



Mr José Manuel Barroso  
European Commission  
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BELGIUM

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Dear President,

On 24 April 2012, BUSINESSEUROPE and Economiesuisse (our Swiss member federation) organised a conference to celebrate the 40<sup>th</sup> anniversary of the EU-Swiss Free Trade Agreement. While we agreed on the mutual benefits of the historical economic partnership, we have joint concerns about the slow pace of negotiations for future agreements. Our major concern is the slow pace of negotiations on an EU-Swiss energy agreement.

As you are aware, there is a need for significant investments in the energy sector over the coming years to ensure security of supply and sustainability. The European Commission estimates that investments of around €1 trillion will be needed by 2020 to replace obsolete capacity, modernise and adapt infrastructures and cater for increasing and changing demand for low carbon energy. The EU-Swiss energy partnership ranks highly in this area. Due to its geographic location Switzerland is a central hub for EU electricity trade accounting for some 11% of total European electricity trade and over 20% of cross-border transmission capacity within the Union for the Coordination of the Transmission of Electricity (UCTE) area.

The upgrading of the Swiss electricity hub will require €5 to 6 billion over the next ten years. Investment projects on both sides of the EU-Swiss border need the legal certainty of a bilateral energy agreement to go forward. These investments are urgent as industry cannot afford the risk of shortages or even breakdowns of electricity supply.



We are aware that energy agreement negotiations are currently blocked because of more general institutional challenges in the EU-Swiss partnership. However, it is not in our interest to delay the energy negotiations for the sake of unbridgeable perceptions of national sovereignty. Therefore, we urge the EU-Commission to find pragmatic solutions for an agreement with Switzerland in the field of energy as soon as possible. This could include a specific solution to the challenge of legal interpretation and dispute settlement in the agreement which could, if successful, be used for other bilateral agreements in the future.

I thank you for advancing EU-Swiss energy negotiations toward a successful conclusion.

Jürgen R. Thumann