

EC-EFTA Ministerial Conference

On 9 April 1984, for the first time since the EFTA Free Trade Agreements were signed in 1972, ministers from the 17 member states of the European Community and the European Free Trade Association will meet. They will review the progress achieved since the conclusion of the Free Trade Agreements in 1972 and prepare guidelines for the strengthening of their cooperation within and beyond this framework.

Since the agreements came into force in 1973 and 1974, the EC and the EFTA countries have put in place an industrial free trade area which is the largest in the world. EC and EFTA manufacturers are no longer hampered by customs duties or quantitative restrictions in any of the 17 member countries. Further steps should now be made, on a pragmatic and reciprocal basis, towards the elimination of non-tariff barriers in all their various forms. Ideally these efforts should result in a West European economic zone of over 300 million consumers.

In the past ten years, the Community and many of the EFTA states have also expanded their cooperation in areas beyond the Free Trade Agreements such as environment, transport, energy or industrial policy. This positive development shows the political will of all partners to develop their cooperation in a pragmatic and harmonious way.

The ministerial conference will begin at 10 a.m. on 9 April and a joint press conference of the President of the EC Council, Mr Claude Cheysson, the Swedish Minister of Foreign Trade, Mr Mats Hellström and Commission Vice-President, Mr Wilhelm Haferkamp, will take place in the course of the afternoon. It is expected that a joint declaration will be published outlining their conclusions.

## E C + E F T A = THE EUROPEAN FREE TRADE ZONE

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### FREE TRADE FOR INDUSTRIAL PRODUCTS

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The Free Trade Agreements were signed on 22 July 1972 by Austria, Iceland, Portugal, Sweden and Switzerland, on 14 May 1973 by Norway and on 5 October 1973 by Finland. They came into force on 1 January 1973 except for Portugal (1 March 1973), Norway (1 July 1973) and Finland (1 January 1974). At that period agreements were also signed by the European Coal and Steel Community and each of the EFTA countries.

### The Dismantling of Tariff Barriers

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Since 1 January 1984 all tariffs have been abolished in trade between the Community and the individual EFTA countries. (Exceptions are Portugal and Finland, where the last reduction will take place on 1 January 1985, and Iceland, where certain customs duties of a fiscal nature may be temporarily retained).

This result was achieved following three different timetables:

1. For the great majority of tariff headings duties were eliminated progressively during the period between the agreement coming into force and 1 July 1977.

2. For a second group of products, mainly non-ferrous metals and textiles, the tariff reductions took place over a longer period up till 1 January 1980. During this period the parties set indicative ceilings for imports beyond which higher duties applicable to third countries in general could be reimposed.

3. For the most sensitive products, paper on the Community side and a variety of products for the individual EFTA countries, the timetable for dismantling tariffs was extended till 1 January 1984 with the same possibility of fixing indicative ceilings.

A small number of products have been totally excluded from the agreement. These are mainly agricultural products which are classified as industrial in the Customs Nomenclature (albumins, cork, flax and hemp).

## The Abolition of Quantitative Restrictions

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- Quantitative restrictions were abolished in bilateral trade at the date of entry into force of the agreements. Certain of the EFTA countries have retained a small number of quantitative restrictions namely Finland (various oil products and fertilisers), Iceland (various oil products and brushes) and Austria (antibiotics).

### Agriculture

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Apart from the agreement with Iceland where tariff concessions were granted for certain fish products, no liberalisation of primary agricultural trade was provided for in the Free Trade Agreements. Since, however, the dismantling also covers the industrial element of processed agricultural products, a special Protocol was added to each agreement setting out a common interpretation as to how this would be done.

The parties declared their readiness in the Agreements to foster the harmonious development of trade in the agricultural sector. Specific bilateral agreements have since been negotiated with a number of EFTA countries mainly in the cheese sector to promote an orderly bilateral trade in cheese (Finland, Austria and Norway). An agreement has also been signed with Austria granting reciprocal recognition to "appellation d'origine" for wine.

To encourage the development of agricultural trade Austria, Switzerland, Norway and Sweden, on the one hand, and the Community on the other, decided shortly before the signing of the Free Trade Agreements to grant each other autonomous tariff concessions on certain primary agricultural products. These concessions which varied in each case covered a variety of products including fruit, wine and fish.

### Rules of Origin

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Since the free trade zone is not a customs union it was necessary to establish rules to define clearly which goods would be eligible for duty free treatment. This was to stop goods entering the free trade area through the country with the lowest customs tariff.

In an effort to simplify these rules, which are of necessity complex, the EC and EFTA agreed on an alternative system for defining the origin for certain products in the engineering sector.

## COOPERATION BEYOND THE FREE TRADE AGREEMENTS

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All the Free Trade Agreements, except the one with Finland, have an evolutive clause allowing for cooperation outside the trade area. These provisions have been extensively used by all concerned and an interlinking network of cooperation activities has been set up.

A particularly useful area of cooperation has been the regular exchanges of information on a wide variety of subjects including:

- Economic and Monetary Policy
- Environment
- Workers' Health and Safety
- Consumer Protection
- Transports
- Development Aid
- Energy
- Industrial Policy.

In order to deal with difficulties in the steel market during the present recession, the Community on the one side and Austria, Norway, Finland and Sweden on the other, have negotiated annual steel arrangements to regulate bilateral trade in these products.

Sweden, Finland and Switzerland have also interconnected their data transmission networks with the Community's EURONET and with each others' networks. A similar arrangement with Austria has been submitted to the EC Council of Ministers. Norway has recently expressed an interest in establishing a link with EURONET as well.

In the field of science and technology, all the EFTA countries with the exception of Iceland participate in the Community's COST programme (Cooperation in Science and Technology).

Switzerland and Sweden also participate in the Community's nuclear fusion research project, the Joint European Torus in the United Kingdom.

Finally, in this area the Community and Switzerland do joint research into cellular ageing and congenital anomalies while research is in progress with Sweden into wood as a renewable raw material.

In June 1983, the Commission presented to the Council a list of possible areas where cooperation with the EFTA countries could be set in motion or developed.

This cooperation has greatly been strengthened by frequent exchanges of visits at ministerial level. A clear indication of the interest shown by both sides is that in the past two years the Prime Ministers of Sweden and Norway and the Swiss Federal Counsellor for the Public Economy have visited the Commission while Commission President Gaston E. Thorn has visited Finland and Switzerland.

Source: Euronet

CEE (1) Evolution des échanges avec Les pays de L'AELE (2)  
en Mio ECU

	1973	1977	1978	1979	1980	1981	1982
Export	20.861	38.303	39.219	47.519	57.023	59.703	65.327
Import	15.891	28.038	32.817	41.024	48.887	53.895	58.518
Balance commerciale	+4.970	+10.265	+6.402	+6.485	+9.136	+5.908	+6.809
Couverture (3) %	131,3	136,6	119,5	115,8	116,6	110,8	111,6
<u>Indice</u>							
Export	100	184	188	228	273	286	313
Import	100	176	206	258	308	339	368
<u>Changement par rapport à l'année précédente</u>							
Export	-	+14,4%	+ 2,4%	+21,2%	+20,0%	+ 4,7%	+ 9,4%
Import	-	+12,7%	+17,0%	+25,0%	+19,2%	+10,2%	+ 8,6%
<u>Part de L'AELE dans la commerce</u>							
<u>total de La Communauté</u>							
Export extra CE en Mio ECU	80.673	164.288	173.913	194.208	224.446	266.660	286.484
Export vers L'AELE en Mio ECU	20.861	38.303	39.219	47.519	57.023	59.703	65.327
% AELE	25,9%	23,3%	22,6%	24,5%	25,4%	22,4%	22,8%
Import extra en Mio ECU	84.306	171.743	178.267	218.228	271.566	303.802	321.466
Import vers L'AELE en Mio ECU	15.891	28.038	32.817	41.024	48.887	53.895	58.518
% AELE	18,8%	16,3%	18,4%	18,8%	18,0%	17,7%	18,2%

(1) Pays déclarants = CEE (à partir de 1981 CEE-10)

(2) L'ensemble des pays de L'AELE

(3) Exp.x100: Imp. =

## ECHANGES ENTRE LA CEE ET LES PAYS DE L'AELE 1973, 1977-1982 (Exportations)

Valeur : Mio UCE

Source : Eurostat

EXPORTATIONS	1973	Indice	1977	Indice	1978	Indice	1979	Indice	1980	Indice	1981	Indice	1982	Indice
AUTRICHE	3.859	100	8.206	213	8.408	218	9.792	253	11.272	292	11.676	303	12.623	327
FINLANDE	1.386	100	2.138	154	2.067	149	2.657	192	3.456	249	3.923	283	4.398	317
ISLANDE	124	100	258	208	257	207	172	139	324	261	417	336	531	428
NORVEGE	2.251	100	4.778	212	3.867	172	4.361	194	5.136	228	6.052	269	6.867	305
PORTUGAL	1.217	100	1.949	160	1.922	157	2.230	183	2.895	238	3.723	306	3.921	322
SUEDE	4.839	100	8.857	183	8.202	169	10.449	216	11.663	241	12.174	252	13.970	289
SUISSE	7.183	100	12.068	168	14.507	202	17.758	247	22.276	310	21.738	303	23.017	320
TOTAL AELE	20.859	100	38.254	183	39.230	188	47.519	228	57.023	273	59.703	286	65.327	313

ECHANGES ENTRE LA CEE ET LES PAYS DE L'AELE 1973, 1977-1982 (Importations) Valeur : Mio UCE

Source : Eurostat

IMPORTATIONS	1973	Indice	1977	Indice	1978	Indice	1979	Indice	1980	Indice	1981	Indice	1982	Indice
AUTRICHE	2.135	100	4.336	203	5.033	238	6.095	286	6.939	325	7.567	355	8.541	405
FINLANDE	1.506	100	2.745	182	2.967	197	3.878	257	4.427	294	5.005	332	5.377	357
ISLANDE	93	100	150	161	172	186	249	288	288	310	271	298	266	286
NORVEGE	1.860	100	3.373	202	5.322	286	6.222	335	8.377	450	10.318	556	11.357	610
PORTUGAL	778	100	1.001	128	1.171	150	1.615	208	1.961	252	2.102	270	2.553	328
SUEDE	5.229	100	8.026	153	8.601	164	10.384	197	11.474	219	12.267	236	13.145	251
SUISSE	4.130	100	7.907	189	9.520	228	12.581	301	15.421	369	16.367	391	17.379	415
TOTAL AELE	15.878	100	27.936	175	32.835	207	41.024	258	48.887	308	53.899	339	58.518	368

## Echanges CEE-AELE 1973, 1977-1982 comparé aux échanges CEE-USA et Japon

en Mio ECU

Importations

	1973	X	1977	X	1978	X	1979	X	1980	X	1981	X	1982	X
AELE	15.891	9	28.038	8	32.817	9	41.024	9,3	48.887	9,4	53.895	9,3	58.518	9,3
USA	14.669	8	25.736	8	28.250	8	34.391	7,8	44.257	8,5	49.585	8,5	53.830	8,6
Japon	3.399	2	7.669	2	8.712	2	9.779	2,2	12.461	2,4	16.204	2,8	17.951	2,8
Intra-EC (EUR-9)	90.358	52	168.222	50	183.871	51	221.593	50,4	247.364	47,7	276.942	47,6	308.527	48,9
Reste du monde	50.347	29	110.307	32	108.488	30	133.034	30,3	165.961	32,0	184.621	31,8	191.767	30,4
Total CEE	174.664	100	339.972	100	362.138	100	439.821	100,0	518.930	100,0	581.247	100,0	630.593	100,0

Exportations

	1973	X	1977	X	1978	X	1979	X	1980	X	1981	X	1982	X
AELE	20.861	12	38.303	12	39.129	11	47.519	11,3	57.023	12,0	59.703	10,9	65.327	10,9
USA	12.800	8	20.499	6	23.141	6	25.047	6,0	26.564	5,6	37.169	6,8	42.908	7,1
Japon	2.306	1	3.093	1	3.726	1	4.631	1,1	4.569	1,0	5.604	1,0	6.308	1,1
Intra-EC (EUR-9)	90.031	53	168.501	50	185.751	52	24.681	53,6	250.610	52,7	278.589	50,7	311.302	51,7
Reste du monde	44.705	26	102.393	31	107.827	30	117.010	27,9	136.289	28,7	168.023	30,6	175.863	29,2
Total CEE	170.703	100	332.789	100	359.664	100	418.888	100,0	475.055	100,0	549.088	100,0	601.708	100,0