



Regional / Preferential Trade Agreements: The case of EFTA

Geneva, 17 May 2010

Ivo Kaufmann, Director Trade Relations

ika@efta.int



How to help businesses to be competitive ?

- **Best possible business environment at home**
- **Best possible access to markets abroad**



Best possible access to foreign markets

- **“Preferential” access** – beyond WTO
- **Non-discrimination vis-à-vis competitors** –
“Level playing field”
- **Competitive edge** where possible



EFTA strategy for access to foreign markets

- Among EFTA Member States: **EFTA Convention**
- With EU: **Internal Market / Bilaterals**
- Beyond EU: **Free Trade Agreements**

= 80% “preferential” market access



First phase: 1960-1972

EFTA Convention

“The Outer Seven”: Austria, Denmark, Norway, Portugal, Sweden, Switzerland, United Kingdom

in: Iceland 1970 (EFTA-8)



Second Phase: 1972-1994

EFTA Convention

***plus* Bilaterals with EEC/EU**

out: UK, Denmark 1972 (EFTA-6)

Portugal 1985 (EFTA-5)

in: Finland 1986 (EFTA-6)

Liechtenstein 1991 (EFTA-7)



Third phase: since 1994

EFTA Convention

***plus* Internal Market / Bilaterals with EU**

***plus* free trade with non-EU partners**

out: Austria, Finland, Sweden 1994 (EFTA-4)



European Free Trade Association

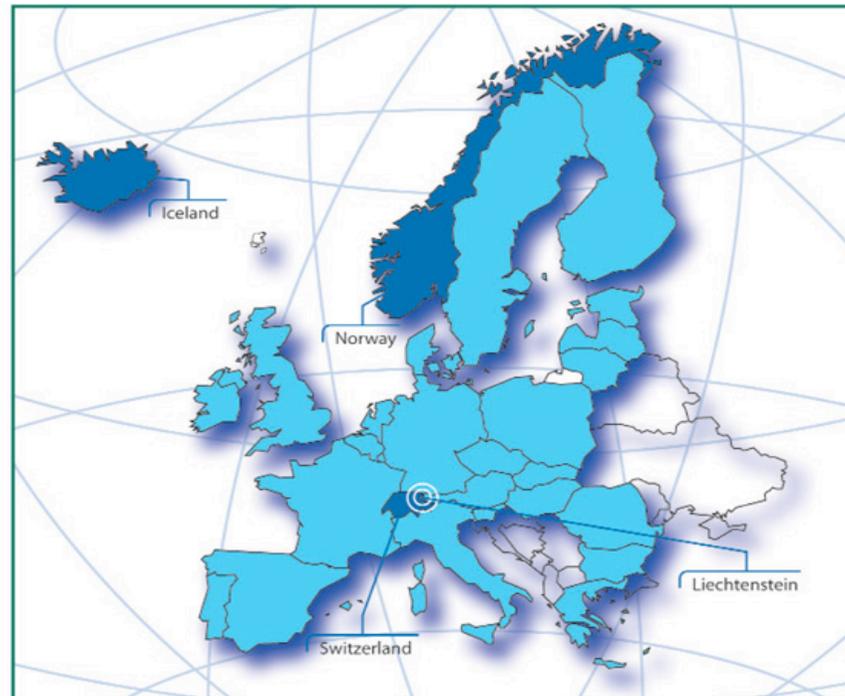
Member States 2010

Iceland

Liechtenstein

Norway

Switzerland





EFTA main economic sectors

- *Iceland:*
Fisheries, aluminium, pharmaceuticals, services (maritime; energy-related, financial)
- *Norway:*
Oil and gas, fisheries (incl. fish farming), shipbuilding, services (maritime; telecom; energy-related)
- *Liechtenstein and Switzerland (customs union):*
Machinery, pharmaceuticals, chemicals, watches, services (financial; logistics; tourism)



EFTA economic data

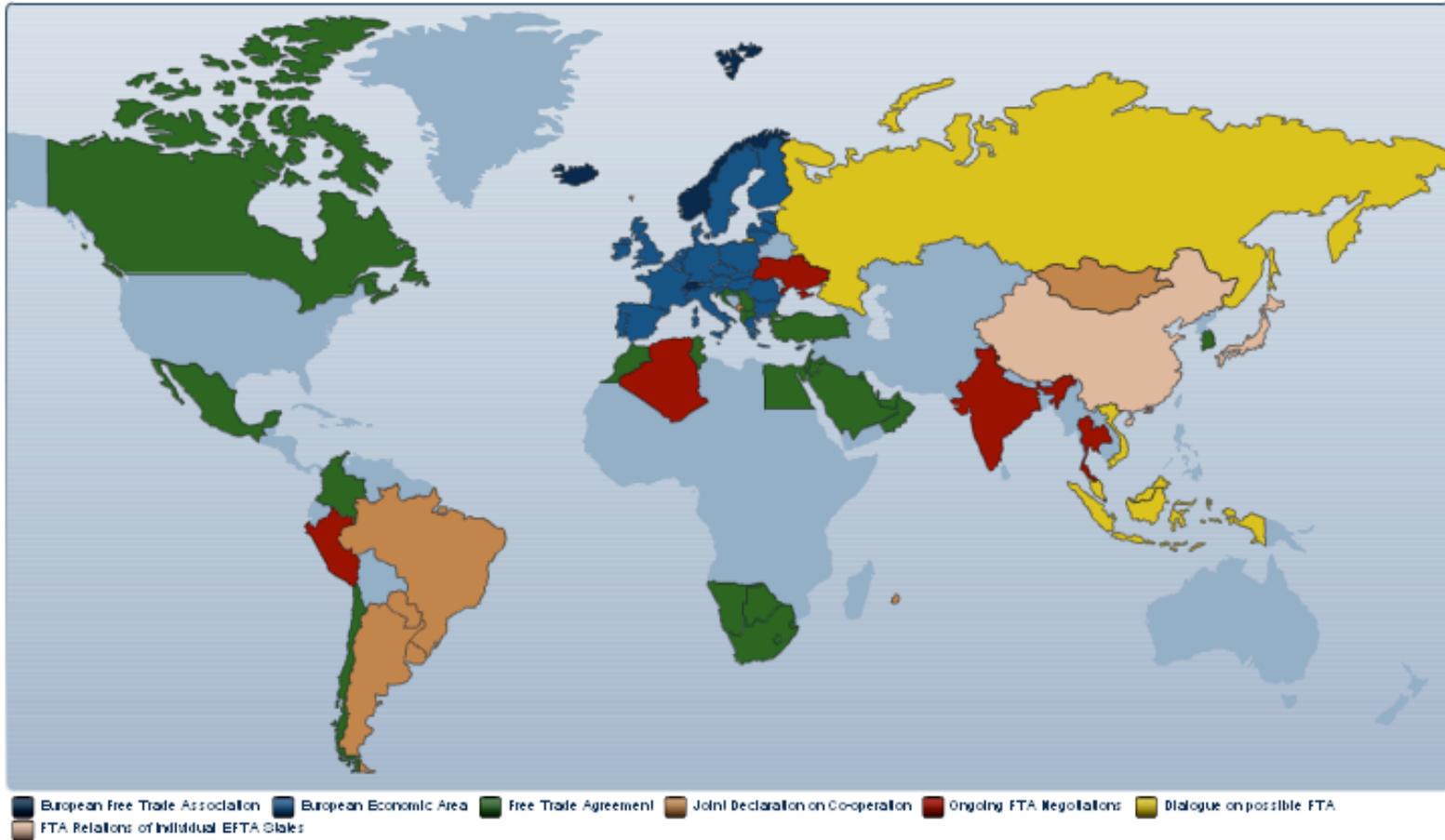
- *4 small countries with combined population of 13m, but:*
 - **GDP close to 1000 billion USD**
(more than, e.g., Korea, Turkey, Indonesia)
 - **Total merchandise trade 650 billion USD**
(more than, e.g., Mexico, India, Brazil)
 - **FDI stocks 910 billion USD**
(more than, e.g., Japan, Spain, Canada)
 - **Second export destination of EU**
(after US)



EFTA's Free Trade Agreements with partner countries outside the EU



FTA Network – across Europe and beyond





EFTA Free Trade Network

- 20 Free Trade Agreements signed (comprising 29 partner countries)
- 6 FTA under negotiation
- Joint Declarations on Cooperation with 7 countries
- Feasibility studies / exploratory processes with several further partners



What is in an EFTA FTA (1)

Trade in Goods

- Zero tariff / dismantling on industrial goods
- Tariff concessions on agricultural goods
- Rules of origin / cumulation zones
- Trade facilitation / customs cooperation
- “WTO-pluses” e.g. in TBT/SPS, Trade Remedies



What is in an EFTA FTA (2)

“WTO-plus” elements in:

- **Protection of Intellectual Property Rights (GATS)**
- **Trade in Services (TRIPs)**
- **Government Procurement**



What is in an EFTA FTA (3)

“Non-WTO” elements:

- **Investment**
- **Competition**
- **Cooperation, Consultation,
bilateral Dispute Settlement**



EFTA Free Trade Agreements

- > Legal package underpinning EFTA trade and international investment**
- > Part of strategy supporting competitiveness of EFTA businesses**



EFTA Free Trade Agreements in Western Balkans Region

- **Croatia:** In force since April 2002
- **Macedonia:** In force since May 2002
- **Albania:** Signed December 2009
- **Serbia:** Signed December 2009



Pan-Euro-Med Convention on Rules of Origin

- **“Cumulation zone” for Euro-Mediterranean region:**
 - EU, EFTA, Faroes
 - Partners in EU’s Barcelona Process
 - Partners in EU’s Stabilisation and Association Process
- **Entry into force: January 2011 (planned)**



Thank you!

Geneva, 17 May 2010

www.efta.int