

Brussels, 21 June 1984

High Level Consultations between the Commission and Norway

The annual ministerial level consultations between the Commission and the Norwegian authorities will take place in Brussels on 22 June 1984. The Commission will be represented by Vice-President Wilhelm Haferkamp and Norway by Mr Sverre STRAY, Minister of Foreign Affairs. This meeting replaces the first of the two annual meetings of the Joint Committee set up by the 1973 Free Trade Agreement between the Community and Norway.

Among subjects to be discussed will be the development of cooperation between the EC and EFTA following the Luxembourg Ministerial Meeting and the EFTA Summit in Visby. In the bilateral field the Ministers will discuss cooperation in the fields of science and technology, industrial policy, the effects of enlargement on EC-EFTA relations and various questions concerning fisheries. On the international front, the Ministers will exchange notes on recent developments in the economic and trade fields.

The State of EC-Norway Relations

Norway and the Community form, with the other members of the European Free Trade Association, an industrial free trade zone which comprises almost all of Western Europe and its more than 300 million consumers. Spain is the only exception but is currently negotiating membership of the Community. This is the end result of the free trade agreements which were signed in 1972 and 1973 in the wake of the decision by three EFTA Members, Britain, Ireland and Denmark, to become full members of the European Community.

Norway had also signed the 1972 Accession Treaty but following the referendum decided not to ratify the Treaty. Subsequently the Community offered Norway the same type of industrial free trade agreement that it had offered to the other members of the European Free Trade Association.

Since the end of the transition period in 1983, a transition which was accomplished without encountering any major difficulties, trade in industrial products has been made completely free of tariffs and quantitative restrictions.

Although agriculture was not part of the original agreement a provision was included whereby both parties would foster the harmonious development of trade. In application of this, an agreement was negotiated in 1983 setting out conditions for trade in cheese. In an annex to the 1972 Agreement specific rules were also agreed clearly defining how tariff reductions would be applied to the industrial element of transformed agricultural produce.

The Rules of origin

One of the annexes to the 1972 Agreement sets out the rules governing origin. They define which products will qualify for preferential treatment and ensure that goods do not enter the free trade zone through the country with the lowest external tariff. They encourage joint production between the Community and Norway of industrial products by providing a system of bilateral cumulation. This is closely in line with the economic thought behind the free trade agreement which was to promote economic integration within Western Europe. In this light, a simplification of the rules was introduced in 1983 for engineering products.

Beyond the Agreement

In the past decade, cooperation has gone well beyond the original scope of the agreements. In a pragmatic way a totally new type of relationship between the Community and Norway has been established within which both sides can deal with any problem of mutual interest. Contacts at political level have also intensified both through the annual ministerial level consultations and regular exchanges of visits.

In the recent past, Commission President Jenkins (1980) and Vice-President Haferkamp responsible for external relations (1981) have visited Oslo. The Norwegian Prime Minister, Mr Kaare Willoch, visited the Commission in November 1983 as did the former Prime Minister Odvar Nordli, Commerce Minister Revulf Steen and Finance Minister Ulf Sand in 1980. The Minister for Trade and Shipping Arne Skauge came to Brussels in 1981, 1982 and 1983.

These political exchanges, together with the regular meetings of the Joint Committee set up by the Agreement, have consolidated the close relationship which exists between the Community and Norway and provided an impetus for further development.

Among the many areas of cooperation are:

Steel

Since 1978 the Community and Norway have negotiated annual steel arrangements to regulate trade during the present recession in the steel market.

Agriculture and Fisheries

In 1973 the Community granted autonomous tariff concessions for certain fisheries products from Norway and at the same time the Norwegian authorities offered similar concessions for certain Community agricultural exports.

A framework agreement on fisheries between the Community and Norway, which was negotiated in 1978, was formally signed in 1980. In the context of this framework agreement annual arrangements have been reached since 1978 regulating reciprocal fishing rights and agreeing measures of conservation of joint fish stocks in the Skagerrak.

This year, agreement has still to be reached on the herring catch in areas under joint control. The Community Council has therefore provisionally allocated quotas for the EC member states and for Norway as an interim measure.

Science and Technology

Norway participates in the Community's Cooperation in Scientific and Technical Research programme (COST). The main fields of interest are data processing, telecommunications, meteorology, oceanography, transport, metallurgy, environment and biology.

Other Areas

Experts on both sides meet regularly to exchange information on a wide variety of topics including sea and air transport, protection of the environment, energy policy, public aids, economic and monetary policy, consumer protection and development aid.

TRADE STRUCTURE AND DEVELOPMENT

Trade has considerably expanded since the industrial free trade agreements came into effect. Norwegian exports to the Community increased from 1873 million ECU in 1973 to 11357 million ECU in 1982 representing 71% of its total exports in 1982. Norwegian imports from the Community increased in the same period from 2252 million ECU to 6867 million ECU representing 45% of its imports in 1982.

Seen from the Community viewpoint, Norway is the Community's ninth largest customer accounting for 2.2% of total exports in 1982 and her seventh largest supplier accounting for 3.4% of her total imports.

In 1982 45% of EC imports from Norway were made up of mineral fuel mainly oil and gas. Machinery, transport equipment, chemicals and other manufactured goods accounted for 7% and basic manufactures, mainly non-ferrous metal, iron and steel, textiles and paper accounted for 15%. The Community exports to Norway were made up of machinery, transport equipment and chemicals (44%), basic manufactures mainly iron and steel, non-ferrous metals and textiles (18%) and other manufactured goods (14%).

TRADE BETWEEN THE COMMUNITY AND NORWAY

(million ECU)(*)

	1973	1975	1978	1980	1981	1982	1983 (11 months)
EC Imports	1873	2795	5426	8444	10313	11357	12564
EC Exports	2252	3272	3864	5141	6052	6867	6302
Balance	397	477	-1562	-3303	-4261	-4490	-6262

Source: EUROSTAT

(*) The exchange rate ECU/dollar varies daily as the various EC currencies, which make up the ECU, vary against the dollar. One ECU was worth US\$ 1.2 in 1973, US\$ 1.37 in 1979 and US\$ 1.39 in 1980, US\$ 1.12 in 1981, US\$ 0.98 in 1982 and US\$ 0.89 in 1983.