

Dear guests.

It is with great pleasure that I welcome you to this Seminar on the European Economic Area, or the EEA. I am speaking to you from the EFTA headquarters in Geneva, as travels are restricted between here and Brussels, but I guess that does not make any difference since the Seminar is fully through videoconference.

Today, you will get the opportunity to receive an over-all introduction to the remarkable Agreement on the EEA, from some of our most knowledgeable colleagues at the EFTA Secretariat, but also from what we sometimes call 'EFTA sister-organisations' as well as our counterparts on the EU-side.

But, before we go into the EEA, let me tell you some words about the European Free Trade Association – EFTA.

This year, EFTA celebrates its 60<sup>th</sup> anniversary. The Association was founded in 1960, with the signing of the EFTA Convention in Stockholm, as an alternative to the newly formed European Economic Community.

At the outset, EFTA included seven Member States (Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom). The objectives of the seven founding Members were to establish a free trade area between each other and to contribute to a broader European economic development and integration, as well as liberalising trade around the world. It is interesting to note, that the basic economic aim of the EFTA Convention was the same as that of the Treaty of Rome; to create a market free of unnecessary barriers to trade. However, it was based on the traditional principles of intergovernmental cooperation, therefore differing from the Treaty of Rome. The EFTA Convention of 1960 set out some general principles and procedures for EFTA and contained detailed provisions on tariff reductions, elimination of quantitative restrictions and rules of origin.

Throughout these 60 years, EFTA has gone through several changes. One of the most noticeable changes is the fluctuation in member states. Some of the founding members of EFTA left to join the newly named EU – while Iceland and Liechtenstein became members of EFTA, Iceland in 1970 and Liechtenstein in 1991. Since then, EFTA has included four Member States; Iceland, Liechtenstein, Norway and Switzerland.

This is the historic set-up of EFTA, but looking ahead, challenges remain. The most obvious one, the COVID-19 pandemic, has already changed dramatically how we act as societies and how people and businesses operate, especially on the international arena.

The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of

the virus. Not only have our health services have been put on strain, but the economic damage is also evident and represents the largest economic shock the world has experienced in decades.

The final economic damage can still not be measured, but The World Bank has earlier this summer concluded that “COVID-19 has triggered the deepest global recession in decades.” (Global Economic Prospects).

“While the ultimate outcome is still uncertain, the pandemic will result in contractions across the vast majority of emerging market and developing economies. It will also do lasting damage to labour productivity and potential output. The immediate policy priorities are to alleviate the human costs and attenuate the near-term economic losses. Once the crisis abates, it will be necessary to reaffirm a credible commitment to sustainable policies and undertake the reforms necessary to buttress long-term prospects. Global coordination and cooperation will be critical.”

This last point makes EFTA membership even more important for its Member States than before. Our Members need to build alliances and participate in international cooperation. Moreover, EFTA Membership – and the participation of three of the EFTA States in the EEA – has proven to be vital in the ongoing global pandemic.

Apart from the COVID-19, other challenges remain, such as uncertainties surrounding the United Kingdom’s departure from the European Union – and from the EEA.

Thirdly, the global trade environment is drifting into protectionism and trade wars, putting world trading system under strain, dominated by punitive tariffs and competitive devaluations, where the WTO dispute settlement mechanism has been undermined. Worldwide growth was already suffering the consequences of these policies before the COVID-19 pandemic.

In this increasingly unfriendly environment, I believe EFTA membership is more important than ever for our Member States. In fact, Membership of EFTA is one of the cornerstones of the foreign trade policy of Iceland, Liechtenstein, Norway, and Switzerland. The work of EFTA has always been important for the Member States. In the current economic and political climate, this work is perhaps more important than ever.

Today, EFTA is promoting economic integration and free trade between its members, Europe and globally. To achieve that, we have three main responsibilities:

- First, to regulate the economic relations between the EFTA Member States;
- Secondly, to develop and manage EFTA’s worldwide network of free trade agreements; today we have 29 free trade agreements covering 40 countries and territories outside the EU.
- Then, last but certainly not least, our third responsibility is to manage the EEA Agreement, which extends the EU Internal Market to three of our member states, Iceland, Liechtenstein and Norway.

With the EEA, the three EEA EFTA countries have managed to secure a fantastic device to ensure a stable and favourable contribution to European integration, for the benefit both of our people and companies, and for our EU partners. EEA EFTA countries' commitment to European integration and to European values is to some extent stronger than in some of the EU members. The credibility of the EEA is high, which gives us a good opportunity when reaching out to and establishing working relationship with the new leadership in European institutions.

Dear participants,

Throughout last year, we celebrated the 25<sup>th</sup> anniversary of the EEA Agreement, with series of high-level events. The Agreement was signed on 2 May 1992 and went into force in January 1994.

In a nutshell, this Agreement extends the Internal Market of the EU to the three participating EFTA States – Iceland, Liechtenstein and Norway. (As you may know, Switzerland, the fourth EFTA member, does not participate in the EEA, but has a number of agreements with the EU that regulate their bilateral cooperation.)

With the perspective of numerous close European neighbours emerging around the EU, the EEA proves to be today the only existing system that works to the satisfaction of both sides. And hence becomes a benchmark the future relations of the EU with these countries. In five to ten years from now, we will be faced with a number of parallel models of close relationships with the EU. This will be a game changer for us. In anticipation of these developments, it is therefore of paramount importance that the EEA remains the gold standard for these relations. This is why the management of the EEA Agreement is of utmost importance for this office (The EFTA Secretariat) – today you will learn how this is being fostered on different levels and by various institutions.

By looking back the 25 years of the EEA, we can be proud of the achievements that the EEA Agreement has brought to our citizens, and looking into the near future, we are committed to building a safer and more prosperous Europe for future generations.

Dear participants,

For a quarter of a century, the EEA Agreement has been the fundamental instrument in the relations between the EEA EFTA states and all countries of the European Union, whether EU member states have been 12, 15, 28 or 27.

During the last 25 years, Europe has undergone profound evolutions. In a world of constant change, the positive spirit of cooperation in the EEA has allowed for adaptations and pragmatic solutions to be found. Having been in force across four revisions of EU treaties and four rounds of EU enlargement, the Agreement had been remarkably robust and capable of adapting to new realities.

The Agreement has significantly contributed to building a more competitive, predictable and prosperous Europe, with an extended homogenous single market in which goods, capital, services and persons move

freely. It is the best guarantee of long-term shared prosperity and has contributed to the construction of a Europe based on stability, peace, democracy and human rights.

In addition to ensuring the four freedoms, the Agreement provides for extensive cooperation, including the participation of Iceland, Liechtenstein and Norway in EU programmes and agencies, as well as parliamentary cooperation and cooperation between economic and social partners. Through their participation in EU committees and expert groups, the three EFTA states contribute to the decision shaping process of EEA-relevant EU legislation and programmes. This will all be explained in more detail during today's seminar.

The EEA is also a demonstration of solidarity among the countries of Europe to overcome shared social and economic challenges. The EEA and Norway Grants have made a lasting contribution to reducing social and economic disparities in Europe and supporting a free and vibrant civil society, which is beneficial for the whole EEA.

Dear participants,

The EEA Agreement is quite a remarkable achievement – and was recently been described by the Norwegian Prime Minister as 'the world's best trade agreement'. It has proven to be a long-lasting solution for citizens and businesses across the 31 EEA countries. But the well-functioning of our common Internal Market demands continuous efforts from all parties to the EEA Agreement, including from the three EEA EFTA States and the EFTA Secretariat. We are therefore thankful for your interest in the EEA today.

During today's seminar, you will get first-hand information on the EEA from some of key personnel at the EFTA Secretariat as well as from the most relevant organisations that also play a fundamental role in the well-functioning of the EEA Agreement. You will also enjoy a special presentation by the Liechtenstein Ambassador to the EU, who is currently chairing the EFTA Standing Committee, as well as our counterpart on the EU side, the European External Action Service.

In addition, the President of the EFTA Surveillance Authority will give you an overview of series of extraordinary COVID-related cases that have been solved successfully and rapidly.

Last but not least, we will introduce a couple of topics that are high on the agenda in the EEA; one is the Artificial Intelligence and Data Strategy, the other the EU Green Deal. Both topics are of high priority to the EFTA Member States, so we are happy to be able to give you the current state of play.

I wish you a great seminar and encourage you to take part actively in the discussions during the day.