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JOINT PRESS RELEASE

MEETING OF MINISTERS OF FINANCE AND ECONOMY OF THE EFTA AND EU
COUNTRIES

1. On 13 December 1993 the Finance Ministers of EFTA countries and of the European Union had their second joint meeting on matters of economic policy coordination. This meeting was a direct response to the desire expressed by the European Council of Copenhagen to maintain close contacts with the EFTA countries in this area. It covered the wide range of issues addressed by both the Commission's White Paper on Employment, Competitiveness and Growth and the EFTA Background Paper on Unemployment in Europe. The Ministers, as well as discussing the current economic situation, focused on coordinated approaches to improve growth and employment prospects, the role of active labour market policies, the importance of small and medium-sized enterprises, cooperation in the field of infrastructure and shifts in the composition of government revenues aimed at reducing labour costs.
2. The Ministers noted that the principles set out in the Broad Guidelines on Economic Policy, which were adopted by ECOFIN today, are also shared by the EFTA countries and therefore constitute a sound basis for future policy coordination between EFTA countries and EU. Indeed, the pursuit of price and exchange rates stability and of sound public finances and efforts to strengthen the capacity of the economy to create jobs will be all the more successful if they are implemented within a wider European context.
3. Ministers welcomed the action plan to combat unemployment which was adopted by the European Council of 10-11 December 1993 on the basis of the Commission's White Paper. The contributions of the EFTA countries to the preparation of this White Paper have been most valuable.
4. The need was stressed to increase the cost effectiveness of active labour market programmes, to better target them on long-term and youth unemployed, to improve their interaction with other policies such as labour market legislation and systems of wage formation, so as to increase the flexibility of the labour market.

5. Ministers underlined the role of SMEs in sustaining economic dynamism and job creation. Policies to improve their business environment on a European scale should be encouraged. In this connection it was pointed out that the European Economic Area will allow all EEA members to participate fully in EU programmes for SMEs.
 6. Ministers emphasized the importance of infrastructure in improving the efficiency and competitiveness of the European economy, whilst noting that activities in this field should comply with sound financing and cost effectiveness. The programme on Trans-European Networks, endorsed by the European Council, opens new horizons for cooperation with the EFTA countries : on projects of common interest, including in Central and Eastern Europe and through EIB activities in the EFTA countries themselves.
 7. Ministers had an exchange of views on policies aimed at reducing the cost of labour by shifting the composition of government revenues, e.g. by introducing environmental taxes to compensate for a reduction in statutory contributions applied to labour. In view of the divergent situations and experiences of the participants, and also the desire for closer cooperation in order to avoid trade distortions and unwarranted output losses, it was agreed to intensify contacts between EU and EFTA countries in this field.
 8. Ministers concluded that the widest possible cooperation is necessary to put the European economy back on an employment generating growth path. They therefore agreed that there should be a follow-up EFTA-EU meeting.
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