

Industrial products

The EFTA States have a highly developed and diversified industrial base. EFTA free trade agreements (FTAs) normally grant total elimination of import duties for all industrial products

Fish and other marine products

As the fisheries sector is of major importance for Iceland and Norway, free trade in fish and other marine products is an essential element of EFTA FTAs. These products are treated as industrial products in accordance with the WTO framework.

Agricultural products

FTA FTAs generally distinguish between “basic” and “processed” agricultural products. Basic agricultural products (such as grain, milk or sugar) are normally dealt with in bilateral agreements concluded between the individual EFTA States and the partner country, taking into account that the EFTA States do not have a common agricultural policy. These arrangements are part of the instruments governing the free trade area.

For processed agricultural products (such as soup, bread or chocolate), EFTA in principle grants free trade. However, to compensate for higher costs of raw materials used by EFTA’s food processing industry, certain measures are maintained.

Rules of origin

The rules of origin determine which products may benefit from preferential conditions under an FTA. Originating products need to be either “wholly obtained” or “sufficiently worked or processed” in the territory of an FTA partner. In a context where products increasingly contain inputs from several countries and where production processes extend over several economies, simple and liberal rules of origin are required for economic operators.

Trade facilitation

Trade facilitation aims at simplifying and accelerating the clearance of imported and exported goods, thereby reducing costs for the business community. Reflecting the increasing importance of this topic, EFTA has started to include provisions in its FTAs aiming to implement the main trade facilitation principles of transparency, simplification and cooperation.

SPS/TBT

Sanitary and phytosanitary measures (SPS) as well as technical regulations and standards, which may lead to technical barriers to trade (TBT), have the potential of significantly hampering international trade. Building on the respective agreements of the WTO, some EFTA FTAs feature additional elements aimed at avoiding such barriers.

Trade remedies

Trade remedies are policy tools allowing governments, under certain conditions, to take remedial action against imports which are causing, or threatening to cause, serious injury to a domestic industry. EFTA FTAs normally include provisions on subsidies and special countervailing duties, actions taken against selling at an unfairly low price (anti-dumping), as well as emergency measures to limit imports temporarily (“Global” and

“Bilateral” Safeguard Measures). These provisions build on WTO law and seek to complement them to reflect the spirit of the special relations established between free trade partners.

Intellectual property rights (IPR)

EFTA FTAs provide for high standards of protection of intellectual property rights, including measures to enforce such rights against infringement, counterfeiting and piracy. The IPR provisions build on the principles of national treatment and most-favoured-nation treatment as set out in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Competition

The rules on competition contained in EFTA FTAs aim at ensuring that trade liberalisation under the agreement is not hampered by practices of enterprises that may prevent, restrict or distort competition. They also apply to public enterprises and monopolies.

Trade in services

Broad-based EFTA FTAs include provisions on the liberalisation of trade in services, covering all modes of supply and containing specific provisions on sectors of particular importance, such as maritime, financial and telecommunication services. They build on the WTO General Agreement on Trade in Services (GATS) and normally follow a similar approach, complemented by enhanced specific commitments.

Investment

On investment, EFTA FTAs concluded to date follow different patterns as far as coverage is concerned. Recent agreements normally focus on rules liberalising the establishment of investments and/or on the promotion of investments. Investment protection is left to the individual EFTA States’ bilateral investment treaties.

Public procurement

In several recent EFTA FTAs, commitments for access to government procurement markets of the parties have been included on the basis of reciprocity, non-discrimination and transparency. Such provisions either build on the WTO’s Government Procurement Agreement (GPA) or substantially replicate its structure and content.

Sustainable development

With the objective of reflecting the relevance of international environmental and labour standards for trade and economic development, EFTA has started to negotiate and include in its FTAs provisions pertaining to trade and sustainable development.

Joint Committee

A joint committee composed of representatives of the EFTA States and the partner country supervises the implementation and further development of each FTA. To facilitate its work, a joint committee may establish subcommittees. Joint committees normally meet every two years.

Dispute Settlement

EFTA FTAs foresee that any differences between the parties should be resolved through consultations. For exceptional situations in which diplomatic means do not lead to the settlement of a dispute, arbitration mechanisms are foreseen in all recent EFTA FTAs.

Different Levels of Economic Development

EFTA FTAs take into account the different levels of economic development of partner countries. While the EFTA States normally abolish all tariffs and other restrictions on industrial products at entry into force of the FTA, less economically developed partners may benefit from transitional periods. Technical cooperation is another means to address different levels of development in EFTA FTAs.