

## Key characteristics of the EFTA economies

The four EFTA States are competitive in several sectors vital to the global economy. Switzerland is a world leader in pharmaceuticals, biotechnology, machinery, banking and insurance. Liechtenstein, like Switzerland, is highly industrialised and specialised in capital-intensive and R&D driven technology products. The Icelandic economy benefits from renewable natural resources, not least rich fishing grounds, and has increasingly diversified into other industries and services. Abundant natural resources also contribute significantly to Norway's economic strength, including offshore oil and gas, fisheries and renewable energy, in addition to important service sectors such as maritime transport and energy-related services.

### The Global Competitiveness Scoreboard 2016 (Institute for Management Development)

Rank	Country
2 (4)	Switzerland
9 (7)	Norway
23 (24)	Iceland

### The Global Competitiveness Index 2015-2016 (World Economic Forum)

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

Note: Previous year in parentheses.

## World leaders in wealth creation

The average value added, or wealth creation, per inhabitant in all the EFTA States is among the highest in the world.

### Gross domestic product (GDP) per capita, 2016

Country	GDP per capita, US dollars in current nominal US dollars		GDP per capita, US dollar, PPP (purchasing power parity)
	Value	World ranking	
Liechtenstein*	165 262	:	132 166
Switzerland	79 888	2	63 889
Norway	70 868	4	58 790
Iceland	59 765	6	50 104

Source: World Bank except where indicated

\* Data from the Office of Statistics Liechtenstein. Liechtenstein's GDP per capita is influenced by the high number of cross-border workers (54 %) who contribute to GDP while not being Liechtenstein residents

: Data not available

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

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

## EFTA's Free Trade Relations

A worldwide network of 27 Free Trade Agreements with 38 partners across the globe

EFTA Secretariat, Geneva, Updated September 2018

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## 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 27 FTAs with 38 partners outside the EU)

## The EFTA countries

Norway and Switzerland were among the founding Member States of EFTA in 1960. Iceland joined EFTA in 1970, followed by Liechtenstein in 1991. Norway, Iceland and Liechtenstein are also parties to the EEA Agreement, while Switzerland has signed a set of bilateral agreements with the EU.

	Iceland	Liechtenstein	Norway	Switzerland
Area	103 000 km <sup>2</sup>	160 km <sup>2</sup>	385 180 km <sup>2</sup>	41 285 km <sup>2</sup>
Population 01.01.2017	338 349	37 815	5 258 317	8 417 700
Currency	Icelandic króna (ISK)	Swiss franc (CHF)	Norwegian krone (NOK)	Swiss franc (CHF)
Gross domestic product	21 193 mill. EUR	5 631 <sup>1</sup> mill. EUR	351 599 mill. EUR	601 016 mill. EUR
Exports of goods and services	9 953 mill. EUR (47% of GDP)	3 034 <sup>2</sup> mill. EUR	123 107 mill. EUR (35% of GDP)	390 655 mill. EUR (65% of GDP)
Imports of goods and services	9 081 mill. EUR (43% of GDP)	1 795 <sup>2</sup> mill. EUR	116 030 mill. EUR (33% of GDP)	324 159 mill. EUR (54% of GDP)

Source: Eurobase, Eurostat unless otherwise stated  
Figures for 2017 unless otherwise stated. The trade figures for Switzerland include Liechtenstein

<sup>1</sup> 2016. Data from the Office of Statistics Liechtenstein

<sup>2</sup> Data from COMEXT, Eurostat. Trade in goods only. Figures not comparable with GDP. Trade between Liechtenstein and Switzerland not included

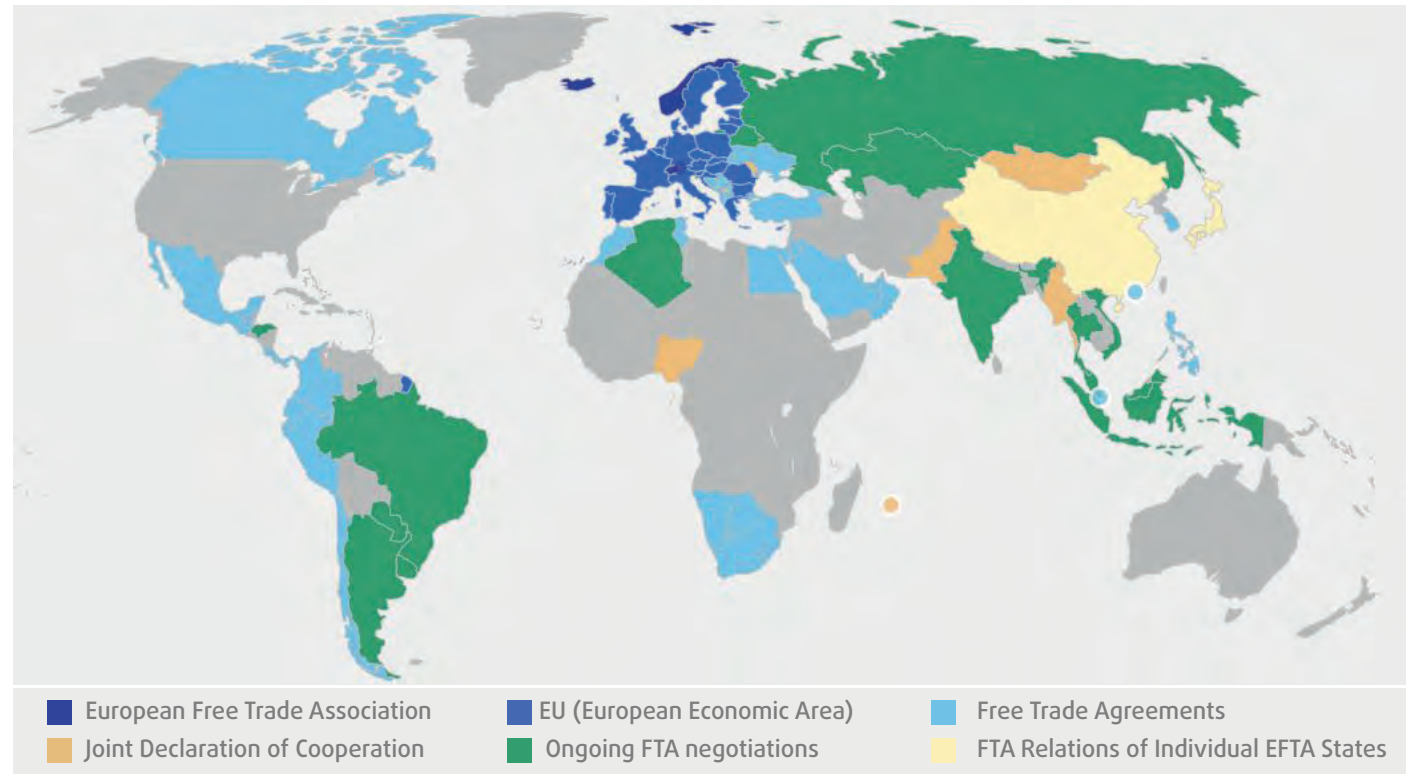
## What is the EFTA Convention?

The EFTA Convention was signed in Stockholm on 4 January 1960 and established the Association. The EFTA Convention, as revised in Vaduz in 2001, regulates the economic relations between the four EFTA States and provides the legal framework for EFTA as an organisation. It covers trade in goods and services, and includes areas such as investment and the free movement of persons. The EFTA Convention is updated regularly by the EFTA Council to reflect developments under the EEA Agreement and the Swiss bilateral agreements with the EU.

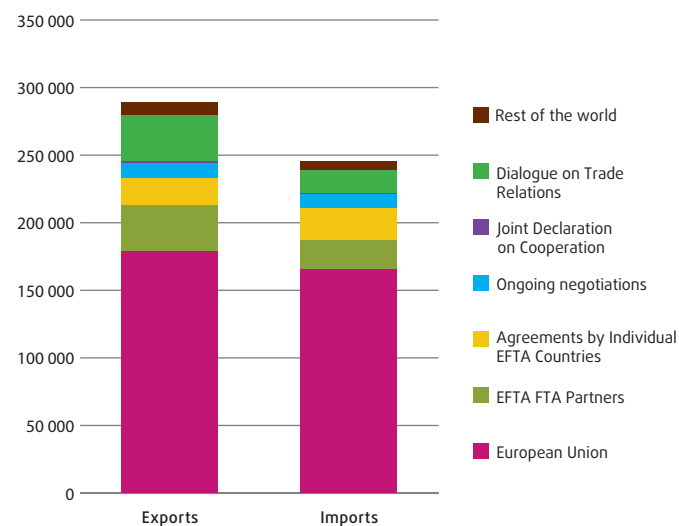
## How important is trade for the EFTA countries?

Cross-border trade and investment are central to the economic growth and dynamism of the EFTA countries, which are highly integrated in the global economy and are leading international investors. Together they ranked eighth in world merchandise trade and fifth in world commercial services trade in 2014. The EFTA States have developed one of the largest networks of FTAs, which today spans over 60 countries and territories, including the EU. Combining the contractual frameworks with the EU and the FTAs with non-EU countries, some 80% of EFTA's total merchandise trade is conducted under preferential arrangements.

## EFTA's Worldwide Trade Relations Network

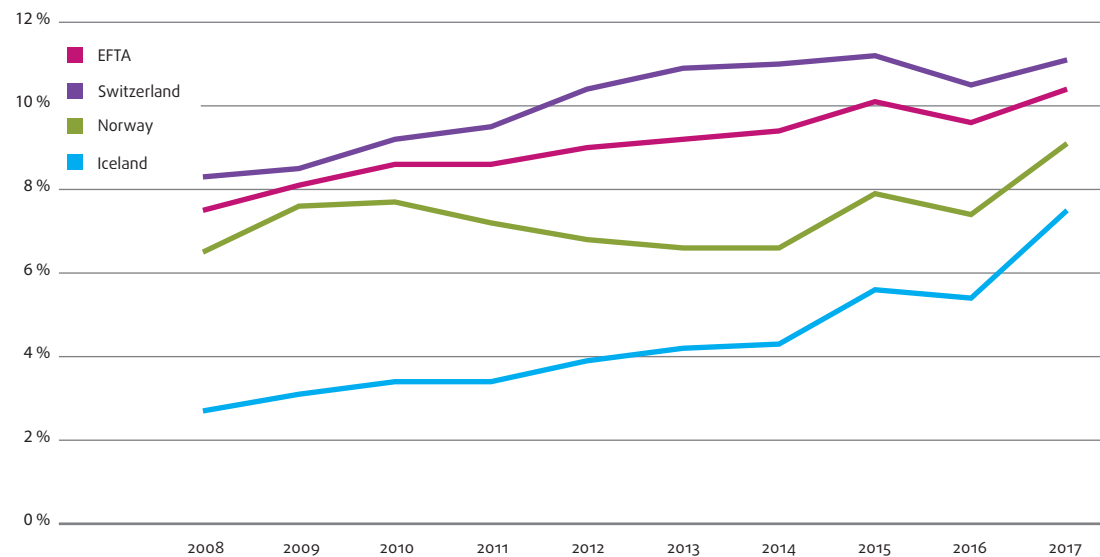


## EFTA merchandise trade, 2017 (million USD)



Data from EFTA national authorities as compiled by Global Trade Tracker

## Share of trade in goods with FTA partners



\* Trade in precious metals not included. Liechtenstein's trade with Switzerland is not included due to the existence of the Swiss-Liechtenstein Customs Union.

EFTA's 38 FTA partners (excluding EU) are: Albania, Bosnia and Herzegovina, Canada, Central American States (Costa Rica, Guatemala and Panama), Chile, Colombia, Egypt, Georgia, the Gulf Cooperation Council (GCC; comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates), Hong Kong China, Israel, Jordan, Republic of Korea, Lebanon, Macedonia, Mexico, Montenegro, Morocco, Palestine, Peru, the Philippines, Serbia, Singapore, Southern African Customs Union (SACU; comprising Botswana, Lesotho, Namibia, South Africa, Swaziland), Tunisia, Turkey and Ukraine

## How do EFTA's agreements relate to the WTO?

EFTA's FTAs are notified to the World Trade Organization (WTO) under Articles XXIV of the General Agreement on Tariffs and Trade (GATT) and V of the General Agreement on Trade in Services (GATS) (if they cover trade in services). They build on WTO rules and commitments, thereby enhancing framework conditions for transborder economic exchange and creating added value in terms of reducing obstacles to trade and legal security. The EFTA States see FTAs as a complement to, and not a substitute for, the multilateral trading system.

## What do EFTA's FTAs cover?

EFTA FTAs cover trade in industrial products (including fish) and agricultural products. They contain provisions on, among others, a joint committee, dispute settlement, rules of origin and trade remedies, as well as on competition and the protection of intellectual property rights. Many FTAs also contain substantive rules liberalising trade in services, investment and public procurement, as well as provisions on trade facilitation and sustainable development. Some FTAs extend to technical cooperation, with the aim of supporting free trade partners in the implementation of the agreements and enhancing their capacity to benefit from preferential access to the EFTA markets.

## Who are EFTA's FTA partners?

As of December 2017, the EFTA States have signed 27 FTAs with 38 partners from Eastern and South Eastern Europe, the Middle East, North and Southern Africa, Asia and the Americas. These agreements grant preferential access to markets of around 870 million consumers outside the EU. Several of EFTA's older FTAs are being reviewed in order to discuss the prospect of developing and expanding their scope.

## Main EFTA exports, 2017

