

Brussels, 12 December 1984.

MEETING OF THE EEC/ECSC/SWEDISH JOINT COMMITTEE

The annual meeting of the EEC/ECSC/Swedish Joint Committee took place in Brussels on 11 December 1984. The delegations were led on the Community side by Mr Gianluigi GIOLA, Deputy Director-General for External Relations and on the Swedish side by Mr Stig BRATTSTROM, Ambassador and Head of the Swedish Mission to the European Communities.

The two sides reviewed developments since the meeting between Vice-President Wilhelm Haferkamp and Foreign Minister Mats HELLSTROM in June 1984. Since then, high officials from the Commission and the EFTA states had met to launch the implementation of the EC-EFTA Luxembourg Declaration. As a follow-up to this several expert level meetings have taken place to prepare practical actions. This process received a further political impulse from the meeting in Geneva in November of President Gaston E. Thom, Vice-President Wilhelm Haferkamp and ministers of the EFTA States.

The Commission announced to the Swedish delegation that it had recently proposed to the Council that negotiations should be opened with Sweden for the conclusion of a framework agreement in science and technology. The Swedish delegation welcomed this move and expressed the hope that negotiations could begin in the near future.

The Swedish delegation raised the question of access for certain of its herring exports to the Community. These had, in the past, entered the Community duty-free under an autonomous tariff suspension but this duty-free access is now limited by a tariff quota. The Commission replied that the unlimited suspension was appropriate when there was a shortage of herring in the Community market but that this situation had now changed. The market situation for herring was currently very difficult but the Community, nevertheless, intended to facilitate traditional trade flows as far as possible.

Finally, both parties expressed their satisfaction at the recent conclusion of a bilateral fisheries agreement between the Community and Sweden.

The State of EC-Sweden Relations

Sweden 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.

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 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 Sweden 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 Sweden has been established within which both sides can deal with any problem of mutual interest. Contacts at political level have also intensified. Apart from the annual ministerial level consultations exchanges of visits by Commissioners and Swedish Ministers have become a regular feature of EC-Swedish relations. In the past year the Swedish Prime Minister, Mr Oluf Palme has visited the Commission and Vice-President Wilhelm Haferkamp has been in Stockholm. These political contacts, 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 Sweden and provided an impetus for further development.

Among the many areas of cooperation are:

Steel

Exchanges of information on the state of the respective steel industries have taken place for some 15 years. Since 1978 the Community and Sweden have negotiated annual steel arrangements to regulate trade during the present recession in the steel market.

Fisheries

Since 1977 annual agreements have been negotiated regulating reciprocal fishing rights and agreeing measures of conservation of joint fish stocks in those areas of the Baltic and Kattegat which are outside either side's territorial waters.

Science and Technology

Sweden takes part in the Community's controlled thermonuclear fusion research programme (JET) and is associated with Community research in the Cooperation in the fields of Science and Technology (COST) programme. The main fields of interest are data processing, telecommunications, meteorology, oceanography, transport, metallurgy, wood as a renewable raw material and recycling of urban waste. The Swedish data network has been linked with the community system EURONET since June 1982.

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, consumer protection, public aids, the paper and forest industries, economic and monetary policy and development aid.

Structure and Development of Trade

Trade has considerably expanded since the agreements came into effect. Swedish exports to the Community increased from 5261 million ECU in 1973 to 15039 million ECU in 1983 representing 48% of its total exports. Swedish imports from the Community increased over the same period from 4869 million ECU to 15333 million ECU representing 52% of total imports.

Sweden is the Community's third largest customer accounting for 5.1% of total exports in 1983 and the Community's fifth largest supplier accounting for 4.6% of total imports.

In 1983, 33% of EC imports from Sweden were machinery, transport equipment and other manufactured goods with chemicals accounting for a further 6%. Basic manufactures, notably paper, iron and steel, non-ferrous metals and iron and steel products, accounted for 29%. Community exports to Sweden were made up of machinery, transport equipment and other manufactured goods (44%), chemicals (9%) and basic manufactures, mainly textiles and iron and steel (16%).

TRADE BETWEEN THE COMMUNITY AND SWEDEN

(million ECU)(*)

| | 1973 | 1975 | 1980 | 1981 | 1982 | 1983 | 1984 (3 months) |
|------------|------|------|-------|-------|-------|-------|--------------------|
| EC Imports | 5261 | 6461 | 11606 | 12262 | 13145 | 15039 | 4409 |
| EC Exports | 4869 | 7250 | 11680 | 12174 | 13970 | 15333 | 4599 |
| Balance | -393 | 789 | 74 | - 88 | 825 | 294 | 190 |

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\$ 1.39 in 1980, US\$ 1.12 in 1981, US\$ 0.98 in 1982, US\$ 0.89 in 1983 and US \$ 0.83 in 1984.