



-Liechtenstein-
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GENERAL FEATURES OF TRADE POLICY

Despite its small size and limited natural resources, Liechtenstein has developed into a prosperous, highly industrialised, free-enterprise economy with a vital financial service sector and living standards on a par with the urban areas of its large European neighbours. Low business taxes - the maximum tax rate is 18% - and easy incorporation rules have induced 73,700 holding or so-called letter box companies to establish nominal offices in Liechtenstein, providing 30% of state revenues. The country participates in a customs union with Switzerland and uses the Swiss franc as its national currency. It imports more than 90% of its energy requirements.

The main pillars of the economy are the export industry and financial services. The export industry is still by far the biggest employer with about 45% of jobs. Mostly the exports are made up of machine industry with a high technological content.

The service sector is, like everywhere, an increasing part of the economy, financial services representing about 20% of the work force. The income of this sector is high and is the biggest contributor to the state budget. Liechtenstein developed its financial place in a modest way already before the Second World War. A solid political and monetary stability (Swiss Franc), a highly skilled and motivated labour force, and a wealthy region surrounding make Liechtenstein a very attractive country to live and invest in. A well developed company law with a reliable judicial system, banking secrecy and low taxes are further specific advantages. Liechtenstein's inflation rate was 1,6% in 2000 and the unemployment rate was 1.1%; these indicators equally speak of a healthy economy.

Liechtenstein has been a member of the European Economic Area (EEA) since May 1995. In this way Liechtenstein got things straight in regard to its relationship with the European Union (EU): It was able to join the EEA without having to give up the traditional and well-established partnership with Switzerland.

The right to levy taxes as well as the banker's duty of secrecy and the insurance privacy are being maintained.

The state is able to participate in the free exchange of goods and services and in capital transactions Europe-wide and may take advantage of the Swiss economic area.

Because the Liechtenstein market is extremely small, Switzerland has become the actual domestic market for many companies. Relationships with Switzerland and also the European Economic Area (EEA) are very important for the companies.

The following table is an overview of the tradeflow between the European Union and Liechtenstein

Section	Year	Import(Euro)	Export(Euro)
	1996	76,320	8,098,170
	1997	47,930	9,894,370
	1998	112,740	11,378,640

Animals & animal products	1999	98,840	8,430,240
	2000	122,350	10,247,760
	2001	263,060	9,520,420
	2002	285,080	8,178,940
	2003	91,320	12,027,720
Vegetable products	1996	4,790	2,830,420
	1997	75,630	2,653,970
	1998	48,150	2,557,950
	1999	15,540	3,137,410
	2000	109,000	2,735,650
	2001	2,186,930	3,749,160
	2002	279,480	3,785,900
2003	286,980	4,913,540	
Animal or vegetable fats	1996	6,380	13,520
	1997	4,340	261,240
	1998	4,940	270,510
	1999	3,830	320,420
	2000	4,740	139,800
	2001	23,720	866,440
	2002	24,240	101,060
	2003	25,600	92,170
Prepared foodstuffs	1996	30,746,690	6,541,070
	1997	42,334,460	6,412,660
	1998	36,604,470	7,153,530
	1999	42,239,430	7,493,700
	2000	44,610,920	6,971,940
	2001	55,477,050	7,339,710
	2002	61,813,150	10,356,760
	2003	85,495,600	8,258,610
Mineral products	1996	3,447,440	2,072,530
	1997	9,046,610	1,696,810
	1998	516,770	1,499,000
	1999	243,880	1,713,400
	2000	177,460	2,863,640
	2001	1,224,680	1,930,420
	2002	1,969,290	2,384,680
	2003	76,500	2,570,190
Chemical products	1996	41,477,930	18,360,100
	1997	50,003,660	22,359,870
	1998	45,493,200	19,425,920
	1999	53,341,470	21,960,020
	2000	60,869,800	21,332,530
	2001	68,203,600	39,379,420
	2002	69,327,710	28,342,530
	2003	80,884,490	26,609,190
Plastics & rubber	1996	7,062,650	19,236,120
	1997	10,732,420	19,645,320
	1998	11,384,390	20,865,990
	1999	13,238,010	23,055,960
	2000	12,381,050	27,439,980
	2001	13,352,110	26,864,350
	2002	14,509,770	27,865,600
	2003	16,601,700	27,065,090
Hides & skins	1996	142,590	3,383,420
	1997	30,920	3,703,500
	1998	54,130	1,962,370
	1999	36,290	1,351,380
	2000	365,740	6,243,960
	2001	737,590	3,599,950
	2002	1,188,530	1,519,370
	2003	684,760	665,050

Wood & wood products	1996	368,590	7,510,130
	1997	926,340	7,283,940
	1998	869,930	8,089,350
	1999	1,391,740	8,639,650
	2000	1,549,580	9,251,810
	2001	543,850	9,603,000
	2002	2,178,920	9,489,280
	2003	2,261,320	9,433,050
Wood pulp products	1996	3,359,990	9,766,850
	1997	3,254,060	9,019,260
	1998	1,826,000	9,080,690
	1999	2,450,980	12,265,400
	2000	3,268,360	16,053,990
	2001	3,529,460	17,545,500
	2002	3,861,200	15,546,110
	2003	3,138,410	17,828,820
Textiles & textile articles	1996	15,286,880	18,076,920
	1997	8,266,430	12,407,600
	1998	8,157,870	13,159,150
	1999	9,017,150	13,387,830
	2000	11,511,110	14,428,500
	2001	10,846,230	13,761,390
	2002	7,608,030	14,185,540
	2003	7,075,080	8,274,450
Footwear, headgear	1996	138,540	522,770
	1997	38,710	250,570
	1998	5,750	317,300
	1999	32,190	883,660
	2000	33,210	779,470
	2001	25,070	645,450
	2002	19,350	2,065,400
	2003	16,560	1,267,460
Articles of stone, plaster, cement, asbestos	1996	49,786,310	73,943,230
	1997	101,922,290	80,092,580
	1998	80,148,140	88,416,690
	1999	84,713,980	86,282,000
	2000	97,472,150	102,176,270
	2001	97,757,480	96,004,010
	2002	88,313,530	91,710,530
	2003	88,593,220	89,043,540
Pearls, (semi-)precious stones, metals	1996	1,684,490	10,255,150
	1997	1,445,140	15,496,870
	1998	1,498,670	9,828,860
	1999	1,446,070	6,063,380
	2000	5,556,910	5,981,320
	2001	14,172,500	11,717,520
	2002	10,681,990	16,305,260
	2003	6,284,080	12,116,650
Base metals & articles thereof	1996	75,045,860	91,217,870
	1997	82,476,980	93,973,360
	1998	101,705,350	106,600,960
	1999	127,162,410	107,260,080
	2000	152,048,130	122,700,800
	2001	146,402,880	126,171,180
	2002	135,178,720	132,123,870
	2003	134,714,550	143,521,200
Machinery & mechanical appliances	1996	112,010,660	152,859,180
	1997	147,050,500	164,022,210
	1998	195,620,730	163,155,030
	1999	246,899,700	202,753,110
	2000	288,657,990	251,629,150

	2001	312,199,240	269,855,540
	2002	327,909,620	264,818,270
	2003	355,332,790	281,620,750
Transportation equipment	1996	25,889,980	38,101,660
	1997	33,186,060	22,387,910
	1998	63,812,320	165,121,330
	1999	70,084,760	49,108,350
	2000	69,189,580	200,387,530
	2001	83,779,530	108,601,850
	2002	91,698,470	34,657,580
	2003	95,082,510	35,813,050
	Instruments - measuring, musical	1996	23,621,520
1997		26,589,290	26,008,670
1998		27,028,810	33,823,400
1999		33,746,760	36,425,530
2000		47,393,800	34,739,180
2001		66,430,110	39,530,630
2002		66,109,380	35,580,730
2003		67,605,380	36,280,730
Arms & ammunition	1996	5,684,630	3,414,330
	1997	6,236,310	3,207,340
	1998	6,970,630	4,786,290
	1999	7,255,600	4,416,620
	2000	5,698,650	3,044,370
	2001	7,492,330	2,726,080
	2002	3,384,740	307,050
	2003	11,080	159,290
Miscellaneous	1996	4,549,910	25,488,810
	1997	4,316,090	24,685,080
	1998	5,149,140	25,250,990
	1999	6,265,440	22,210,350
	2000	5,329,400	19,938,970
	2001	4,118,800	22,309,650
	2002	2,744,580	21,319,420
	2003	2,450,180	16,986,870
Works of art	1996	1,424,830	1,540,230
	1997	4,032,830	2,663,330
	1998	4,836,980	2,063,920
	1999	1,902,910	2,771,340
	2000	13,869,860	2,041,980
	2001	3,057,520	2,414,310
	2002	5,419,490	5,360,660
	2003	3,510,870	5,006,500
Other	1996	2,516,190	2,226,410
	1997	1,013,140	2,390,800
	1998	1,414,530	1,828,710
	1999	1,434,540	1,395,740
	2000	1,964,750	2,695,710
	2001	2,564,610	1,261,360
	2002	1,474,990	2,889,990
	2003	908,030	1,456,490

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TARIFFS AND DUTIES

Under the Customs Union Treaty, Liechtenstein and Switzerland form a Customs territory. Import, export and transit legislation and regulations concerning the Customs Territory are set up and handled by the Swiss customs administration. If goods (relief consignments) were to be transported by rail or by truck through the Customs Territory - be it through Switzerland only or be it through Liechtenstein as well - the

matter would be handled by the Swiss customs administrations.

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NON TARIFF BARRIERS

Agriculture and
Fisheries

Sanitary and phytosanitary measures

🟡 [040047-Liechtenstein- Live bovines, bovine products and derivates \[2004-12-20\]](#)

Ban on the import of live bovines, bovine products and derivates due to BSE

- General statement on BSE to all Third Countries during the SPS Committee on 17/03/2004 in reaction on the statement of the USA. During the XXXI SPS Committee in October 2004 the Commission has given a general statement on BSE (Bovine Spongiform Encephalopathy). Some WTO members started to lift the ban due to BSE for some EU live ruminants and ruminant derivated products (e.g.: China, New Zealand, Brazil, Philippines). The EC requested other WTO members to follow the same line and to respect guidelines as set up by international organizations (OIE).

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INVESTMENT RELATED BARRIERS

The absolute political independence and the historical as well as constitutionally entrenched neutrality of the Swiss-Liechtenstein constellation ensure that absolute investor anonymity can be absolutely guaranteed.

With the exception of Austria and Switzerland there are no bilateral tax treaties and thus no obligation to transmit information to foreign tax-authorities.

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IPR

Under the revised EFTA Convention, Liechtenstein as well as the other EFTA States will grant each other adequate and effective protection of intellectual property rights and combat the infringement, for instance, through counterfeiting and piracy, of such rights.