



Further information on EFTA's activities and institutional framework is available on our website.

[www.efta.int](http://www.efta.int)

## European Economic Area – EEA

Extending the Internal Market of the EU to Iceland, Norway and Liechtenstein

## How does the EEA affect people and businesses?



### What is EFTA?

The European Free Trade Association (EFTA) is the intergovernmental organisation of Iceland, Liechtenstein, Norway and Switzerland. It was set up in 1960 by its then seven Member States for the promotion of free trade and economic integration between its members, within Europe and globally.

The Association has responsibility for the management of:

- The EFTA Convention, which regulates economic relations between the four EFTA States
- The Agreement on the European Economic Area (EEA Agreement), which brings together the Member States of the European Union (EU) and three of the EFTA States - Iceland, Liechtenstein and Norway - in a single market, also referred to as the "Internal Market"
- EFTA's worldwide network of free trade agreements (currently at 29 FTAs with 40 partners outside the EU)

### What is the EFTA Secretariat?

The headquarters of the EFTA Secretariat are located in Geneva, with offices in Brussels and Luxembourg. In Geneva, the Secretariat assists the EFTA Council in the management of relations between the four EFTA States and deals with the negotiation and operation of EFTA's free trade agreements and partnership agreements with non-EU countries. In Brussels, the Secretariat provides support for the management of the EEA Agreement, including preparation of new legislation and assistance in the elaboration of input into EU decision making.


The EFTA Statistical Office in Luxembourg contributes to the development of a broad and integrated European statistical system.

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EFTA Secretariat, Brussels, Updated February 2020



The European Economic Area brings together the Member States of the European Union and three countries in the European Free Trade Association in a single market with free movement of goods, services, capital and persons.

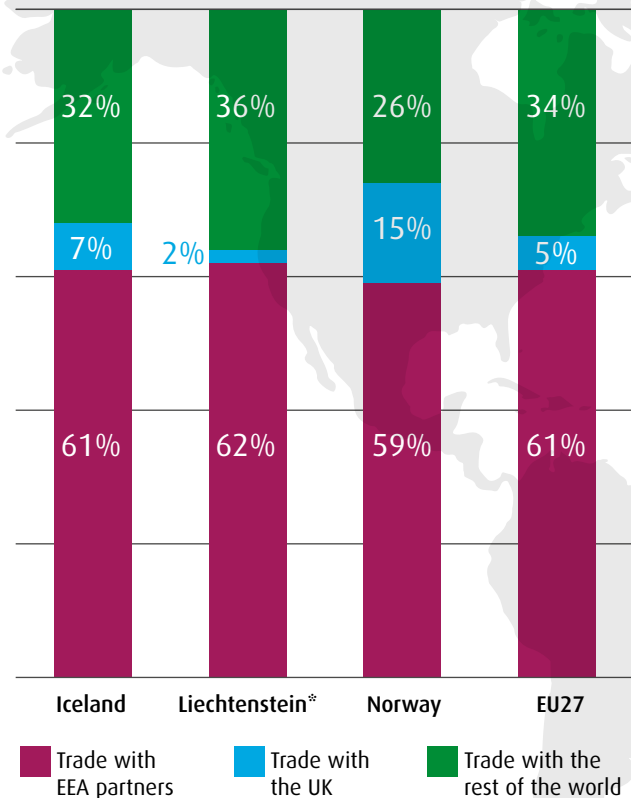
The EEA Agreement guarantees equal rights and obligations within the Internal Market for individuals and economic operators in the EEA.

## What is the EEA?

The European Economic Area (EEA) brings together 30 European countries in a single market, also referred to as the Internal Market: the 27 Member States of the European Union (EU) and three of the four Member States of the European Free Trade Association (EFTA): Iceland, Liechtenstein and Norway (often referred to as the EEA EFTA States).

Switzerland is the fourth member of EFTA, but does not take part in the EEA. Instead, several bilateral agreements regulate Swiss-EU relations.

## The EEA EFTA States' trade in goods with the EEA, the United Kingdom and the rest of the world, 2018



Source: Eurostat (COMEXT) and Statistics Norway  
 \* Trade with Switzerland not included

## When was the EEA established?

The Agreement on the European Economic Area (EEA Agreement) was signed in May 1992 and entered into force in January 1994.

## What is covered by the EEA Agreement?

The EEA Agreement ensures that EU law in areas covered by the four freedoms, i.e. the free movement of goods, services, capital and persons, is applied in all 30 EEA countries. It also ensures common rules on competition and state aid, and covers horizontal areas such as environment, social policy, consumer protection, statistics and company law. Finally, the EEA Agreement allows for the participation of the three EEA EFTA States in a number of EU agencies and programmes, including the Horizon 2020 and Erasmus+ Programmes. An overview of legal acts that have been incorporated into the EEA Agreement can be found at: [www.efta.int/eea-lex](http://www.efta.int/eea-lex).

## What is not covered by the EEA Agreement?

The EEA Agreement does not cover the EU's common agricultural and fisheries policies, customs union, common trade policy, common foreign and security policy, justice and home affairs or the monetary union.

## Do the EFTA States have other agreements with the EU?

Yes. All four EFTA States are members of the Schengen cooperation. They also have bilateral agreements with the EU on agricultural products, fisheries, police and asylum cooperation, and cooperation on foreign and security policy issues.

## Does the EEA have its own institutions?

Yes. Common bodies such as the EEA Council and the EEA Joint Committee administer the EEA Agreement. There are also two common advisory bodies: the EEA Joint Parliamentary Committee and the EEA Consultative Committee.

Also, as the EEA EFTA States are not members of the EU, they are constitutionally unable to accept direct decisions of the European Commission or the Court of Justice of the European Union. Separate EEA EFTA bodies have therefore been set up to correspond to these EU bodies: the EFTA Surveillance Authority and the EFTA Court.

## Can the EEA Agreement be amended?

The EEA Agreement is dynamic in character. This means that it is continuously updated and amended to incorporate new Internal Market legislation in order to maintain common rules across the EEA.

## How exactly is EU law extended to the EEA?

New EU legislation with possible EEA relevance is scrutinised by the EEA EFTA States. For relevant acts, draft decisions incorporating them into the EEA Agreement are submitted by the EEA EFTA side to the EU for consideration. Formal decisions incorporating the acts are taken by the EEA Joint Committee. As the decisions do not have direct effect in the EEA EFTA States, the acts must subsequently be implemented in national law. Currently, the EU and the EEA EFTA States share more than 5 000 acts in force in the EEA.

## Which countries can join the EEA?

Any new EFTA State may apply to join the EEA. Any new EU Member State shall apply to become a Contracting Party to the EEA Agreement.

## What are the EEA and Norway Grants?

The EEA and Norway Grants aim to reduce economic and social disparities in the EEA and to strengthen bilateral relations by providing funding to 16 EU countries in Central and Southern Europe. The current funding schemes cover the 2014-2021 period and are managed by the Financial Mechanism Office in Brussels: [www.eeagrants.org](http://www.eeagrants.org).

