial Strategy

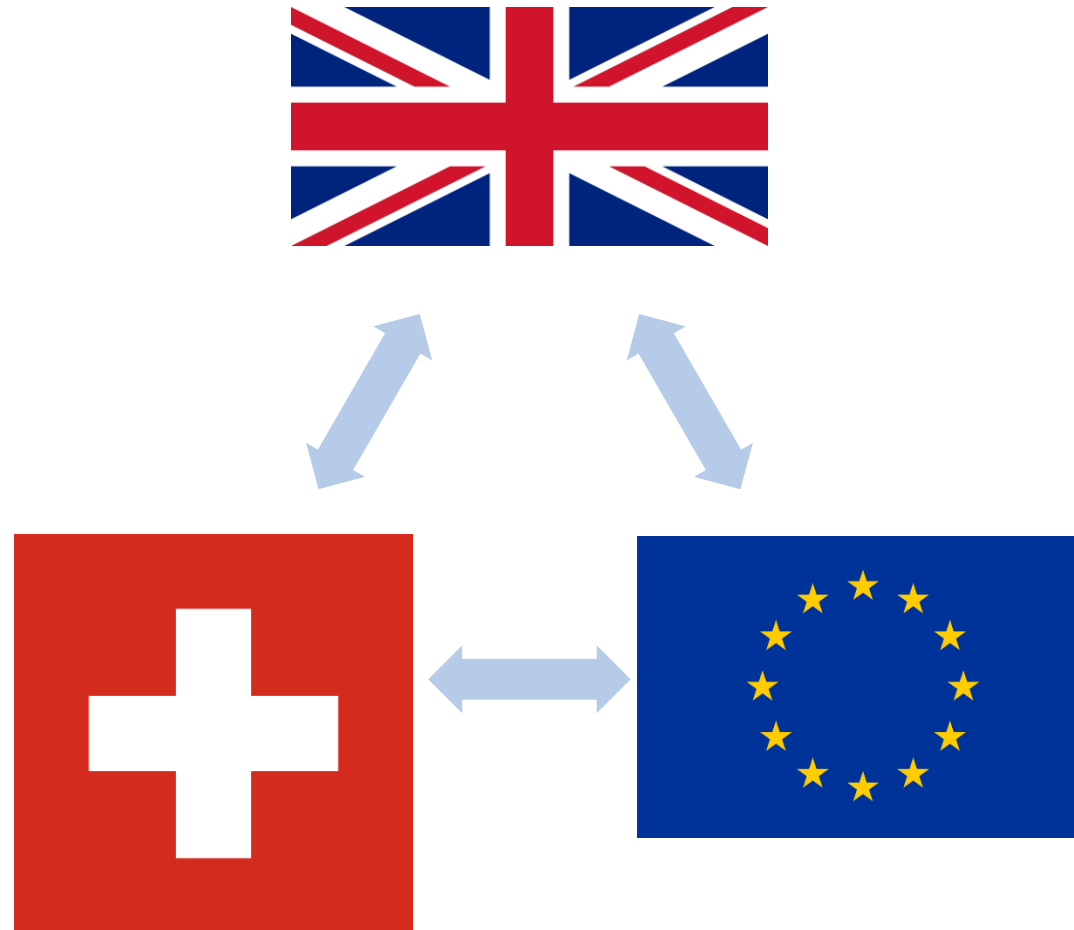
The aim of the Industrial Strategy is to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries and infrastructure.

- The **Industrial Strategy** sets out four grand challenges in
 - artificial intelligence and big data;
 - clean growth;
 - the future of mobility; and
 - meeting the needs of an ageing society





5. UK-CH Agreements





5. UK-CH Agreements



CH Mind the Gap and UK Continuity Strategy

- Importance of the UK-CH economic relation
- Based on CH-EU Agreements
- Objective is continuity after EU Exit

October 2016 - adopted by the Federal Council

April 2018 - “deal” and “no deal” scenarios



5. UK-CH Trade Agreement



The UK and Switzerland
have signed
5 Agreements



AVIATION AGREEMENT



Safeguards a route that carried
6.8 million passengers in 2017

OVERLAND TRANSPORT AGREEMENT

Ensures that the **transport of goods & people** can continue seamlessly



INSURANCE AGREEMENT



Protects Swiss investment in the UK's financial services sector which was **was more than £11bn** in 2016



For more information visit:
<https://www.gov.uk/guidance/preparing-for-eu-exit-switzerland>

TRADE AGREEMENT



Ensures continued trade with Switzerland **worth £32 billion per year**

CITIZENS' RIGHTS AGREEMENT

Protects the rights of **40,000 UK nationals in Switzerland** and 14,000 Swiss nationals in the UK





5. UK-CH Agreements



1. The **land transport** agreement, for movement of goods & passengers by land replicates an EU-Swiss land transport Agreement of 1999, to which the UK is currently party as a member of the EU.

Its purpose is to provide for the transport of persons and goods by road between CH-UK

→ It provides for liberalised, permit-free road haulage rights for bilateral movements, transit and cross trade are provided for hauliers and passenger transport operators of both parties.

→ It includes provisions on: passenger and goods transport; taxation and customs formalities; application of national laws and regulations; infringement; and special permits for oversized vehicles.

UK remains in [Common Transit Convention](#) after Brexit ensure simplified cross-border trade of goods.



5. UK-CH Agreements



2. The **air transport** agreement, ensuring continued flights between CH-UK

It replicates an EU-Swiss aviation agreement, originally signed with the EC in 1999, to which the UK is currently party as a member of the EU.

→ provides continuity of rights for airlines of both sides, and ensure that air services between the UK and Switzerland can continue uninterrupted when the current Agreement ceases to apply to the UK.



5. UK-CH Agreements



3. A **direct insurance agreement** which provides continuity for UK and Swiss insurers accessing the UK or Swiss market both now and in the future

It replicates the EU-Swiss Agreement on direct insurance other than life assurance. The agreement does not require any implementing legislation to be enacted before it can be ratified.

It is based on Swiss recognition of the package of insurance regulation known as [Solvency II](#) as equivalent to Swiss prudential standards for insurance.



5. UK-CH Agreements



4. The **UK-Swiss citizens' rights agreement** lays out the arrangements for citizens when the EU agreements with Switzerland, including the Free Movement of Persons Agreement [FMOPA] cease to apply between the UK and Switzerland.

This continuity agreement includes arrangements on residency, access to healthcare, pensions and education, **recognition of professional qualifications** and social security.

The date from which the agreement will come into force and the cut off point for eligibility, will be the end of the implementation period or the exit day in the unlikely event of a no deal outcome with the EU.



5. UK-CH Agreements



5. The **Trade agreement** replicates the majority of the trade agreements currently governing relations between CH-UK
- 1972 Free Trade Agreement,
 - Agreement on Public Procurement,
 - Agreement on the Fight against Fraud,
 - part of the Agreement on Mutual Recognition in relation to Conformity Assessment
 - 1999 Agricultural Agreement.



6. Closing Words



Her Majesty's Government is committed to exiting the European Union in an orderly way that does not disrupt business operations and the lives of people

UK-CH trade continuity, broadly, irrespective of UK-EU negotiations

UK:
More Than One Word

UK continues to have low unemployment, GDP growth, record levels of FDI

The UK remains a centre for commerce, universities, research, and innovation, with competitive taxes, a strong rule of law, a dynamic & skilled population, plus a rich business & cultural ecosystem





Questions & Answers



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Thank You



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