

Assessment of the overall functioning of the EEA Agreement and the effect of Covid-19 on the Internal Market

Liechtenstein Statement

From Liechtenstein's perspective, the EEA Agreement remains the **centrepiece of our European integration model**. 25 years after its entry into force for Liechtenstein, it continues to serve us well, and it enjoys very high approval by our citizens and businesses.

This assessment also holds true in the **context of the Covid-19 pandemic**. We greatly appreciate the close cooperation between the EU and the EEA EFTA States in this regard. With the **second wave** of the pandemic currently in full swing, Liechtenstein has tightened its restrictions, as many others have done. This has been complemented by a range of support measures.

Today, our **economic situation** is remarkably stable. Unemployment has gone up, but remains at a very low level of roughly 2%. Our businesses, especially our industry and the financial sector, have over time built strong fundamentals, which now help them get through the crisis. The same is true for our Government: Liechtenstein has no public debt and maintains reserves that give us policy space for these difficult times.

Of particular importance is our good cooperation with our **neighbours**. Open borders are crucial for our economy, which relies heavily on cross-border commuters. In this respect, we would like to thank Austria for its balanced approach, even during the height of restrictions in spring.

Regarding the broader picture of **economic recovery** in Europe, let me congratulate our EU partners for the bold measures taken. Liechtenstein fully agrees that the path to recovery must be green, and it must be digital. We are ready to embark on this journey together.

As far as the **green path** is concerned, the Liechtenstein Government has recently agreed on updated energy and climate policies. The overall aim is

to be carbon-neutral by 2050. As for the **digital dimension**, I am happy to give you a more detailed updated shortly in our orientation debate.

And finally, a last comment about the **backlog**. I already mentioned it at our last meeting in May: There must be a solution for the administrative bottleneck on the EU side. The situation is not sustainable. The EEA EFTA States are determined to overcome the backlog once and for all. We can win this fight, but we can only do so together.

Thank you.

Orientation debate: Europe's Digital Future

Liechtenstein Statement

Dear colleagues,

If there is one upside to the pandemic, it is the turbo-boosting effect it has on digitalization. This gives us hope in an otherwise gloomy situation.

But also within this field, challenges abound. The **Digital Single Market** is far from complete, and at the same time dominated by non-European tech companies. The Commission's initiatives are timely – in particular the Digital Services Act and the push for European data spaces and cloud solutions. At stake are not just our competitiveness, but also our values. Recent judgments on **data protection**, such as Schrems II, are forcing us to be even more vigilant.

In Liechtenstein, we see digitalization as a key driver of innovation – as reflected in our 2019 Digital Agenda. It starts with investments in **infrastructure**. Today, almost half of our households have a fiber optic cable connection, and *all* of them will have it by the end of 2022. Competition on our small market is very healthy, with 10 companies offering end-user services. The result: Our internet is the fastest in the world! This was recently confirmed by an independent study.

Liechtenstein is also at the forefront of global efforts to promote and regulate **blockchain technologies**. The Liechtenstein Blockchain Act is a truly pioneering legislation in this regard. It gives our entrepreneurs the legal certainty and clarity they need. The Commission's recent proposal for the regulation of crypto-assets is very much compatible with Liechtenstein's legislation – it actually appears inspired by our approach.

But our law goes further: it covers *all* types of services and assets that can be recorded in blockchain systems. One day, we will buy or rent cars, or even real estate, using this technology. We will not do so out of blind passion for anything digital, but because it provides more efficient and more secure ways of doing business.

Another important area of digitalization is the government's interface with citizens and businesses. We are currently working on new solutions for **digital authentications**. We are also renewing our efforts to improve **e-government systems**, which are already quite advanced. In this context we support plans for a European digital ID system.

Looking ahead, we see particular challenges in the area of **artificial intelligence**. We welcome the Commission's initiative in this area, which should lead to greater legal certainty. **Cyber security** will also remain a growing concern. As we deepen the digital transformation, we must do better in this respect, for the sake of our citizens and businesses.

Let me conclude, once again, on an optimistic note. Throughout all these opportunities and challenges, and through all the tremendous changes of the past, the EEA Agreement has been a highly effective tool to bring us together. We have every reason to believe that it will continue to serve us well and be the basis for our common, digital future.

Thank you.