



EUROPEAN FREE TRADE ASSOCIATION

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EFTA MINISTERIAL MEETING, REYKJAVIK, 24 June 2010

COMMUNIQUÉ

On 24 June 2010, the European Free Trade Association (EFTA) held its summer Ministerial meeting in Reykjavik, Iceland, chaired by Össur Skarphéðinsson, Minister for Foreign Affairs and External Trade of Iceland. Ministers from the four EFTA States (Iceland, Liechtenstein, Norway and Switzerland) signed a new Free Trade Agreement with Ukraine, represented by Konstantin Gryshchenko, Minister for Foreign Affairs.

50th anniversary

Ministers marked the 50th anniversary of EFTA. The Association's founding Convention had entered into force on 3 May 1960. The creation of EFTA represented an important contribution to European economic integration.

Ministers underlined that EFTA has been one of the cornerstones of the continuous development of its Member States as highly competitive, outward-oriented economies relying on open and predictable access to foreign markets worldwide. From the early years of economic cooperation on the European continent to its present global reach in free trade relations, EFTA has successfully opened up opportunities for its business operators and fostered trade-driven growth.

The international economic situation

Ministers noted the signs of improvement in the global economic situation and welcomed the rebound of world trade in the first half of 2010. At the same time, they voiced concern over the potential impact of the euro zone debt crisis and expressed their hope that the policy measures taken in that regard will strengthen economic and financial stability. Ministers also stressed the need to continue resisting protectionism in order to sustain the current recovery. They reiterated their strong support for the WTO Doha Round and commitment to its successful conclusion.

Preferential trade relations

Ministers acknowledged the good functioning of the EFTA Convention governing economic relations among the four Member States. They welcomed the addition of a comprehensive Free Trade Agreement (FTA) with **Ukraine** to the expanding EFTA network of preferential trade relation. EFTA has now concluded 21 FTAs with 30 partner countries beyond the European Union.

Ministers welcomed the finalisation of the negotiations with **Peru** and looked forward to the signing of the Agreement at the earliest possible opportunity.

Ministers discussed the ongoing negotiations on a broad-based FTA with **India**. They took note of the state of the negotiations on a comprehensive agreement with **Hong Kong China** and agreed to aim at finalising this process by the end of the year.

Ministers noted the ongoing work in preparation for free trade negotiations with **Russia**, taking account of the establishment of a customs union between Russia, **Belarus** and **Kazakhstan**. They furthermore stated their readiness to open free trade negotiations with **Bosnia-Herzegovina** and with **Montenegro**.

Ministers commended the recent setting up of a Joint Study Group with **Vietnam** to examine the feasibility of a free trade agreement. They confirmed their readiness to launch negotiations with **Indonesia**. They also welcomed the finalisation of Joint Declarations on Cooperation with **Malaysia** and **Panama** and looked forward to their signing in the near future. Ministers agreed to explore the possibilities of closer trade relations with Central American countries. In addition, they will follow developments in **Algeria** and in **Thailand** with a view to resuming negotiations with those partners.

Ministers welcomed the joint final report prepared by the EFTA Working Groups on Trade and Environment and on Labour Standards in EFTA Free Trade Agreements, including the presented model provisions. They underlined the importance of these policy issues and of the contribution that EFTA is making to international developments in that respect.

Relations with the European Union

The EEA EFTA Ministers discussed the general functioning of the EEA Agreement with special focus on the economic crisis, and underlined the need for coordinated and comprehensive action, especially at the European level. Ministers emphasised the importance of adequate participation of the national authorities of the EEA EFTA States in the new financial supervisory structure, on an equal footing with the EU Member States.

Ministers noted the entry into force of the Lisbon Treaty and underlined the importance of ensuring the continuous good functioning of the EEA Agreement within this new environment.

With regard to new initiatives within the EEA, Ministers noted the Europe 2020 Strategy and expressed their hope that this would serve as a generator for growth in Europe over the next decade. Ministers welcomed the Monti Report on 'A New Strategy for the Single Market', which focuses on creating a stronger and better performing Single Market; a matter of direct concern to the EEA EFTA Member States.

Ministers noted with satisfaction the incorporation of several legislative acts into the EEA Agreement, including the Services directive, the Pharmaceutical package and the Galileo programme.

Ministers expressed their satisfaction with the successful round-up of commitments under the EEA and Norwegian Financial Mechanisms 2004-2009. As of mid-May 2010, the EEA and Norway Grants are supporting a portfolio of 1190 projects. Ministers were also pleased with the finalisation of negotiations of the financial contributions for the period 2009-2014 where €197.7 million will be made available per year through the EEA Grants and €60 million through the Norway Grants.

Ministers welcomed that the newly established Forum of Elected Representatives of Local and Regional Authorities of the EEA EFTA Member States had held its inaugural meeting in Reykjavik on 22-23 June, designating its members and electing a chair and vice chair.

Representatives of the EFTA Surveillance Authority and the EFTA Court participated in the meeting.

Advisory Bodies

Ministers held meetings with EFTA's two advisory bodies which are actively engaged in EFTA's work: the Parliamentary Committee and the Consultative Committee, which represents the social partners in the EFTA countries. They had a fruitful exchange of views with committee members on a range of issues including the most recent developments in EFTA third-country relations and the latest developments in the EEA and in Swiss-EU relations.

Ministers Attending

Iceland: Mr Össur Skarphéðinsson, Minister for Foreign Affairs and External Trade (Chair)

Liechtenstein: Ms Aurelia Frick, Minister of Foreign Affairs

Norway: Mr Trond Giske, Minister of Trade and Industry

Switzerland: Ms Doris Leuthard, President of the Swiss Confederation, Head of the Federal Department of Economic Affairs
