# 55th Annual Report of the European Free Trade Association 2015

# Annual Report of the European Free Trade Association 2015

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Further information on EFTA's activities and institutional framework is available on our website:
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# Table of Contents

| | |
|---|---|
| Foreword | 3 |
| The EFTA Council | 4 |
| Free Trade Relations | 7 |
| The EEA Agreement | 14 |
| EEA Grants and Norway Grants | 36 |
| Advisory Bodies | 39 |
| Information Activities | 43 |
| The Secretariat | 45 |
| EFTA in Figures | 46 |
| Appendices | 60 |

# Foreword

The four countries forming the European Free Trade Association (EFTA) – Iceland, Liechtenstein, Norway and Switzerland – have created a global trading network that extends to over 60 countries in Europe and across the globe and accounts for some 75% of the merchandise trade of the EFTA States.

By far the most comprehensive agreement is the Agreement on the European Economic Area (EEA Agreement), which serves as the main instrument for trade and cooperation between the three EFTA States that are parties to that agreement – Iceland, Liechtenstein and Norway – and the 28 Member States of the European Union (EU).

Managing this extensive agreement is demanding, but in 2015 progress was made in handling the backlog of legislation awaiting incorporation into the EEA Agreement and in resolving many difficult issues. In 2015, agreement was reached between the EEA EFTA States and the EU on renewed financial contributions to reduce social and economic disparities and to promote cooperation in Europe for the period 2014 to 2021. Several legal and practical issues related to the incorporation of EU legislation establishing the European Financial Supervisory Authorities into the EEA Agreement were clarified in discussions with the European Commission. The EEA EFTA States also submitted a number of formal comments to the Commission, including on the "Better Regulation" initiative and the EU strategy for trade in goods and services.

EFTA has 25 Free Trade Agreements (FTAs) in force with 35 countries and customs territories. In 2015, EFTA Ministers signed a protocol on the accession of Guatemala to the FTA between the EFTA States and Central American States. A Joint Declaration on Cooperation was signed with Ecuador, setting the stage for the launch of free trade negotiations in 2016. In addition, free trade negotiations were launched with Georgia and the Philippines. Keeping pace with the evolution of FTAs, EFTA continued to review existing agreements with interested partners in order to further deepen economic ties and expand trade and investment. Formal negotiations are already underway with Turkey, and the stage has been set for exploring the update of the FTAs with Chile, Canada and Mexico in 2016.

EFTA follows developments in the global trade environment closely, such as WTO processes, the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership (TTIP) negotiations. In 2015, EFTA continued discussions with delegates from the EU and the United States on the state of play, perspectives and potential implications of TTIP for the EFTA States.

Founded in 1960, EFTA has proved to be a highly practical and flexible platform for promoting economic integration, and for ensuring competitive economic framework conditions for the EFTA States. Looking ahead, EFTA has an ambitious agenda for extending its FTA network, in terms of both geographical and substantive coverage. As always, the maintenance of a homogeneous Internal Market on the basis of the EEA Agreement will remain a priority.

*Kristinn F. Árnason*

Secretary-General

# The EFTA Council

## EFTA Ministerial Meetings

The EFTA Council met twice at Ministerial level in 2015, on 22 June in Schaan, Liechtenstein, and on 23 November in Geneva, Switzerland. The Council was chaired by Liechtenstein in the first half of 2015 and by Norway in the second half.

The EFTA Ministers reiterated their strong commitment to the rules-based multilateral trading system of the World Trade Organization (WTO). They emphasised the need to achieve credible outcomes, reaffirming the importance of the WTO, at the Tenth WTO Ministerial Conference in Nairobi, Kenya, in December. The Ministers also exchanged views on the impact on EFTA's work of regional agreements and ongoing negotiations, namely the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP), as well as the EU's recently launched "Trade for All" strategy.

The EFTA Ministerial meeting in Schaan, Liechtenstein, 22 June 2015. Insert: Aurelia Frick, Minister of Foreign Affairs, Liechtenstein (EFTA Chair); Peter Matt, Ambassador, Mission of Liechtenstein to EFTA and the WTO; and Kurt Jäger, Ambassador, Liechtenstein Mission to the EU.

Ministers signed a protocol on the accession of **Guatemala** to the FTA between the EFTA States and **Central American States**, as well as a joint declaration on cooperation (JDC) with Ecuador. They also met with Ambassador Michael Punke, Deputy US Trade Representative, to pursue the trade policy dialogue with the **United States (US)** and to discuss developments in the TTIP negotiations between the US and the EU. Ministers reviewed developments in EFTA's ongoing trade negotiation processes with partners worldwide, including **Georgia**, **India**, **Malaysia**, the **Philippines** and **Vietnam**. They welcomed the initiation of an exploratory dialogue with **Mercosur** and expressed support for formalising cooperation with the **East African Community (EAC)** through the signing of a JDC. They reviewed the work undertaken so far on the expansion of the FTA with **Turkey** and welcomed the prospect of developing and expanding the agreements with **Canada** and **Mexico**.

At their June meeting in Schaan, the EEA EFTA Ministers took stock of recent developments in the EEA Agreement. Ministers reiterated that a reduction in the number of legal acts awaiting incorporation into the EEA Agreement was a priority, and welcomed the adoption of the new EEA EFTA procedures for incorporating EU acts into the EEA Agreement. They further noted that it was the joint responsibility of the EU and the EEA EFTA States to ensure the smooth functioning of the EEA Agreement, and emphasised in particular the need for solutions with regard to EEA EFTA participation in several EU agencies. In this context, Ministers noted the political conclusions for the incorporation of the legislation related to the European Supervisory Authorities for financial markets into the EEA Agreement, and the technical work being undertaken in order to set up the two-pillar structure as envisaged in the conclusions. Lastly, Switzerland informed Ministers about the work in progress with regard to the implementation of new constitutional provisions on immigration, voted by the Swiss people on 9 February 2014.

The communiqués from the 2015 Ministerial meetings can be found in the appendices to this report.

The EFTA Ministerial meeting in Geneva, Switzerland, 23 November 2015. From left: Kristinn F. Árnason, Secretary-General, EFTA; Gunnar Bragi Sveinsson, Minister for Foreign Affairs and External Trade, Iceland; Aurelia Frick, Minister of Foreign Affairs, Liechtenstein; Vidar Helgesen, Minister of EEA and EU Affairs at the Office of the Prime Minister of Norway (Chair); and Johann N. Schneider-Ammann, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research, Switzerland.

The EFTA-ECOFIN meeting in Brussels, 10 November 2015. From left: Adrian Hasler, Prime Minister of Liechtenstein; Pierre Gramegna, Luxembourg Minister of Finance; Johann N. Schneider-Ammann, Federal Councillor, Head of the Swiss Federal Department of Economic Affairs, Education and Research; and Tore Vamraak, Norwegian State Secretary for Finance.

## Other Meetings of the EFTA Council

The EFTA Council met eight times in 2015 at the level of heads of permanent delegations to EFTA in Geneva. Delegates discussed EFTA's relations with countries outside the EU, including free trade negotiations and the management of existing FTAs. They also approved a number of technical cooperation projects and dealt with administrative and budgetary matters.

## The EFTA Convention

The Council is responsible for the Vaduz Convention, which is updated regularly to reflect legislative developments in the EEA Agreement and the Swiss-EU agreements. In 2015, the Council adopted an amendment to Annex K on Social Security and to Annex P on Land Transport, as well as two amendments to Annex Q on Air Transport.

## Annual Meeting of EFTA and EU Finance Ministers

The annual meeting of EFTA and EU Finance Ministers took place on 10 November in Brussels, where the main topics discussed were economic growth and structural reforms. The meeting was chaired by Mr Pierre Gramegna, Minister of Finance, representing the Luxembourg Presidency of the EU Council. EFTA was represented by Mr Johann N. Schneider-Ammann, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research of Switzerland (EFTA Chair); Mr Adrian Hasler, Prime Minister and Minister of Finance of Liechtenstein; Mr Tore Vamraak, State Secretary, Ministry of Finance of Norway; and Mr Guðmundur Árnason, Permanent State Secretary, Ministry of Finance and Economic Affairs of Iceland.

# Free Trade Relations

EFTA continued its work on expanding, updating and developing its worldwide network of Free Trade Agreements (FTAs) in 2015. The FTA with Bosnia and Herzegovina entered into force on 1 January, Guatemala joined the FTA between the EFTA States and the Central American States of Costa Rica and Panama, and the EFTA Ministers signed a Joint Declaration on Cooperation with Ecuador.

By the end of the year, EFTA's network of preferential trade relations extended to 63 partners outside the EU through the following means of engagement:

## Operational Free Trade Agreements

In 2015, 25 Free Trade Agreements were operational with 35 partner countries and customs territories: Albania, Bosnia and Herzegovina, Canada, the Central American States of Costa Rica and Panama (entry into force pending for Guatemala), Chile, Colombia, Egypt, the Gulf Cooperation Council (GCC, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong China, Israel, Jordan, the Republic of Korea, Lebanon, Macedonia, Mexico, Montenegro, Morocco, Palestine, Peru, Serbia, Singapore, the Southern African Customs Union (SACU, comprising Botswana, Lesotho, Namibia, South Africa and Swaziland), Tunisia, Turkey and Ukraine.

## Free Trade Negotiations

EFTA was party to negotiations with six partners in 2015: Georgia, India, Indonesia, Malaysia, the Philippines and Vietnam. Negotiations with four partners remained on hold, namely Algeria, Honduras, Thailand and the Customs Union of the Russian Federation, Belarus and Kazakhstan.

## Joint Declarations on Cooperation and Other Processes

Eight Joint Declarations on Cooperation (JDCs) were operational with eleven partner countries in 2015, two of which (Georgia and the Philippines) became negotiating partners during the year. These were Ecuador, Georgia, Mauritius, Mercosur (Argentina, Brazil, Paraguay and Uruguay), Mongolia, Myanmar, Pakistan and the Philippines. A JDC was proposed to the East African Community (EAC, comprising Burundi, Kenya, Rwanda, Tanzania and Uganda). Furthermore, EFTA continued its trade policy dialogue with the US, initiated in 2013.

Gonzalo Salvador, Ambassador of Ecuador to Switzerland, at the signing of the EFTA-Ecuador JDC in Schaan, Liechtenstein, 22 June 2015.

## Joint Declarations on Cooperation and Free Trade Agreements between EFTA and Non-EU Partners

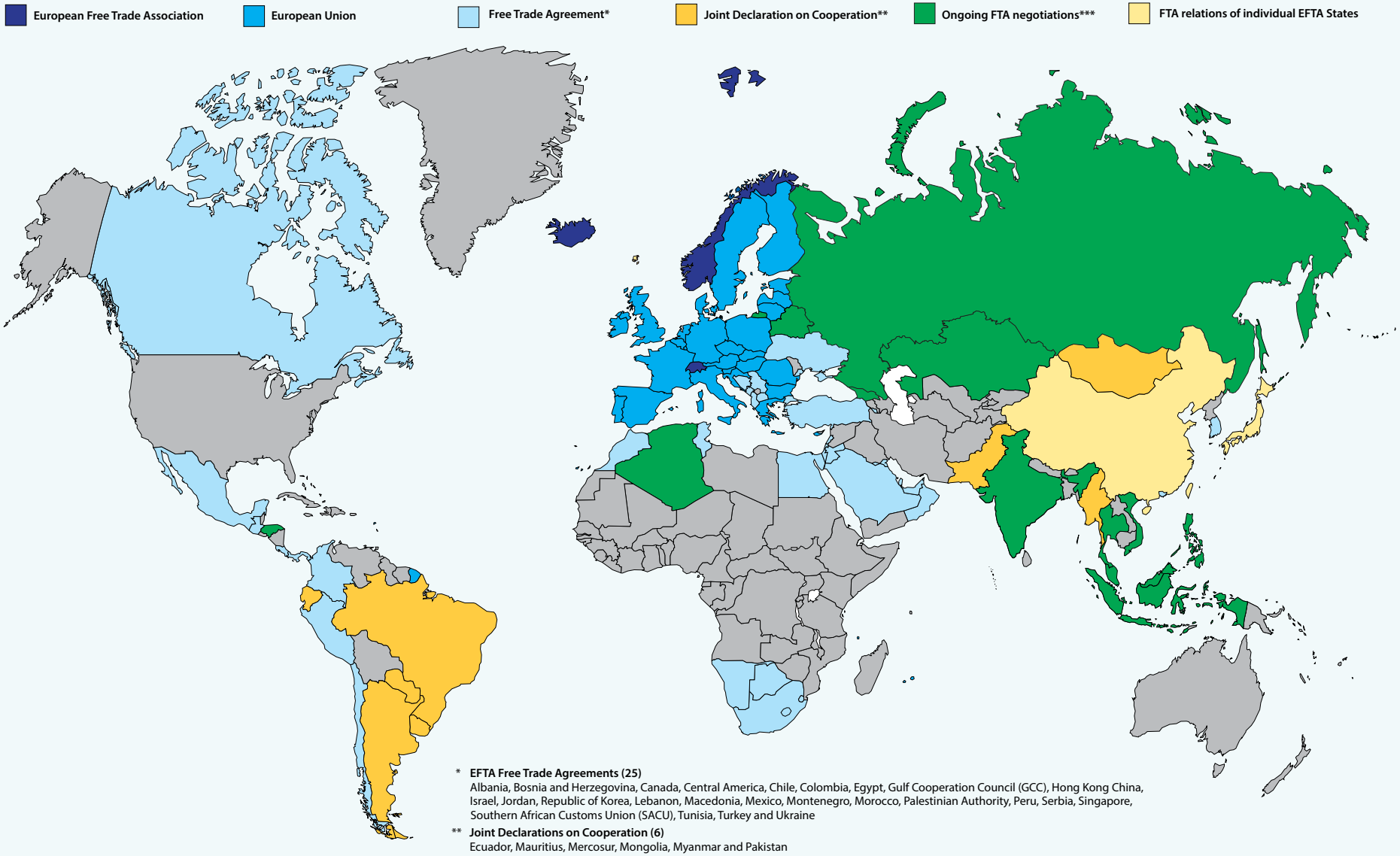
Fig. 1

| Partner | Joint Declaration | Free Trade Agreement | |
|---|---|---|---|
| | Signing | Signing | Entry into Force |
| Albania | 10 December 1992 | 17 December 2009 | 1 November 2010 |
| Algeria | 12 December 2002 | | |
| Bosnia and Herzegovina | | 24 June 2013 | 1 January 2015 |
| Canada | | 26 January 2008 | 1 July 2009 |
| Central American States | 20 July 2010 (Panama) | 24 June 2013 (Costa Rica and Panama) | 19 August 2014 |
| Chile | | 26 June 2003 | 1 December 2004 |
| Colombia | 17 May 2006 | 25 November 2008 | 1 July 2011 |
| Egypt | 8 December 1995 | 27 January 2007 | 1 August 2007 |
| Georgia | 28 June 2012 | | |
| Gulf Cooperation Council (GCC)[1] | 23 May 2000 | 22 June 2009 | 1 July 2014[2] |
| Hong Kong China | | 21 June 2011 | 1 October 2012 |
| Israel | | 17 September 1992 | 1 January 1993 |
| Jordan | 19 June 1997 | 21 June 2001 | 1 September 2002 |
| Republic of Korea | | 15 December 2005 | 1 September 2006 |
| Lebanon | 19 June 1997 | 24 June 2004 | 1 January 2007 |
| Macedonia | 29 March 1996 | 19 June 2000 | 1 May 2002 |
| Malaysia | 20 July 2010 | | |
| Mauritius | 9 June 2009 | | |
| Mexico | | 27 November 2000 | 1 July 2001 |
| Mercosur[3] | 12 December 2000 | | |
| Mongolia | 28 July 2007 | | |
| Montenegro | 12 December 2000 | 14 November 2011 | 1 September 2012 |
| Morocco | 8 December 1995 | 19 June 1997 | 1 December 1999 |
| Myanmar | 24 June 2013 | | |
| Pakistan | 12 November 2012 | | |
| Palestinian Authority | 16 December 1996 | 30 November 1998 | 1 July 1999 |
| Peru | 24 April 2006 | 24 June 2010 | 1 July 2011 |

| Partner | Joint Declaration | Free Trade Agreement | |
|---|---|---|---|
| | Signing | Signing | Entry into Force |
| Philippines | 24 June 2014 | | |
| Serbia | 12 December 2000 | 17 December 2009 | 1 October 2010 |
| Singapore | | 26 June 2002 | 1 January 2003 |
| Southern African Customs Union (SACU)[4] | | 26 June 2006 | 1 May 2008 |
| Tunisia | 8 December 1995 | 17 December 2004 | 1 June 2005 |
| Turkey | | 10 December 1991 | 1 April 1992 |
| Ukraine | 19 June 2000 | 24 June 2010 | 1 June 2012 |

[1] Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.
[2] The Member States of the GCC informed EFTA that the EFTA-GCC FTA would be applied by their authorities as of 1 July 2015.
[3] Argentina, Brazil, Paraguay and Uruguay.
[4] Botswana, Lesotho, Namibia, South Africa and Swaziland.

# EFTA'S Worldwide Network (as at 1 January 2016)




* **EFTA Free Trade Agreements (25)**
Albania, Bosnia and Herzegovina, Canada, Central America, Chile, Colombia, Egypt, Gulf Cooperation Council (GCC), Hong Kong China, Israel, Jordan, Republic of Korea, Lebanon, Macedonia, Mexico, Montenegro, Morocco, Palestinian Authority, Peru, Serbia, Singapore, Southern African Customs Union (SACU), Tunisia, Turkey and Ukraine

** **Joint Declarations on Cooperation (6)**
Ecuador, Mauritius, Mercosur, Mongolia, Myanmar and Pakistan

*** **Ongoing FTA negotiations**
Algeria, Georgia, Honduras, India, Indonesia, Malaysia, the Philippines, Russian Federation, Belarus, Kazakhstan, Thailand and Vietnam

## Continued Expansion of EFTA's Free Trade Network

Throughout 2015, EFTA pursued its efforts towards the conclusion of FTAs, especially with emerging economies.

Negotiations continued with **Vietnam**, launched in 2012, and with **Malaysia**, launched in 2014. In the course of a total of three negotiating rounds and several expert meetings, EFTA and Vietnam furthered their progress towards reaching a common landing zone for an FTA. With Malaysia, two full rounds and a number of expert meetings resulted in significant progress being made in all areas foreseen to be covered.

Negotiations on comprehensive FTAs were launched with the **Philippines** (in March) and **Georgia** (in September), with four and two full negotiating rounds respectively held in 2015. Rapid progress was achieved with both countries in most areas, with the ambition being to conclude these negotiations swiftly.

In their joint committee meeting in March, EFTA and **Mercosur** agreed to initiate an exploratory dialogue with a view to this leading to possible future trade negotiations. The first meeting in this exploratory dialogue process took place in June.

In their meetings in June and November, EFTA Ministers expressed their interest in launching negotiations on an FTA with **Ecuador** and exploring the scope for developing closer trade relations with **Australia**. They also reiterated EFTA's interest in strengthening ties with countries in **Sub-Saharan Africa**, including with the **EAC**.

## Management, Modernisation and Expansion of Existing FTAs

With the FTA between the EFTA States and **Turkey** being the oldest of its kind still in effect today, modernising and expanding this agreement to new areas was a focus in 2015. The FTA currently covers trade in goods (including agriculture) and intellectual property rights (IPR). Two rounds of negotiations were held in 2015, addressing trade in services, sanitary and phytosanitary (SPS) issues, technical barriers to trade (TBT), rules of origin, trade facilitation, IPR, competition, sustainable development and horizontal and institutional provisions.

EFTA and **Canada** were also engaged in a pre-exploratory dialogue to assess the potential benefits of updating and expanding their FTA to new areas. It currently covers trade in goods including market access, rules of origin, trade remedies, TBT, SPS measures and trade facilitation, as well as horizontal and institutional provisions.

In May and September respectively, EFTA signed protocols with **Serbia** and **Albania**, updating the FTAs with these countries by adding provisions on trade and sustainable development. These were reflections of a mutual wish to ensure coherence between the economic, social and environmental aspects of a country's development on the one hand, and trade policy on the other. Through the new provisions, both parties undertake to provide for and encourage high levels of environmental and labour protection.

EFTA and **Mexico** finalised a general framework for a review of their FTA, with the objective of starting negotiations on updating and expanding the agreement in 2016. In addition, the EFTA States started exploring the scope for further developing their FTA with **Chile**.

In 2015, the EFTA States held joint committee meetings with four FTA partners (**GCC**, **SACU**, **Serbia** and **Palestine**). On these occasions, the parties reviewed the functioning of their respective agreements and adopted several decisions to update existing rules. They also established work plans towards further revisions.

EFTA experts also convened with counterparts from several other FTA partners, such as **Hong Kong China** and **Israel**, in preparation for future amendments of agreements. In addition, work aimed at maintaining and updating other FTAs was undertaken throughout the year at a technical level.

### Joint Committee Meetings in 2015

Fig. 2

| Free Trade / Joint Declaration Partner | Date and Venue |
|---|---|
| GCC (1st meeting) | 15 January, Muscat |
| Georgia (2nd meeting) | 4 February, Tbilisi |
| Mercosur (4th meeting) | 6 March, Brasília |
| SACU (3rd meeting) | 22 April, Gaborone |
| Serbia (2nd meeting) | 20 May, Belgrade |
| Palestine (5th meeting) | 27 August, Geneva |

## Monitoring International Trade Developments

EFTA follows the development of so-called "mega-regional" free trade agreements closely. This has become particularly relevant in the context of the conclusion of the Trans-Pacific Partnership (TPP) Agreement, comprising 12 countries,[1] and the ongoing TTIP negotiations between the US and the EU, as well as on a Regional Comprehensive Economic Partnership (RCEP), comprising 16 countries.[2]

The trade policy dialogue between the EFTA States and the US, launched in 2013 in the light of the start of negotiations between the US and the EU on TTIP, continued in 2015. At the EFTA Ministerial meeting in November, EFTA Ministers met with Ambassador Michael Punke, Deputy US Trade Representative, to pursue the trade policy dialogue with the US and to discuss developments in the TTIP negotiations.

[1] Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the US and Vietnam.

[2] The ten members of ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and the six countries with which ASEAN has existing FTAs (Australia, China, India, Japan, Republic of Korea and New Zealand).

EFTA also noted with interest the finalisation of the TPP Agreement in October 2015. The EFTA States are currently analysing the possible implications of this very comprehensive agreement for its existing FTAs in the region, as well as for ongoing and future negotiations with TPP partners.

## Technical Cooperation

In the framework of technical cooperation funded by EFTA with partners outside the EU, activities in 2015 included:

- Two trade promotion seminars in Bosnia and Herzegovina aimed at informing economic operators and the public sector about the entry into force of the FTA between EFTA and Bosnia and Herzegovina
- Preparation of a guide for exporters in Lebanon on the Pan-Euro-Med (PEM) rules of origin in order to facilitate the practical implementation of the PEM Convention
- Publication of a brochure on the potential benefits of a partnership agreement between Indonesia and EFTA
- Support for a project aimed at further strengthening cooperation between quality infrastructure institutions in the Western Balkans
- Financial support for representatives of Palestine to participate in a high-level PEM seminar
- Support for a three-day IPR training programme in Palestine (Hebron)
- Financial support to Palestine for its participation in the EFTA-Palestine Joint Committee

## Relations with the WTO

Under the WTO's transparency mechanism for bilateral and regional trade agreements, EFTA continued to notify decisions adopted by joint committees under existing FTAs, as well as the start of free trade negotiations and the ratification and entry into force of new agreements – most recently the entry into force of the FTA with Bosnia and Herzegovina.

The Agreement on the European Economic Area, which entered into force on 1 January 1994, brings together the 28 EU Member States and the three EEA EFTA States – Iceland, Liechtenstein and Norway – in a single market, referred to as the Internal Market.

# The EEA Agreement

## The EEA Council

The EEA Council on 18 May 2015. From left: Zanda Kalniņa-Lukaševica, Parliamentary State Secretary for EU Affairs of Latvia, representing the Presidency of the Council of the European Union; Gunnar Bragi Sveinsson, Minister for Foreign Affairs of Iceland (EEA EFTA Chair); and Aurelia Frick, Minister of Foreign Affairs of Liechtenstein.

The EEA Council was chaired by the EU in the first half of 2015 and by EFTA in the second half. It convened on 18 May and 17 November to review ongoing work in EEA cooperation and to note the progress reports of the EEA Joint Committee. Ministers confirmed the positive overall functioning and development of the EEA Agreement and appreciated that new acts were being incorporated quickly. In addition, the EEA Council held orientation debates on the Digital Single Market and the Internal Market Strategy for Goods and Services. The conclusions from these meetings can be found in the appendices to this report.

## The EEA Joint Committee

The EEA Joint Committee met eight times in 2015 and adopted 320 decisions incorporating 483 legal acts. Discussions in the EEA Joint Committee focused on how to further improve the processing of acquis and to reduce the number of legal acts awaiting incorporation, as well as on the EU acts and legislative proposals establishing the new EU system of financial supervision, and the TTIP negotiations between the EU and the US. Among the more significant decisions adopted by the EEA Joint Committee were those concerning the European Research Infrastructure Consortium, the Internal Market Information System, novel foods and novel food ingredients, protection of the environment through criminal law, animal by-products, and industrial emissions and integrated pollution prevention and control.

Ambassador Atle Leikvoll, Mission of Norway to the EU, chairing the Standing Committee on 8 July 2015. To his right, Secretary-General Kristinn F. Árnason, EFTA.

## The Standing Committee of the EFTA States

The Standing Committee of the EFTA States was chaired by Iceland in the first half of 2015 and by Norway in the second half. The agendas and conclusions of the Standing Committee meetings are available on the EFTA website. On 17 November, the Standing Committee held a joint meeting at Ministerial level in Brussels with the Committee of Members of Parliament of the EFTA States and the Consultative Committee to discuss developments in the EEA.

EFTA's web-based legal database, EEA-Lex, was upgraded in 2015 and has become an important tool for monitoring the incorporation of EU law into the EEA Agreement.

## Legal and Institutional Matters

Subcommittee V on Legal and Institutional Questions held three meetings in 2015 and was involved in discussions with the EU on the EEA relevance of certain acts. It also discussed legal acts containing rules on civil procedures and third-country provisions. Two acts containing criminal law sanctions for which Subcommittee V had finalised a proposal for Subcommittees I-IV were incorporated into the EEA Agreement. The Subcommittee continued to monitor two-pillar issues in the EEA Agreement as well as case-law developments in the EEA.

## EEA EFTA Procedures for Incorporating EU Acts into the EEA Agreement

In October 2015, the Secretariat presented a report to Subcommittees I-IV and to the Standing Committee on the progress made following the adoption of new procedures for incorporating EU acts into the EEA Agreement. The procedures entered into force in October 2014 and aimed to increase the efficiency of the EEA Agreement by processing and incorporating EEA-relevant acts in a more efficient manner. The Secretariat's report is intended to assist the EEA EFTA States in their ongoing assessment of these procedures, as laid out by the Standing Committee's decision of May 2014 to review them by 2016 at the latest.

## Free Movement of Goods

A substantial part of EU legislation concerns the free movement of goods, a principle applied throughout the Single Market. Today, about 75% of trade in the Single Market is in goods. However, the free movement of goods does not imply that all products can circulate freely. They must conform to requirements set for the protection of legitimate interests such as health, safety and the environment. Additionally, in order to ensure a fair and efficient market, a wide range of legislative measures have been established in the fields of competition, state aid and public procurement.

Subcommittee I prepares for the integration into the EEA Agreement of legislation relating to all aspects of the free movement of goods – competition, state aid, public procurement, harmonised technical legislation, IPR and energy matters. Subcommittee I is assisted by 11 working groups and 24 expert groups.

In addition, three committees deal with issues related to goods under the EFTA Council: the Committee on Technical Barriers to Trade (TBT Committee), the Committee of Origin and Customs Experts and the Committee on Trade Facilitation.

## Veterinary, Food and Agricultural Issues

Veterinary and food legislation in the EEA Agreement applies to Iceland and Norway only. Since 2007, Liechtenstein has been subject to the Swiss-EU Agricultural Agreement pertaining to legislation in these areas.

### *Veterinary issues*

Veterinary legislation covers animal and public health requirements for the production, trade and importation of live animals and animal products, as well as issues related to the control of these products. Arrangements for animal welfare and the control and prevention of animal diseases are also included.

In 2015, the EEA Joint Committee incorporated 43 legal acts in the veterinary area into the EEA Agreement. In addition, a number of legal acts were implemented by means of simplified procedure (see box on right).

### *Animal feed*

Legislation in the area of animal feed concerns marketing and labelling, the control of undesirable substances in feed, the authorisation of feed additives and the monitoring of feed-producing establishments. In 2015, 50 legal acts related to animal feed were incorporated into the EEA Agreement.

### *Food*

The Food Law Package ensures that the EEA EFTA States participate fully in the European Food Safety Authority, including the possibility of employment for EEA EFTA nationals.

In 2015, the EEA EFTA States incorporated the Novel Foods Regulation into the EEA Agreement. Discussions continued on the Regulations on genetically modified food and feed, and on the traceability and labelling of genetically modified organisms. These have not yet been incorporated into the EEA Agreement.

Preparations continued for the incorporation of the legal framework on organic production.

In 2015, 67 legal acts relating to foodstuffs were incorporated into the EEA Agreement. A number of legal acts were also implemented by means of simplified procedure.

### *Trade in agricultural products*

Iceland and Norway agreed with the Commission to implement the results of the Iceland-EU bilateral negotiations on processed agricultural products by amending the annexes concerned in Protocol 3 EEA. They held several meetings with the Commission during the year to discuss technical details in the drafting of an EEA Joint Committee Decision (JCD) amending the protocol.

## Simplified Procedure

The simplified procedure is a derogation from the normal procedure for the incorporation of acts into the EEA Agreement. Until the introduction of the simplified procedure in 2001, an act could only be incorporated by an EEA Joint Committee Decision, which in many cases took more than half a year. It is essential that many of the measures in the veterinary field are implemented and applied shortly after their adoption in the EU. This is of particular importance when it is necessary to put safeguard and protective measures in place urgently. The simplified procedure requires that EEA EFTA States "simultaneously with the EU Member States take measures corresponding to those taken by the latter".

The following acts in the veterinary field are subject to the simplified procedure:

- Texts of application concerning imports from third countries
- List of establishments in third countries
- Safeguard and protective measures concerning the EU territory or imports from third countries
- Safeguard measures and listing of countries and territories concerning the non-commercial movement of pet animals

In addition, the Food Law Regulation introduced the simplified procedure in the foodstuffs area for acts related to emergency measures concerning the EU territory or imports from third countries.

Photo: © Shironosov/iStock

## Technical Barriers to Trade

EFTA deals with the removal of technical barriers to trade in two forums: the TBT Committee, which reports to the EFTA Council, and the Working Group on TBT, which coordinates the assessment of EEA relevance and acceptability of new EU legislation to the three EEA EFTA States. Switzerland participates as an observer in the Working Group on TBT and its many underlying expert groups.

### *Working Group on TBT*

In 2015, the Working Group on TBT continued to coordinate the incorporation of new acquis into Annex II EEA and to follow various legislative proposals, supported by its many expert groups. Based on a joint effort with the Working Group on Enterprise Policy, an EEA EFTA Comment on the new Internal Market Strategy was submitted in July.

### *TBT Committee*

In 2015, the TBT Committee discussed policy and financial issues in relation to standardisation and accreditation, as well as horizontal TBT issues and third-country issues.

### *Policy issues*

With regard to policy issues, in the area of standardisation the EFTA States cooperated closely with the Commission to discuss the independent review of the European standardisation system, the vademecum on European standardisation and the joint initiative (PACT) on European standardisation. The TBT Committee also discussed the state of play and follow-up of the two EFTA co-financed projects with seconded European standardisation experts in India (SESEI I) and China (SESEC).

With regard to accreditation, conformity assessment and horizontal TBT issues, the TBT Committee discussed the functioning of the NANDO (New Approach Notified and Designated Organisations) database, the alignment of the "New Approach Directives", market surveillance of goods, certification and CE marking. In relation to third-country issues, the Committee discussed the TTIP negotiations, the EU-Canada Comprehensive Economic and Trade Agreement (CETA) negotiations, Protocol E to EFTA's FTA with Turkey and an EU-EFTA regional quality infrastructure project in the Western Balkans. The Committee also worked on keeping Annex I to the Vaduz Convention updated and discussed the procedures for amending the annex.

### *Financial issues*

The EFTA States and the European Commission provide financial support to the following three European standardisation organisations (ESOs): the European Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (CENELEC) and the European Telecommunications Standards

Institute (ETSI). Like the Commission, the EFTA Secretariat has the formal status of European counsellor to these organisations.

EFTA continued its financial support to the European Cooperation for Accreditation (EA) and to other organisations such as the European Association for the Coordination of Consumer Representation in Standardisation (ANEC) and the European Environmental Citizens' Organisation for Standardisation (ECOS). EFTA also signed framework partnership agreements with Small Business Standards (SBS) and the European Trade Union Confederation (ETUC). These two organisations represent small and medium-sized enterprises (SMEs) and social interests respectively in the standardisation process. In 2015, EFTA signed approximately 35 agreements relating to standardisation.

## *Medicinal products*

In 2015, a total of ten acts concerning medicinal products and medical devices were incorporated into the EEA Agreement, including a regulation on clinical trials.

With regard to the Paediatrics Regulation, all EEA EFTA States agreed to the EU's proposal to give the EFTA Surveillance Authority the competence to impose fines. Outstanding issues with regard to related IPR were still being addressed.

## *Dangerous substances*

Trade in and use of dangerous substances are strictly regulated in order to protect consumers, workers and the environment. The EEA Agreement contains both general chemicals legislation and product-specific legislation. In total, 47 acts concerning dangerous substances were incorporated into the EEA Agreement in 2015.

The EU Regulation concerning the placing of plant protection products on the market, repealing a directive from 1991, entered into force in the EEA. In 2015, a total of 37 acts in this field were incorporated into the EEA Agreement.

## *Mutual recognition agreements*

Mutual recognition agreements (MRAs) facilitate market access by reducing the costs and time associated with obtaining product certification. Protocol 12 EEA ensures the smooth functioning of the EEA market with regard to MRAs. In this respect, the EEA EFTA States discussed EU developments related to new and revised MRAs, and assessed possible EEA EFTA follow-up.

Throughout 2015, Commission officials participated regularly in the meetings of the Working Group on TBT to provide updates on various third-country issues. The EEA EFTA States have formally approached Australia and New Zealand with a view to exploring potential amendments to their MRAs in line with the amendments made to the EU's MRAs in 2012.

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Photo: © Baona/iStock

## *Market surveillance and consumer product safety*

The EFTA States are fully committed to the enhanced application of market surveillance under the terms of the new legislative framework for the marketing of products. In 2015, the EEA EFTA States continued to monitor and be involved in developments on the proposal for a product safety and market surveillance package. However, this proposal remains blocked on the EU side for the time being.

The EEA EFTA States were involved in market surveillance and product safety actions throughout the year, notably through their participation in the Commission's Internal Market for Products – Market Surveillance Group (IMP-MSG), the Consumer Safety Network (CSN) and the General Product Safety Directive (GPSD) Committee.

## Energy

The Working Group on Energy Matters met five times in 2015. Important discussions were held with regard to energy markets, including the development of so-called "network codes", and energy efficiency, including energy efficiency for buildings and eco-design. Substantial efforts were devoted to resolving the remaining issues with regard to the incorporation of the Third Energy Market Package. The EEA EFTA States closely monitored developments on the EU side concerning the 2030 framework for climate and energy, the Energy Union and the international climate negotiations (COP21).

## Competition and State Aid

The Working Group on Competition Policy met twice in Brussels in 2015. Important items on the agenda were the possible incorporation of the Directive on Action for Damages, adopted by the EU in November 2014, and the reform of the EU Merger Control Regulation.

The EEA EFTA States participated in several multilateral state aid meetings relating to the Commission's State Aid Modernisation (SAM) initiative, launched in 2012 with the aim of fully reforming and updating the European state aid framework.

## Public Procurement

In 2015, the Working Group on Public Procurement worked on agreeing to a draft JCD incorporating the EU's public procurement reform: a directive on public procurement; a directive on procurement by entities operating in the water, energy, transport and postal services sectors; and a new directive on concession contracts.

In November, the Working Group initiated the incorporation of a regulation establishing standard forms for the publication of notices. Early preparations were made with a view to achieving the timely incorporation of the regulations amending the applicable thresholds for the procedures for the award of contracts.

## Intellectual Property

Negotiations took place on the incorporation of Directive 2014/26/EU on Collective Management of Copyright with regard to the directive's applicability to Liechtenstein. Ultimately, it was agreed that it would apply to all EEA EFTA States.

The process of adopting a unitary patent for Europe continued in the EU, with eight Member States ratifying the Agreement on a Unified Patent Court. The package will enter into force in the EU once 13 Member States have ratified the agreement, including France, Germany and the United Kingdom. The EEA EFTA States are following the issue closely.

The Office for Harmonization in the Internal Market (OHIM) is responsible for the European Observatory on Infringements of Intellectual Property Rights. The EEA EFTA States followed the ongoing affairs of the Observatory and participated in its fourth plenary meeting, as well as in a public stakeholder meeting in Riga.

In 2013, the Commission presented a package of initiatives to make trade mark registration systems cheaper, quicker and more reliable and predictable. This reform aimed to improve conditions for businesses to innovate and benefit from more effective trade mark protection against counterfeits. In 2014, the Council adopted its common position on the Trade Mark Package. Trilogues took place and the Recast Directive was published in the Official Journal of the European Union in December 2015. The EEA EFTA States followed this process closely and will assess the directive for possible incorporation into the EEA Agreement.

## Customs Matters, Safety and Security Matters and Trade Facilitation

### *Customs and origin matters*

Although in force in all EFTA States, the EU and some of the Mediterranean and Western Balkan partner countries, the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (PEM Convention) has not yet been applied. EFTA customs experts are currently working on replacing the existing origin protocols in EFTA's various FTAs with the PEM Convention. This will allow the integration of the Western Balkan countries into the PEM cumulation system. In parallel, experts are continuing to work with the other PEM partners on revising the PEM Convention in order to modernise and simplify the origin legislation and to adjust the PEM origin rules to today's trade needs.

In 2015, EFTA customs experts also addressed other customs and origin matters related to FTAs with third-country partners, as well as other technical customs issues to guarantee good relations between customs administrations and the smooth functioning of preferential trade relations.

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## *Customs, safety and security matters*

Norway and Switzerland are bilaterally integrated with the EU's safety and security system. Thus, traders from these countries do not have to submit prearrival/predeparture declarations when trading with the EU. The Norwegian bilateral agreement is implemented in Protocol 10 EEA. The joint working group responsible for the implementation and monitoring of the safety and security measures addressed under Protocol 10 EEA held a meeting in March to ensure the equivalence in legislation and implementation of the customs security provisions in Norway and in the EU.

## Trade Facilitation

Trade facilitation seeks to improve procedures and controls in merchandise trade across national borders by reducing associated cost burdens and maximising efficiency, whilst safeguarding legitimate regulatory objectives. Recent developments, such as the challenge of bringing trade facilitation in line with growing safety and security concerns, and rising concerns about the (mis)use of trade procedures as trade policy tools, have heightened the political profile of trade facilitation. The conclusion of the WTO Trade Facilitation Agreement underlines the importance placed by the international trade community on this topic. The Committee on Trade Facilitation follows EFTA's trade negotiations and continuously analyses developments in trade facilitation within the WTO and other international organisations such as the United Nations Economic Commission for Europe (UNECE), the Organisation for Economic Co-operation and Development (OECD) and the World Customs Organization (WCO), which have all added trade facilitation to their agendas.

## Meetings Held and EU Acts Incorporated in 2015

Fig. 3

| | Number of meetings in 2015 | Number of acts incorporated in 2015 |
|---|---|---|
| EEA Joint Committee | 8 | 483 |
| Standing Committee of the EFTA States | 8 | - |
| SUBCOMMITTEE I | 8[1] | 333 |
| **Working Groups** | | |
| Competition Policy | 2 | - |
| Customs Matters | 5 | - |
| Customs Security Measures | 1 | - |
| Energy Matters | 5 | 16 |
| Fisheries | - | - |
| Food Chain[2] | 3 | 162 |
| Intellectual Property Rights | 2 | 1 |
| Processed Agricultural Products | - | - |
| Public Procurement | - | 1 |
| State Aid | - | - |
| Technical Barriers to Trade (TBT) | 4 | 1 |
| **Expert Groups under TBT** | | |
| Agricultural and Forestry Tractors | - | 3 |
| Appliances Burning Liquid or Gaseous Fuels | - | - |
| ATEX (equipment for use in explosive atmospheres) | - | - |
| Cableway Installations | - | - |
| Chemicals | - | 47 |
| Plant Protection Products | - | 37 |
| Construction | - | 7 |
| Cosmetics | - | 5 |
| Electrical Equipment | - | - |
| Explosives | - | 1 |
| Fertilisers | - | 1 |
| Machinery | 1[3] | 1 |
| Marine Equipment | - | 2 |
| Maximum Residue Levels (MRLs) | - | 20 |

| | Number of meetings in 2015 | Number of acts incorporated in 2015 |
|---|---|---|
| Measuring Instruments | - | 1 |
| Medicinal Products and Medical Devices | - | 10 |
| Motor Vehicles | - | 8 |
| Personal Protective Equipment | - | - |
| Pressure Equipment | - | 2 |
| Product Safety and Market Surveillance | 1 | 2 |
| Recreational Crafts | - | - |
| Telecommunications Equipment | - | - |
| Tobacco | - | 1 |
| Wine and Spirit Drinks | - | 4 |
| SUBCOMMITTEE II | 8 | 71 |
| **Working Groups** | | |
| Company Law | - | 3 |
| Electronic Communication, Audiovisual Services and Information Society | 3 | 8 |
| Data Protection Expert Group | 3 | - |
| Financial Services | 3[4] | 2 |
| Postal Services | 1 | - |
| Transport | 4 | 58 |
| SUBCOMMITTEE III | 8 | 5 |
| **Working Groups** | | |
| Free Movement of Persons, Employment and Social Policy | 1 | 1 |
| Recognition of Professional Qualifications | 1 | - |
| Social Security | 3 | 4 |
| SUBCOMMITTEE IV | 8 | 74 |
| **Working Groups** | | |
| Budgetary Matters | 2 | - |
| Civil Protection | - | - |
| Consumer Affairs | 2 | - |
| Cultural Affairs | 1 | - |
| Education, Training and Youth | 2 | - |
| EFTA Consumers' Consultative Committee | - | - |

| | Number of meetings in 2015 | Number of acts incorporated in 2015 |
|---|---|---|
| Enterprise Policy and Internal Market Affairs | 3 | 2 |
| Environment | 2 | 53 |
| Gender Equality, Anti-Discrimination and Family Policy | 2 | - |
| Heads of National Statistical Institutes | 1 | 15 |
| Health and Safety at Work and Labour Law | 1 | 1 |
| Public Health | 2 | 1 |
| Research and Innovation | 2 | 2 |
| SUBCOMMITTEE V | 3 | - |

1 In November 2009, the Standing Committee approved the practical merger of Subcommittees I, II, III and IV.
2 Food Chain encompasses veterinary matters, feedingstuffs, plant health and foodstuffs.
3 Joint meeting with the Working Group on TBT.
4 In addition to the three Working Group meetings on Financial Services, the task force on the European Financial Supervisory Authorities held forty-three telephone conferences and eight meetings in 2015.

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## Free Movement of Capital and Services

Subcommittee II on the Free Movement of Capital and Services coordinates matters of financial services, company law, electronic communications, audiovisual services, information society and data privacy, postal services and transport. Five working groups report to Subcommittee II.

### Financial Services

In 2014, a political agreement on the principles for the incorporation into the EEA Agreement of the EU Regulations establishing the European Financial Supervisory Authorities was reached between the EEA EFTA States and the EU. This political agreement was reflected in the conclusions approved at the annual meeting of the EU and EFTA Ministers of Finance and Economy in October 2014 in Luxembourg. Throughout 2015, work continued on incorporating these regulations and numerous other acts linked to them into the EEA Agreement, with the aim of incorporating them as soon as possible.

### Company Law

The EEA EFTA States noted the upcoming legislative initiative on business insolvency as part of the Capital Markets Union Action Plan.

### Electronic Communications, Audiovisual Services, Information Society and Data Privacy

Experts from the EEA EFTA States continued to work on the incorporation of the Telecom Package into the EEA Agreement, notably on the role of the EEA EFTA States in the Body of European Regulators in Electronic Communications (BEREC). An EEA EFTA Comment on the future revision of the BEREC Regulation was submitted to the EU.

The EEA EFTA States followed initiatives under the Digital Single Market Strategy closely, in particular the revision of the Telecom Regulatory Framework, the review of the Audiovisual and Media Services Directive (AVMSD), initiatives on geo-blocking and the role of platforms.

Developments in the proposals on the Telecom Single Market Regulation, Network and Information Security Directive and EU data protection rules were also monitored.

### Postal Services

Progress was made towards the incorporation of the Third Postal Services Directive into the EEA Agreement.

### Transport

In the area of road transport, several acts were incorporated into the EEA Agreement, notably the Regulation concerning the rights of passengers in bus and coach transport and the Roadworthiness Directive. Exchanges between the EEA EFTA States and the European External Action Service took place in view of reaching an agreement on the incorporation of the Directive on the Charging of Heavy Goods Vehicles.

In the area of rail transport, numerous acts were incorporated into the EEA Agreement, including acts related to technical specifications for interoperability of the rail system. EEA EFTA experts also followed the co-decision process on the Fourth Railway Package closely.

In the field of general transport, negotiations on changes to the trans-European transport maps of the TEN-T Regulation were concluded and the regulation was subsequently incorporated into the EEA Agreement. Discussions and assessments of the Directive on the Deployment of Alternative Fuels Infrastructure took place at expert level.

In maritime transport, an agreement was reached regarding the Directive on Ship-Source Pollution, which was subsequently incorporated into the EEA Agreement after extensive negotiations. The EEA EFTA States prioritised finding solutions to issues relating to the Regulation on common rules and standards for ship inspection and survey organisation and relevant acts.

In the field of air transport, the Regulation on Computerised Reservation Systems and the Regulation on requirements on the quality of aeronautical data were among the acts incorporated into the EEA Agreement. Experts also followed developments on proposals for the Single European Sky II+ and the rights of passengers.

## Free Movement of Persons

Subcommittee III on the Free Movement of Persons coordinates matters related to all aspects of the free movement of persons, including social security and the recognition of professional qualifications. Three working groups report to Subcommittee III.

### Free Movement of Persons, Employment and Social Policy

In the area of free movement of persons, employment and social policy, the Directive on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers was incorporated into the EEA Agreement. Furthermore, Norway's participation in the EU Programme for Employment and Social Innovation (EaSI) was extended to include the PROGRESS axis of the programme.

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The EEA EFTA States monitored the progress of the proposal for a regulation on promoting the free movement of citizens and businesses by simplifying the acceptance of certain public documents in the EU, as well as the proposal for a regulation on a European network of employment services, workers' access to mobility services and the further integration of labour markets (EURES).

EEA EFTA experts continued their informal cooperation with the Employment Committee (EMCO) and the Social Protection Committee (SPC).

### Social Security

The EEA EFTA States monitored developments in the future Labour Mobility Package, which is expected to contain a proposal to revise social security coordination rules in the areas of unemployment benefits and long-term care benefits. In addition, experts participated actively in meetings of the Administrative Commission for the Coordination of Social Security Systems.

Experts also followed developments related to the proposal to establish a European platform to enhance cooperation in the prevention and deterrence of undeclared work, in cooperation with experts in the field of labour law.

### Recognition of Professional Qualifications

The EEA EFTA States prepared for the incorporation into the EEA Agreement of the modernised Professional Qualifications Directive, which is expected in the first half of 2016.

## Flanking and Horizontal Policies

Subcommittee IV on Flanking and Horizontal Policies coordinates matters related to all aspects of the horizontal provisions of the EEA Agreement, as well as cooperation outside the four freedoms. Thirteen working groups report to Subcommittee IV.

### Research and Development

The EEA EFTA States continued to monitor the implementation of the Horizon 2020 Programme, in particular the effect that the Commission's proposal on the European Investment Plan may have on the programme's funding. In 2015, regulations on establishing a European Research Infrastructure Consortium (ERIC) were incorporated into the EEA Agreement, giving the EEA EFTA States the same status as EU Member States in ERIC consortiums.

## Environment

Several acts in the field of environment were incorporated into the EEA Agreement in 2015, notably the Directive on the protection of the environment through criminal law, the Fuel Quality Directive, and the Industrial Emissions Directive and related acts. Each of these acts had been the subject of extensive discussions prior to their incorporation.

Experts discussed the Regulation on Ship Recycling and the Regulation on Fluorinated Greenhouse Gases in view of their possible incorporation into the EEA Agreement. They also followed discussions related to the implementation of the 2030 Framework for Climate and Energy Policies and the Energy Union Framework Strategy.

## Education, Training and Youth

The EEA EFTA States continued to monitor the implementation of the Erasmus+ Programme, in particular new activities under discussion such as Erasmus Pro for young European apprentices, which may be co-funded by the Erasmus+ Programme and the Youth Guarantee Scheme, which the EEA EFTA States do not participate in.

## Gender Equality, Anti-Discrimination and Family Policy

Experts discussed the guidelines on the application of the Directive on equal treatment in access to goods and services in light of the Test-Achats ruling. They also monitored discussions between EU institutions related to the proposal to increase the representation of women on company boards and the proposal for a horizontal anti-discrimination directive. Lastly, the Working Group followed the Commission's plans for a new initiative on work-life balance.

## Consumer Affairs

The language issue of the Online Dispute Resolution (ODR) platform, established under the ODR Regulation, was high on the agenda of the EEA EFTA States. Steps were taken with the Commission to find ways to integrate Norwegian and Icelandic into the platform in order to allow consumers from these countries to submit complaints against traders in their respective languages, in the same way as consumers from the EU countries. Incorporation of the ODR Regulation, together with the Alternative Dispute Resolution (ADR) Directive, is expected to take place in 2016.

Experts followed the preparatory work of the Commission regarding rules for online purchases of digital content and tangible goods. An EEA EFTA Comment on this topic was submitted to the Commission in November.

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## Enterprise Policy and Internal Market Affairs

The EEA EFTA States followed developments in the area of the Internal Market for Services, in particular the work of the Commission towards finalising the Internal Market Strategy for Goods and Services, which was adopted in October. An EEA EFTA Comment on this topic was submitted to the EU in July.

## Civil Protection

The EEA EFTA States followed the implementation and activities under the new Union Civil Protection Mechanism (2014-2020) and participated actively in the work of the Commission's Civil Protection Committee.

## Cultural Affairs

Experts discussed future cooperation with their counterparts dealing with electronic communications, audiovisual services and information society, particularly with respect to the AVMSD and the Creative Europe Programme.

## Health and Safety at Work and Labour Law

A Council Directive concerning certain aspects of the organisation of working time in inland waterway transport was incorporated into the EEA Agreement. Furthermore, experts discussed and prepared for the incorporation of an enforcement directive on the posting of workers, as well as the directive to include seafarers in the scope of several labour law directives. Experts monitored discussions related to the proposal to establish a European platform against undeclared work and an upcoming initiative on labour mobility, which will include a review of the Posting of Workers Directive.

The EEA EFTA States paid close attention to the Commission's Regulatory Fitness and Performance Programme (REFIT), which contains several initiatives falling under the Working Group's mandate, including a review of the entire EU acquis related to health and safety at work.

## Public Health

EEA EFTA experts devoted particular attention to the incorporation of the Directive on patients' rights in cross-border healthcare and the Decision on serious cross-border threats.

The EEA EFTA States continued to follow relevant EU policy developments, such as those related to eHealth (the use of information and communication technology for health services and information) and mHealth (the practice of medicine and public health supported by mobile devices).

## Budgetary Matters

The annual EEA EFTA Budget covers the EEA EFTA States' contribution to the EU Budget and allows for EEA EFTA participation in EU programmes, actions and agencies.

In 2015, EEA EFTA participation continued under the 2014-2020 Multiannual Financial Framework with participation in 13 EU programmes. The EEA EFTA States' commitment to EU operational costs in 2015 was EUR 421 million, an increase of EUR 30 million from 2014.

### EEA EFTA financial contributions to EU programmes, agencies and other activities (payments in thousand EUR)

Fig. 4

| Sectors of activity | 2014 | 2015 |
|---|---|---|
| Research | 201 386 | 291 203 |
| Transport | 39 134 | 52 044 |
| Education, training and youth | 42 865 | 46 445 |
| Enterprise, innovation, SMEs | 5 801 | 7 421 |
| Information services | 3 983 | 5 993 |
| Public health | 5 787 | 5 971 |
| Audiovisual sector | 4 881 | 4 752 |
| Social policy and employment | 3 120 | 2 943 |
| Energy | 2 205 | 2 695 |
| Statistics | 2 235 | 1 523 |
| Product requirements (chemicals, food, medicines) | 1 283 | 1 328 |
| Civil protection | 1 110 | 1 143 |
| Environment | 1 072 | 1 036 |
| Consumer protection | 626 | 582 |
| Culture | 849 | 466 |
| **Total EEA EFTA contribution** | **316 344** | **425 775** |

The EEA EFTA net payment in 2015 amounted to EUR 425.7 million, adjusted for 2013 credits.

The EEA EFTA States also contribute to the administrative costs of the European Commission, an important part of which is the contribution in kind of seconded national experts. Twenty-eight EEA EFTA national experts were seconded in 2015 to the various directorates within the Commission dealing with EEA-relevant programmes and activities.

## EEA EFTA Comments in 2015

One of the ways in which the EEA EFTA States participate in shaping EU legislation is by submitting comments to the EU on important policy issues. In 2015, EEA EFTA Comments were sent to the Commission, the European Parliament and the Council on the following topics:

- Public consultation on the evaluation and review of regulatory framework for electronic communications networks and services
- Proposal regarding contract rules for online purchases of digital content and tangible goods
- Better Regulation
- Internal Market Strategy for Goods and Services

The full list of EEA EFTA Comments can be found at: www.efta.int/eea/eea-efta-comments

# EFTA-EU Cooperation in Statistics

The EFTA Statistical Office (ESO) was created in the context of the EEA Agreement to liaise between the EFTA National Statistical Institutes (NSIs) and Eurostat, the statistical office of the EU. It is located at the premises of Eurostat in Luxembourg.

Priorities for 2015 in the field of statistics were:

- Developing the 2015 EEA Annual Statistical Programme based on the European Statistical Work Programme of the European Commission
- Monitoring the preparation of several framework regulations on Integrated European Social Statistics (IESS), Integrated Business Statistics (FRIBS), Integrated Farm Statistics (IFS) and Statistics on Agricultural Input/ Output (SAIO)
- Following the procedure with the EFTA Surveillance Authority regarding derogations requested by Iceland and Norway from certain characteristics set out in the Regulation on the new European system of national and regional accounts and in the Regulation on European environmental economic accounts

## Continued Integration of EFTA Statistics into the European Statistical System

In addition to their core activities, ESO and the EFTA NSIs ensured EFTA's presence in the European Statistical System by:

- Monitoring the inclusion of EFTA data in Eurostat's databases and publications
- Ensuring the active involvement of EFTA and the EFTA NSIs in EU technical cooperation programmes in statistics with both European and non-European third countries
- Contributing substantially to the European Statistical Training Programme (ESTP)

## Production and Dissemination of EFTA Statistics

Protocol 30 to the EEA Agreement and the Swiss-EU Statistical Agreement provide for statistical information from all EFTA States to be transmitted to Eurostat for storage, processing and dissemination.

ESO continues to strive for the regular inclusion of EFTA data in Eurostat databases and publications. The tangible result of this joint initiative between ESO, the EFTA NSIs and Eurostat is that the inclusion of EFTA data in Eurostat databases and publications was at a good level in 2015.

## EFTA Participation in Eurostat Working Groups and Committees

Eurostat organised more than 100 meetings in 2015 to prepare and implement new legislation, exchange and develop methodologies and follow up on data collection. Statisticians from the EFTA States participated actively in the relevant meetings on an equal footing with their counterparts from the EU Member States.

## Technical Cooperation in the Field of Statistics

EFTA works closely with Eurostat on technical cooperation in the field of statistics. This is based on an Administrative Arrangement (AA), which has the general objective of ensuring close collaboration between the EFTA States and Eurostat in a number of programmes. The current AA covers the period 2014 to 2016.

EFTA's involvement gives priority to countries that have concluded JDCs or FTAs with EFTA. Support is granted mainly to countries covered by the European Neighbourhood Policy (ENP) East and South, and Central Asia including Mongolia, the Western Balkans and Turkey, but can also include current and prospective free trade partners of EFTA in other regions of the world.

The main activities and projects in 2015 were:

- Organisation of the joint UNECE-EFTA workshop on the implementation of the 2008 System of National Accounts (2008 SNA) in Eastern Europe, Caucasus and Central Asia (EECCA) and linkages with the Balance of Payments and International Investment Position Manual, Sixth edition (BPM6) and the Government Finance Statistics Manual 2014 (GFSM 2014), in cooperation with the European Central Bank, Eurostat, the International Monetary Fund (IMF) and the Turkish Statistical Institute. The workshop was attended by experts from NSIs, ministries of finance and central banks. Its main goal was to bring together compilers of national accounts, balances of payments and government finance statistics to discuss the implementation of and links between the 2008 SNA, BPM6 and GFSM 2014. The workshop highlighted the importance of sharing best practice, and provided an opportunity to discuss common issues related to the coherence of macroeconomic statistics with colleagues from other institutions and countries. Several areas where efforts should be focused in the future were identified: to harmonise national accounting practices with internationally agreed standards, to review data sources and improve accounting standards, to examine and explain (in)consistencies between different data sets, and to improve the availability, quality and timeliness of data. This is a subject where EFTA has provided longstanding assistance and will continue to do so because macroeconomic statistics are key for decision makers within the beneficiary countries, as well as for trade partners and potential foreign investors.
- Organisation of the joint EFTA-Eurostat workshop on the European Statistics Code of Practice (CoP) in Albania, for NSIs of the Western Balkans, Turkey and ENP East. The workshop was designed for representatives of senior or middle management requiring an in-depth knowledge of the CoP in their work. Its objective was

to examine the CoP, explain the principles and related indicators in more detail and, on the basis of examples from some countries, discuss experiences and best practice concerning the CoP's implementation in those countries and identify areas for improvement. The CoP is the foundation for producing objective, high-quality and internationally comparable official statistics. In-depth knowledge about the CoP is therefore a key element in the management of all national statistical systems.

- At the 46th session of the UN Statistical Commission (UNSC) in March 2015, Statistics Norway and the Office of the UN High Commissioner for Refugees (UNHCR) presented a joint report on statistics on refugees (E/CN.3/2015/9). Recognising the importance of the topic, EFTA, Eurostat and the Turkish Statistical Institute agreed to support Statistics Norway and the UNHCR in organising an international conference in October 2015. This conference was attended by representatives of NSIs, offices dealing with the admission of refugees, research institutions, UN agencies, the World Bank and the European Asylum Support Office. Its purpose was to explore how best to incorporate statistics on refugees and displaced people into national statistical systems and to develop a set of International Recommendations for Refugee Statistics (IRRS). The organisers will report back at the 47th session of the UNSC in March 2016 on the outcome of the conference, and on the next steps to improve statistics on refugees and internally displaced people.
- Organisation and financing by Switzerland of a training course on data analysis and data modelling in Neuchâtel, Switzerland, for experts from the NSIs of ENP South, Turkey and the Western Balkans.
- Organisation and financing by Norway of a training course on the System of Environmental Economic Accounting (SEEA) central framework implementation in Minsk, Belarus, for experts from the NSIs of EECCA, including Mongolia.
- Funding of experts' participation in international and regional events in the field of statistics.

## European Statistical Training Programme

An exchange of letters between the EFTA Secretariat and Eurostat stipulates that the EFTA Secretariat shall finance two to four ESTP courses per year in return for EFTA statisticians having the right to participate in all courses. In 2015, the EFTA Secretariat financed four of the 31 ESTP courses held: on combining data from different sources and modes and a new course on designing and conducting business surveys for official statistics, organised by Statistics Norway; and on advanced methods of survey sampling and a new course on the development and use of indicator systems for evidence-based decision making, organised by the Swiss Federal Statistical Office.

Participants in the joint EFTA-Eurostat workshop on the European Statistics Code of Practice (CoP) in Albania.

## EFTA National Experts Seconded to Eurostat

At the end of 2015, three experts from Statistics Norway and two experts from the Swiss Federal Statistical Office were seconded to Eurostat within the framework of the EEA Agreement and the Swiss-EU Statistical Agreement respectively. In addition, two Norwegian experts were seconded to Eurostat as a contribution in kind within the framework of EFTA-EU technical cooperation in order to ensure continuity of support and EFTA visibility in the overall programming and management of EFTA-EU activities.

## Areas of Support

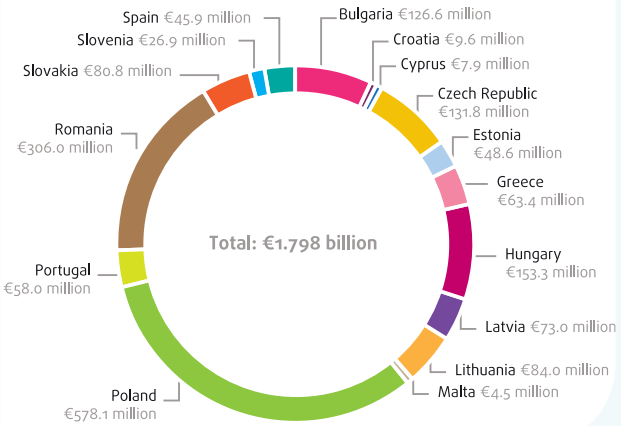
**EEA Grants:**

- Environmental protection and management
- Climate change and renewable energy
- Civil society
- Human and social development
- Protecting cultural heritage
- Research and scholarships

**Norway Grants:**

- Carbon capture and storage
- Green industry innovation
- Decent work and tripartite dialogue
- Research and scholarships
- Human and social development
- Justice and home affairs

EEA AND NORWAY GRANTS 2009-2014 Fig. 5




Allocation per country

# EEA Grants and Norway Grants

Through the EEA Grants and Norway Grants, the EEA EFTA States contribute to reducing disparities in the European Economic Area and to strengthening bilateral relations with 16 EU countries in Central and Southern Europe and the Baltics: Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain.

The donors have provided EUR 3.3 billion in total through various grant schemes since 1994. The Grants are linked to the EEA Agreement.

In the 2009-2014 period (projects may be implemented until 2016/17), the Grants amount to EUR 1.8 billion. The EEA Grants (EUR 993.5 million) are available in all countries. Of those, Norway provides 95.7%, Iceland 3.2% and Liechtenstein 1.1%. The Norway Grants (EUR 804.6 million) are financed by Norway alone. A total allocation of EUR 2.8 billion has been agreed for the seven-year funding period 2014-2021.

The Financial Mechanism Office, affiliated with the EFTA Secretariat in Brussels, administers the grant schemes on behalf of Iceland, Liechtenstein and Norway.

## Reducing Disparities and Strengthening Bilateral Relations

The objectives are twofold: to reduce economic and social disparities in Europe and to strengthen bilateral relations between the donor and beneficiary countries.

Despite much progress in Europe, gaps in economic development and living standards persist. The funding is targeted towards areas where there are clear needs in the beneficiary countries in line with broader European priorities.

Cooperation across borders is vital to overcome the social and economic challenges that Europe is facing. Partnerships between organisations in the donor and beneficiary countries are widely encouraged. More than half of the 150 programmes involve cooperation with a programme partner from the donor countries. Twenty-four public bodies from the three donor countries, as well as the Council of Europe, are involved as donor programme partners.

The networks developed through cooperation help to strengthen political, academic, professional, business and cultural ties – bringing mutual benefits for donors and beneficiaries alike.

Respect for human rights is at the heart of the EUR 37 million "Citizens for Democracy" Polish NGO programme supported by the EEA Grants. Photo: © Adam Rostkowski

Strategic partnerships with several international organisations – the Council of Europe, the Open Society Foundations, the EU Agency for Fundamental Rights (FRA) and Transparency International (TI) – have also been established and are a key feature of the current funding schemes. These partnerships bring added expertise, results and value, and aim to ensure that funding is allocated with maximum efficiency and transparency.

## 2015: Snapshot of Results and Achievements

2015 was a year of delivery and tracking results. By the end of the year, 6 267 projects had been contracted, with almost 30% of these involving a donor project partner. More than a third of the funding has been allocated to "green programmes", helping the beneficiary countries tackle climate change-related issues and meet EU targets on reducing energy consumption and carbon dioxide emissions.

Significant funding is targeted at innovation, research and education. A total of 232 research institutions and 1 500 researchers have been involved in joint projects with counterparts in Iceland and Norway so far. Nearly 900 students, educational staff and researchers have taken part in exchanges.

Over EUR 160 million, channelled through non-governmental organisation (NGO) programmes in each beneficiary country, goes towards strengthening civil society. The 2015 mid-term evaluation found that the NGO programmes had "increased the capacity of civil society in Central and Southern Europe and helped to mobilise citizens to voice their concerns and actively engage with governments".

Around 3 000 NGOs have received funding, with impressive achievements. For example, more than 800 NGOs working on human rights, democracy and anti-discrimination have received support. The projects span a broad range of initiatives and issues — from protecting victims of hate crime, to driving legal change and promoting transparency in government.

The objective of reversing inequalities is also at the core of many of the NGO programmes. Over 320 NGOs have received support to empower vulnerable groups (such as Roma, children from deprived backgrounds, people with disabilities, trafficking victims and refugees) and provide basic welfare services to those who fall through the net.

In the field of justice and home affairs, EUR 140 million from the Norway Grants is dedicated to strengthening judicial systems, fighting cross-border crime and improving correctional services in 11 of the beneficiary countries. Almost 4 400 legal professionals and a further 8 000 staff have received training, and 4 800 people have benefited from free legal advice.

This is just a small snapshot of some of the achievements to date. You can read more about the Grants in each country, results and success stories on the website: www.eeagrants.org.

# Advisory Bodies

## The Parliamentary Committee

The EFTA Parliamentary Committee continued its active involvement in issues of relevance to EFTA cooperation in free trade relations with countries outside the EU and matters pertaining to the EEA Agreement. The Chair of the Committee on third-country issues was Ms Kathy Riklin (Switzerland), while Elfried Hasler (Liechtenstein) chaired the Committee on EEA matters.

### Third-Country Relations

In January, representatives of the Parliamentary Committee visited Turkey to promote and support trade cooperation with the country. The delegation met with the Ministry of Economy, the Ministry of Foreign Affairs, parliamentarians from Turkey and representatives of the business community. The main purpose of the visit was to exchange views with legislators and officials on the merits of strengthening EFTA-Turkey trade relations, as well as to strengthen the parliamentary dimension of the process.

In April, members of the Parliamentary Committee participated in a panel debate in Washington DC to discuss the TTIP negotiations between the EU and the US and its possible implications for the EFTA States. The members also visited Brazil to support the EFTA-Mercosur trade dialogue, as well as to strengthen its parliamentary dimension.

In November, representatives of the Parliamentary Committee visited Georgia to support negotiations on an FTA. The delegation met with, among others, the Minister of Foreign Affairs, the Speaker of the Parliament and representatives of the business community and civil society organisations. The visit came at a timely moment, as EFTA and Georgia held their first round of negotiations in September 2015.

The Parliamentary Committee met with EFTA Ministers in Schaan, Liechtenstein, in June and in Geneva in November, receiving updates on third-country relations and raising points of interest. TTIP remained high on the agenda, and the Parliamentary Committee held a joint meeting in Schaan with the Consultative Committee and representatives of the EFTA countries on TTIP. In November, the Parliamentary Committee met with the EFTA Ministers to discuss TTIP, free trade negotiations with, among others, South-East Asian partners, and a possible update of the EFTA-Canada FTA.

## EEA and European Affairs

The EEA Joint Parliamentary Committee met twice in 2015, in March in Fredrikstad and in November in Brussels.

The EEA Joint Parliamentary Committee, Brussels, 19 November 2015.

The Committee took a highly active role in the reflections on the EEA Agreement, and its members engaged in a constructive dialogue with the EEA Council, the EEA Joint Committee and the EFTA Surveillance Authority on the functioning and challenges of the EEA Agreement. The Committee adopted a resolution on the EEA Joint Committee's Annual Report on the Functioning of the EEA, as well as resolutions on:

- The Energy Union
- Industrial Policy in Europe
- The Transatlantic Trade and Investment Partnership and its possible implications for the EEA EFTA States
- The Digital Single Market Strategy

The EFTA parliamentarians continued their active dialogue with the EFTA Ministers on EEA affairs and met with the Standing Committee at Ministerial level in Brussels in November, on the margins of the EEA Council meeting. These joint meetings include the EFTA Consultative Committee and constitute an increasingly important dialogue between Ministers and advisory bodies on developments in the EEA.

## EFTA Consultative Committee

The EFTA Consultative Committee discussed various EEA-relevant issues in 2015, with a specific emphasis on labour market issues, the new Single Market Strategy and the European Social Dialogue. The Committee also discussed international trade developments with EFTA Ministers and academics, with a particular focus on TTIP, and two observers from the Committee took part in the visit of the EFTA Parliamentary Committee to Washington DC. In addition, the Committee continued its work on the role of social partners with regard to free trade agreements. The Chair of the Committee was Vidar Bjørnstad (Norwegian Confederation of Trade Unions).

In November, the EFTA Parliamentary and Consultative Committees met for a joint conference to discuss the current challenges for European integration, including the migration and refugee crisis. The different panels gathered experts and Commission officials, and the EEA EFTA Forum also took part in the conference. The Committee met with the Standing Committee at ambassadorial level in March, the EFTA Ministers and EFTA Parliamentary Committee in June, and the Ministerial Chair of the Council in December. Concerning the EEA, the Committee met with the Standing Committee at Ministerial level in November in Brussels.

On 18 November 2015, the EFTA Parliamentary and Consultative Committees met for a joint conference to discuss European integration and migration. From left: Dag W. Holter, EFTA Deputy Secretary-General; Caroline de Gruyter, European Affairs Correspondent for NRC Handelsblad in Vienna; and Janis A. Emmanouilidis, Director of Studies at the European Policy Centre in Brussels.

Vidar Bjørnstad, Co-Chair, EFTA Consultative Committee, Norwegian Confederation of Trade Unions; and Elfried Hasler, Co-Chair, EFTA Parliamentary Committee, Progressive Citizens' Party of Liechtenstein, at the Parliamentary and Consultative Committees' meeting with the EFTA Ministers on18 November 2015.

## Joint Work with the EU

At its meeting in June in Zagreb, Croatia, the EEA Consultative Committee adopted resolutions on:

- The impact of the Transatlantic Trade and Investment Partnership on the EEA Agreement
- Investing in quality jobs for sustainable growth

The Committee members also looked at recent developments in the EEA, received a presentation on TTIP, and discussed challenges related to jobs, growth and investment with experts and their EU counterparts. The EEA Consultative Committee was co-chaired by Ms Liina Carr (Confederation of Estonian Trade Unions) and Mr Thomas Angell (Federation of Norwegian Commercial and Service Enterprises).

The Committee continued its cooperation with the European Economic and Social Committee, and Committee representatives were observers in the Steering Committee on Europe 2020, in the Single Market Observatory and in joint consultative committees with candidate countries such as Macedonia, Montenegro and Turkey.

# The EEA EFTA Forum

The EEA EFTA Forum of Elected Representatives of Local and Regional Authorities was established by the Standing Committee in 2009 as an informal body to involve elected representatives from local authorities and regions in EEA matters. It currently has 12 members – six from Iceland and six from Norway. A political observer from Switzerland also continued to participate. Mr Halldór Halldórsson (Iceland) chaired the Forum in 2015.

The EEA EFTA Forum meeting in Brussels in November 2015.

The Forum held two meetings in 2015, in June in Stange, Norway, and in November in Brussels. The Forum adopted opinions on:

- The free movement of persons and migration in the EEA – the social aspects at local and regional level
- Local climate measures in the context of the 2015 Paris Climate Conference (COP21)

# Information Activities

EFTA informs its stakeholders and the general public about its activities through a website, seminars and various publications. Members of the public can access or order EFTA documents through a link on the site. Presentations are also given to visitors to the Secretariat's offices in Geneva, Brussels and Luxembourg. In Brussels alone, approximately 60 groups (nearly 1 300 people) visited EFTA in 2015.

## Website, Newsletter and Social Media

EFTA's website contains news and general information on EFTA's work, as well as legal texts related to EFTA's free trade agreements and the EEA Agreement. The site has approximately 1 500 visitors per working day. EFTA's web-based legal database, EEA-Lex, was upgraded in June to include Icelandic and Norwegian translations of EU acts incorporated into the EEA Agreement. With advanced search functionalities and individual web pages for each legal act, EEA-Lex is now among the most visited pages on the EFTA website.

In April, EFTA launched an electronic newsletter. In addition to summarising recent news and details about incoming and outgoing staff, the newsletter offers feature articles on timely topics.

On 9 May, at the invitation of the European External Action Service, the EFTA Secretariat provided information on the EEA Agreement at the Open Doors Day of the European institutions.

Vidar Helgesen, Minister of EEA and EU Affairs at the Office of the Prime Minister of Norway, speaking at the EFTA policy seminar "The Internal Market as a key engine for growth in Europe – the way forward" on 15 June 2015.

EFTA also substantially expanded its use of social media in 2015 (Twitter, Facebook and LinkedIn).

## Seminars

EFTA held several seminars and conferences in 2015, including:

- In June, a policy seminar on the importance of the Internal Market, with keynote speeches by Mr Vidar Helgesen, Norwegian Minister of EEA and EU Affairs, and Mr Andreas Schwab, Member of the European Parliament.
- In February and September, introductory seminars on the EEA Agreement, with presentations by the EFTA Secretariat, the Financial Mechanism Office, the EFTA Surveillance Authority and the EFTA Court. The seminars attracted nearly 200 participants.

## Publication in the EEA Supplement 2015

Fig. 6

| | Number of pages | |
|---|---|---|
| | Icelandic | Norwegian |
| EEA Joint Committee Decisions | 249 | 253 |
| EU Acts | 8 014 | 6 778 |
| EFTA Standing Committee | 31 | 31 |
| EFTA Surveillance Authority | 342 | 342 |
| EFTA Court | 79 | 79 |
| EU Institutions | 1 314 | 1 314 |
| **Total** | **10 029** | **8 797** |

# Publications

The latest editions of all of EFTA's brochures are available on the website. Paper copies can be ordered free of charge, subject to availability. The following were released in 2015:

- This is EFTA 2015: An annual publication providing an overview of EFTA and its activities, together with useful trade and economic statistics
- EFTA Annual Report 2014 (electronic version only)
- The EFTA Bulletin: The European Economic Area – Past, present and future
- EFTA-Indonesia: Comprehensive Economic Partnership Agreement (CEPA)

In addition, the fact sheet "EFTA at a Glance" provides a brief introduction to the organisation and its activities.

# The EEA Supplement

The EEA Supplement to the Official Journal of the European Union is a translation into Icelandic and Norwegian of EEA-relevant texts. The EEA Supplement contains material from:

- The EEA Joint Committee
- The Standing Committee
- The EFTA Surveillance Authority
- The EFTA Court
- The European Commission

The EEA Supplement is published on the EFTA website once a week. Since 2008, the Icelandic and Norwegian versions of the EEA Supplement have not been synchronised with regard to content.

In 2015, the EFTA Secretariat published 76 issues of the EEA Supplement. The publication of acts incorporated into the EEA Agreement increased in 2015 as regards both Icelandic and Norwegian texts. Overall the Secretariat published almost 3 000 pages more than in 2014, and about 5 000 pages more than in 2013.

# The Secretariat

At the end of 2015 the Secretariat employed 54 fixed-term staff and five trainees in Brussels, 21 fixed-term staff and two trainees in Geneva, and four fixed-term staff and one trainee in Luxembourg. The Financial Mechanism Office in Brussels employed 61 fixed-term staff and eight trainees. All numbers are on a full-time equivalent basis.

The Secretariat's budget is prepared according to the framework budgeting principle used by the Member States' public administrations. This approach aims to increase awareness of budgetary spending at all levels. The budget is accompanied by a performance plan in which the activities of the Secretariat are divided into projects. The plan and subsequent reports keep the Member States informed of the costs and outcomes of the Secretariat's various activities.

EFTA's budget is prepared in two currencies: Swiss francs (CHF) and euros (EUR). The total budget for 2015 was equivalent to CHF 22 151 000.

## The EFTA Board of Auditors

The EFTA Board of Auditors (EBOA), established in May 1992, is the auditing authority of EFTA. It is a permanent committee which, in cooperation with external auditors, performs an annual audit of the three EFTA institutions: the EFTA Secretariat, the EFTA Surveillance Authority (ESA) and the EFTA Court. For matters related to the Secretariat, EBOA meets "at four" (one representative from each EFTA State) and reports directly to the EFTA Council. For matters related to the EEA Agreement (ESA and the EFTA Court), EBOA meets "at three" (Iceland, Liechtenstein and Norway) and reports to the ESA/Court Committee. EBOA also works in cooperation with the European Court of Auditors. EBOA's annual audit report and the Secretariat's statement of accounts are made available on the EFTA website once the relevant Council procedures for the year in question have been finalised.

## EFTA Budget 2015

Fig. 7

| Budget posts | Budget (in CHF) |
|---|---|
| EFTA Council and horizontal activities | 2 098 000 |
| Administration and management | 3 613 000 |
| Trade relations with countries outside the EU | 4 589 000 |
| EU/EFTA and EFTA cooperation programmes | 2 896 000 |
| EEA-related activities | 8 141 000 |
| EFTA-EU statistical cooperation | 814 000 |
| **Total** | **22 151 000** |

## Contributions to the EFTA Budget 2015

Fig. 8

| Member State | Contribution (in CHF) | Share (%) |
|---|---|---|
| Iceland | 578 671 | 2.61 |
| Liechtenstein | 208 702 | 0.94 |
| Norway | 12 383 988 | 55.91 |
| Switzerland | 8 979 639 | 40.54 |
| **Total** | **22 151 000** | **100.00** |

# EFTA in Figures

## General Information 2015

Fig. 9

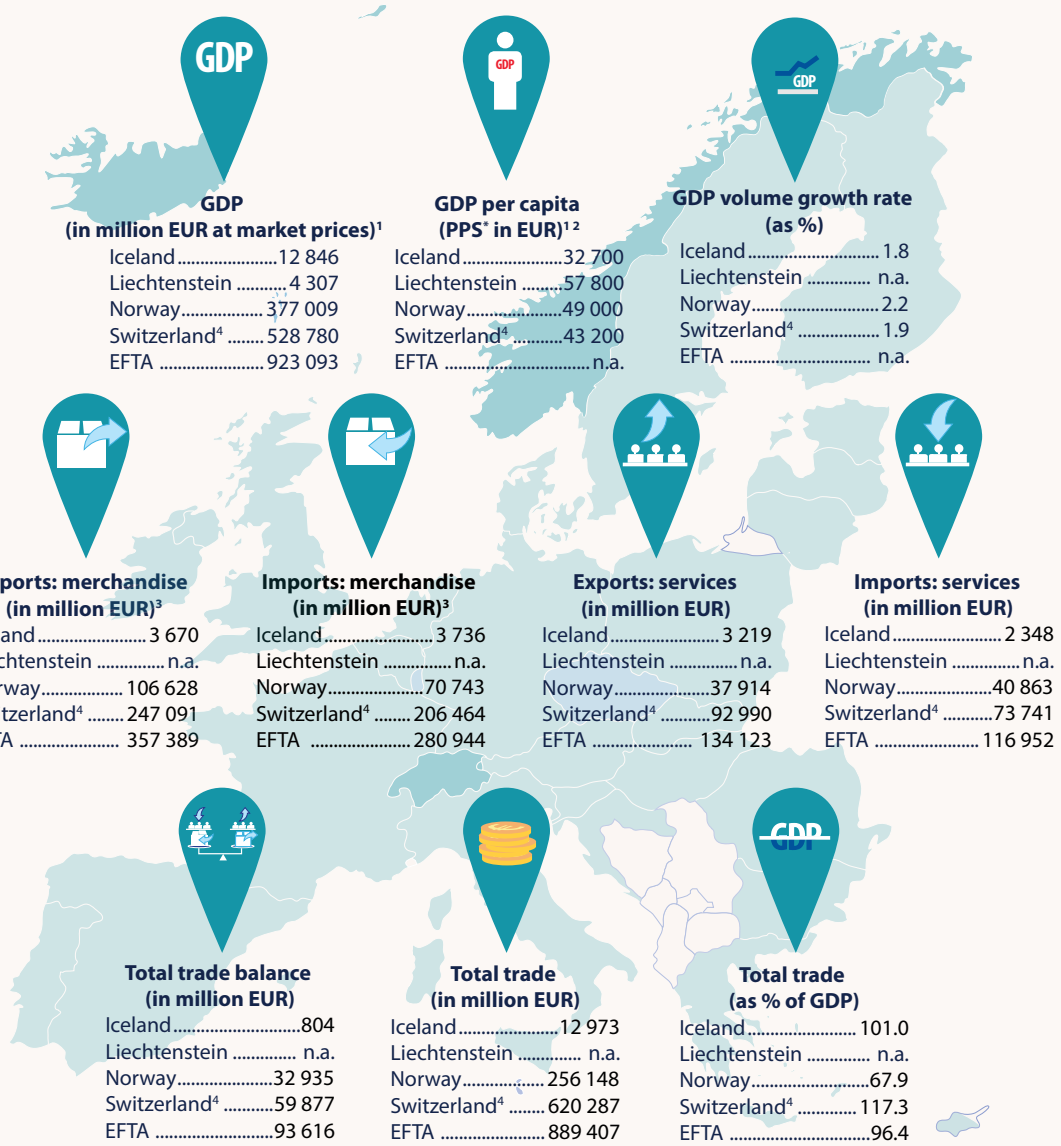
| | Iceland | Liechtenstein | Norway | Switzerland |
|---|---|---|---|---|
| Name | Iceland | Principality of Liechtenstein | Kingdom of Norway | Swiss Confederation |
| Government | Constitutional republic | Constitutional monarchy | Constitutional monarchy | Federal republic |
| Head of State | President Ólafur Ragnar Grímsson | Prince Hans-Adam II of Liechtenstein | King Harald V | President of the Swiss Confederation Simonetta Sommaruga |
| Head of Government | Prime Minister Sigmundur Davíð Gunnlaugsson | Prime Minister Adrian Hasler | Prime Minister Erna Solberg | President of the Swiss Confederation Simonetta Sommaruga |
| Official Languages | Icelandic | German | Norwegian (Bokmål and Nynorsk) | German, French, Italian, Romansh |
| Capital | Reykjavík | Vaduz | Oslo | Bern |
| Area | 103 000 km$^2$ | 160 km$^2$ | 384 802 km$^2$ | 41 285 km$^2$ |
| Population (1 January 2015) | 328 574 | 37 366 | 5 177 196 | 8 237 700* |
| Population Density (inhabitants per km$^2$) | 3.2 | 233 | 13.5 | 199 |
| Currency | Icelandic króna (ISK) | Swiss franc (CHF) | Norwegian krone (NOK) | Swiss franc (CHF) |
| National Holiday | 17 June | 15 August | 17 May | 1 August |

Source: Official government websites and Eurostat

* Switzerland's population figure is provisional.

# Economic Indicators 2014

Fig. 10




**GDP**
**(in million EUR at market prices)[1]**

| | |
|---|---|
| Iceland | 12 846 |
| Liechtenstein | 4 307 |
| Norway | 377 009 |
| Switzerland[4] | 528 780 |
| EFTA | 923 093 |

**GDP per capita**
**(PPS* in EUR)[1 2]**

| | |
|---|---|
| Iceland | 32 700 |
| Liechtenstein | 57 800 |
| Norway | 49 000 |
| Switzerland[4] | 43 200 |
| EFTA | n.a. |

**GDP volume growth rate**
**(as %)**

| | |
|---|---|
| Iceland | 1.8 |
| Liechtenstein | n.a. |
| Norway | 2.2 |
| Switzerland[4] | 1.9 |
| EFTA | n.a. |

**Exports: merchandise**
**(in million EUR)[3]**

| | |
|---|---|
| Iceland | 3 670 |
| Liechtenstein | n.a. |
| Norway | 106 628 |
| Switzerland[4] | 247 091 |
| EFTA | 357 389 |

**Imports: merchandise**
**(in million EUR)[3]**

| | |
|---|---|
| Iceland | 3 736 |
| Liechtenstein | n.a. |
| Norway | 70 743 |
| Switzerland[4] | 206 464 |
| EFTA | 280 944 |

**Exports: services**
**(in million EUR)**

| | |
|---|---|
| Iceland | 3 219 |
| Liechtenstein | n.a. |
| Norway | 37 914 |
| Switzerland[4] | 92 990 |
| EFTA | 134 123 |

**Imports: services**
**(in million EUR)**

| | |
|---|---|
| Iceland | 2 348 |
| Liechtenstein | n.a. |
| Norway | 40 863 |
| Switzerland[4] | 73 741 |
| EFTA | 116 952 |

**Total trade balance**
**(in million EUR)**

| | |
|---|---|
| Iceland | 804 |
| Liechtenstein | n.a. |
| Norway | 32 935 |
| Switzerland[4] | 59 877 |
| EFTA | 93 616 |

**Total trade**
**(in million EUR)**

| | |
|---|---|
| Iceland | 12 973 |
| Liechtenstein | n.a. |
| Norway | 256 148 |
| Switzerland[4] | 620 287 |
| EFTA | 889 407 |

**Total trade**
**(as % of GDP)**

| | |
|---|---|
| Iceland | 101.0 |
| Liechtenstein | n.a. |
| Norway | 67.9 |
| Switzerland[4] | 117.3 |
| EFTA | 96.4 |

Sources: Eurostat and national statistical offices. Trade figures taken from national accounts data.

[1] Figures for Liechtenstein are from 2013 and are based on ESA95 methodology.
[2] Liechtenstein: Gross National Income (GNI) per capita.
[3] Liechtenstein's trade figures are included in Switzerland's trade figures due to the Swiss-Liechtenstein Customs Union.
[4] Swiss figures are provisional.

* Purchasing Power Standard (PPS) is an artificial currency unit which neutralises the effect of price level differences across countries.

## EFTA's FTA Network – Merchandise Trade 2014 (in thousand EUR)

Fig. 11

| Economy | Total trade | Export | Import | Trade balance |
|---|---|---|---|---|
| **EFTA's 36 FTA partners outside the EU** | **82 595 748** | **57 324 828** | **25 270 920** | **32 053 908** |
| Albania | 39 847 | 26 065 | 13 782 | 12 283 |
| Bosnia and Herzegovina | 140 200 | 52 260 | 87 940 | -35 680 |
| Canada | 6 419 770 | 3 388 092 | 3 031 678 | 356 414 |
| Central American States | 712 726 | 375 803 | 336 923 | 38 880 |
| Costa Rica | 210 543 | 69 729 | 140 814 | -71 086 |
| Guatemala* | 90 630 | 37 051 | 53 579 | -16 528 |
| Panama | 411 553 | 269 023 | 142 530 | 126 494 |
| Chile | 1 070 509 | 289 190 | 781 319 | -492 129 |
| Colombia | 1 020 653 | 384 842 | 635 811 | -250 969 |
| Egypt | 1 062 799 | 953 634 | 109 164 | 844 470 |
| Gulf Cooperation Council | 13 350 070 | 10 454 226 | 2 895 844 | 7 558 382 |
| Bahrain | 290 913 | 251 725 | 39 188 | 212 536 |
| Kuwait | 368 448 | 344 741 | 23 707 | 321 034 |
| Oman | 181 162 | 177 377 | 3 785 | 173 593 |
| Qatar | 812 080 | 655 090 | 156 990 | 498 101 |
| Saudi Arabia | 4 055 033 | 3 906 457 | 148 577 | 3 757 880 |
| United Arab Emirates | 7 642 434 | 5 118 836 | 2 523 598 | 2 595 238 |
| Hong Kong China | 20 927 049 | 18 465 766 | 2 461 283 | 16 004 483 |
| Israel | 1 635 211 | 991 200 | 644 011 | 347 190 |

| Economy | Total trade | Export | Import | Trade balance |
|---|---|---|---|---|
| Jordan | 534 600 | 521 971 | 12 628 | 509 343 |
| Republic of Korea | 5 945 414 | 4 211 210 | 1 734 204 | 2 477 006 |
| Lebanon | 875 419 | 649 210 | 226 210 | 423 000 |
| Macedonia | 109 766 | 38 945 | 70 821 | -31 876 |
| Mexico | 3 224 970 | 1 603 812 | 1 621 158 | -17 346 |
| Montenegro | 14 291 | 12 022 | 2 269 | 9 754 |
| Morocco | 586 323 | 289 170 | 297 152 | -7 982 |
| Palestine | 20 787 | 20 528 | 259 | 20 269 |
| Peru | 2 568 175 | 143 917 | 2 424 258 | -2 280 341 |
| Serbia | 271 368 | 164 077 | 107 291 | 56 786 |
| Singapore | 10 050 152 | 8 313 269 | 1 736 883 | 6 576 387 |
| Southern African Customs Union | 2 933 608 | 736 952 | 2 196 656 | -1 459 704 |
| Botswana | 189 425 | 5 984 | 183 442 | -177 458 |
| Lesotho | 416 | 415 | 1 | 414 |
| Namibia | 39 419 | 13 833 | 25 586 | -11 752 |
| South Africa | 2 697 372 | 714 000 | 1 983 372 | -1 269 372 |
| Swaziland | 6 976 | 2 720 | 4 256 | -1 535 |
| Tunisia | 375 521 | 211 642 | 163 879 | 47 762 |
| Turkey | 7 936 501 | 4 481 834 | 3 454 667 | 1 027 167 |
| Ukraine | 770 020 | 545 190 | 224 830 | 320 360 |

Source: Eurostat (COMEXT)

* Entry into force pending.

# Leaders in World Trade 2014

## Merchandise trade (in billion USD)

Fig. 12

| Rank | Economy | Total | Share (as %) of world total | Exports | Imports |
|---|---|---|---|---|---|
| 1 | EU[1] | 12 295 | 32.28 | 6 162 | 6 133 |
| 2 | China | 4 302 | 11.29 | 2 342 | 1 959 |
| 3 | United States | 4 033 | 10.59 | 1 621 | 2 413 |
| 4 | Japan | 1 506 | 3.95 | 684 | 822 |
| 5 | Hong Kong China[2] | 1 125 | 2.95 | 524 | 601 |
| 6 | Republic of Korea | 1 098 | 2.88 | 573 | 526 |
| 7 | Canada | 950 | 2.49 | 475 | 475 |
| **8** | **EFTA** | **830** | **2.18** | **460** | **370** |
| 9 | Mexico | 809 | 2.12 | 398 | 412 |
| 10 | Russian Federation | 806 | 2.12 | 498 | 308 |
| 11 | India | 785 | 2.06 | 322 | 463 |
| 12 | Singapore[2] | 776 | 2.04 | 410 | 366 |
| 13 | United Arab Emirates | 622 | 1.63 | 360 | 262 |
| 14 | Chinese Taipei | 588 | 1.54 | 314 | 274 |
| 15 | Saudi Arabia | 517 | 1.36 | 354 | 163 |
| 16 | Australia | 478 | 1.26 | 241 | 237 |
| 17 | Brazil | 464 | 1.22 | 225 | 239 |
| 18 | Thailand | 456 | 1.20 | 228 | 228 |
| 19 | Malaysia | 443 | 1.16 | 234 | 209 |
| 20 | Turkey | 400 | 1.05 | 158 | 242 |
| 21 | Indonesia | 354 | 0.93 | 176 | 178 |
| 22 | Vietnam | 300 | 0.79 | 150 | 149 |
| 23 | South Africa | 213 | 0.56 | 91 | 122 |
| 24 | Qatar | 166 | 0.44 | 132 | 35 |
| 25 | Nigeria | 157 | 0.41 | 97 | 60 |
| | **Total of above** | **34 472** | **90.49** | **17 227** | **17 245** |
| | **World[1 2 3]** | **38 093** | **100.00** | **19 002** | **19 091** |

Source: WTO Secretariat

[1] Includes intra-EU trade.
[2] Includes significant re-exports.
[3] Exports not equal to imports due to statistical discrepancies.

# Leaders in World Trade 2014

## Trade in commercial services (in billion USD)

Fig. 13

| Rank | Economy | Total | Share (as %) of world total | Exports | Imports |
|---|---|---|---|---|---|
| 1 | EU[1] | 3 986 | 41.00 | 2 165 | 1 822 |
| 2 | United States | 1 139 | 11.72 | 688 | 452 |
| 3 | China | 614 | 6.32 | 232 | 382 |
| 4 | Japan | 348 | 3.58 | 158 | 190 |
| **5** | **EFTA** | **319** | **3.28** | **167** | **152** |
| 6 | India | 303 | 3.11 | 156 | 147 |
| 7 | Singapore | 281 | 2.90 | 140 | 141 |
| 8 | Republic of Korea | 220 | 2.26 | 106 | 114 |
| 9 | Canada | 191 | 1.96 | 85 | 106 |
| 10 | Russian Federation | 184 | 1.89 | 65 | 119 |
| 11 | Hong Kong China | 182 | 1.87 | 106 | 76 |
| 12 | Brazil | 125 | 1.29 | 39 | 86 |
| 13 | Australia | 116 | 1.19 | 53 | 62 |
| 14 | Thailand | 108 | 1.11 | 55 | 53 |
| 15 | Chinese Taipei | 102 | 1.05 | 57 | 45 |
| 16 | United Arab Emirates | 90 | 0.93 | 20 | 70 |
| 17 | Malaysia | 84 | 0.87 | 39 | 45 |
| 18 | Turkey | 73 | 0.75 | 50 | 23 |
| 19 | Saudi Arabia | 71 | 0.73 | 12 | 59 |
| 20 | Macao China | 64 | 0.65 | 53 | 11 |
| 21 | Israel | 56 | 0.58 | 35 | 22 |
| 22 | Indonesia | 56 | 0.58 | 23 | 33 |
| 23 | Mexico | 53 | 0.54 | 21 | 32 |
| 24 | Philippines | 45 | 0.46 | 25 | 20 |
| 25 | Qatar | 43 | 0.44 | 13 | 30 |
| | **Total of above** | **8 851** | **91.04** | **4 561** | **4 290** |
| | **World[1 2]** | **9 722** | **100.00** | **4 940** | **4 782** |

Source: WTO Secretariat

[1] Includes intra-EU trade.
[2] Exports not equal to imports due to statistical discrepancies.

# EFTA: a Major Trading Partner for the EU

Fig. 14

## Merchandise trade 2014 (in million EUR)

| Rank | Partner | Export | Import | Total trade | Balance | As % of EU's external trade |
|---|---|---|---|---|---|---|
| | Extra-EU[1] | 1 703 076 | 1 685 003 | 3 388 079 | 18 074 | 100.0 |
| 1 | United States | 311 035 | 206 127 | 517 162 | 104 909 | 15.3 |
| 2 | China (except Hong Kong) | 164 777 | 302 049 | 466 826 | -137 272 | 13.8 |
| **3** | **EFTA** | **194 033** | **187 169** | **381 202** | **6 865** | **11.3** |
| 4 | Russian Federation | 103 315 | 181 269 | 284 583 | -77 954 | 8.4 |
| 5 | Turkey | 74 639 | 54 374 | 129 013 | 20 265 | 3.8 |

## Trade in commercial services 2014 (in million EUR)

| Rank | Partner | Export | Import | Total trade | Balance | As % of EU's external trade |
|---|---|---|---|---|---|---|
| | Extra-EU[1] | 734 778 | 583 376 | 1 318 153 | 151 402 | 100.0 |
| 1 | United States | 193 640 | 182 068 | 375 708 | 11 572 | 28.5 |
| **2** | **EFTA[2]** | **130 631** | **80 859** | **211 490** | **49 773** | **16.0** |
| 3 | China (except Hong Kong) | 31 730 | 22 571 | 54 301 | 9 158 | 4.1 |
| 4 | Russian Federation | 28 850 | 12 447 | 41 297 | 16 403 | 3.1 |
| 5 | Japan | 25 636 | 15 289 | 40 925 | 10 347 | 3.1 |

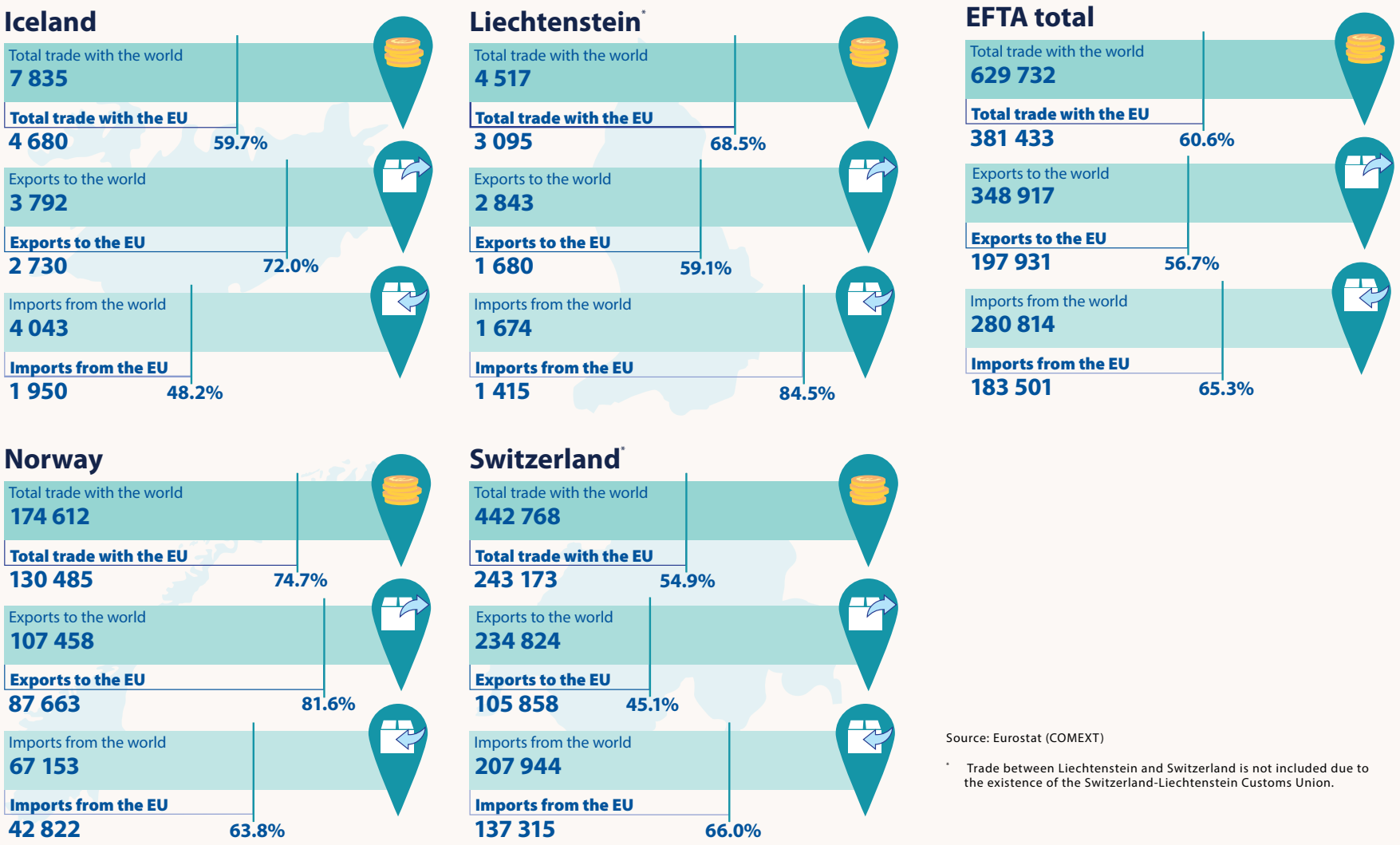
Source: Eurostat

[1] Extra-EU trade includes imports/exports of goods and services that enter or leave the statistical territory of the EU from a third country.
[2] Norway, Iceland and Liechtenstein figures are for 2013.

## EFTA's Merchandise Trade with the World and the EU 2014

(in million EUR and as %)

Fig. 15




Source: Eurostat (COMEXT)

* Trade between Liechtenstein and Switzerland is not included due to the existence of the Switzerland-Liechtenstein Customs Union.

## EFTA's Merchandise Trade with the EU 2014 (in million EUR)

Fig. 16

| | EFTA | | | Iceland | | | Liechtenstein | | | Norway | | | Switzerland | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economy** | **Exports to** | **Imports from** | **Total Trade** | **Exports to** | **Imports from** | **Total Trade** | **Exports to** | **Imports from** | **Total Trade** | **Exports to** | **Imports from** | **Total Trade** | **Exports to** | **Imports from** | **Total Trade** |
| **EU** | **197 931** | **183 501** | **381 433** | **2 730** | **1 950** | **4 680** | **1 680** | **1 415** | **3 095** | **87 663** | **42 822** | **130 485** | **105 858** | **137 315** | **243 173** |
| Germany | 54 852 | 53 838 | 108 690 | 230 | 309 | 539 | 697 | 655 | 1 352 | 18 164 | 7 958 | 26 122 | 35 761 | 44 916 | 80 677 |
| United Kingdom | 35 537 | 30 031 | 65 568 | 429 | 244 | 672 | 85 | 26 | 111 | 24 622 | 4 345 | 28 967 | 10 401 | 25 416 | 35 817 |
| France | 21 282 | 16 171 | 37 453 | 190 | 101 | 290 | 244 | 28 | 272 | 6 489 | 2 315 | 8 803 | 14 359 | 13 728 | 28 087 |
| Italy | 14 359 | 19 290 | 33 650 | 65 | 124 | 189 | 99 | 56 | 155 | 893 | 2 059 | 2 952 | 13 302 | 17 052 | 30 354 |
| Netherlands | 19 286 | 7 387 | 26 674 | 1 112 | 267 | 1 379 | 34 | 25 | 58 | 13 827 | 2 502 | 16 329 | 4 314 | 4 594 | 8 908 |
| Sweden | 7 421 | 9 760 | 17 181 | 16 | 145 | 161 | 38 | 7 | 46 | 6 141 | 8 264 | 14 405 | 1 226 | 1 344 | 2 570 |
| Austria | 7 016 | 8 341 | 15 357 | 2 | 17 | 19 | 287 | 489 | 775 | 273 | 523 | 796 | 6 454 | 7 313 | 13 767 |
| Belgium | 10 079 | 5 062 | 15 141 | 85 | 57 | 142 | 7 | 10 | 17 | 5 161 | 1 198 | 6 359 | 4 826 | 3 798 | 8 624 |
| Spain | 6 970 | 5 304 | 12 273 | 288 | 59 | 347 | 46 | 11 | 57 | 1 818 | 1 191 | 3 009 | 4 818 | 4 043 | 8 861 |
| Denmark | 4 829 | 5 089 | 9 917 | 76 | 306 | 382 | 5 | 3 | 9 | 3 962 | 4 098 | 8 060 | 785 | 682 | 1 467 |
| Ireland | 1 945 | 6 513 | 8 458 | 12 | 40 | 53 | 2 | 1 | 3 | 963 | 545 | 1 509 | 968 | 5 926 | 6 894 |
| Poland | 3 801 | 3 708 | 7 509 | 28 | 64 | 92 | 29 | 29 | 58 | 1 926 | 2 170 | 4 095 | 1 819 | 1 445 | 3 263 |
| Finland | 2 322 | 2 451 | 4 772 | 6 | 39 | 45 | 17 | 4 | 21 | 1 651 | 1 567 | 3 218 | 647 | 841 | 1 488 |
| Czech Republic | 1 434 | 2 614 | 4 047 | 4 | 42 | 46 | 17 | 13 | 30 | 170 | 669 | 840 | 1 243 | 1 890 | 3 132 |
| Hungary | 1 023 | 1 252 | 2 275 | 56 | 16 | 72 | 20 | 26 | 47 | 66 | 304 | 369 | 881 | 906 | 1 787 |
| Portugal | 1 136 | 933 | 2 069 | 58 | 12 | 71 | 2 | 1 | 3 | 385 | 244 | 629 | 691 | 676 | 1 367 |
| Romania | 779 | 1 102 | 1 881 | 1 | 6 | 7 | 6 | 2 | 8 | 120 | 586 | 706 | 652 | 508 | 1 160 |
| Slovakia | 512 | 1 112 | 1 624 | 9 | 14 | 24 | 16 | 17 | 33 | 21 | 360 | 381 | 465 | 721 | 1 186 |
| Lithuania | 522 | 793 | 1 315 | 44 | 26 | 69 | 2 | 0 | 2 | 335 | 661 | 996 | 142 | 106 | 248 |
| Greece | 954 | 186 | 1 140 | 7 | 2 | 8 | 5 | 0 | 5 | 203 | 54 | 257 | 740 | 130 | 870 |
| Slovenia | 409 | 543 | 953 | 1 | 4 | 4 | 4 | 5 | 9 | 30 | 97 | 127 | 375 | 438 | 812 |
| Estonia | 307 | 584 | 890 | 5 | 29 | 34 | 0 | 1 | 1 | 175 | 516 | 690 | 127 | 38 | 165 |
| Luxembourg | 245 | 531 | 776 | 1 | 1 | 2 | 1 | 2 | 3 | 34 | 79 | 113 | 208 | 450 | 658 |
| Latvia | 246 | 436 | 682 | 4 | 18 | 22 | 1 | 0 | 1 | 127 | 377 | 504 | 114 | 41 | 155 |
| Bulgaria | 317 | 256 | 573 | 0 | 4 | 4 | 6 | 3 | 9 | 17 | 64 | 80 | 294 | 186 | 480 |
| Croatia | 186 | 183 | 369 | 1 | 1 | 2 | 6 | 3 | 8 | 23 | 66 | 90 | 155 | 113 | 268 |
| Malta | 99 | 21 | 120 | 2 | 5 | 6 | 1 | 0 | 1 | 54 | 6 | 60 | 43 | 11 | 53 |
| Cyprus | 63 | 12 | 74 | 1 | 0 | 1 | 1 | 0 | 1 | 12 | 6 | 18 | 49 | 5 | 54 |

Source: Eurostat (COMEXT)

## EFTA's Top 25 Trading Partners in Merchandise Trade (counting the EU as one) 2014 (in million EUR)

Fig. 17

| Rank | Economy | Total trade | Share (%) | Export | Share (%) | Import | Share (%) | Trade balance |
|---|---|---|---|---|---|---|---|---|
| | **World** | **629 732** | **100.0** | **348 917** | **100.0** | **280 814** | **100.0** | **68 103** |
| | **EFTA's 36 FTA partners (excluding EU)[1]** | **82 596** | **13.1** | **57 325** | **16.4** | **25 271** | **9.0** | **32 054** |
| | **Intra-EFTA** | **4 074** | **0.6** | **2 008** | **0.6** | **2 066** | **0.7** | **-58[2]** |
| 1 | EU | 381 433 | 60.6 | 197 931 | 56.7 | 183 501 | 65.3 | 14 430 |
| 2 | United States | 49 116 | 7.8 | 28 335 | 8.1 | 20 781 | 7.4 | 7 554 |
| 3 | China | 33 292 | 5.3 | 16 517 | 4.7 | 16 775 | 6.0 | -259 |
| 4 | Hong Kong China | 20 927 | 3.3 | 18 466 | 5.3 | 2 461 | 0.9 | 16 004 |
| 5 | India | 17 888 | 2.8 | 16 178 | 4.6 | 1 710 | 0.6 | 14 468 |
| 6 | Japan | 11 186 | 1.8 | 6 592 | 1.9 | 4 594 | 1.6 | 1 998 |
| 7 | Singapore | 10 050 | 1.6 | 8 313 | 2.4 | 1 737 | 0.6 | 6 576 |
| 8 | Turkey | 7 937 | 1.3 | 4 482 | 1.3 | 3 455 | 1.2 | 1 027 |
| 9 | United Arab Emirates | 7 642 | 1.2 | 5 119 | 1.5 | 2 524 | 0.9 | 2 595 |
| 10 | Russian Federation | 6 950 | 1.1 | 3 249 | 0.9 | 3 700 | 1.3 | -451 |
| 11 | Canada | 6 420 | 1.0 | 3 388 | 1.0 | 3 032 | 1.1 | 356 |
| 12 | Republic of Korea | 5 945 | 0.9 | 4 211 | 1.2 | 1 734 | 0.6 | 2 477 |
| 13 | Brazil | 5 091 | 0.8 | 2 589 | 0.7 | 2 502 | 0.9 | 88 |
| 14 | Thailand | 4 569 | 0.7 | 2 549 | 0.7 | 2 020 | 0.7 | 529 |
| 15 | Saudi Arabia | 4 055 | 0.6 | 3 906 | 1.1 | 149 | 0.1 | 3 758 |
| 16 | Mexico | 3 225 | 0.5 | 1 604 | 0.5 | 1 621 | 0.6 | -17 |
| 17 | Chinese Taipei | 3 120 | 0.5 | 1 827 | 0.5 | 1 293 | 0.5 | 535 |
| 18 | Australia | 2 938 | 0.5 | 2 374 | 0.7 | 564 | 0.2 | 1 810 |
| 19 | South Africa | 2 697 | 0.4 | 714 | 0.2 | 1 983 | 0.7 | -1 269 |
| 20 | Malaysia | 2 689 | 0.4 | 1 872 | 0.5 | 817 | 0.3 | 1 055 |
| 21 | Peru | 2 568 | 0.4 | 144 | 0.0 | 2 424 | 0.9 | -2 280 |
| 22 | Vietnam | 1 640 | 0.3 | 539 | 0.2 | 1 100 | 0.4 | -561 |
| 23 | Israel | 1 635 | 0.3 | 991 | 0.3 | 644 | 0.2 | 347 |
| 24 | Nigeria | 1 419 | 0.2 | 649 | 0.2 | 770 | 0.3 | -122 |
| 25 | Ghana | 1 369 | 0.2 | 61 | 0.0 | 1 309 | 0.5 | -1 248 |
| | Rest of the world | 33 930 | 5.4 | 16 316 | 4.7 | 17 613 | 6.3 | -1 297 |

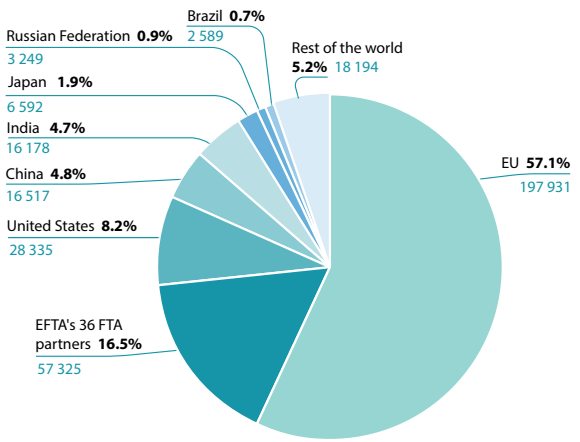
Source: Eurostat (COMEXT)

[1] EFTA's 36 FTA partners (excluding EU) are: Albania, Bosnia and Herzegovina, Canada, Central American States (comprising Costa Rica, Guatemala (entry into force pending) and Panama), Chile, Colombia, Egypt, Gulf Cooperation Council (GCC; comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates), Hong Kong China, Israel, Jordan, Lebanon, Macedonia, Mexico, Montenegro, Morocco, Palestine, Peru, Republic of Korea, Serbia, Singapore, Southern African Customs Union (SACU; comprising Botswana, Lesotho, Namibia, South Africa, Swaziland), Tunisia, Turkey and Ukraine.

[2] Not equal to zero due to statistical discrepancies.

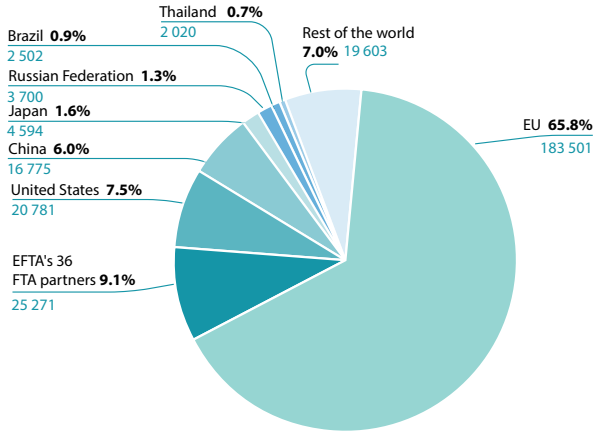
## EFTA's Top Export Destinations for Merchandise Trade 2014
(in million EUR)

Fig. 18




## EFTA's Top Import Sources of Merchandise Trade 2014
(in million EUR)

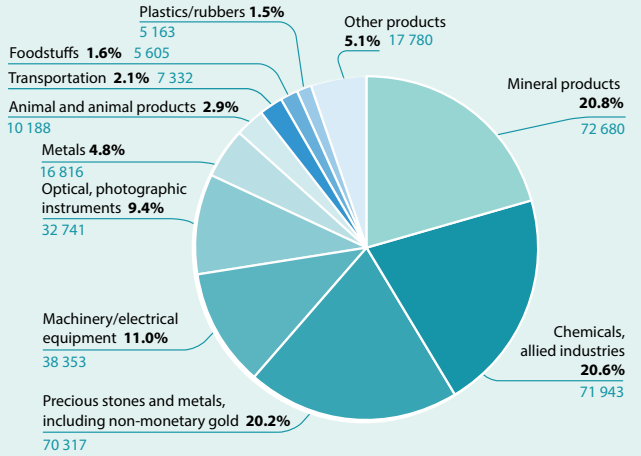
Fig. 19




Source: Eurostat (COMEXT)

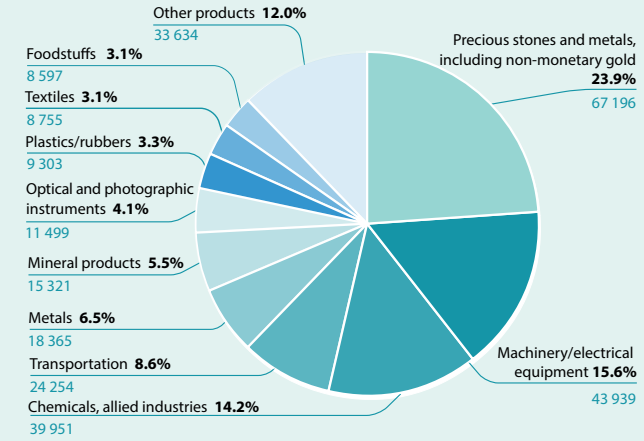
## EFTA's Key Exports by Commodity HS* Section 2014
(in million EUR)

Fig. 20




## EFTA's Key Imports by Commodity HS* Section 2014
(in million EUR)

Fig. 21

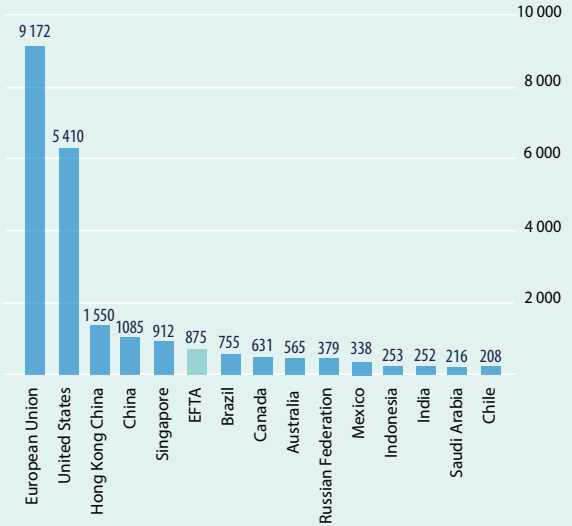



Source: Eurostat (COMEXT)

*HS: Harmonised System for Product Classification.

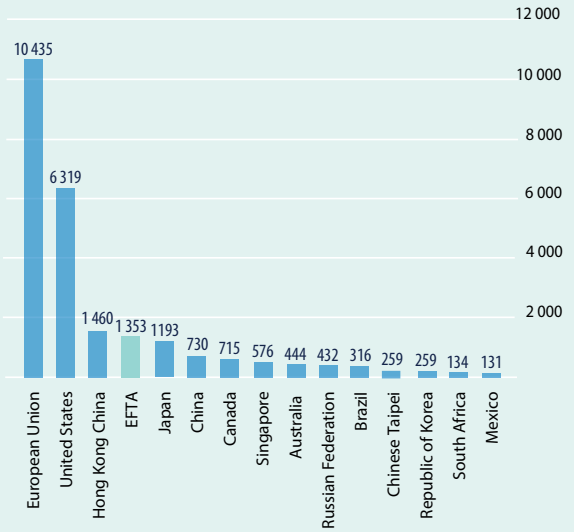
## Global FDI* Stocks, Inward 2014 (in billion USD)

Fig. 22




## Global FDI* Stocks, Outward 2014 (in billion USD)

Fig. 23




Source: United Nations Conference on Trade and Development (UNCTAD)

* FDI: Foreign Direct Investment.

## The World Competitiveness Scoreboard* 2015

Fig. 24

| Rank | Country |
|---|---|
| 4 (2) | Switzerland |
| 7 (10) | Norway |
| 24 (25) | Iceland |

Source: Institute for Management Development (IMD), World Competitiveness Yearbook 2015
The IMD World Competitiveness Scoreboard measures how well economies manage their resources and competencies to facilitate long-term value creation. The overall ranking of 61 economies is based on statistical indicators (two-thirds) and IMD survey data (one-third).
2014 rankings are in brackets.

* Liechtenstein is not included in this scoreboard.

## The Global Competitiveness Index* 2015-2016

Fig. 25

| Rank | Country |
|---|---|
| 1 (1) | Switzerland |
| 11 (11) | Norway |
| 29 (30) | Iceland |

Source: World Economic Forum (WEF), The Global Competitiveness Report 2015-2016
The Global Competitiveness Index measures the set of institutions, policies and factors that set the sustainable current and medium-term levels of economic prosperity.
2014-2015 rankings are in brackets.

* Liechtenstein is not included in this scoreboard.

## Top EFTA Listed Companies 2015

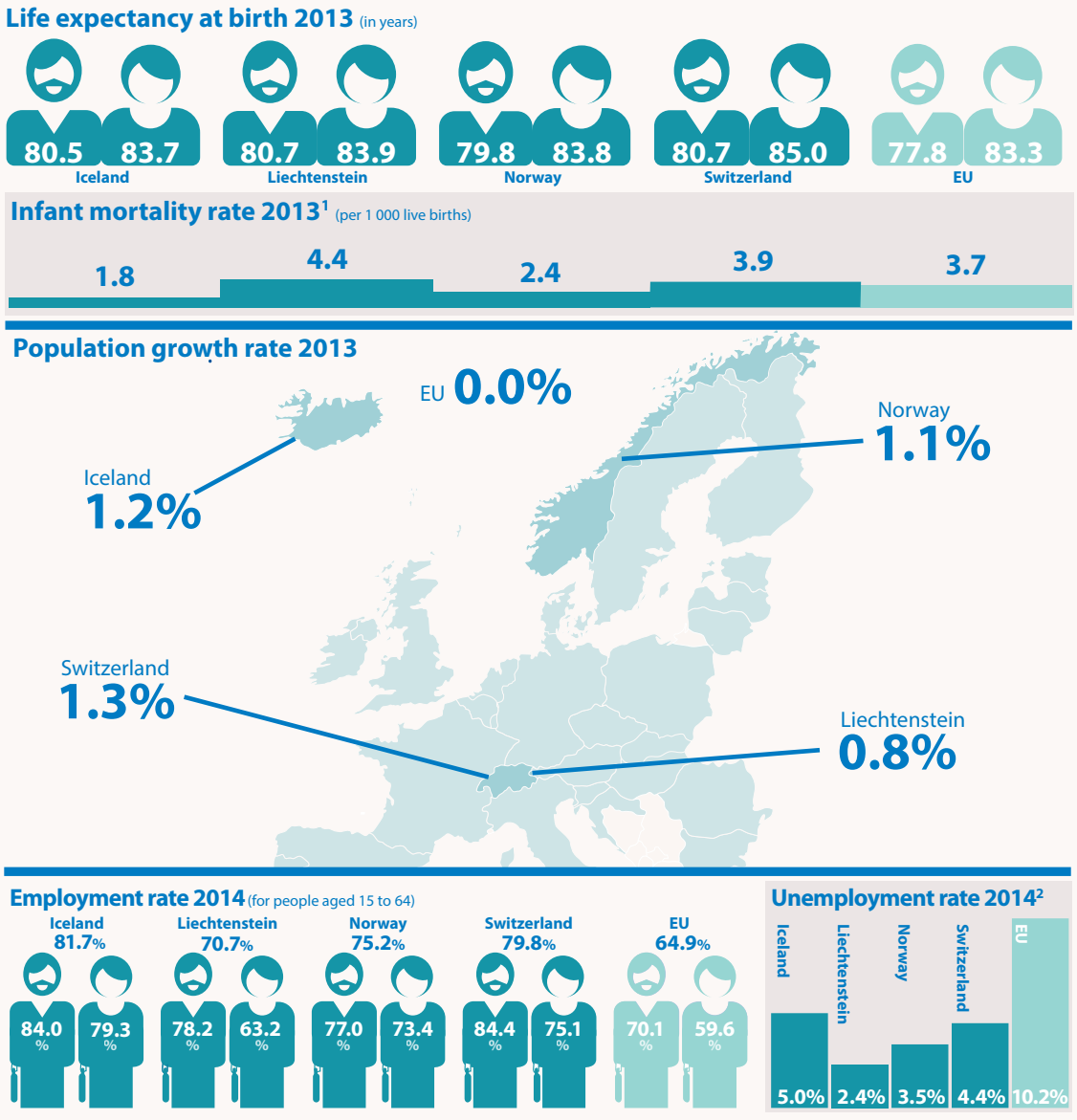
Fig. 26

| EFTA ranking | Europe ranking | World ranking | Company | Sector | Market value 2015 (in million USD) |
|---|---|---|---|---|---|
| 1 | 1 (4) | 10 (14) | Novartis (CH) | Pharmaceuticals & biotechnology | 267 897 |
| 2 | 2 (2) | 14 (11) | Nestlé (CH) | Food producers | 243 702 |
| 3 | 3 (1) | 16 (9) | Roche (CH) | Pharmaceuticals & biotechnology | 237 748 |
| 4 | 32 (33) | 121 (102) | UBS (CH) | Banks | 70 520 |
| 5 | 46 (28) | 172 (86) | Statoil (NO) | Oil & gas producers | 56 500 |
| 6 | 50 (70) | 191 (218) | Zurich Financial Services (CH) | Nonlife insurance | 50 752 |
| 7 | 52 (49) | 195 (153) | ABB (CH) | Industrial engineering | 49 166 |
| 8 | 67 (60) | 231 (186) | Credit Suisse Group (CH) | Banks | 43 320 |
| 9 | 72 (65) | 247 (198) | Richemont (CH) | Personal goods | 42 082 |
| 10 | 87 (94) | 312 (297) | Swiss RE (CH) | Nonlife insurance | 35 915 |
| 11 | 93 (90) | 366 (291) | Syngenta (CH) | Chemicals | 31 646 |
| 12 | 98 (99) | 378 (309) | Telenor (NO) | Mobile telecommunications | 30 349 |
| 13 | 100 (107) | 384 (333) | Swisscom (CH) | Fixed line telecommunications | 30 107 |
| 14 | 120 (117) | 469 (384) | DNB (NO) | Banks | 26 213 |
| 15 | 134 (127) | n.a. | Holcim (CH) | Construction & materials | 24 466 |
| 16 | 137 (97) | n.a. | Swatch Group (CH) | Personal goods | 23 494 |
| 17 | 157 (177) | n.a. | Schindler (CH) | Industrial engineering | 18 601 |
| 18 | 162 (181) | n.a. | Kuehne+Nagel International (CH) | Support services | 17 853 |
| 19 | 170 (217) | n.a. | Givaudan (CH) | Chemicals | 16 751 |
| 20 | 194 (163) | n.a. | SGS (CH) | Support services | 14 980 |

Source: Financial Times (FT) Global 500 Survey 2015
The FT Global 500 2015 is based on market values and prices on 31 March 2015.
2014 rankings are indicated in brackets.

## Social Indicators

Fig. 27




Sources: Eurostat and national statistical offices

[1] Liechtenstein infant mortality rate is a five-year average (2009-2013).
[2] Liechtenstein unemployment is register-based unemployment.

# Appendices

## Members of the EFTA Parliamentary Committee 2015*

| | |
|---|---|
| **Iceland** | |
| Mr Guðlaugur Þór Þórðarson (Vice Chair CMP/MPS) | Independence Party |
| Mr Árni Páll Árnason | Social Democratic Alliance |
| Ms Katrin Jakobsdóttir | Left-Green Movement |
| Mr Vilhjálmur Bjarnason | Independence Party |
| Mr Willum Þór Þórsson | Progressive Party |
| **Liechtenstein** | |
| Mr Elfried Hasler (Chair MPS) | Progressive Citizens' Party |
| Mr Harry Quaderer | Independent |
| **Norway** | |
| Mr Svein Roald Hansen | Labour Party |
| Mr Gunnar Gundersen | Conservative Party |
| Ms Marianne Aasen | Labour Party |
| Mr Nikolai Astrup | Conservative Party |
| Mr Jørund Rytman | Progress Party |
| Mr Geir Toskedal | Christian Democratic Party |
| **Switzerland (observer in the MPS)** | |
| Ms Kathy Riklin (Chair CMP) | Christian Democratic Party |
| Mr Thomas Aeschi | Swiss People's Party |
| Mr Didier Berberat | Social Democratic Party |
| Mr Ignazio Cassis | FDP. The Liberals |
| Mr Konrad Graber | Christian Democratic Party |

* As at 1 December 2015.

# Members of the EFTA Consultative Committee 2015*

| | |
|---|---|
| **Iceland** | |
| Mr Halldór Grönvold | Icelandic Confederation of Labour |
| Mr Halldor Árnason (First Vice Chair) | Confederation of Icelandic Employers |
| Mr Björn Björnsson | Iceland Chamber of Commerce |
| Ms Helga Jónsdóttir | Federation of State and Municipal Employees |
| Mr Bjarni Már Gylfason | Federation of Icelandic Industries |
| **Liechtenstein** | |
| Mr Josef Beck (Bureau) | Liechtenstein Chamber of Commerce and Industry |
| Mr Sigi Langenbahn | Liechtenstein Employees Association |
| **Norway** | |
| Mr Thomas Angell | Federation of Norwegian Commercial and Service Enterprises |
| Ms Liz Helgesen | Norwegian Confederation of Unions for Professionals |
| Mr Vidar Bjørnstad (Chair) | Norwegian Confederation of Trade Unions |
| Ms Bente Stenberg-Nilsen | Norwegian Association of Local and Regional Authorities |
| Ms Trine Radmann | Confederation of Norwegian Enterprise |
| Mr Christopher Navelsaker | Norwegian Confederation of Vocational Unions |
| **Switzerland** | |
| Mr Jan Atteslander | economiesuisse |
| Ms Ruth Derrer Balladore | Confederation of Swiss Employers |
| Mr Hans-Ulrich Bigler | Swiss Association of Small and Medium-sized Enterprises |
| Ms Stéphanie Ruegsegger | Fédération des Entreprises Romandes Genève |
| Mr Kurt Regotz (Second Vice Chair) | Swiss Workers' Federation |
| Mr Vasco Pedrina | Union Syndicale Suisse |
| **Permanent observers** | |
| Ms Guðrún Dögg Guðmundsdóttir | Icelandic Association of Local Authorities |
| Ms Ingvill Sjøvold Nilsen | BusinessEurope |
| Mr Tom Jenkins | European Trade Union Confederation |

* November 2015.

## Members of the EEA EFTA Forum of Elected Representatives of Local and Regional Authorities 2015

**Iceland**

| | |
|---|---|
| Mr Adolf H. Berndsen | Regional Municipal Federation of North West Iceland |
| Mr Björn Blöndal | Reykjavik City Council |
| Mr Gunnar Einarsson | Regional Municipal Federation of the Capital Area |
| Ms Ingveldur Guðmundsdóttir | Regional Municipal Federation of Western Iceland |
| Mr Halldór Halldórsson | Icelandic Association of Local Authorities (Chair) |
| Ms Friðbjörg Matthíasdóttir | Regional Municipal Federation of the WestFjords |

**Norway**

| | |
|---|---|
| Ms Gry Anette Rekanes Amundsen | Nome Municipal Council |
| Mr Jon Askeland | Radøy Municipality |
| Ms Torhild Bransdal | Municipality of Vennesla |
| Mr Christian Haugen | Hedmark County Council |
| Ms Hilde Onarheim (Vice Chair) | Bergen City Government |
| Mr Nils A Røhne | Municipality of Stange |

**Switzerland (observer)**

| | |
|---|---|
| Mr Roland Krimm | Representative of the Swiss Cantons, Mission of Switzerland to the EU |
| Mr Philippe Receveur | Canton of Jura |

# EFTA Ministerial Communiqués and EEA Council Conclusions

## EFTA Ministerial Meeting, Schaan, 22 June 2015

**Communiqué**

On 22 June 2015, the European Free Trade Association (EFTA) held its summer Ministerial meeting in Schaan, Liechtenstein. The meeting was chaired by Ms Aurelia Frick, Minister of Foreign Affairs of Liechtenstein.

Ministers of the four EFTA States (Iceland, Liechtenstein, Norway and Switzerland), together with representatives from Costa Rica, represented by Ambassador Álvaro Cedeño Molinari, Guatemala, represented by Ambassador Eduardo Sperisen-Yurt, and Panama represented by Ambassador Alfredo Suescum, signed a protocol on the accession of Guatemala to the Free Trade Agreement between the EFTA States and the Central American States.

The EFTA Ministers also signed a Joint Declaration on Cooperation with Ecuador, represented by Mr Gonzalo Salvador, Ambassador of Ecuador to Switzerland.

***The international economic and trade environment***

The EFTA Ministers called on all WTO Members to take the necessary steps to ensure the timely implementation of the Trade Facilitation Agreement and the rest of the Bali package. They stressed the importance of advancing the post-Bali work programme in view of securing substantive outcomes at the 10th WTO Ministerial Conference in Nairobi.

Ministers exchanged views on possible implications for the EFTA States of the ongoing negotiations between the European Union (EU) and the United States (US) on a Transatlantic Trade and Investment Partnership (TTIP). They underlined in this context the importance of continuing TTIP-related exchanges with both of these key partners.

***Preferential trade relations***

The EFTA Ministers welcomed the accession of *Guatemala* to the Free Trade Agreement with the Central American States. EFTA's global network of preferential trade agreements outside the EU now consists of 25 agreements with 36 countries and territories. Seven Joint Declarations on Cooperation complement this network. In this context, Ministers welcomed the signing at the Ministerial meeting of a Joint Declaration with *Ecuador* and decided to launch negotiations on a free trade agreement, with the aim to start in the course of next year.

Ministers reviewed developments in EFTA's ongoing free trade negotiations. They reiterated EFTA's readiness to work towards the expeditious conclusion of negotiations with *India*. Ministers also expressed their interest in resuming the negotiating process with *Indonesia* at the earliest opportunity. They reviewed the progress made in the negotiations with *Malaysia* and *Vietnam* and welcomed the successful start of negotiations with the *Philippines*.

Ministers noted that the negotiating processes with *Algeria*, *Thailand* and with *Russia/ Belarus/Kazakhstan* were currently on hold and agreed that they will continue to evaluate the situation.

Ministers expressed satisfaction with the imminent start of negotiations on a free trade agreement with *Georgia*. They also welcomed the initiation of exploratory dialogue with the *Mercosur* States and expressed their interest in examining the possibility to develop closer trade relations with *Australia*. They recalled their interest in developing a closer relationship between EFTA and *ASEAN* and in strengthening ties with free trade associations and individual countries in *Sub-Saharan Africa*.

Ministers took stock of ongoing work related to the modernisation of some of EFTA's existing Free Trade Agreements. They welcomed in particular the ongoing negotiations on the expansion of the Free Trade Agreement with *Turkey* and expressed their support for exploring the scope for developing the existing Agreements with *Canada* and *Mexico*. Finally, Ministers welcomed the positive developments concerning the implementation of EFTA's Free Trade Agreement with the *Gulf Cooperation Council*.

***Relations with the European Union***

Ministers from the three EFTA countries participating in the European Economic Area (EEA) took stock of recent developments in the EEA Agreement. While considerable progress had been made in a number of areas since the last Ministerial meeting, Ministers noted that several challenging issues remained unresolved.

Ministers reiterated that a reduction in the number of legal acts awaiting incorporation into the EEA Agreement was a priority. In this context, Ministers welcomed the adoption of the new EEA EFTA procedures for incorporating EU acts into the EEA Agreement, and mentioned that some positive signs were already starting to be evident, including the increased pace of incorporation of EU legal acts.

The EEA EFTA Ministers noted that it was the joint responsibility of the EU and the EEA EFTA States to ensure the smooth functioning of the EEA Agreement, and emphasised in particular the need for solutions with regard to EEA EFTA participation in several EU agencies. In this context, Ministers noted the political conclusions on the European Supervisory Authorities for financial markets and the technical work being undertaken in order to set up the two-pillar structure as envisaged in the conclusions. They also underlined the need to ensure participation in agencies in the areas of energy (ACER) and telecommunications (BEREC) in accordance with the EEA Agreement.

Ministers noted the ongoing negotiations for a new Financial Mechanism for the period after 2014, which were continuing in order to reach a mutually acceptable solution.

Ministers were informed by Switzerland on the work in progress regarding the implementation of new constitutional provisions on immigration voted by the Swiss people on 9 February 2014. The respective constitutional provisions call for a limitation of immigration and revision of the Agreement on the Free

Movement of Persons (AFMP). The Swiss government is in contact with its European partners to find solutions for the AFMP and, by extension, for the EFTA Convention. To this end, Switzerland and the EU have been engaged in intensive consultations since February 2015. The Swiss government aims to maintain and further develop the bilateral framework with the EU by continuing negotiations in different issue areas.

***Advisory bodies***

Ministers held meetings with EFTA's two advisory bodies, the Consultative Committee and the Parliamentary Committee. They discussed various issues related to the functioning of the EEA Agreement and recent developments in the EEA, third-country relations, and the relationship between the EU and Switzerland.

**Attending**

| | |
|---|---|
| Liechtenstein: | *Ms Aurelia Frick*, Minister of Foreign Affairs (Chair) |
| Iceland: | *Mr Gunnar Bragi Sveinsson*, Minister for Foreign Affairs and External Trade |
| Norway: | *Ms Dilek Ayhan*, State Secretary, Ministry of Trade, Industry and Fisheries |
| Switzerland: | *Mr Johann N. Schneider-Ammann*, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research |
| EFTA: | *Mr Kristinn F. Árnason*, Secretary-General |

## EFTA Ministerial Meeting, Geneva, 23 November 2015

**Communiqué**

On 23 November 2015, the European Free Trade Association (EFTA) held its biannual Ministerial Meeting in Geneva. The meeting was chaired by Mr Vidar Helgesen, Minister of EEA and EU Affairs of Norway.

The EFTA Ministers reiterated their strong commitment to the rules-based multilateral trading system of the World Trade Organization (WTO). They emphasized the need to achieve credible outcomes, which reaffirm the importance of the WTO, at the Tenth WTO Ministerial Conference taking place in Nairobi, Kenya, in December. The Ministers also exchanged views on the impact on EFTA's work of regional agreements and ongoing negotiations, namely the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP), as well as the recently launched "Trade for All" strategy of the European Union.

The Ministers met with Ambassador Michael Punke, Deputy U.S. Trade Representative, to pursue the trade policy dialogue with the U.S. and to discuss developments in the TTIP negotiations between the U.S. and the European Union.

The Ministers reviewed the state of play in EFTA's free trade negotiations with *India* and confirmed their readiness to move the process forward to its conclusion as soon as possible. They reaffirmed EFTA's commitment to advancing the negotiations with *Malaysia,* the *Philippines* and *Vietnam* and reiterated their interest in resuming negotiations with *Indonesia*. They also welcomed the successful start of negotiations with *Georgia*.

The Ministers noted that the negotiating processes with *Algeria, Thailand* and *Russia/Belarus/Kazakhstan* remained on hold and agreed to continue to monitor the situation.

Ministers recalled EFTA's decision to launch negotiations on a free trade agreement with *Ecuador* with the aim to start in the course of next year. They also reiterated EFTA's interest in exploring the deepening of trade relations with the *Mercosur* States. They expressed support for formalising cooperation with the *East African Community* through the signing of a joint declaration and agreed to continue to pursue ways to strengthen ties with countries in *Sub-Saharan Africa*. Ministers reiterated their interest in exploring the scope for developing closer trade relations with *Australia*.

The EFTA Ministers welcomed the prospect of developing and expanding the agreements with *Canada* and *Mexico*. They also reviewed the work undertaken so far on the expansion of the free trade agreement with *Turkey*. They expressed support for exploring the scope for developing further the existing agreement with *Chile*.

The *EFTA Parliamentary Committee* met with Ministers to discuss recent developments and priorities in EFTA's trade relations with the world.

EFTA's network of preferential trade relations outside the European Union currently comprises 25 free trade agreements with 36 countries and territories. This network is complemented by 6 joint declarations on cooperation.

**Attending**

| | |
|---|---|
| Norway: | *Mr Vidar Helgesen*, Minister of EEA and EU Affairs (Chair) |
| Iceland: | *Mr Gunnar Bragi Sveinsson*, Minister for Foreign Affairs and External Trade |
| Liechtenstein: | *Ms Aurelia Frick*, Minister of Foreign Affairs |
| Switzerland: | *Mr Johann N. Schneider-Ammann*, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research |
| EFTA: | *Mr Kristinn F. Árnason*, Secretary-General |

## Conclusions of the 43rd meeting of the EEA Council, Brussels, 18 May 2015

1. The forty-third meeting of the EEA Council took place in Brussels on 18 May 2015 under the Presidency of Ms Zanda Kalniņa-Lukaševica, Parliamentary State Secretary for EU Affairs of Latvia, representing the Presidency of the Council of the European Union. The meeting was attended by Mr Gunnar Bragi Sveinsson, Minister for Foreign Affairs of Iceland, Mr Vidar Helgesen, Minister of EEA and EU Affairs at the Office of the Prime Minister of Norway, and Ms Aurelia Frick, Minister of Foreign Affairs of Liechtenstein, as well as by Members of the Council of the European Union and representatives of the European Commission and the European External Action Service.

2. The EEA Council noted that, within the framework of the Political Dialogue, the Ministers would discuss 1) *Ukraine and Russia*; 2) *the Eastern Partnership* and 3) *Syria, Iraq, Libya and ISIL- Da'esh, including combating radicalization and extremist violence in Europe*. An orientation debate was held on the *Digital Agenda.*

3. The EEA Council welcomed that the conclusions on a homogenous extended single market and EU relations with Non-EU Western European countries adopted by the Council of the EU in December 2014 acknowledged the key role played by the EEA Agreement throughout the last 20 years in advancing economic relations and internal market integration between the EU and the EEA EFTA States. The EEA Council highlighted that the Agreement had been robust and capable of adapting to changes in EU treaties and EU enlargements. The EEA Council recognised that the good functioning and further development of this extended Single Market would be a key driver for renewed growth in Europe.

4. The EEA Council emphasised the need for responsibility and solidarity among the countries of Europe to overcome the social and economic challenges that had arisen from the economic crisis. In particular, the EEA Council expressed concern regarding the continued high level of youth unemployment in some EEA Member States.

5. Emphasising the fact that greater knowledge of the EEA Agreement throughout the EEA would be in the interest of all Contracting Parties, the EEA Council urged them to ensure that the appropriate information on the EEA Agreement was made readily and easily available to all.

6. The EEA Council noted that free movement of capital is a fundamental internal market freedom and an integral part of the EEA *acquis* and acknowledged that restrictions can be implemented only temporarily on the basis of the provisions of Article 43 of the EEA Agreement.

7. Noting the Progress Report of the EEA Joint Committee, the EEA Council expressed its appreciation for the work of the Joint Committee in ensuring the continued successful operation and good functioning of the EEA Agreement.

8. The EEA Council stressed the need to swiftly conclude the work necessary for the incorporation into the EEA Agreement of the EU Regulations on the European Supervisory Authorities in the area of financial services to ensure effective and homogenous supervision throughout the EEA, as called for in the Conclusions approved by the EU and EFTA Ministers of Finance and Economy at their informal meeting of 14 October 2014. The EEA Council also highlighted the high importance of a swift incorporation and application of the outstanding legislation in the field of financial services in order to ensure a level playing field throughout the EEA in this important economic sector.

9. Acknowledging the contribution made by EU programmes to building a more competitive, innovative and social Europe, the EEA Council welcomed the participation of the EEA EFTA States in EEA-relevant programmes to which they contribute financially.

10. The EEA Council recognised the still existing need to alleviate social and economic disparities in the EEA, as well as the positive contribution of the EEA and Norway Financial Mechanisms 2009-2014 and their predecessors in reducing economic and social disparities throughout the EEA. It noted that more than one year after the launch of the negotiations on the renewal of the EEA and Norway Financial Mechanisms for another term, the negotiations were still on-going and the progress achieved was still mixed. In light of the delay incurred, the EEA Council called for increased efforts in view of a swift conclusion of these negotiations.

11. The EEA Council also took note of the on-going negotiations in parallel with the Financial Mechanism negotiations on bilateral issues between each of the EEA EFTA States and the EU, and also called for a swift conclusion of these negotiations.

12. The EEA Council welcomed the ongoing efforts made to both reduce the number of EEA-relevant EU acts awaiting incorporation into the EEA Agreement and to accelerate the incorporation process. While commending all the steps undertaken in the course of the last years, the EEA Council noted that the number of acts awaiting incorporation was still too high. The EEA Council called for continued work in order to significantly and durably reduce the current backlog and thereby ensure legal certainty and homogeneity in the EEA. It urged all parties to engage constructively to find solutions to pending difficult issues.

13. The EEA Council noted that progress was still needed on a number of outstanding issues and looked forward to reach a conclusion as soon as possible in particular regarding the Third Postal Directive, the 2009 TELECOM Package (including the Regulation on the Body of European Regulators for Electronic Communications – BEREC), the Directive on Deposit Guarantee Schemes, the Regulation on Novel Foods and Novel Food Ingredients, the Marine Strategy Framework Directive, the Regulation on Medicinal Products for Paediatric use and the EU legal acts in the area of organic production.

14. The EEA Council recalled that there was still a number of Joint Committee Decisions, for which the six-month deadline provided for in the EEA Agreement with regard to constitutional clearance had been exceeded. It encouraged the EEA EFTA States to strengthen their efforts to resolve the pending cases as soon as possible and to avoid such delays in the future.

15. With regard to the Third Package for the Internal Energy Market, the EEA Council underlined the importance of stepping up efforts to incorporate this legislative Package into the EEA Agreement in order to establish a fully functional internal market for energy, and in particular encouraged the parties to identify mutually acceptable solutions for appropriate EEA EFTA participation in the Agency for the Cooperation of Energy Regulators (ACER).

16. The EEA Council placed great importance on continued close cooperation between the EU and the EEA EFTA States in environment, energy and climate change polices, particularly in light of the 2030 Framework for Climate and Energy and the proposal for A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy. The EEA Council underlined in particular the importance of the EU, its Member States and the EEA EFTA States working closely together to achieve an ambitious and universal climate agreement during the COP21 Conference in Paris in December 2015 in order to contain global warming within the limit of 2°C. The close cooperation should also continue in particular in the areas of security of energy supply, emissions trading, promotion of competitive, climate resilient, safe and sustainable low carbon energy, energy efficiency, renewable energy resources, carbon capture, utilisation and storage (CCUS), marine environment and other environmental issues such as waste, chemicals, water resource management and industrial pollution.

17. The EEA Council acknowledged the significance of the negotiations on a Transatlantic Trade and Investment Partnership (TTIP) between the European Union and the United States. The EEA Council welcomed the exchange of information between the European Commission and the EEA EFTA States initiated in the EEA Joint Committee in December 2014. Bearing in mind inter alia Protocol 12 to the EEA Agreement, the EEA Council encouraged a continuation of this exchange of information.

18. The EEA Council acknowledged that the Contracting Parties, pursuant to Article 19 of the EEA Agreement, had undertaken to continue their efforts with a view to achieving the progressive liberalisation of agricultural trade. The EEA Council welcomed the launch in 2012 of negotiations on the further liberalisation of agricultural trade and on the protection of geographical indications between the EU and Iceland. The EEA Council also welcomed the launch of negotiations between the EU and Norway in November 2013 on the protection of geographical indications and on further liberalisation of agricultural trade within the framework of Article 19 in February 2015. The EEA Council noted that the EU had expressed its disappointment on the fact that the increased Norwegian customs duties for certain agricultural products, and the reclassification of hortensia, had not been revoked and that the EU had again encouraged Norway to reverse these measures.

19. The EEA Council welcomed the dialogue between Iceland and the EU on the review of the trade regime for processed agricultural products within the framework of Article 2(2) and Article 6 of Protocol 3 to the EEA Agreement in order to further promote trade in processed agricultural products and looked forward to the conclusion of this dialogue in the near future. The EEA Council encouraged the Contracting Parties to continue the dialogue on the review of the trade regime for processed agricultural products within the framework of Article 2(2) and Article 6 of Protocol 3 to the EEA Agreement in order to further promote trade in this area.

20. The EEA Council underlined the importance of continuing the practice of inviting officials from the EEA EFTA States to political dialogues held at the level of the relevant Council working parties.

21. The EEA Council underlined the importance of inviting EEA EFTA Ministers to informal EU ministerial meetings and ministerial conferences relevant to EEA EFTA participation in the Internal Market, and expressed its appreciation to the current Latvian and incoming Luxembourg Presidencies for the continuation of this practice.

22. The EEA Council recognised the positive contributions made by the EEA EFTA States to the decision-shaping process of EEA-relevant EU legislation and programmes through their participation in the relevant committees, expert groups and agencies, as well as through the submission of EEA EFTA Comments.

23. The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its meeting in Strasbourg on 17 December 2014 on *Follow-up to the Climate and Energy Policy Framework 2030* and on the *Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2013*, and the Resolutions of the EEA Joint Parliamentary Committee adopted on 31 March 2015 on *The Transatlantic Trade and Investment Partnership and its possible implications for the EEA EFTA States – Iceland, Liechtenstein and Norway* and on *Industrial Policy in Europe.*

## Conclusions of the 44th meeting of the EEA Council, Brussels, 17 November 2015

1. The forty-fourth meeting of the EEA Council took place in Brussels on 17 November 2015 under the Presidency of Mr Vidar Helgesen, Minister of EEA and EU Affairs at the Office of the Prime Minister of Norway. The meeting was attended by Ms Bergdis Ellertsdóttir, Ambassador, Head of the Mission of Iceland to the EU, Ms Aurelia Frick, Minister of Foreign Affairs of Liechtenstein, Mr Nicolas Schmit, Minister of Labour, Employment and the Social and Solidarity Economy of Luxembourg, representing the Presidency of the Council of the European Union, as well as by Members of the Council of the European Union and representatives of the European Commission and the European External Action Service.

2. The EEA Council noted that, within the framework of the Political Dialogue, the Ministers would discuss *the Refugee Crisis, the Syria Conflict, as well as Russia and Ukraine*. An orientation debate was held on *the Internal Market Strategy for Goods and Services.*

3. The EEA Council acknowledged the key role played by the EEA Agreement throughout the last 20 years in advancing economic relations and internal market integration between the EU and the EEA EFTA States. The EEA Council highlighted that the Agreement had been robust and capable of adapting to changes in EU treaties and EU enlargements.

4. Emphasising the fact that greater knowledge of the EEA Agreement throughout the EEA is in the interest of all Contracting Parties, the EEA Council urged them to ensure that information on the EEA Agreement is made readily and easily available.

5. Noting the Progress Report of the EEA Joint Committee, the EEA Council expressed its appreciation for the work of the Joint Committee in ensuring the continued successful operation and good functioning of the EEA Agreement.

6. The EEA Council recognised that the good functioning and further development of the extended Single Market would be a key driver for renewed growth in Europe. In this context, it welcomed the adoption of the Better Regulation Package and the Internal Market Strategy for Goods and Services by the European Commission, and the contributions of the EEA EFTA States to these initiatives. The EEA Council welcomed the intention of the EEA EFTA States to follow up the various proposals resulting from these initiatives and to continue to contribute to their development.

7. The EEA Council emphasised the need for responsibility and solidarity among the countries of Europe to overcome the social and economic challenges that had arisen from the economic crisis. In particular, the EEA Council expressed concern regarding the continued high level of youth unemployment in some EEA Member States.

8. The EEA Council recognised the still existing need to alleviate social and economic disparities in the EEA, as well as the positive contribution of the EEA and Norway Financial Mechanisms 2009-2014 and their predecessors in reducing economic and social disparities throughout the EEA.

9. Against the background of the initialling of the draft Protocol 38C to the EEA Agreement on the EEA Financial Mechanism 2014-2021 and of the draft Agreement between Norway and the EU on a Norwegian Financial Mechanism for the 2014-2021 period, the EEA Council called for a swift conclusion of the necessary work to enable the new mechanisms to become operational as soon as possible.

10. Against the background of the initialling of the draft protocols on trade in fish and fisheries products between Norway and the EU and Iceland and the EU, and the EEA Council also called for a swift conclusion of the necessary work.

11. The EEA Council noted that free movement of capital is a fundamental internal market freedom and an integral part of the EEA acquis and acknowledged that restrictions can be implemented only temporarily on the basis of the provisions of Article 43 of the EEA Agreement.

12. The EEA Council welcomed the further progress made in recent months on the technical work necessary for the incorporation into the EEA Agreement of the EU Regulations on the European Supervisory Authorities in the area of financial services. It stressed the need to swiftly conclude this process in order to ensure effective and homogenous supervision throughout the EEA, as called for by the EU and EEA EFTA Ministers of Finance and Economy at their informal meeting of 14 October 2014. The EEA Council also highlighted the high importance of incorporating other outstanding legislation in the field of financial services as soon as possible in order to ensure a level playing field throughout the EEA in this important sector.

13. Acknowledging the contribution made by EU programmes to building a more competitive, innovative and social Europe, the EEA Council welcomed the participation of the EEA EFTA States in EEA-relevant programmes to which they contribute financially.

14. The EEA Council welcomed the ongoing efforts made to both reduce the number of EEA-relevant EU acts awaiting incorporation into the EEA Agreement and to accelerate the incorporation process. While commending all the steps undertaken in the course of the last years, the EEA Council noted that the number of acts awaiting incorporation was still too high. The EEA Council called for continued work in order to significantly and durably reduce the current backlog and thereby ensure legal certainty and homogeneity in the EEA. It urged all parties to engage constructively to find solutions to pending difficult issues.

15. The EEA Council welcomed the incorporation of a number of important legal acts, including the Regulation on Novel Foods and Novel Food Ingredients and the Directives on ship-source pollution and the protection of the environment through criminal law.

16. The EEA Council noted that progress was still needed on a number of important outstanding issues and looked forward to reaching a conclusion as soon as possible, in particular regarding the Third Postal Directive, the 2009 regulatory framework for electronic communications (including the Regulation on the Body of European Regulators for Electronic Communications – BEREC), the Directive on Deposit Guarantee Schemes, the Marine Strategy Framework Directive, the Regulation on Medicinal Products for Paediatric use and the EU legal acts in the area of organic production.

17. The EEA Council noted that there was an increase in the number of Joint Committee Decisions, for which the six-month deadline provided for in the EEA Agreement with regard to constitutional clearance had been exceeded. It encouraged the EEA EFTA States to strengthen their efforts to resolve the pending cases as soon as possible and to avoid such delays in the future.

18. The EEA Council placed great importance on continued close cooperation between the EU and the EEA EFTA States in environment, energy and climate change polices, particularly in light of the 2030 Framework for Climate and Energy and the Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy. The close cooperation should also continue in particular in the areas of security of energy supply, emissions trading, promotion of competitive, climate resilient, safe and sustainable low carbon energy, energy efficiency, renewable energy resources, carbon capture and storage (CCS), as well as marine environment and other environmental issues such as waste, chemicals, water resource management and industrial pollution.

19. The EEA Council underlined in particular the importance of the EU, its Member States and the EEA EFTA States working closely together to adopt an ambitious, dynamic, durable and legally binding global agreement at the 21st Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in December 2015, in order to keep the global temperature increase below 2°C, including the objective that all states should pursue transformative pathways towards a long-term vision of global and sustainable climate neutrality and climate resilience in the second half of this century. The EEA Council welcomed submission of Intended Nationally Determined Contributions (INDCs) of the EU and its Member States and the EEA EFTA States well ahead of the COP21, and urged all countries which have not yet done so to join this collective effort and submit their fair and ambitious INDCs as soon as possible.

20. With regard to the Third Package for the Internal Energy Market, the EEA Council underlined the importance of stepping up efforts to incorporate this legislative Package into the EEA Agreement in order to establish a fully functional internal market for energy, and in particular encouraged the parties to identify mutually acceptable solutions for appropriate EEA EFTA participation in the Agency for the Cooperation of Energy Regulators (ACER).

21. The EEA Council acknowledged the significance of the negotiations on a Transatlantic Trade and Investment Partnership (TTIP) between the European Union and the United States. The EEA Council welcomed the exchange of information between the European Commission and the EEA EFTA States initiated in the EEA Joint Committee in December 2014. Bearing in mind inter alia Protocol 12 to the EEA Agreement, the EEA Council encouraged a continuation of this exchange of information.

22. The EEA Council acknowledged that the Contracting Parties, pursuant to Article 19 of the EEA Agreement, had undertaken to continue their efforts with a view to achieving the progressive liberalisation of agricultural trade. The EEA Council welcomed the initialling, on 17 September 2015, of Agreements on the further liberalisation of agricultural trade and on the protection of geographical indications between the EU and Iceland.

23. The EEA Council stressed the need for further progress in the negotiations between the EU and Norway on the protection of geographical indications and on further liberalisation of agricultural trade within the framework of Article 19 launched in February 2015.

24. The EEA Council welcomed the conclusion, on 17 September 2015, of negotiations between Iceland and the EU on the further liberalisation of trade in processed agricultural products within the framework of Article 2(2) and Article 6 of Protocol 3 to the EEA Agreement.

25. The EEA Council encouraged the Contracting Parties to continue the dialogue on the review of the trade regime for processed agricultural products within the framework of Article 2(2) and Article 6 of Protocol 3 to the EEA Agreement in order to further promote trade in this area.

26. The EEA Council underlined the importance of continuing the practice of inviting officials from the EEA EFTA States to political dialogues held at the level of the relevant EU Council working parties.

27. The EEA Council underlined the importance of inviting EEA EFTA Ministers to informal EU ministerial meetings and ministerial conferences relevant to EEA EFTA participation in the Internal Market, and expressed its appreciation to the current Luxembourg and incoming Dutch Presidencies for the continuation of this practice.

28. The EEA Council recognised the positive contributions made by the EEA EFTA States to the decision-shaping process of EEA-relevant EU legislation and programmes through their participation in the relevant committees, expert groups and agencies, as well as through the submission of EEA EFTA Comments.

29. The EEA Council noted the Resolutions of the EEA Consultative Committee adopted at its meeting in Zagreb on 5 June 2015 on *Investing in quality jobs for sustainable growth* and on *The impact of the Transatlantic Trade and Investment Partnership on the EEA Agreement*.

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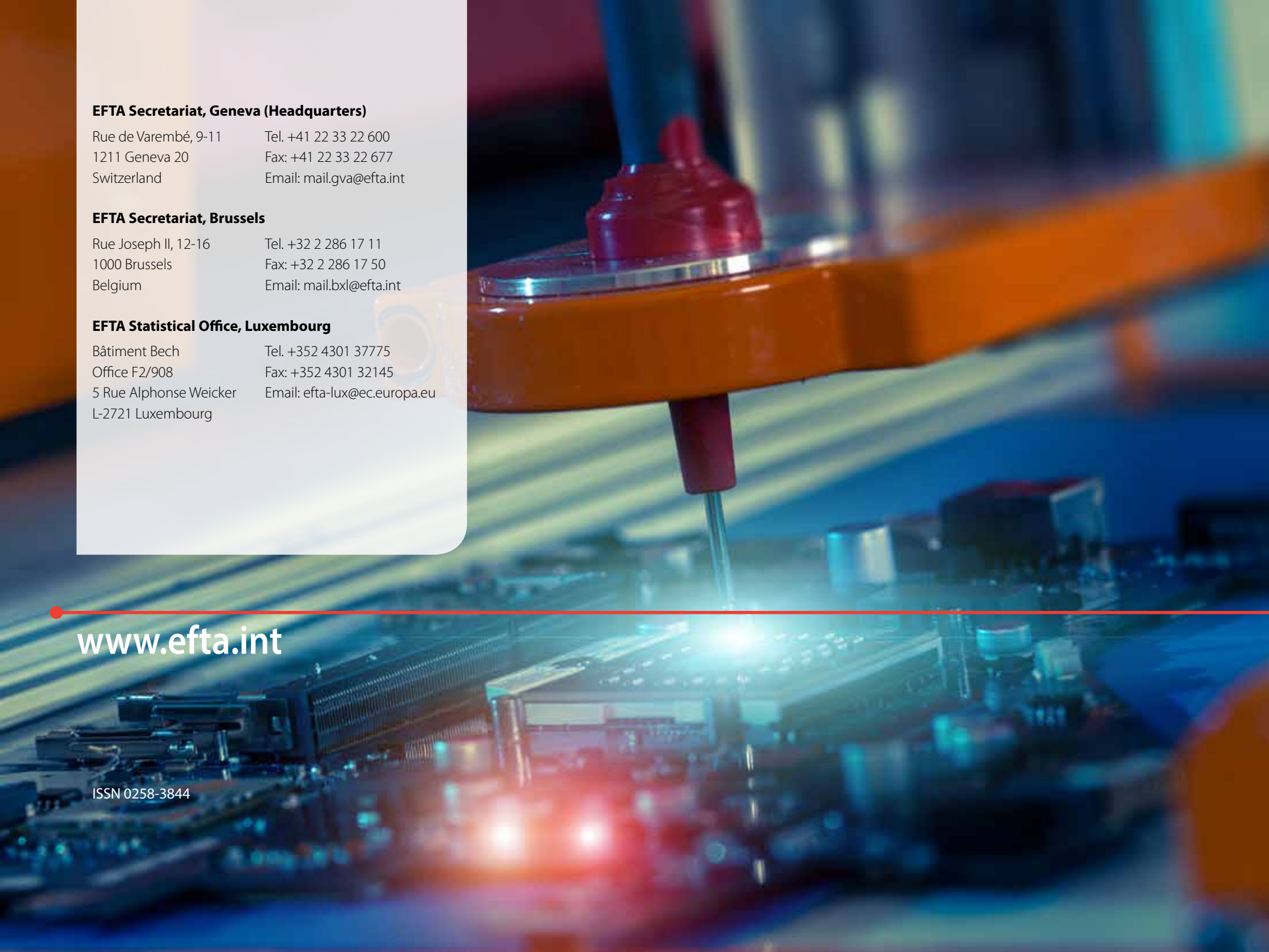


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