



MISSION
OF THE PRINCIPALITY OF LIECHTENSTEIN
TO THE EUROPEAN UNION

EEA Council
20 November 2018

Statement held by **H.E. Ms. Aurelia Frick**
Minister for Foreign Affairs, Justice and Culture
on the overall Functioning of the EEA Agreement

-CHECK AGAINST DELIVERY-

Madam Chair, dear colleagues,

Earlier this morning in the Political Dialogue, we talked about how to revitalize multilateralism and global cooperation in the face of surging nationalism, populism, and protectionism. During these times of great uncertainty, it should give us great comfort that we are able to rely on a cooperation mechanism as deep and stable as the EEA Agreement. It is therefore a particular pleasure for me to share with you Liechtenstein's perspective on the functioning of the EEA.

In fact, we have noted over the last couple of years an increased interest in Liechtenstein's EEA experience. For example, the Brexit process and its impact on Ireland has led to a number of queries about the mechanics of our simultaneous membership in two different economic zones: the EEA on the one hand, and the Customs Union with Switzerland on the other. And the ongoing negotiations between the EU and Andorra, Monaco and San Marino have made some people wonder how a small country like Liechtenstein can cope with the impressive legislative machinery of the European Union.

It is fair to say that we cope quite well. The latest Internal Market Scoreboard shows that we have transposed 99.3% of applicable EU directives. The number of infringement proceedings against Liechtenstein remains very low. In the area of financial services we have adopted important European standards even before they have been incorporated into the EEA Agreement. We try to reap the benefits of a small administration – such as faster decision-making and reduced bureaucracy. And we compensate our limited administrative resources by setting strict priorities. Let me assure you: EEA cooperation is among our top priorities.

The process of incorporating hundreds of EU legal acts every year into the EEA Agreement is of course challenging for a small country like ours. But I also believe that in those challenges, there are valuable lessons for lawmakers. Many of you will have noticed that in recent times, the EEA EFTA countries have made greater efforts to influence the EU's decision-making process – and thereby help prevent problems in EEA incorporation later on. The number of EEA EFTA Comments is steadily increasing, on many topics. One frequent theme in these comments is that even in a homogenous internal market, there must be room for national approaches.

One size does not fit all – this may be a truism, but one that is particularly true for a country like ours. In some ways, we are small – quite obviously. In others, we are big: the most industrialized of all 31 EEA countries, with more jobs than inhabitants, and with the greatest percentage of cross-border commuters. We have had great success with our liberal economic model. But this approach does not always seem compatible with the dense regulatory framework that is perceived to have been “made in Brussels”. The local bakery worried about the impact of the GDPR on its operations is probably an example we all can relate to. We are therefore particularly grateful for the efforts made by the Austrian Presidency to promote subsidiarity and proportionality.

Let me also briefly come back to the issue of multilateralism. I think it is fair to say that recent developments have shown that the EEA does not operate in a vacuum. The EEA EFTA States are directly and indirectly affected by the EU's cooperation with other countries and trading blocks. We therefore welcome the EU's efforts to promote free trade globally. In the same vein, we hope for good progress in your many negotiations with partners within Eu-

rope: especially on the future relationship with the UK, but also with Switzerland, as well as with other countries aspiring for greater association or even membership in the European Union. We all should intensify the dialogue on these matters, given that the outcome of these processes will deeply affect the Internal Market.

I thank you.