



EUROPEAN FREE TRADE ASSOCIATION

EFTA Statistical Office Publication:

Trade in Goods and Trading Partners of EFTA Member States 2017

Luxembourg, July 2018

Summary

The European Union is by far the most important trading partner of the four EFTA States Iceland, Liechtenstein, Norway and Switzerland. Total trade with the EU in 2017 amounted to more than 386 billion euros.

Machinery, mechanical appliances, and vehicles are among the top-ranking import products for all EFTA States. Considering the individual EFTA States, goods like fish and seafood, aluminium, pharmaceutical products and mineral fuels are the top-ranking exports.

The fact that the United Kingdom is among the most prominent trading partners of the EFTA States underlines the sensitivity of the planned withdrawal of the United Kingdom from the EU ("Brexit") for Iceland, Liechtenstein, Norway and Switzerland.

EFTA trade in goods¹

The European Union is the most important trading partner for all four EFTA States. Total trade in goods with the EU, i.e. the sum of imports and exports, amounted to 386.1 billion euros in 2017. This corresponds to 57% of the EFTA States' total trade with the world, which stood at 683 billion euros. Trade in goods with countries outside the EU amounted to 297 billion euros for the EFTA States combined.

All EFTA States with the exception of Switzerland had a positive trade balance with the EU in 2017, meaning that the value of exports exceeded the value of imports.

¹ See the explanatory notes in the box on p. 6 for methodological details.

The value of trade in goods related to the EFTA Free Trade Agreements (FTAs) with 36 partners² outside the EU stood at 94.2 billion euros in 2017 (see table 1). This corresponds to 14% of EFTA total trade. 82.8% of this trade was with Switzerland, 15.8% with Norway, 0.8% with Iceland and 0.5% with Liechtenstein. The high share for Switzerland is partly due to the fact that Switzerland is the biggest EFTA economy, often exporting patented or trademarked goods (patented pharmaceuticals, Swiss watches) that are exported more globally. Switzerland's exports are quite diversified if compared to Norway, whose main export goods are mineral fuels (57% of exports) that are mainly going to the EU and, hence, can be considered more local exports.

Whereas the trade balance with the FTA countries is positive for Liechtenstein and Switzerland, the opposite is the case for Iceland and Norway.

Table 1: EFTA States' trade in goods. Values in million euros, 2017

Trade values in million Euro 1)	World		EU28		EFTA FTAs 2)	
	Import	Export	Import	Export	Import	Export
Iceland	5 947.1	4 297.7	3 154.7	3 162.9	607.2	153.4
Liechtenstein	1 794.7	3 034.6	1 409.5	1 764.3	59.8	431.7
Norway	73 266.2	90 413.4	43 087.4	72 673.6	9 065.0	5 811.1
Switzerland	238 777.3	265 550.1	140 589.3	120 279.5	31 874.7	46 220.4
EFTA total	319 785.3	363 295.8	188 241.0	197 880.3	41 606.7	52 616.7

1) Includes trade in gold

Source: Eurostat (Comext) and Statistics Norway

2) Bilateral free trade agreements not included

As can be seen from Table 2, more than half of the total value of each EFTA State's imports and exports is generated in trade with the EU. The only exception is Switzerland, with an EU export share of 45.3%.

Table 2: EFTA States' trade in goods. Share of total trade values, 2017

Shares of total trade values 1)	EU28		EFTA FTAs 2)		Rest of the world	
	Import	Export	Import	Export	Import	Export
Iceland	53.0%	73.6%	10.2%	3.6%	36.7%	22.8%
Liechtenstein	78.5%	58.1%	3.3%	14.2%	18.1%	27.6%
Norway	58.8%	80.4%	12.4%	6.4%	28.8%	13.2%
Switzerland	58.9%	45.3%	13.3%	17.4%	27.8%	37.3%
EFTA total	58.9%	54.5%	13.0%	14.5%	28.1%	31.0%

1) Includes trade in gold

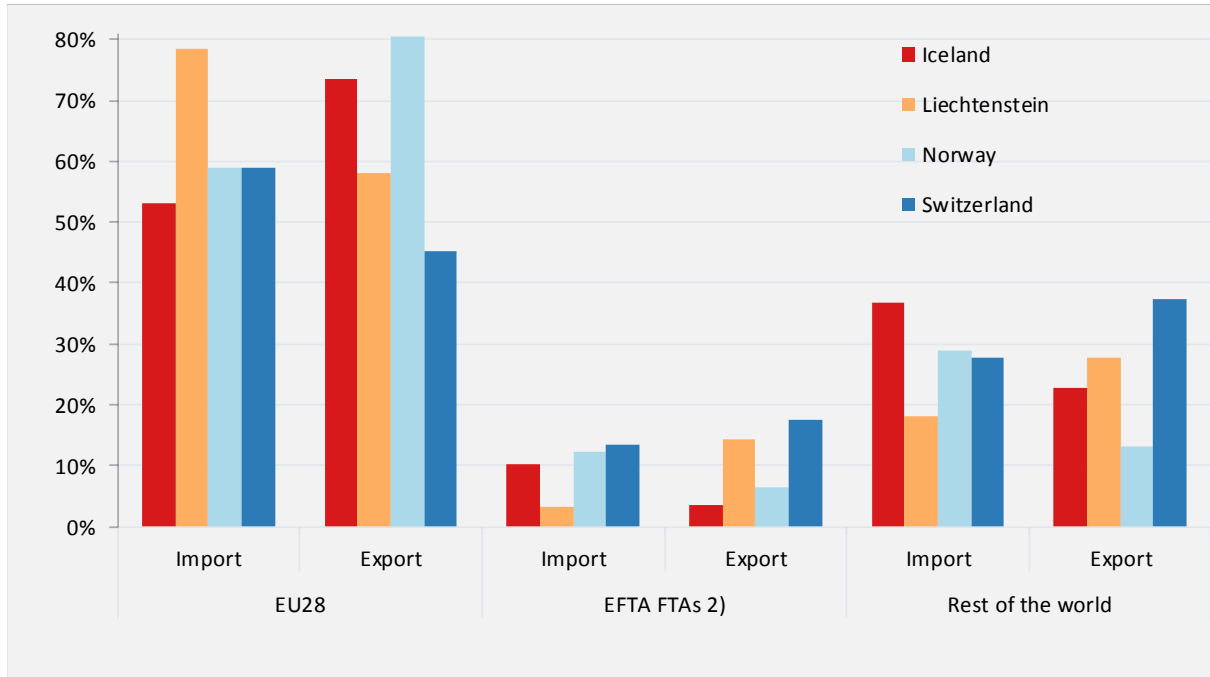
Source: Eurostat (Comext) and Statistics Norway

2) Bilateral free trade agreements not included

² There were 36 FTA partner countries in 2017. For latest figures and further information see: <http://www.efta.int/free-trade/fta-map>

Chart 1 displays a comparison of the values of the EFTA States' trade with the EU28, with countries covered by EFTA Free Trade Agreements and with the rest of the world in 2017.

Chart 1: Comparison of shares of EFTA States' total trade values in goods, 2017 ¹⁾



1) Includes trade in gold

Source: Eurostat (Comext) and Statistics Norway

2) Bilateral free trade agreements not included

Top 5 trading partners of individual EFTA States

Table 3 shows the main trading partners for the various EFTA States. It also shows the relative importance of some of their trading partners. The top sources of EFTA imports by trade value into most EFTA States are Germany, China, the United States, the UK, and Italy. A large share of EFTA exports is headed to EU Member States such as Germany, the UK, Netherlands, and France. China, the US, and India also appear as important trading partners when considering exports, and are among the top five for some EFTA countries. While Iceland's and Switzerland's trade relations with China are formalised through bilateral trade agreements, Norway's trade relation with China is not.

As can be seen from tables 3 and 4, the United Kingdom is an important trading partner for the EFTA States with a total trade value of about 55 billion euros (8.2% of EFTA total trade). Whereas the trade balance is positive for Iceland, Liechtenstein and Norway, it is negative for Switzerland, indicating that Switzerland imports more from the UK than it exports to it. These figures underline the sensitivity of the withdrawal of the United Kingdom from the EU ("Brexit") for the EFTA States' trade.

Table 3: EFTA States' top 5 trading partners, 2017

Top trading partners 1)	Import		Export	
	Partner	Share	Partner	Share
Iceland	Germany	10.8%	Netherlands	25.4%
	Norway	9.4%	Spain	13.5%
	China	7.2%	United Kingdom	9.4%
	Netherlands	6.8%	Germany	7.6%
	United Kingdom	5.8%	United States	7.0%
	Total	39.9%	Total	63.0%
	Rest of the world	60.1%	Rest of the world	37.0%
Liechtenstein	Germany	37.0%	Germany	23.1%
	Austria	24.1%	United States	13.9%
	China	7.3%	Austria	10.7%
	United States	5.8%	France	8.1%
	Italy	3.7%	China	4.8%
	Total	78.0%	Total	60.6%
	Rest of the world	22.0%	Rest of the world	39.4%
Norway	Sweden	11.5%	United Kingdom	21.1%
	Germany	11.1%	Germany	15.5%
	China	9.8%	Netherlands	9.9%
	United States	6.8%	Sweden	6.6%
	South Korea	6.8%	France	6.4%
	Total	46.0%	Total	59.6%
	Rest of the world	54.0%	Rest of world	40.4%
Switzerland	Germany	20.6%	Germany	15.2%
	United States	8.1%	United States	12.3%
	Italy	7.5%	China	8.2%
	United Kingdom	7.3%	India	6.7%
	France	6.7%	France	5.7%
	Total	50.1%	Total	48.0%
	Rest of the world	49.9%	Rest of world	52.0%

1) Includes trade in gold

Source: Eurostat (Comext) and Statistics Norway

EFTA Member State
EU28 Member State
FTA partner state
Bilateral FTA partner

Table 4 shows the value of the EFTA States' trade with the United Kingdom in 2017 as shares of their total trade. In the absence of a trade agreement with the UK and given the current situation it is obvious that all the EFTA States will be affected by Brexit in a number of ways.

Table 4: EFTA States' trade in values with the United Kingdom, 2017

Trade values and shares with the UK ¹⁾	Import		Export	
	Value	Share	Value	Share
Iceland	342.2	5.8%	404.3	9.4%
Liechtenstein	31.3	1.7%	78.6	2.6%
Norway	3482.8	4.8%	19082.8	21.1%
Switzerland	17374.0	7.3%	14906.1	5.6%
EFTA total	21230.3	6.6%	34471.7	9.5%

1) Includes trade in gold

Source: Eurostat (Comext) and Statistics Norway

Main imports and exports of the EFTA States

The most important categories of EFTA trading goods are shown in table 5. Machinery and mechanical appliances, vehicles, electrical machinery and precious stones and metals are the most prominent imported goods. Trade in gold, which falls under precious stones and metals, is especially relevant for Switzerland (see "Explanatory notes").

Table 5: EFTA States' top 5 trading goods, 2017

Top trading goods ¹⁾	Import		Export	
	Product	Share	Product	Share
Iceland	Vehicles (not railway)	13.7%	Aluminium and articles thereof	41.2%
	Electrical machinery	11.5%	Fish, crustaceans	33.6%
	Machinery, mechanical appliances	10.1%	Waste from food industries, animal feed	3.6%
	Inorganic chemicals	9.6%	Iron and steel	3.0%
	Mineral fuels, oils	7.9%	Optical, medical, surgical instruments	2.9%
	Total	52.9%	Total	84.3%
	Other products	47.1%	Other products	15.7%
Liechtenstein	Machinery, mechanical appliances	16.6%	Electrical machinery	12.8%
	Electrical machinery	9.1%	Vehicles (not railway)	12.5%
	Tools, cutlery made of base metal	8.1%	Machinery, mechanical appliances	12.5%
	Articles of iron or steel	7.5%	Articles of iron or steel	10.8%
	Optical, medical, surgical instruments	7.2%	Optical, medical, surgical instruments	9.4%
	Total	48.5%	Total	58.0%
	Other products	51.5%	Other products	42.0%
Norway	Machinery, mechanical appliances	12.0%	Mineral fuels, oils	57.2%
	Vehicles (not railway)	11.8%	Fish, crustaceans	10.8%
	Electrical machinery	8.9%	Other products	4.1%
	Articles of iron or steel	8.0%	Machinery, mechanical appliances	4.0%
	Mineral fuels, oils	4.5%	Aluminium and articles thereof	3.9%
	Total	45.1%	Total	80.0%
	Other products	54.9%	Other products	20.0%
Switzerland	Precious stones and metals	33.6%	Precious stones and metals	28.2%
	Pharmaceutical products	10.7%	Pharmaceutical products	23.5%
	Machinery, mechanical appliances	7.0%	Machinery, mechanical appliances	7.9%
	Vehicles (not railway)	5.6%	Clocks and watches	6.7%
	Electrical machinery	5.3%	Organic chemicals	6.6%
	Total	62.2%	Total	73.0%
	Other products	37.8%	Other products	27.0%

1) Includes trade in gold

Source: Eurostat (Comext) and Statistics Norway

Product categories are based on the Harmonized Commodity Description and Coding System, 2017

On the export side, fish and crustaceans, as well as aluminium, are highly important export goods for Iceland and Norway, while mineral fuels are Norway's most important export.

Exports of machinery and mechanical appliances are relevant for Liechtenstein, Norway and Switzerland. For Switzerland pharmaceutical products are also highly important. In a similar vein exports of optical, medical and surgical instruments are prominent for Iceland and Liechtenstein. The significance of all these categories in the EFTA States' exports points to the importance of a highly skilled work force in the respective economies.

Explanatory notes:

All figures are based on preliminary data for 2017 extracted from Eurostat's Comext trade data base and Statistics Norway on 23 April 2018.

Iceland

Since the main focus of this publication is with trade figures as they are published in Comext database, the figures for values in trade presented for Iceland deviate from trade figures published by Statistics Iceland which are based on the UN Compilers Manual and not on the EU concept.

Liechtenstein

Liechtenstein maintains a customs union with Switzerland. Comext figures exclude trade between Liechtenstein and Switzerland. Figures for Switzerland also contain numbers for Liechtenstein trade (double counting). Because of the comparatively large size of Switzerland's economy to Liechtenstein, this is considered here as being negligible.

Norway

Figures for Norway were extracted from Statistics Norway's dissemination database, since Norwegian data are currently not available in Comext.

Switzerland (see also Liechtenstein)

One peculiarity of Switzerland's imports and exports is with trade in gold (see table 5, "Precious stones and metal") which has actually only a low value added and is mainly due to Switzerland's role as a platform for international trade with gold. However, since the trade figures for Switzerland are taken also from Comext all numbers for Swiss trade in this publication include trade in gold.

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The **European Free Trade Association (EFTA)** is the intergovernmental organisation of Iceland, Liechtenstein, Norway and Switzerland. The EFTA Secretariat has three duty stations:

- Geneva in charge of Free Trade Agreements
- Brussels in charge of the European Economic Area
- Luxembourg EFTA Statistical Office

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