



This is EFTA

2015



This is EFTA 2015

Editor: Tore Grønningsæter

Copy Editor: Juliet Reynolds

Statistics compiled by Dimitar Bratanov, Anders Gjermstad and Melanie Theisinger

Concept and Design by Tuuli Sauren, INSPIRIT International Communication

Printed by Gramme SA, Belgium

Printed March 2015

Cover picture: © Zwilling/iStock

Further printed copies of this issue can be obtained free of charge by contacting webmaster@efta.int.

Table of Contents

The European Free Trade Association	4
EFTA: The Organisation	6
EFTA Free Trade Agreements	11
The EEA Agreement	18
The EFTA States	28
EFTA in Figures	30



The EFTA Ministerial meeting in November 2014: Gunnar Bragi Sveinsson, Minister for Foreign Affairs and External Trade, Iceland; Johann N. Schneider-Ammann (Chair), Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research, Switzerland; Aurelia Frick, Minister of Foreign Affairs, Liechtenstein; Monica Mæland, Minister of Trade and Industry, Norway; and Kristinn F. Árnason, Secretary-General, EFTA.

Foreword

This is EFTA 2015 provides an overview of the activities and institutional framework of the European Free Trade Association (EFTA), which has played an important role in the political and economic development of Europe and beyond since its establishment more than half a century ago.

This publication also offers updates on recent developments and presents statistical information about EFTA's Member States: Iceland, Liechtenstein, Norway and Switzerland. Together, they represent the world's twelfth largest trader in merchandise goods and seventh largest trader in commercial services, whilst being important markets for both outward and inward investment.

EFTA has three core tasks. The first is the liberalisation of intra-EFTA trade, which has been achieved in most areas through the EFTA Convention. Second, the EFTA States have built one of the largest networks of preferential trade relations in the world, currently consisting of 25 free trade agreements (FTAs) with 35 partners. Third, three of the four EFTA States – Iceland, Liechtenstein and Norway – are parties to the Agreement on the European Economic Area (the EEA Agreement), which ensures their participation in the Internal Market of the European Union in a comprehensive and effective manner.

The key to the success and longevity of EFTA lies in its ability to adapt to evolving political and economic realities, whilst serving as a highly practical and efficient economic policy instrument for its Member States.

EFTA has an ambitious agenda for extending its network of FTAs even further, in terms of both geographical and substantive coverage, and is engaged in a number of negotiation processes. EFTA is also committed to maintaining a homogeneous Internal Market on the basis of the EEA Agreement, as illustrated by some 630 legal acts that were incorporated into the Agreement last year. At the same time, EFTA's Member States remain strongly dedicated to the multilateral trading system embodied by the World Trade Organization and seek to develop this further.

Kristinn F. Arnason

Secretary-General



The EFTA Convention

Originally signed in Stockholm in 1960 and covering trade in goods, a new and more comprehensive EFTA Convention was signed in Vaduz in 2001.

The present Convention, frequently referred to as the Vaduz Convention, covers all important aspects of modern trade, including provisions on the free movement of persons, trade in services, movement of capital and protection of intellectual property. It has led to a strengthening of economic relations between the EFTA Member States and also provides an enhanced common platform for developing relations with trade partners around the world.

The EFTA Convention effectively applies to relations between Switzerland and the EEA EFTA States, as trade relations between Iceland, Liechtenstein and Norway are largely governed by the EEA Agreement. It is updated regularly by the EFTA Council to reflect common developments under the EEA Agreement and the Swiss bilateral agreements with the European Union (EU), ensuring that the EFTA States benefit from virtually the same privileged relationship among themselves as they do with the EU.

The European Free Trade Association



Representatives of the EFTA States initialling the EFTA Convention, Stockholm, November 1959. © Keystone

The European Free Trade Association is an intergovernmental organisation set up for the promotion of free trade and economic integration to the benefit of its Member States (today Iceland, Liechtenstein, Norway and Switzerland). The Association is responsible for the management of:

- The EFTA Convention, which forms the legal basis of the organisation and governs free trade relations between the EFTA States;
- EFTA's worldwide network of free trade and partnership agreements; and
- The Agreement on the European Economic Area, which extends the Internal Market of the European Union to three of the four EFTA States (Iceland, Liechtenstein and Norway).



EFTA and the EU 1960



EFTA

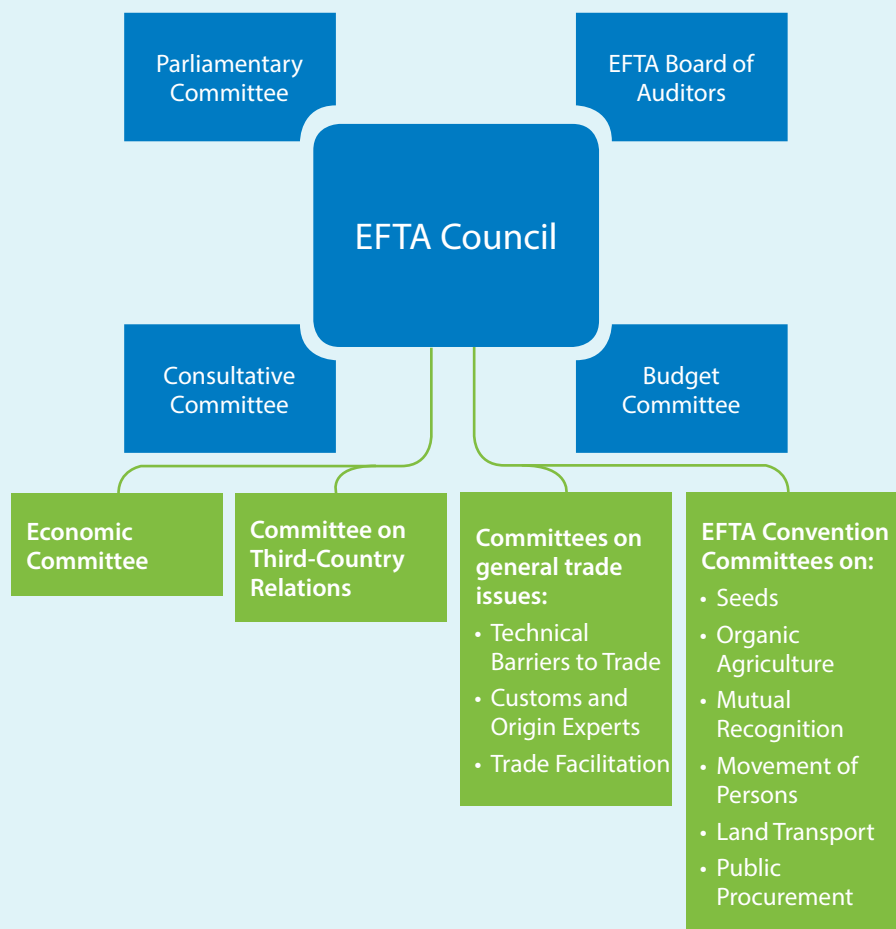
EU

- 1960** Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom establish EFTA
- 1970** Iceland becomes a member of EFTA
- 1972** Denmark and the United Kingdom leave EFTA to join the European Economic Community (EEC)
- 1985** Portugal leaves EFTA to become a member of the EEC
- 1986** Finland becomes a full member of EFTA
- 1991** Liechtenstein becomes a member of EFTA
- 1995** Austria, Finland and Sweden leave EFTA to join the European Union

EFTA and the EU 2015



Council Structure



EFTA: The Organisation

The EFTA Council

The EFTA Council manages relations between the EFTA States under the EFTA Convention. It is the forum in which the Member States consult each other, negotiate and act together. The Council's policy-making mandate is broad. The policies are designed to promote the overall objectives of the Association and to facilitate the development of links with other states and international organisations. The Council is also responsible for administrative and budgetary matters within EFTA.

The Council normally meets twice a year at ministerial level to provide political guidance to EFTA's work. At their summer meeting, the EFTA Ministers discuss free trade relations and developments under the EEA Agreement. An additional meeting devoted to free trade relations is usually held towards the end of the year. Between the ministerial meetings the Council convenes at ambassadorial level.

A number of specialised committees assist and report directly to the Council.

The Committee on Third-Country Relations, for instance, oversees the functioning and development of free trade and cooperation agreements with countries outside the European Union. The Committee of Customs and Origin Experts deals with cooperation in the field of customs. The Committee on Trade Facilitation seeks to improve procedures and reduce costs in cross-border trade. The Committee on Technical Barriers to Trade advises the Council on policy and financial issues regarding standardisation, conformity assessment and other issues related to technical legislation. The EFTA Board of Auditors is the auditing authority for the EFTA Secretariat. The Budget Committee assists the Council in budgetary matters. Finally, a number of committees manage the updating of the EFTA Convention.

The Standing Committee of the EFTA States

The Standing Committee of the EFTA States serves as a forum in which the EEA EFTA States (Iceland, Liechtenstein and Norway) consult each other with a view to agreeing on a common position before meeting with the European Union in the EEA Joint Committee (for further details on the Standing Committee, see page 22).

EFTA Advisory Bodies

The EFTA Parliamentary Committee (comprising members of EFTA's national parliaments) and the EFTA Consultative Committee (made up of social partner representatives) advise the Council and the Standing Committee on current EFTA matters. Both committees have formal links with their EU colleagues (see the two-pillar EEA structure on page 19). They also meet occasionally with their counterparts in countries where EFTA has free trade relations. For details of the EEA EFTA Forum of Elected Representatives, see page 24.

The EFTA Secretariat

The Secretariat is headed by the Secretary-General, who is assisted by two Deputy Secretaries-General based in Geneva and Brussels and an Assistant Secretary-General in Brussels. It employs approximately 80 staff members, a quarter of whom are based in Geneva, a small team in Luxembourg and the remainder in Brussels. All staff are employed on three-year contracts, renewable once. Whilst working at the Secretariat, EFTA staff are servants of the Association and therefore not responsible to their national governments.

The structure of the Secretariat reflects the different fields of EFTA's activities. The duty stations work closely together on implementing the EFTA Convention.

Staff at EFTA's headquarters in Geneva assist the EFTA Council and deal with the negotiation and management of free trade and partnership agreements with non-EU countries.

The Secretariat in Brussels provides support for the management of the EEA Agreement and assists the Member States in preparing new legislation for integration into the Agreement. The Secretariat also supports the Member States 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.



EFTA Statistical Office

The EFTA Statistical Office (ESO) is the liaison office between the EFTA National Statistical Institutes (NSIs) and Eurostat (the statistical office of the European Union), and is located at the premises of Eurostat in Luxembourg. Its main objective is to sustain the inclusion of the EFTA States in the European Statistical System (ESS), which provides the harmonised and comparable statistics needed to support overall cooperation between EFTA and the EU. In addition to the preparation of new statistical legislation to be incorporated into the EEA Agreement and monitoring of the transmission and publication of EFTA countries' statistical data, EFTA collaboration with the EU includes technical cooperation projects for third countries and participation in the European Statistical Training Programme (ESTP). ESO also provides statistical information for internal needs and uses within EFTA.

EFTA-EU cooperation in statistics is governed by Protocol 30 to the EEA Agreement and the Swiss-EU Agreement in the field of statistics, and ESO is supported by the Working Group of the Heads of NSIs of all four EFTA countries. Where EEA matters are concerned, Switzerland is an observer.

Eurostat's website provides users with EFTA and EU statistics that enable comparisons to be made between different countries and regions:
<http://ec.europa.eu/eurostat>

Georges Baur, Assistant Secretary-General in Brussels; Kristinn F. Árnason, Secretary-General; Martin Zbinden, Deputy Secretary-General in Geneva; and Dag Wernø Holter, Deputy Secretary-General in Brussels.



European Standardisation

Through the EFTA Secretariat in Brussels, the EFTA States, in partnership with the European Commission, financially support the development of standards-related work carried out by the European Standardisation Organisations (ESOs) **CEN**, the European Committee for Standardization; **CENELEC**, the European Committee for Electrotechnical Standardization; and **ETSI**, the European Telecommunications Standards Institute. The EFTA States and the European Commission cooperate closely to develop and implement European standardisation policy. The EFTA Secretariat has the status of European Counsellor within the ESOs, implying participation in General Assemblies and selected Board meetings and policy groups.

Financial contributions are also made to other organisations in support of European standardisation. These organisations include **ANEC**, the European association for the coordination of consumer representation in standardisation; **ECOS**, the European Environmental Citizens Organisation for Standardisation; and **EOTA**, the European Organisation for Technical Approvals.

Specific visibility projects that EFTA cofinances with the EU include the secondment of European standardisation experts to China and India, and also to **CESIP**, the Europe-China Standards Information Platform. CESIP is an information tool that aims at strengthening mutual trade between Europe and China by making standards and related technical regulations more accessible.

EFTA Milestones

- 1960** The European Free Trade Association is founded by Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom to promote closer economic cooperation and free trade in Europe.
- 1961** Finland becomes an associate member of EFTA. The EFTA Consultative Committee is established (representatives of trade unions and employers' organisations).
- 1966** Full free trade in industrial products is achieved between the EFTA States.
- 1970** Iceland becomes a member of EFTA.
- 1973** Denmark and the United Kingdom leave EFTA to join the European Economic Community (EEC). The remaining EFTA States sign bilateral free trade agreements (FTAs) with the EEC during the 1970s.
- 1977** The EFTA Parliamentary Committee is established. Tariffs on industrial goods in trade are eliminated between the EEC and the EFTA States.
- 1979** EFTA's first FTA is signed with Spain.
- 1984** The Luxembourg Declaration on broader cooperation between the EEC and EFTA is signed.
- 1985** Portugal leaves EFTA to become a member of the EEC.
- 1986** Finland becomes a full member of EFTA.
- 1989** Negotiations start on a European Economic Space, later to become the European Economic Area (EEA). The EFTA States sign an agreement on free trade in fish.
- 1991** Liechtenstein becomes a member of EFTA. An FTA is signed with Turkey, EFTA's oldest agreement still in force. A further twelve FTAs are signed in the 1990s, of which three are still in force (Israel, Morocco and the Palestinian Authority). The others, all of which are with Central and Eastern European countries, lapse upon their accession to the European Union (EU).
- 1992** The Agreement on the European Economic Area (EEA Agreement) is signed in Porto, Portugal. Switzerland rejects participation in the EEA by referendum.
- 1994** The EEA Agreement enters into force between the EU and five EFTA States (Austria, Finland, Iceland, Norway and Sweden). An EEA financial mechanism for the reduction of economic and social disparities in the EEA is established for the period 1994-1998.
- 1995** Austria, Finland and Sweden leave EFTA to join the EU. Liechtenstein becomes a full participant in the EEA Agreement.



- 2000** A new EEA financial instrument is established for the period 1999-2003. Eight FTAs are signed between 2000 and 2004 (in chronological order: Macedonia, Mexico, Croatia, Jordan, Singapore, Chile, Lebanon and Tunisia).
- 2001** The updated EFTA Convention is signed in Vaduz, Liechtenstein, entering into force a year later.
- 2003** An agreement on EEA enlargement in 2004 is signed as ten Central and Southern European countries join the EU. New EEA and Norwegian financial mechanisms are established for the period 2004-2009.
- 2005** Eight FTAs are signed between 2005 and 2009 (in chronological order: Republic of Korea, Southern African Customs Union, Egypt, Canada, Colombia, Albania, the Gulf Cooperation Council and Serbia).
- 2007** An agreement on EEA enlargement is signed as Bulgaria and Romania join the EU.
- 2009** Iceland applies for EU membership. New financial mechanisms are agreed for the period 2009-2014.
- 2010** The EEA EFTA Forum of Elected Representatives of Local and Regional Authorities is established. FTAs are signed with Peru and Ukraine.
- 2011** FTAs are signed with Hong Kong China and Montenegro.
- 2012** Member States agree on further liberalisation of trade in agricultural products under the EFTA Convention.
- 2013** Two FTAs are signed: with Bosnia and Herzegovina, and with Costa Rica and Panama.
- 2014** An agreement on EEA enlargement is signed to include Croatia. FTA negotiations are concluded with Guatemala.

European Accreditation

Accreditation is the last level of public control in the European conformity assessment system. It aims to ensure and attest that conformity assessment bodies (e.g. laboratories and inspection or certification bodies) have the technical capacity to perform their duties adequately.

The EFTA States and the European Commission are working together to implement a European accreditation policy. This includes the cofinancing of activities carried out by **EA**, the European co-operation for Accreditation. EA coordinates the European accreditation infrastructure to allow the results of conformity assessment services in one country to be accepted by regulators and the market place in another country without further examination, for the benefit of Europe and the global economy.

European accreditation policy is governed by Regulation (EC) No 765/2008 which for the first time established a common legal basis for accreditation, thereby providing a comprehensive legal framework for regulating the organisation of accreditation within the EEA.

EFTA Budget 2015

Fig. 1

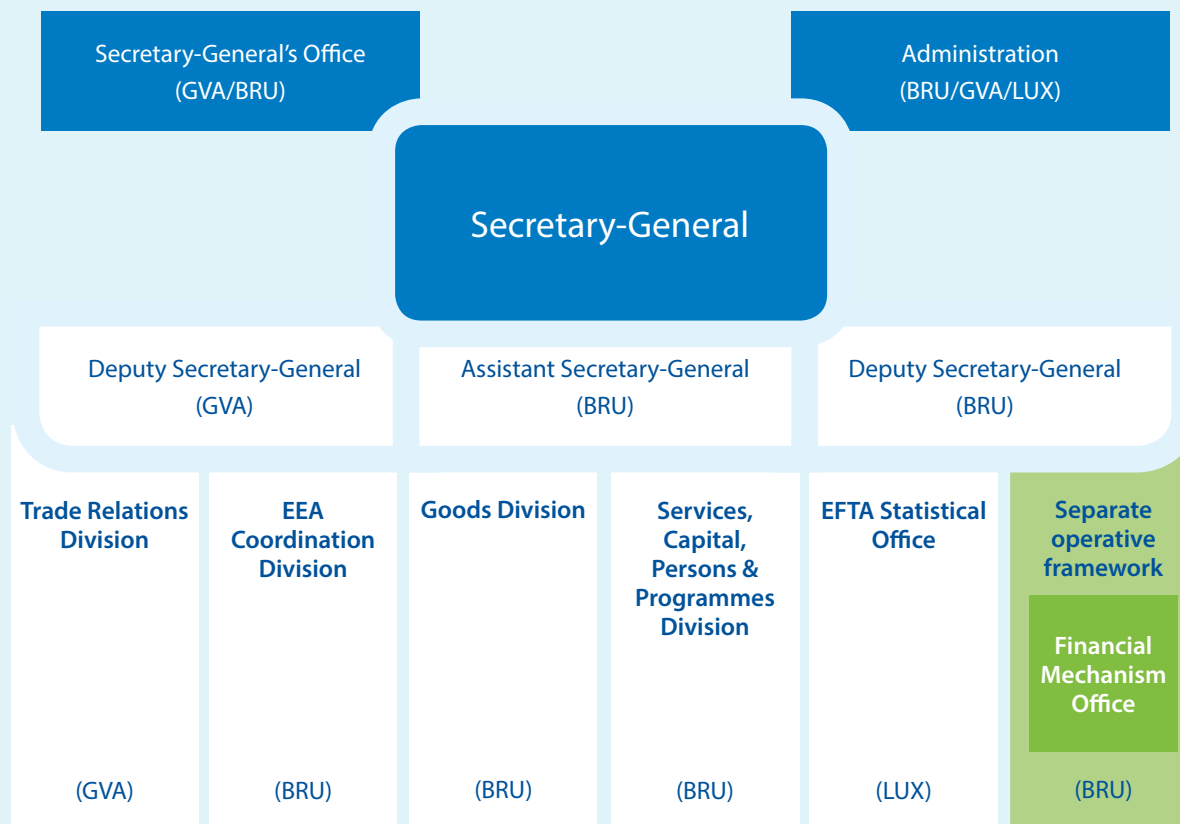
Budget posts 2015	Budget 2015 (in CHF)
EFTA Council and horizontal activities	2 098 000
Administration and management	3 613 000
Trade relations with countries outside the EU	4 589 000
EU/EFTA and EFTA cooperation programmes	2 896 000
EEA-related activities	8 141 000
EFTA-EU statistical cooperation	814 000
Total	22 151 000

Contributions to the EFTA Budget 2015

Fig. 2

Member State	Contributions (in CHF)	Share (as %)
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

Organisational Chart of the EFTA Secretariat



EFTA Free Trade Agreements

EFTA's trade strategy has evolved progressively to reach beyond the confines of Europe. Since the late 1990s, the EFTA States have "gone global" with the objective of maintaining and strengthening their competitive position worldwide.

Through EFTA, its Member States have created one of the world's largest networks of preferential trade relations, which they continue to extend and upgrade. EFTA's current FTA network secures economic operators preferential access to markets of around 720 million consumers outside the European Union.

The main reason why Iceland, Liechtenstein, Norway and Switzerland use EFTA as their common platform for preferential trade relations is that, as a group, they carry more economic and political weight, thus being more attractive to trade partners.

At the time of writing, EFTA has 25 free trade agreements with a total of 35 partners outside the EU: Albania, Bosnia and Herzegovina, Canada, the Central American States of Costa Rica and Panama, 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, the Palestinian Authority, Peru, Serbia, Singapore, the Southern African Customs Union (SACU; comprising Botswana, Lesotho, Namibia, South Africa and Swaziland), Tunisia, Turkey and Ukraine.

Negotiations have been concluded with Guatemala and are in progress with India, Indonesia, Malaysia and Vietnam. Negotiations with Algeria, the Customs Union of the Russian Federation, Belarus and Kazakhstan, Honduras and Thailand are on hold. Negotiations with the Philippines are set to start in spring 2015 and with Georgia in a timeframe yet to be determined. EFTA is also reviewing and comprehensively updating a number of existing FTAs, e.g. with Canada, Mexico and Turkey.

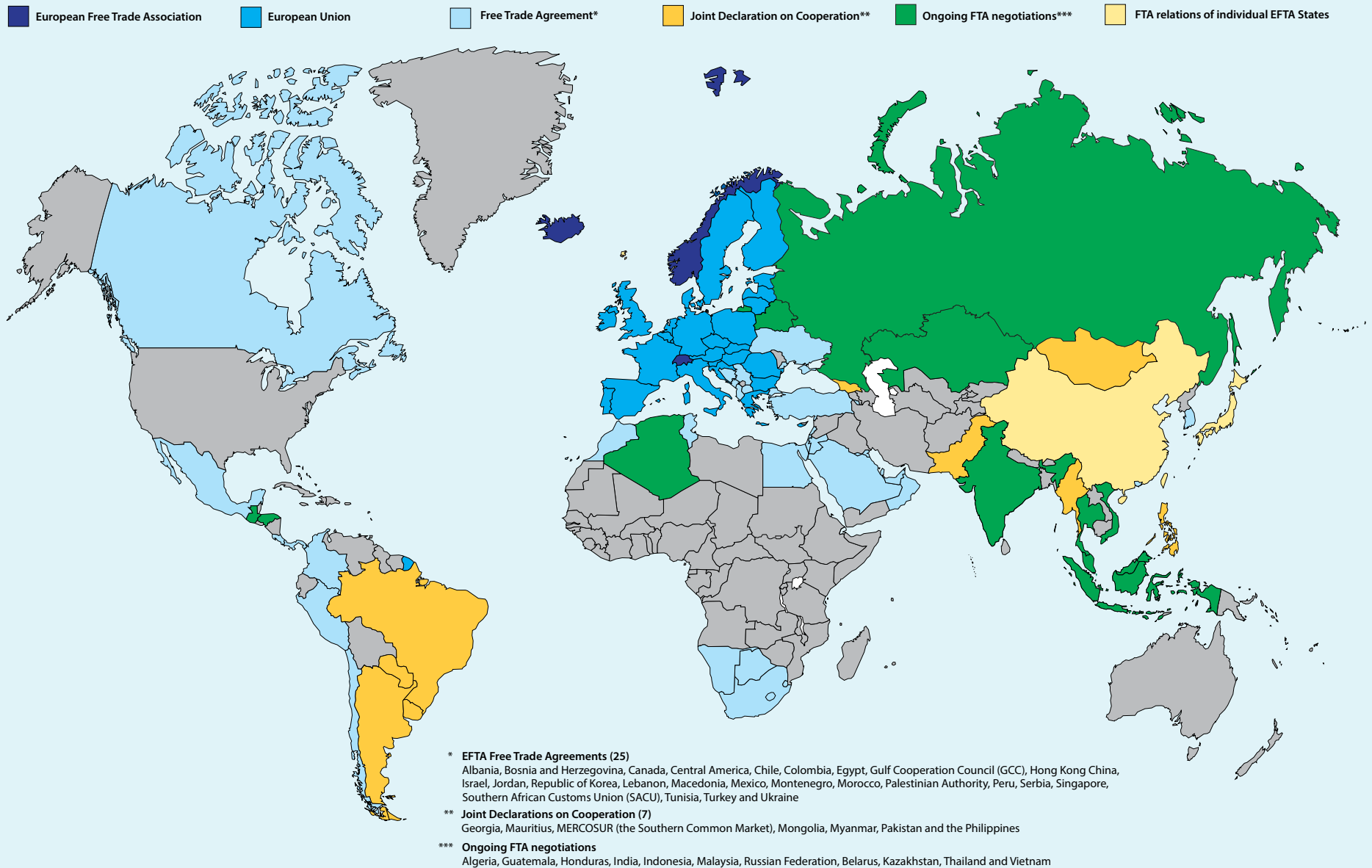
In addition, the EFTA States have joint declarations on cooperation (JDCs) with Mauritius, MERCOSUR (comprising Argentina, Brazil, Paraguay and Uruguay), Mongolia, Myanmar and Pakistan. These instruments provide for a framework of dialogue and cooperation towards closer trade and investment relations. For a full overview of EFTA's trade relations, see the map and legend on page 12. Furthermore, in 2013 EFTA established a trade policy dialogue with the United States.

While the EFTA States are pursuing a policy of strengthening and expanding preferential trade relations worldwide, they continue to attach the highest priority to a well-functioning multilateral trade system under the auspices of the World Trade Organization (WTO). In EFTA's view, the multilateral and bilateral approaches are mutually supportive.



Eduardo Sperisen-Yurt, Ambassador, Permanent Representative of Guatemala to the WTO; and María Luisa Flores, Vice Minister of Economy of Guatemala.

EFTA's Worldwide Network



Industrial Products

The EFTA States have a highly developed and diversified industrial base. Their FTAs normally grant duty-free access for all industrial products.

Fishery Products

In EFTA's free trade agreements, fish and other marine products are dealt with as industrial goods, in accordance with the framework of the WTO. As the fisheries sector is of major importance to both Iceland and Norway, free trade in these products constitutes an essential element of EFTA FTAs.

Agricultural Products

EFTA, like the EU, distinguishes in its FTAs between basic agricultural products (such as grain, milk and sugar) and processed agricultural products (such as bread, chocolate and soup). In principle, EFTA grants free trade in processed products. However, certain measures are maintained to compensate for the higher costs of domestic raw materials used by EFTA's food processing industry. Basic agricultural products are negotiated bilaterally between each EFTA State and the partner concerned, reflecting the fact that the EFTA States do not have a common agricultural policy.

Rules of Origin

With production processes often spread over several economies, rules of origin are essential to the functioning of FTAs. These rules determine which products may benefit from preferential market access. In order to qualify as "originating" under an FTA, products (both industrial and agricultural) need to be either "wholly obtained" or "sufficiently worked or processed" in the territory of an FTA partner. EFTA promotes liberal and user-friendly rules of origin reflecting the needs of globalised value chains.

Trade Facilitation

In recent years, EFTA has started to include disciplines on trade facilitation in its FTAs. These provisions aim at simplifying and accelerating import and export procedures for goods, thereby enhancing predictability and reducing costs for the business community.

SPS/TBT

Sanitary and phytosanitary (SPS) measures, as well as technical regulations and standards which may result in technical barriers to trade (TBT), have a significant potential to hamper international trade. Building on the relevant agreements of the WTO, EFTA free trade agreements feature additional elements aimed at avoiding these barriers.

Trade Remedies

Trade remedies are policy measures designed to apply in exceptional cases when imports of goods cause, or threaten to cause, serious injury to a domestic industry. EFTA free trade agreements normally include disciplines on subsidies and countervailing duties, actions taken against selling at unfairly low prices (“anti-dumping”) and emergency measures to limit imports temporarily. Building on WTO law, these provisions seek to reflect the special relationship established between free trade partners.

Intellectual Property Rights

The effective protection of intellectual property rights (IPR) is essential for innovation and international trade and investment. EFTA free trade agreements provide for high standards of IPR protection and contain measures to enforce such rights against infringement, including through counterfeiting and piracy. The provisions build on the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) as well as other international treaties in the area of IPR.

Services and Investment

EFTA free trade agreements with European and Mediterranean countries normally contain evolutionary clauses with regard to trade in services and investment. Other agreements contain provisions on trade in services which build on the WTO General Agreement on Trade in Services (GATS) and provide for enhanced disciplines in areas of mutual interest to the parties. The services chapter is complemented by annexes covering specific sectors, such as financial and telecommunications services.

With respect to investment, FTAs concluded by the EFTA States follow different patterns. Substantive provisions have notably been included in the FTAs with Chile, Central American States, Colombia, Hong Kong China, Peru, Singapore and Ukraine. These agreements provide legal security for the establishment of businesses and may extend to other aspects.

Competition

Many EFTA free trade agreements feature rules on competition in recognition of the fact that the liberalisation of trade may be undermined by business practices that prevent, restrict or distort competition between economic actors in the free trade area. These provisions also extend to the activities of public enterprises and monopolies.

Technical Cooperation

Technical cooperation is foreseen under some of EFTA's free trade agreements, with the objectives of assisting partner countries in their implementation of FTAs and strengthening their capacity to benefit from preferential access to the EFTA markets.

To make the best use of the resources available, EFTA's technical cooperation focuses on areas where expertise may be provided, such as technical standards, rules of origin and general customs procedures, fisheries, trade in services and IPR.

Government Procurement

Open and transparent government procurement markets reduce public expenditure by providing for fair competition and preventing corruption. Chapters on government procurement have been included in several of EFTA's recent FTAs on the basis of reciprocity, non-discrimination and transparency. The WTO's revised Government Procurement Agreement (2012) serves as the main reference for EFTA's negotiations in this field.

Sustainable Development

Since 2010, EFTA has also included provisions on trade and sustainable development in its FTAs. EFTA's model chapter on sustainable development does not aim to introduce new environmental or labour standards but to give recognition to existing instruments in the context of the FTA. EFTA's first agreements containing such provisions were concluded with Bosnia and Herzegovina, Central American States, Hong Kong China and Montenegro.

Joint Committee

A joint committee, composed of representatives of the EFTA States and the partner country, supervises the implementation and examines the further development of each FTA. Its work is typically facilitated by a subcommittee dealing with customs and origin matters. Meetings are normally held every two years.

Dispute Settlement

EFTA free trade agreements provide for consultation as the principal means of settling any differences that may arise with a partner country with regard to their implementation or interpretation. In the unlikely event that a mutually acceptable solution cannot be found, arbitration mechanisms included in all recent FTAs allow for a judicial review of the matter.

EFTA Joint Declarations on Cooperation

- Address cooperation on trade-related issues such as technical and other barriers to trade, customs and origin matters, and intellectual property rights.
- Aim to improve conditions for projects of private sector operators.
- Establish joint committees to discuss cooperation between partners, to examine ways and means to increase trade and investment, and to address other issues of mutual interest.
- May prepare the ground for free trade negotiations between the partners.

EFTA has signed joint declarations on cooperation with the following partners, the majority of which have subsequently become free trade partners: Albania, Algeria, Colombia, Egypt, Georgia, the Gulf Cooperation Council, Jordan, Lebanon, Malaysia, Mauritius, MERCOSUR, Mongolia, Montenegro, Morocco, Myanmar, Pakistan, the Palestinian Authority, Panama, Peru, the Philippines, Serbia, Tunisia and Ukraine.



Magnolia M. Uy, Commercial Attaché, the Philippines Mission to the WTO, Geneva; and Gregory L. Domingo, Secretary of Trade and Industry, the Philippines.

Different Levels of Economic Development

EFTA free trade agreements take into account the partner country's level of economic development. For instance, the EFTA States normally abolish all tariffs and other restrictions on industrial products upon the entry into force of an FTA, while a less economically developed country may benefit from transitional periods to adapt to free trade conditions.

EFTA's FTA network – merchandise trade: 2013 (in thousand EUR)

Fig. 3

Country	Total trade	Export	Import	Trade balance
EFTA's 35 FTA partners outside the EU	49 717 198	34 940 239	14 776 959	20 163 280
Albania	42 782	27 816	14 966	12 851
Bosnia and Herzegovina	117 060	42 588	74 472	-31 884
Canada	5 853 005	3 737 956	2 115 049	1 622 906
Central American States	614 621	363 829	250 792	113 037
Costa Rica	201 429	71 076	130 353	-59 277
Panama	413 192	292 753	120 439	172 314
Chile	468 692	297 492	171 199	126 293
Colombia	610 028	395 677	214 351	181 326
Egypt	783 817	691 759	92 058	599 701
Gulf Cooperation Council	6 996 069	6 145 616	850 453	5 295 164
Bahrain	310 601	275 262	35 339	239 923
Kuwait	421 052	365 459	55 594	309 865
Oman	208 480	201 819	6 660	195 159
Qatar	622 475	492 108	130 367	361 741
Saudi Arabia	2 000 852	1 871 613	129 239	1 742 375
United Arab Emirates	3 432 609	2 939 354	493 255	2 446 100
Hong Kong China	8 521 625	6 933 540	1 588 085	5 345 455
Israel	1 548 919	992 736	556 182	436 554
Jordan	238 784	235 949	2 835	233 114

Country	Total trade	Export	Import	Trade balance
Republic of Korea	5 900 120	4 090 365	1 809 755	2 280 611
Lebanon	679 031	445 133	233 898	211 235
Macedonia	110 783	43 606	67 177	-23 571
Mexico	2 616 223	1 409 429	1 206 794	202 635
Montenegro	12 211	9 865	2 346	7 519
Morocco	535 804	285 133	250 671	34 462
Palestinian Authority	22 775	22 343	432	21 911
Peru	500 313	167 800	332 513	-164 713
Serbia	245 188	142 346	102 842	39 503
Singapore	5 797 480	4 495 708	1 301 772	3 193 936
Southern African Customs Union	2 199 042	773 563	1 425 479	-651 916
Botswana	246 087	1 479	244 608	-243 129
Lesotho	1 806	449	1 357	-907
Namibia	41 245	15 028	26 216	-11 188
South Africa	1 903 075	754 509	1 148 566	-394 057
Swaziland	6 829	2 098	4 731	-2 634
Tunisia	335 722	176 558	159 163	17 395
Turkey	4 061 491	2 327 559	1 733 932	593 628
Ukraine	905 615	685 873	219 742	466 131

Source: Eurostat (COMEXT). Figures exclude trade in non-monetary gold.

The EEA Agreement



The Agreement on the participation of the Republic of Croatia in the European Economic Area was signed on 11 April 2014. From left: Joško Klisović, Deputy Minister of Foreign and European Affairs of Croatia; Atle Leikvoll, Ambassador, Mission of Norway to the EU; Théodoros N. Sotiropoulos, Ambassador, Permanent Representation of Greece to the EU; Kurt Jäger, Ambassador, Mission of Liechtenstein to the EU; and Thorir Ibsen, Ambassador, Icelandic Mission to the EU.

The Agreement on the European Economic Area (the EEA Agreement), which entered into force on 1 January 1994, extends the Single Market of the European Union to three of the EFTA countries — Iceland, Liechtenstein and Norway (the EEA EFTA States).

The EEA Agreement provides for the application of EU legislation covering the four freedoms — the free movement of goods, services, capital and persons — and common rules on competition and state aid, throughout the EEA States. In addition, it covers cooperation in important areas such as research and development, education, social policy, environment, consumer protection, tourism and culture, collectively known as “flanking and horizontal” policies. The EEA Agreement guarantees equal rights and obligations within the Single Market for citizens and economic operators in the EEA.

What Does the EEA Agreement NOT Cover?

The EEA Agreement does not include the following EU policies:

- Common Agriculture and Fisheries Policies
- Customs Union
- Common Trade Policy
- Common Foreign and Security Policy
- Justice and Home Affairs (the EFTA States are, however, part of the Schengen area)
- Economic and Monetary Union (EMU)

The Two-Pillar Structure under the EEA Agreement

The decision-making process (see below) is characterised by its two-pillar structure, illustrated in the diagram. The EEA EFTA States have not transferred any legislative competencies to the EEA institutions. However, the EEA Agreement established EEA EFTA bodies to match those on the EU side. The left pillar shows the EFTA States and their institutions, while the right pillar shows the corresponding EU institutions. Substantive decisions relating to the EEA Agreement and its operation are a joint venture with the EU and the responsibility of common bodies, in the middle column.

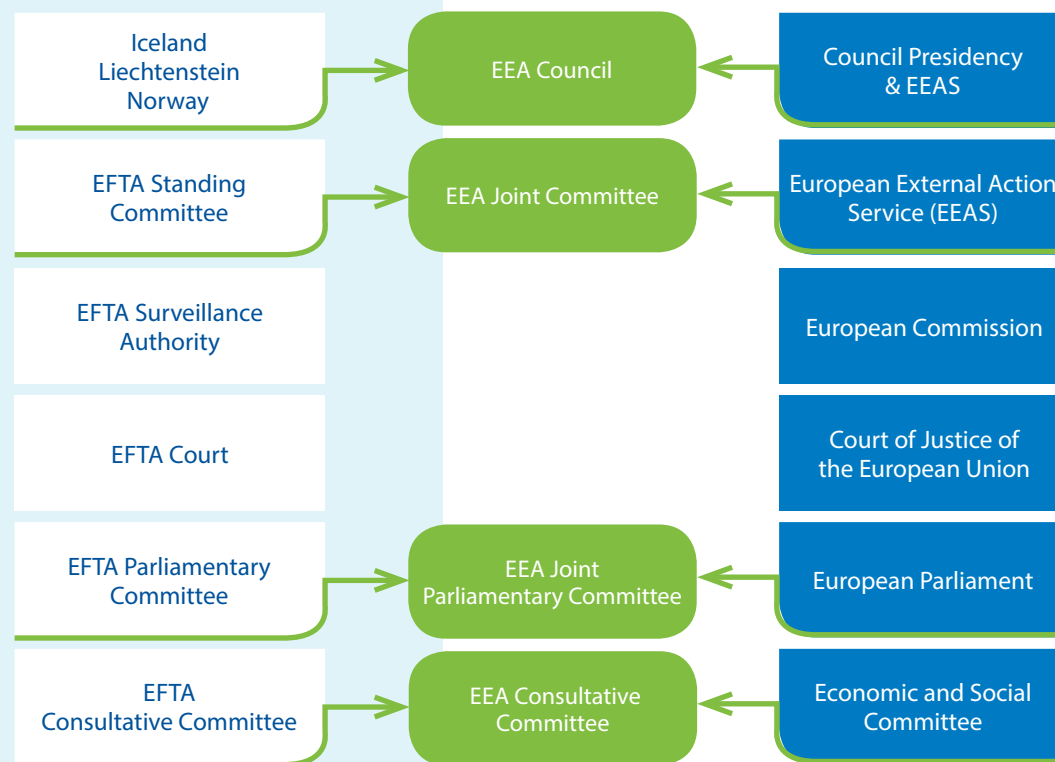
Decision Making

Whenever the European Union adopts or amends an act related to the Single Market, the contracting parties assess its EEA relevance with a view to amending the applicable annex to the EEA Agreement, in order to align it as closely as possible with EU legislation. This permits the harmonious development of law in the EEA, i.e. both within the EU and in the EEA EFTA States. Both sides to the EEA Agreement can request consultation on matters of concern and negotiate adaptations to the EU act in question.

EU legislation is incorporated into the EEA Agreement through the adoption of an EEA Joint Committee Decision, and implemented by the EEA EFTA States at national level.

Decision Shaping

The EEA EFTA States do not have the right to participate in the political decision making within the EU institutions. The EEA Agreement does, however, provide the EEA EFTA State experts with the opportunity to contribute to the shaping of EU legislation at the preparatory stage by participating in the European Commission's expert groups and comitology committees. These expert groups advise and assist the Commission with the drafting of new laws, which the EU Council of Ministers and the European Parliament subsequently adopt. The participation of EEA EFTA experts and representatives in over 500 of these committees and expert groups is a valuable and much appreciated opportunity to acquire information and contribute to new legislative proposals at the earliest stages of policy formation.



Participation in Programmes

Through the EEA Agreement, the EEA EFTA States participate in a wide range of EU programmes, projects and networks, from youth exchange and research programmes to public health and the development of digital content. Thousands of students from the EEA EFTA States have studied abroad through the Erasmus Programme, and many cultural institutions have participated in film, theatre or music projects through the Media and Culture Programmes. The EEA EFTA States' participation in these programmes has been beneficial for all parties concerned, enabling EFTA participants to find partners across the European Union, and EU participants to take advantage of the expertise and best practices that exist in the EEA EFTA States. In addition, the EEA EFTA States' financial contributions increase these programmes' budgets significantly.

A new generation of programmes has been established for 2014-2020. The EEA EFTA States have negotiated their participation in a range of programmes within this framework.

During the 2014-2020 programme period, the EEA EFTA States are participating in the following EU programmes (highest budget first):

- Horizon 2020 (EU framework programme for research and innovation)*
- Erasmus+ (EU programme for education, training, youth and sport)
- Galileo (European satellite navigation programme)**
- Creative Europe (EU framework programme for culture and media)*
- Connecting Europe Facility (Information and Communication Technologies (ICT) part)*
- European Statistical Programme 2013-2017 (EU programme to further the development of the European Statistical System (ESS))
- Health for Growth (EU programme to implement the EU health strategy)*
- Union Civil Protection Mechanism (EU programme to prevent and prepare for disasters)*
- Interoperability Solutions for Public Administrations (ISA) Programme
- Employment and Social Innovation (EU programme to support employment, social policy and labour mobility)*
- Consumer Programme (EU programme to implement EU consumer policy)*
- Copernicus (European Earth observation programme)***
- Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)**
- Rights, Equality and Citizenship Programme (EU programme to promote gender equality and children's rights, and to combat all forms of discrimination)*

* Iceland and Norway only

** Norway only

*** Iceland only



A detailed overview of EU programmes can be found at the “EU Programmes with EEA EFTA Participation” section of the EFTA website: www.efta.int/eea/eu-programmes.

EEA EFTA financial contributions to EU programmes, agencies and other activities

(payments in EUR 1 000)

Fig. 4

Sectors of activity	2013	2014
Research	206 140	201 386
Education, training and youth	37 654	42 865
Transport	28 033	39 134
Information services	3 946	3 983
Social policy and employment	3 065	3 120
Audiovisual sector	3 310	4 881
Enterprise, innovation and SMEs	10 771	5 801
Public health	2 921	5 787
Product requirements (chemicals, food and medicines)	3 032	1 283
Culture	1 576	849
Statistics	1 424	2 235
Environment	1 003	1 072
Consumer protection	673	626
Civil protection	458	1 110
Energy	3 477	2 205
Total EEA EFTA contribution	307 500	316 344

Participation in EU Agencies

A number of EU decentralised agencies have been set up in recent years to implement EU policies. The EEA EFTA States participate in several of these EU agencies, namely:

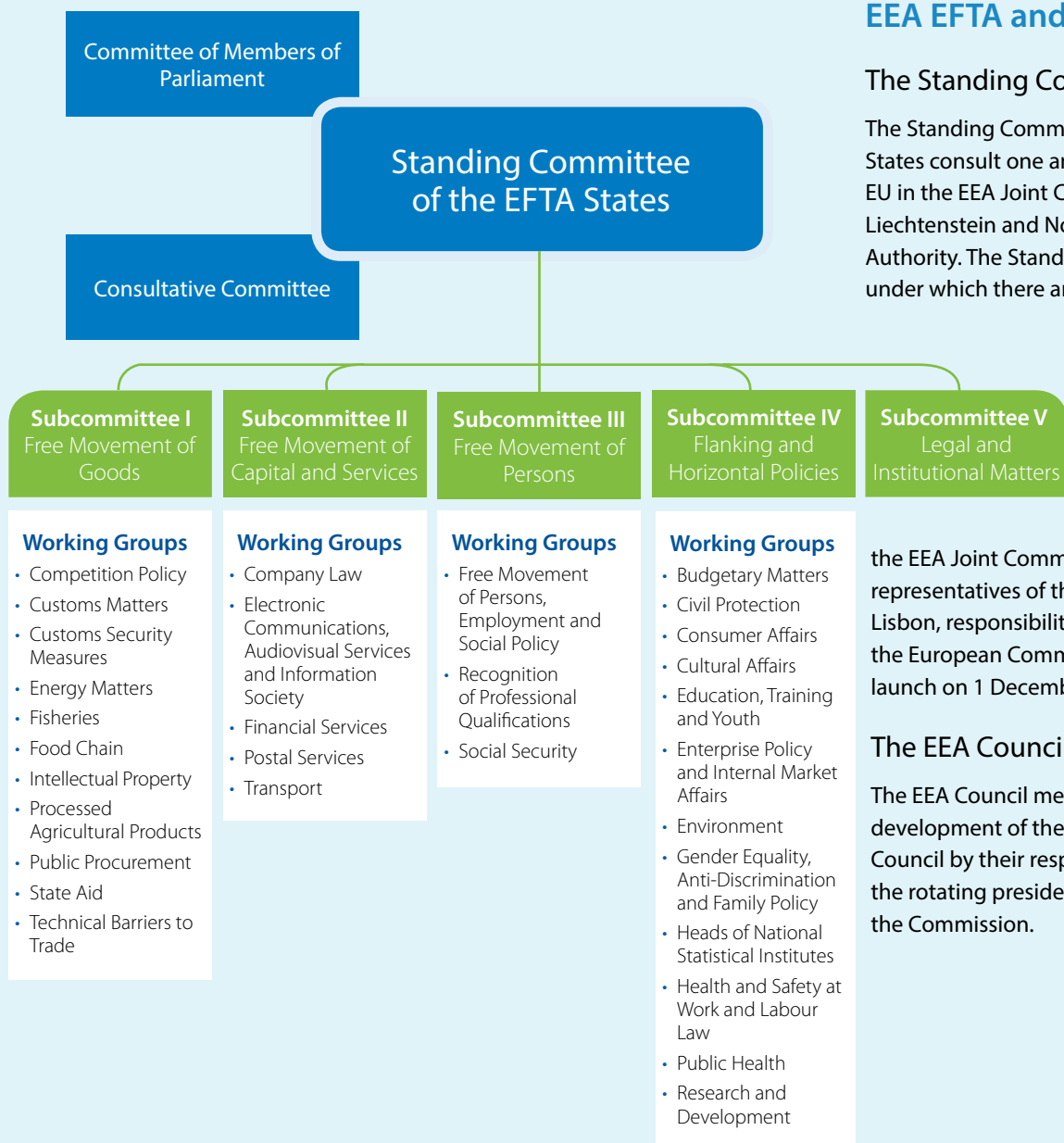
- European Agency for Safety and Health at Work
- European Aviation Safety Agency
- European Centre for Disease Prevention and Control
- European Centre for the Development of Vocational Training
- European Chemicals Agency
- European Environment Agency
- European Food Safety Authority
- European Foundation for the Improvement of Living and Working Conditions
- European Global Navigation Satellite Systems (GNSS) Agency
- European Maritime Safety Agency
- European Medicines Agency
- European Network and Information Security Agency
- European Railway Agency

Several executive agencies, whose tasks are limited to the implementation of EU programmes, have also been established. The EEA EFTA States contribute to the operation of many of these agencies through their participation in the relevant EU programmes.

EEA EFTA and Joint EEA Bodies

The Standing Committee of the EFTA States

The Standing Committee of the EFTA States serves as a forum in which the EEA EFTA States consult one another and arrive at a common position before meeting with the EU in the EEA Joint Committee. It consists of the ambassadors to the EU of Iceland, Liechtenstein and Norway, and observers from Switzerland and the EFTA Surveillance Authority. The Standing Committee's substructure consists of five subcommittees, under which there are several working groups.



The EEA Joint Committee

The EEA Joint Committee is responsible for the management of the EEA Agreement and typically meets seven to eight times a year. It is a forum in which views are exchanged and decisions are taken by consensus to incorporate EU legislation into the EEA Agreement. Before the Lisbon Treaty, the EEA Joint Committee comprised the ambassadors of the EEA EFTA States and representatives of the European Commission. In accordance with the Treaty of Lisbon, responsibility for coordinating EEA matters on the EU side was moved from the European Commission to the European External Action Service following its launch on 1 December 2010.

The EEA Council

The EEA Council meets twice a year and provides the political impetus for the development of the EEA Agreement. The EEA EFTA States are represented in the EEA Council by their respective foreign ministers. The European Union is represented by the rotating presidency, as well as the European External Action Service (EEAS) and the Commission.

Supervisory Bodies

The EFTA Surveillance Authority

Located in Brussels, the EFTA Surveillance Authority (ESA) ensures that Iceland, Liechtenstein and Norway meet their obligations under the EEA Agreement, in the same way that the EU Member States are supervised by the European Commission. It also ensures that enterprises in these countries abide by the rules relating to effective competition. ESA can investigate possible infringements of EEA provisions, either on its own initiative, or on the basis of complaints. ESA maintains close contact and cooperates frequently with the Commission.

The EFTA Court

The EFTA Court, based in Luxembourg, corresponds to the Court of Justice of the European Union in matters relating to the EEA EFTA States. The Court deals with infringement actions brought by ESA against an EEA EFTA State with regard to the implementation, application or interpretation of an EEA rule. The Court also handles the settlement of disputes between two or more EEA EFTA States. It hears appeals against decisions taken by ESA and gives advisory opinions to courts in the EEA EFTA States on the interpretation of EEA rules.

Advisory Bodies

The EEA Joint Parliamentary Committee

The EEA Joint Parliamentary Committee is an advisory body comprising members of the national parliaments of the EEA EFTA States and Members of the European Parliament. It is not directly involved in the EEA decision-making process, but through reports and resolutions it aims to scrutinise and influence EEA-relevant EU policies and decisions in the EEA Joint Committee.

EFTA Seminar on the EEA

EFTA organises a regular EEA seminar in Brussels. The aim of this seminar is to provide professionals from both the public and private sectors with an overview of how the EEA Agreement works in practice, including its structure and procedures.

More information regarding the EEA seminar is available on the EFTA website: www.efta.int/eea/seminars.



EFTA Introductory Seminar on the EEA, 4 September 2014.

The EEA Consultative Committee

The EEA Consultative Committee is an advisory body made up of members of the EFTA Consultative Committee and of the European Economic and Social Committee. The Committee works to strengthen contacts between social partners on both sides and to cooperate in an organised and regular manner to enhance awareness of and provide input regarding the economic and social aspects of the EEA.

EEA EFTA Forum of Elected Representatives of Local and Regional Authorities

The EEA EFTA Forum is an informal body of elected representatives from local and regional authorities in the EEA EFTA States. The Forum expresses opinions on EEA matters of particular concern to local government and has links with the Committee of the Regions of the EU.

EEA Grants and Norway Grants

The EEA Grants and Norway Grants contribute to reducing economic and social disparities in the EEA and to strengthening bilateral relations between the three EEA EFTA States and sixteen beneficiary countries in Central and Southern Europe.

Results

The five-year funding schemes under the EEA Grants and Norway Grants have been in place since 1994. For the 2004-2009 period, EUR 1.3 billion was allocated to 1 206 projects and funds, with the Grants focusing on areas where support was most needed by the beneficiary countries, in line with wider European interests and goals. Available funding was committed in all of these countries and the implementation rate was very high. About 97% of the projects were completed by the end of 2013.

Objectives

Under the 2009-2014 Grants, funding has increased to EUR 1.8 billion. EUR 993.5 million is financed by the EEA Grants, with Norway providing around 95.8%, Iceland 3% and Liechtenstein 1.2%. The Norway Grants (EUR 804.6 million) are financed by Norway alone. A total of 150 programmes have been approved across the 16 beneficiary countries: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain. Projects may be put into effect until 2016.

Grants are available for non-governmental organisations (NGOs), research and academic institutions, and the public and private sectors. Special attention is given to the needs of vulnerable groups such as the Roma and children and youth at risk.

Ten priority sectors are supported by the EEA Grants and Norway Grants 2009-2014:

- **Environmental protection and management** aims to implement sustainable water management, halt the loss of biodiversity, improve compliance with environmental legislation and prevent adverse environmental effects.
- **Climate change mitigation and promotion of renewable energy** fosters reduced emissions of greenhouse gases and air pollutants, increased use of renewable energy, reduced human and ecosystem vulnerability to climate change, and climate change-related research and technology.
- **Civil society development** is being strengthened to enhance its contribution to social justice, democracy and sustainable development.
- **Human and social development** supports the well-being of children and youth at risk, local and regional initiatives reducing national inequalities and promoting social inclusion, public health initiatives, gender equality and work-life balance, and migrants and unaccompanied asylum-seeking children. The Norway Grants finance capacity-building and institutional cooperation, as well as cross-border cooperation.
- **Protection of cultural and natural heritage** (through conservation, revitalisation and the promotion of diversity in culture and arts) preserves national heritage, increases cultural dialogue and fosters local communities.
- **Research and scholarship** aims to promote cooperation and mobility in research and education between the donor and beneficiary countries, and enhance the development of human capital and knowledge.
- **Carbon capture and storage** contributes to safe capture and storage of carbon dioxide.
- **Green industry innovation** increases the competitiveness of green enterprises, strengthens green innovation and entrepreneurship, and creates green jobs.
- **Promotion of decent work and tripartite dialogue** improves social dialogue and cooperation between employers' organisations, trade unions and public authorities.
- **Justice and home affairs** aims to tackle gender-based violence, combat cross-border and organised crime, and support the reforms of judicial systems and correctional services.



Young people taking part in the Rainbow Bus Tour organised by the Lithuanian LGBT rights NGO, LGL, which received support from the EEA Grants-funded NGO programme. Photo: Human Rights Monitoring Institute.

Strengthening Bilateral Ties

The EEA Grants and Norway Grants seek to strengthen relations between the donors and the beneficiaries. In more than half of the programmes, public bodies from Iceland, Liechtenstein and Norway are involved as partners to the programme operators.

The role of the donor programme partners is to advise the programme operators and contribute their expertise in both programme planning and implementation. They also provide advice on the selection of projects to be awarded funding under the programmes and inform potential project partners in the donor states about cooperation possibilities.

Partnerships between entities in the beneficiary and donor states are also encouraged at project level. In some programmes, project partnerships with entities from the donor states are mandatory. A partnership project is a joint project where input from both partners is necessary to achieve its objectives. Networks developed through the Grants are expected to create sustainable partnerships and strengthen political, academic, professional, business and cultural ties, bringing mutual benefits.

Bilateral Funds

To strengthen bilateral ties in all programme areas, 1.5% of each programme's allocation is set aside to promote such cooperation in the relevant areas. At national level, a further 0.5% of the beneficiary country's allocation is earmarked for strengthening bilateral relations.

Partnerships with International Organisations

Strategic partnerships with several international organisations – the Council of Europe, Open Society Foundations, EU Agency for Fundamental Rights and Transparency International – are also a key feature of the 2009-2014 funding schemes. The Council of Europe in particular is involved in twenty-one programmes in ten beneficiary countries, providing strategic advice as well as technical input in its area of expertise – human rights, democracy and the rule of law.

EEA EFTA Support Overview: 2004-2014

Grant schemes are negotiated and agreed between the EEA EFTA States and the European Commission on a five-year basis.

Period	EEA Grants (in million EUR)	Norway Grants (in million EUR)	Beneficiary countries*	Supported sectors	Status
2009-2014	993	800	Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovak Republic, Slovenia and Spain	Environmental protection and management, climate change and renewable energy, carbon capture and storage, green industry innovation, civil society, human and social development, protecting cultural heritage, academic research and scholarship, promotion of decent work and tripartite dialogue, and justice and home affairs	Establishment of programmes began in late 2011. By the end of 2014, 150 programmes had been approved. Projects may be implemented until 2016.
2004-2009	672	635	Bulgaria, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovak Republic, Slovenia and Spain	Environment and sustainable development (23%), conservation of European cultural heritage (21%), health and childcare (14%), human resource development (11%), Schengen and judiciary (10%), civil society (7%), academic research (7%) and regional policy and cross-border activities (4%)	1 250 projects and funds were approved in the 15 beneficiary states. About 97% of the projects had been completed by the end of 2013.

* Since 2004, Greece, Portugal and Spain have only been eligible for funding through the EEA Grants. Spain received transitional support until the end of 2013.



The EFTA States

The four EFTA States are world leaders in several sectors vital to the global economy. Liechtenstein, despite its small size and limited natural resources, is highly industrialised and specialised in capital-intensive and R&D driven technology and products.

The Swiss economy is based on high quality products that are competitive in world markets. Switzerland is a world leader in pharmaceuticals, biotechnology, machinery, watchmaking, banking and insurance.

The Icelandic economy benefits from renewable natural resources, in particular rich fishing grounds and hydro and geothermal power. Whilst still relying heavily on fishing and fish processing, the Icelandic economy has increasingly diversified into other industries and services.

Abundant natural resources also contribute significantly to Norway's economic strength. Key activities relate to petroleum exploration and production, hydroelectric power and fisheries. Important services sectors include maritime transport, telecommunications and energy-related services.

In 2013, the combined gross domestic product (GDP) of the EFTA States amounted to almost EUR 925 billion (figure 6). In terms of purchasing power, the EFTA States represent a sizeable market, ranking alongside countries with the highest GDP per capita in the world. The EFTA economies perform consistently well with regard to competitiveness, according to the Institute for Management Development's World Competitiveness Scoreboard 2014 and the World Economic Forum's Global Competitiveness Index 2014 (figures 19 and 20), and EFTA citizens enjoy a high quality of life (figure 22).

General Information: 2015

Fig. 5

	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 2014)	325 671	37 129*	5 109 056	8 136 689*
Population Density (inhabitants per km ²)	3.2	232.1	13.3	197.1
Currency	Icelandic króna (ISK)	Swiss franc (CHF)	Norwegian krone (NOK)	Swiss franc (CHF)
National Holiday	17 June	15 August	17 May	1 August

Sources: Official government websites and Eurostat

* Population figures for Liechtenstein and Switzerland are provisional.

The EFTA States are traditionally dependent on, and open to, international trade. As a consequence, trade accounts for a significant share of their economic activity (figure 6). In spite of their modest size, in 2013 the EFTA States together constituted the world's twelfth largest merchandise trader (figure 7) and seventh largest trader in commercial services (figure 8), when counting the EU as one.

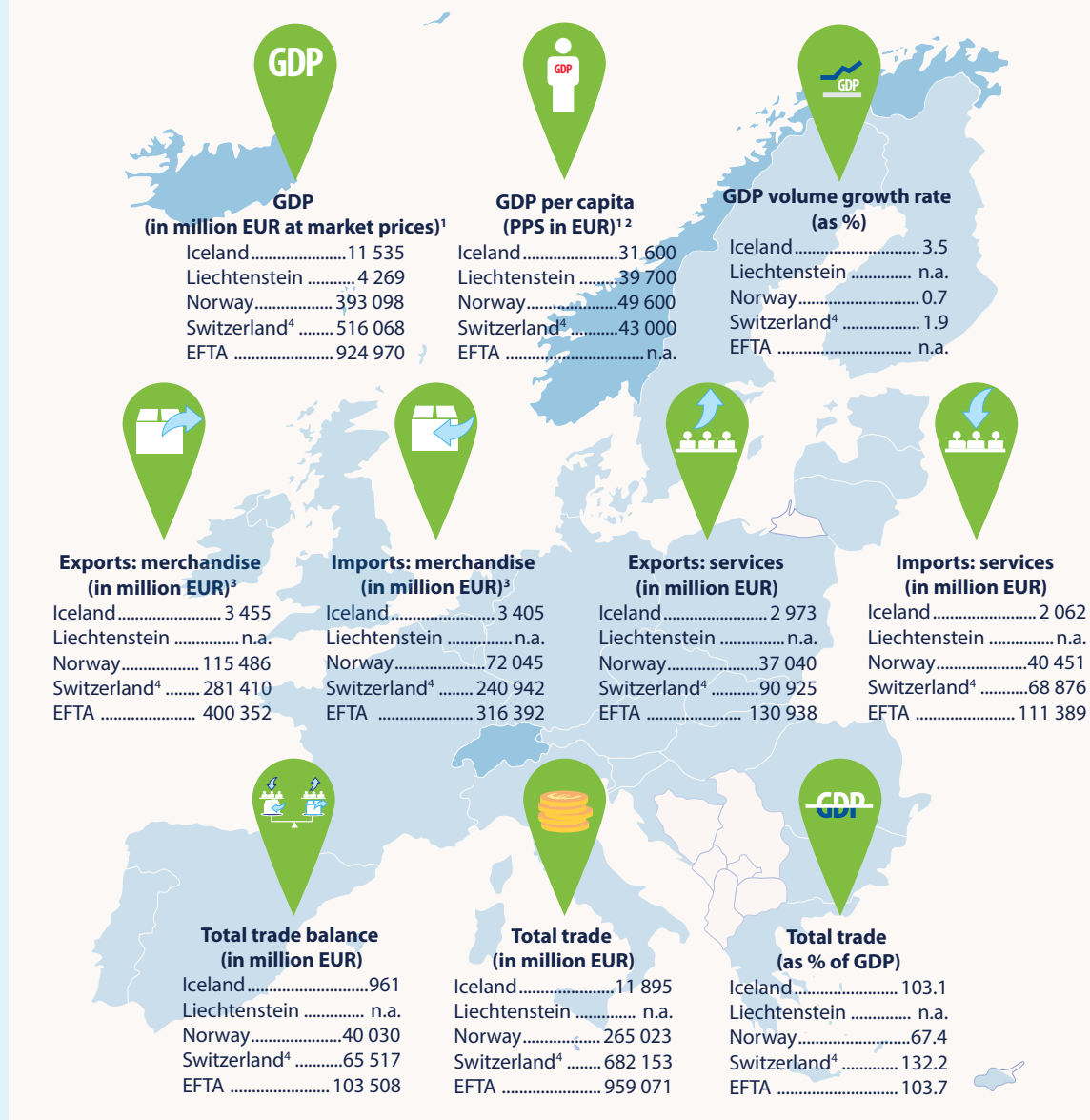
The EU is EFTA's main trading partner, accounting for 70.0% of EFTA's merchandise imports and 65.7% of its exports in 2013 (figures 12, 13 and 14). EFTA is the EU's third largest trading partner, placing it before the Russian Federation (figure 9). EFTA also ranked second in trade in services in 2013, after the United States and before China, the Russian Federation and Japan (figure 9).

The EFTA States are significant investors abroad, in terms of both direct and portfolio investment. Their combined stock of outward foreign direct investment (FDI) in 2013 amounted to USD 1 503 billion (figures 17 and 18). The EFTA States are hosts to a significant number of major multinational companies such as Nestlé, Novartis, Roche, StatoilHydro, UBS and ABB (figure 21).

EFTA in Figures

Economic Indicators 2013

Fig. 6



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

¹ Figures for Liechtenstein are from 2012 and are based on ESA95 methodology.
² Liechtenstein inhabitants adjusted by cross-border commuter population.
Purchasing power standard (PPS) is an artificial currency unit allowing for price comparisons across borders adjusted for purchasing power.

³ Liechtenstein's trade figures are included in Switzerland's trade figures due to the Swiss-Liechtenstein Customs Union.

⁴ Swiss figures are provisional.

Leaders in World Trade 2013

Merchandise trade (in billion USD and as %)

Fig. 7

Rank	Country	Total	Share (as %) of world total
1	EU ¹	12 080	32.04
2	China	4 159	11.03
3	United States	3 909	10.37
4	Japan	1 548	4.11
5	Hong Kong China ²	1 158	3.07
6	Republic of Korea	1 075	2.85
7	Canada	933	2.47
8	Russian Federation	866	2.30
9	Singapore ²	783	2.08
10	India	779	2.07
11	Mexico	771	2.05
12	EFTA	684	1.81
13	United Arab Emirates	630	1.67
14	Chinese Taipei	575	1.53
15	Saudi Arabia	544	1.44
16	Australia	495	1.31
17	Brazil	493	1.31
18	Thailand	479	1.27
19	Malaysia	434	1.15
20	Turkey	403	1.07
21	Indonesia	371	0.98
22	Vietnam	264	0.70
23	South Africa	222	0.59
24	Qatar	172	0.46
25	Nigeria	159	0.42
Total of above		33 988	90.14
World^{1,2}		37 706	100.00

Source: WTO Secretariat. Trade in non-monetary gold is excluded.

¹ Includes intra-EU trade.

² Includes significant re-exports.

Trade in commercial services (in billion USD and as %)

Fig. 8

Rank	Country	Total	Share (as %) of world total
1	EU ¹	3 662	40.57
2	United States	1 094	12.12
3	China	534	5.92
4	Japan	308	3.41
5	India	276	3.05
6	Singapore	251	2.78
7	EFTA	242	2.69
8	Republic of Korea	218	2.41
9	Hong Kong China	193	2.14
10	Russian Federation	188	2.08
11	Canada	183	2.03
12	Brazil	121	1.34
13	Australia	114	1.27
14	Thailand	114	1.26
15	Chinese Taipei	93	1.03
16	United Arab Emirates	86	0.96
17	Malaysia	85	0.94
18	Turkey	69	0.76
19	Macao China	65	0.72
20	Saudi Arabia	63	0.70
21	Indonesia	56	0.62
22	Israel	52	0.58
23	Mexico	48	0.54
24	Philippines	36	0.40
25	Qatar	35	0.39
Total of above		8 185	90.68
World¹		9 026	100.00

Source: WTO Secretariat

¹ Includes intra-EU trade.



EFTA: a major trading partner for the EU

Fig. 9

Merchandise trade: 2013 (in million EUR and as %)

Rank	Partner	Import	Export	Total trade	Balance	As % of EU's external trade
	Extra-EU ¹	1 736 600	1 684 738	3 421 338	51 862	100.0
1	United States	289 462	196 149	485 611	93 313	14.2
2	China	148 154	280 088	428 242	-131 934	12.5
3	EFTA	222 354	188 523	410 877	33 831	12.0
4	Russian Federation	119 458	206 913	326 371	-87 454	9.5
5	Turkey	77 567	50 653	128 221	26 914	3.7

Trade in commercial services: 2013 (in million EUR and as %)

Rank	Partner	Import	Export	Total trade	Balance	As % of EU's external trade
	Extra-EU ¹	684 398	511 239	1 195 637	173 159	100.0
1	United States	160 653	148 204	308 856	12 449	25.8
2	EFTA²	107 370	75 604	182 975	31 766	15.3
3	China (except Hong Kong)	32 436	20 695	53 131	11 741	4.4
4	Russian Federation	29 199	14 468	43 667	14 731	3.7
5	Japan	23 329	14 115	37 445	9 214	3.1

Source: Eurostat

¹ Extra-EU trade includes imports/exports of goods and services which enter or leave the statistical territory of the EU from a third country.

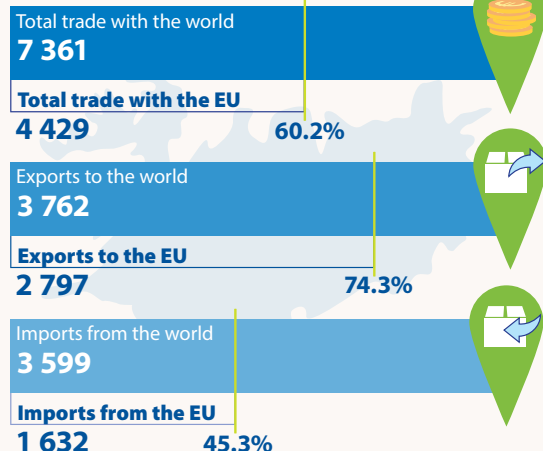
² Figures for Iceland, Liechtenstein and Norway are for 2012.

EFTA's merchandise trade with the world and the EU: 2013

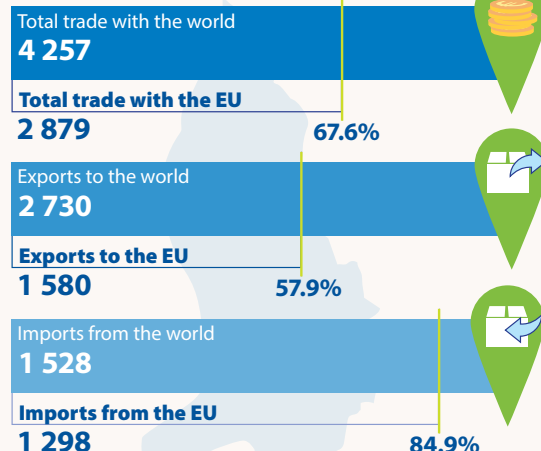
(in million EUR and as %)

Fig. 10

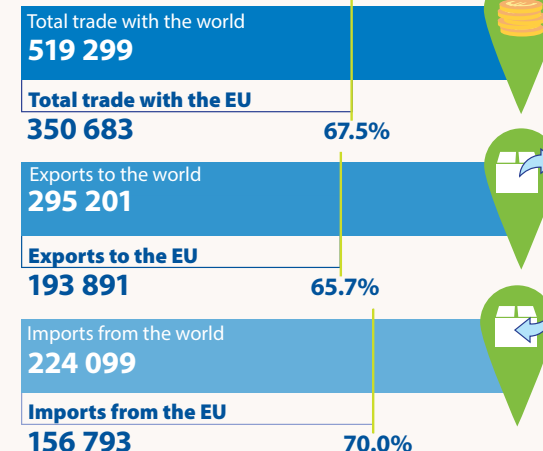
Iceland



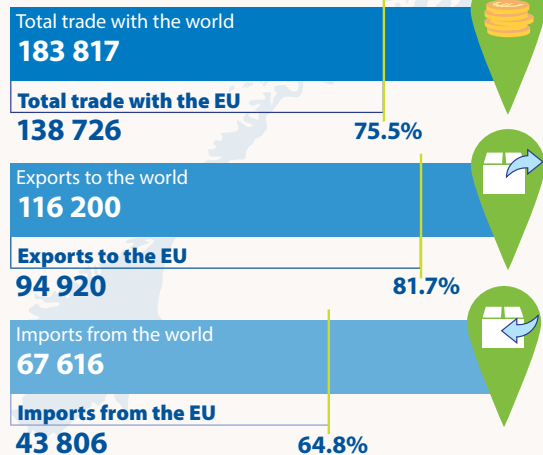
Liechtenstein*



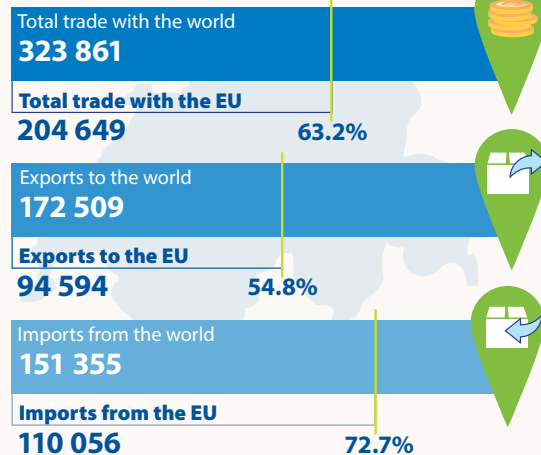
EFTA total



Norway



Switzerland*



Source: Eurostat (COMEXT). Trade in non-monetary gold is excluded.
* 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: 2013 (in million EUR)

Fig. 11

Partner	EFTA			Iceland			Liechtenstein			Norway			Switzerland		
	Exports to	Imports from	Trade	Exports to	Imports from	Trade	Exports to	Imports from	Trade	Exports to	Imports from	Trade	Exports to	Imports from	Trade
EU	193 891	156 793	350 683	2 797	1 632	4 429	1 580	1 298	2 879	94 920	43 806	138 726	94 594	110 056	204 649
Germany	53 080	51 852	104 931	457	301	759	646	596	1 242	20 089	8 391	28 480	31 887	42 563	74 450
United Kingdom	37 313	10 037	47 350	357	169	526	71	20	91	28 012	4 328	32 340	8 873	5 520	14 393
France	21 112	15 010	36 121	175	85	259	248	32	281	8 498	2 263	10 761	12 190	12 630	24 820
Italy	13 343	17 436	30 779	83	124	207	103	61	164	939	2 008	2 946	12 218	15 243	27 461
Netherlands	18 004	7 644	25 649	1 130	187	1 317	24	20	44	12 496	2 623	15 120	4 355	4 813	9 168
Sweden	8 038	10 280	18 318	16	152	168	45	7	52	6 782	9 015	15 798	1 194	1 107	2 301
Belgium	10 540	4 947	15 487	65	45	110	10	6	16	6 120	1 273	7 393	4 346	3 623	7 968
Austria	5 843	7 528	13 371	4	23	27	265	454	719	204	571	776	5 369	6 480	11 849
Spain	5 883	5 226	11 109	148	47	195	42	9	51	1 359	1 071	2 430	4 333	4 100	8 433
Denmark	4 962	5 010	9 972	107	228	334	9	4	13	4 043	4 121	8 164	803	657	1 460
Ireland	1 918	6 257	8 175	9	25	34	3	2	4	1 224	502	1 726	682	5 728	6 410
Poland	3 829	3 624	7 453	47	60	107	21	27	47	2 075	2 186	4 260	1 687	1 351	3 038
Finland	1 879	2 283	4 161	11	32	43	15	4	19	1 229	1 716	2 945	624	530	1 154
Czech Republic	1 365	2 554	3 919	3	37	40	16	13	28	155	728	883	1 191	1 776	2 967
Portugal	1 301	1 050	2 351	45	10	55	1	1	2	386	231	617	868	808	1 677
Hungary	813	1 125	1 938	35	9	45	17	13	30	68	277	345	693	825	1 518
Romania	846	843	1 689	1	5	6	11	2	13	191	382	573	644	454	1 098
Slovakia	472	1 143	1 615	15	12	27	10	12	22	27	328	356	419	791	1 210
Lithuania	526	725	1 251	65	20	84	1	0	2	316	630	946	144	75	219
Greece	905	188	1 093	8	2	10	6	0	6	156	49	204	736	137	873
Estonia	252	590	842	5	25	30	0	0	1	137	526	664	109	39	148
Slovenia	383	397	780	0	3	4	5	5	10	40	94	134	337	295	632
Latvia	228	357	586	4	18	22	1	0	1	113	304	417	111	35	146
Bulgaria	294	244	538	0	2	3	4	5	10	26	57	83	264	179	443
Luxembourg	236	241	477	0	2	2	1	2	3	21	72	93	213	166	379
Croatia	230	153	383	2	1	3	4	3	6	36	45	81	188	105	293
Malta	165	28	193	3	8	12	1	0	1	118	9	127	42	11	53
Cyprus	131	20	151	1	0	1	1	0	1	59	5	64	70	15	84

Source: Eurostat (COMEXT). Trade in non-monetary gold excluded.



EFTA's top 25 trading partners in merchandise trade (counting the EU as one): 2013 (in million EUR and as %)

Fig. 12

Rank	Country ¹	Total trade	Share %	Export	Share %	Import	Share %	Trade balance
	World	707 683		392 534		315 149		77 385
	World excluding trade in non-monetary gold	519 299	100.0	295 201	100.0	224 099	100.0	71 102
	EFTA's 35 FTA partners (excluding EU)²	49 705	9.6	34 940	11.8	14 777	6.6	20
	Intra-EFTA	3 862	0.7	1 915	0.6	1 947	0.9	-32³
1	EU	350 683	67.5	193 891	65.7	156 793	70.0	37 098
2	United States	39 231	7.6	25 912	8.8	13 319	5.9	12 592
3	China	25 228	4.9	9 378	3.2	15 851	7.1	-6 473
4	Japan	10 476	2.0	6 041	2.0	4 435	2.0	1 605
5	Hong Kong China	8 522	1.6	6 934	2.3	1 588	0.7	5 345
6	Republic of Korea	5 900	1.1	4 090	1.4	1 810	0.8	2 281
7	Canada	5 853	1.1	3 738	1.3	2 115	0.9	1 623
8	Russian Federation	5 821	1.1	3 831	1.3	1 990	0.9	1 841
9	Singapore	5 797	1.1	4 496	1.5	1 302	0.6	3 194
10	Brazil	4 430	0.9	2 474	0.8	1 956	0.9	518
11	Turkey	4 061	0.8	2 328	0.8	1 734	0.8	594
12	India	3 499	0.7	1 862	0.6	1 637	0.7	224
13	United Arab Emirates	3 433	0.7	2 939	1.0	493	0.2	2 446
14	Chinese Taipei	3 065	0.6	1 818	0.6	1 247	0.6	571
15	Mexico	2 616	0.5	1 409	0.5	1 207	0.5	203
16	Thailand	2 258	0.4	1 115	0.4	1 143	0.5	-29
17	Libya	2 009	0.4	889	0.3	1 120	0.5	-231
18	Saudi Arabia	2 001	0.4	1 872	0.6	129	0.1	1 742
19	South Africa	1 903	0.4	755	0.3	1 149	0.5	-394
20	Kazakhstan	1 677	0.3	721	0.2	956	0.4	-236
21	Vietnam	1 551	0.3	672	0.2	879	0.4	-207
22	Israel	1 549	0.3	993	0.3	556	0.2	437
23	Nigeria	1 425	0.3	568	0.2	857	0.4	-289
24	Malaysia	1 136	0.2	485	0.2	650	0.3	-165
25	Ukraine	906	0.2	686	0.2	220	0.1	466
	Rest of the world	24 269	4.7	15 307	5.2	8 962	4.0	6 345

Source: Eurostat (COMEXT)

¹ Country specific figures exclude trade in non-monetary gold.

² EFTA's 35 FTA partners are: Albania, Bosnia and Herzegovina, Canada, Central American States (Costa Rica and Panama), Chile, Colombia, Egypt, Gulf Cooperation Council (GCC; comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong China, Israel, Jordan, Lebanon, Macedonia, Mexico, Montenegro, Morocco, Palestinian Authority, Peru, Republic of Korea, Serbia, Singapore, Southern African Customs Union (SACU; comprising Botswana, Lesotho, Namibia, South Africa and Swaziland), Tunisia, Turkey and Ukraine.

³ Not equal to zero due to statistical discrepancies.



Fig. 13

EFTA's top export destinations for merchandise trade: 2013

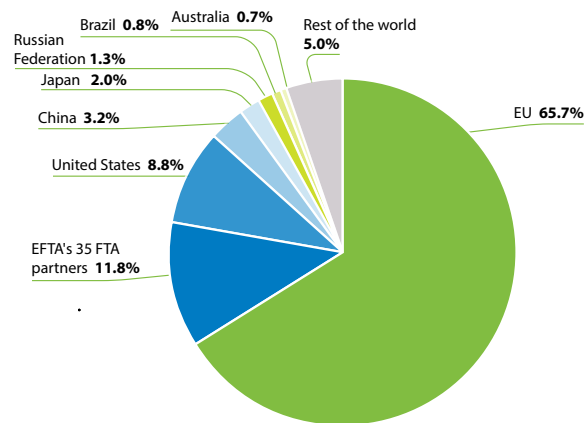
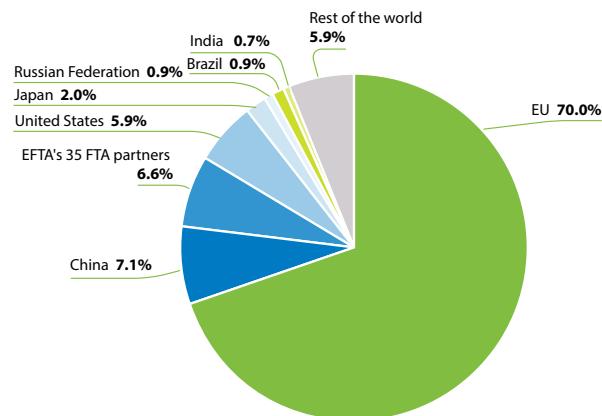


Fig. 14

EFTA's top import sources of merchandise trade: 2013



Source: Eurostat (COMEXT). Trade in non-monetary gold excluded.



36

Fig. 15

EFTA's key exports by commodity HS* section: 2013

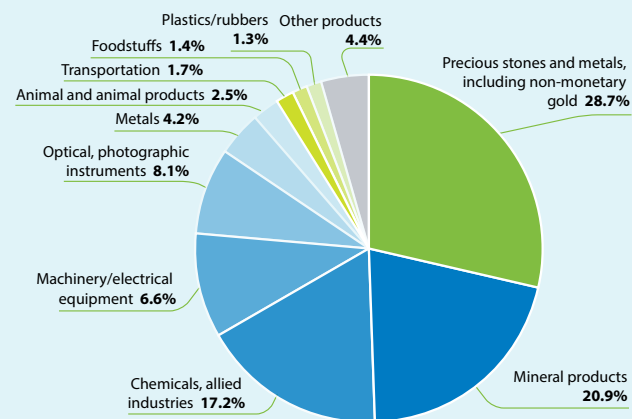
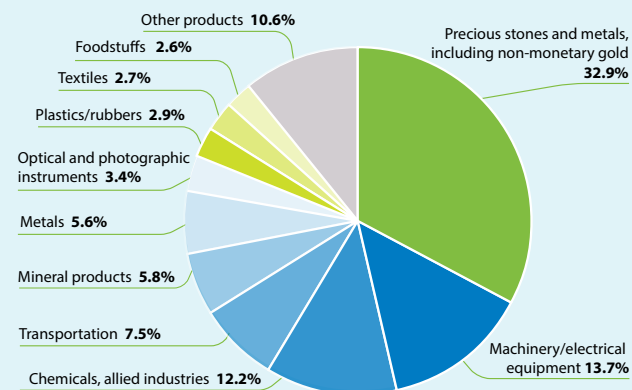


Fig. 16

EFTA's key imports by commodity HS* section: 2013

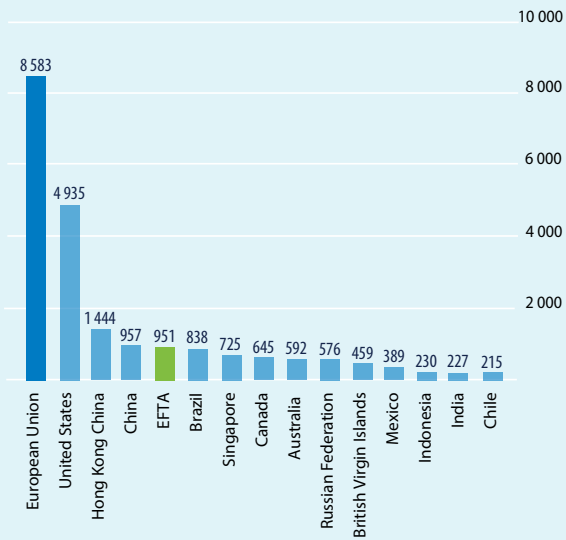


Source: Eurostat (COMEXT)

*HS: Harmonised System for Product Classification.

Fig. 17

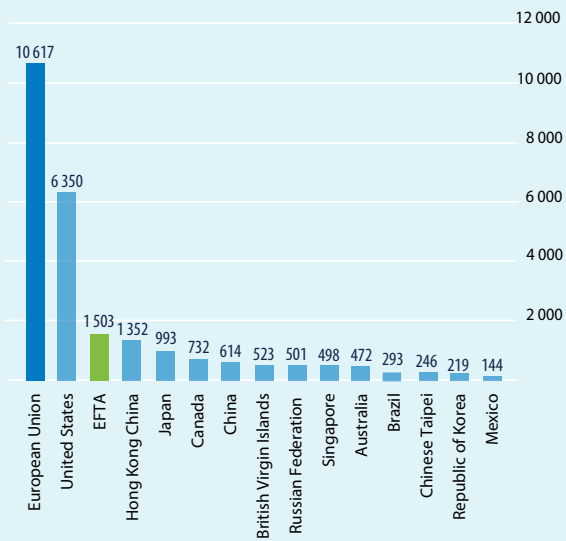
Global FDI* stocks, inward: 2013 (in billion USD)



Source:
United Nations Conference on Trade and Development (UNCTAD)
* FDI: Foreign Direct Investment.

Fig. 18

Global FDI* stocks, outward: 2013 (in billion USD)



Source:
United Nations Conference on Trade and Development (UNCTAD)
* FDI: Foreign Direct Investment.

Fig. 19

The World Competitiveness Scoreboard: 2014

Rank	Country
2 (2)	Switzerland
10 (6)	Norway
25 (29)	Iceland

Source: Institute for Management Development (IMD), World Competitiveness Yearbook 2014

The Overall Competitiveness Scoreboard ranks the world's 55 leading economic nations. It is calculated by combining four factors of competitiveness: economic performance, government efficiency, business efficiency and infrastructure.

2013 rankings are in brackets.

Fig. 20

The Global Competitiveness Index: 2014/15*

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

Source: World Economic Forum (WEF), the Global Competitiveness Report 2014/15

The Global Competitiveness Index measures the set of institutions, policies and factors that set the sustainable current and medium-term levels of economic prosperity.

2013/14 rankings are in brackets.

* Liechtenstein is not included in this index.

Fig. 21

Top EFTA listed companies: 2014

EFTA ranking	Europe ranking	World ranking	Company	Sector	Market value (in million USD)
1	1 (3)	9 (20)	Roche (CH)	Pharmaceuticals & biotechnology	258 542
2	2 (1)	11 (9)	Nestlé (CH)	Food producers	242 955
3	4 (5)	14 (24)	Novartis (CH)	Pharmaceuticals & biotechnology	229 770
4	28 (27)	86 (84)	StatoilHydro (NO)	Oil & gas producers	90 008
5	33 (38)	102 (123)	UBS (CH)	Banks	79 421
6	49 (45)	153 (149)	ABB (CH)	Industrial engineering	59 747
7	60 (74)	186 (247)	Credit Suisse Group (CH)	Banks	51 660
8	65 (62)	198 (210)	Richemont (CH)	Personal goods	49 876
9	70 (61)	218 (208)	Zurich Financial Services (CH)	Nonlife insurance	45 746
10	90 (64)	291 (219)	Syngenta (CH)	Chemicals	35 244
11	94 (90)	297 (307)	Swiss RE (CH)	Nonlife insurance	34 392
12	97 (89)	306 (301)	Swatch Group (CH)	Personal goods	33 736
13	99 (76)	309 (252)	Telenor (NO)	Mobile telecommunications	33 615
14	107 (111)	333 (397)	Swisscom (CH)	Fixed line telecommunications	31 844
15	117 (113)	384 (401)	DNB (NO)	Banks	28 321
16	127 (104)	409 (363)	Holcim (CH)	Construction & materials	27 105
17	163 (141)	n.a.	SGS (CH)	Support services	19 296
18	177 (156)	n.a.	Schindler (CH)	Industrial engineering	17 235
19	181 (199)	n.a.	Kuehne+Nagel International (CH)	Support services	16 805
20	193 (238)	n.a.	Adecco (CH)	Support services	15 759

Source: Financial Times (FT) Global 500 Survey 2014

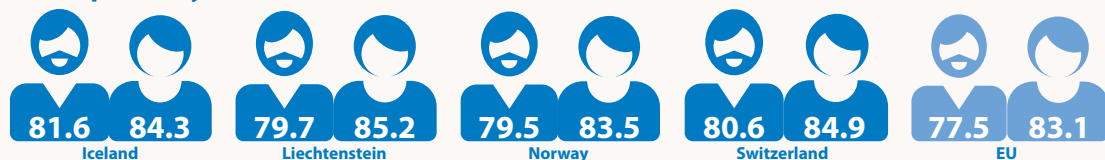
The FT Global 500 Survey 2014 is based on market values and prices on 31 March 2014.

2013 rankings are indicated in brackets.

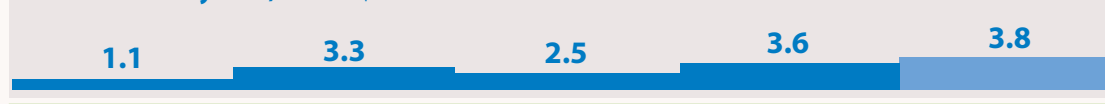
Social Indicators

Fig. 22

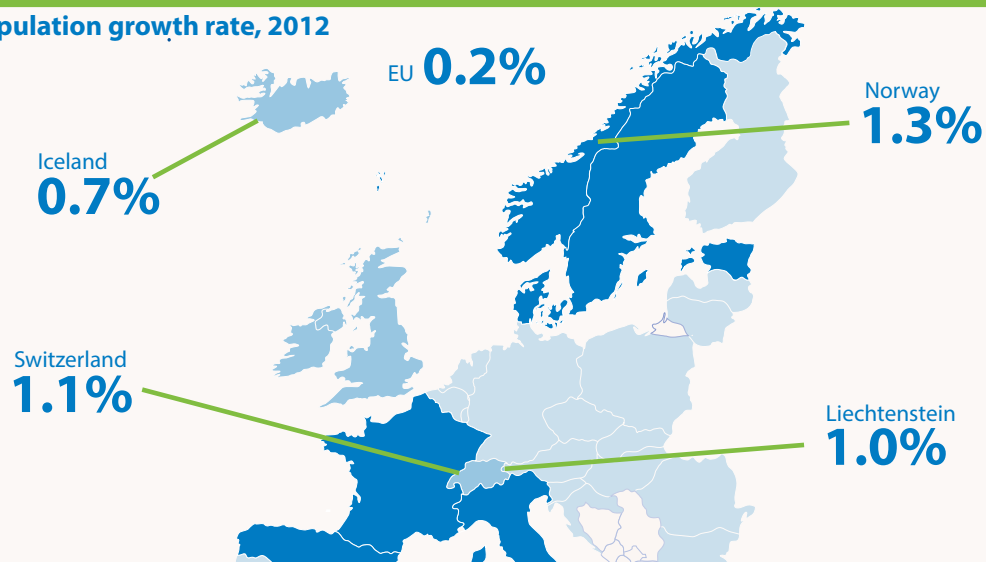
Life expectancy at birth, 2012 (in years)



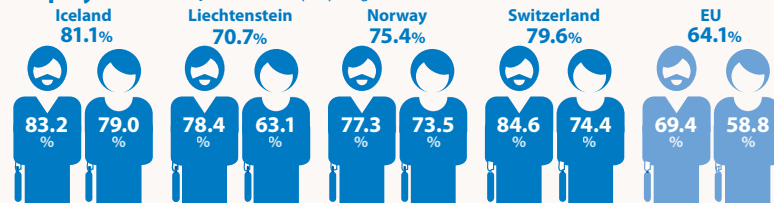
Infant mortality rate, 2012¹ (per 1 000 live births)



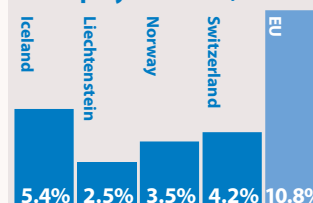
Population growth rate, 2012



Employment rate, 2013² (for people aged 15 to 64)



Unemployment rate, 2013³



Sources: Eurostat and national statistical institutes

¹ Liechtenstein figure is based on a five-year average.

² Liechtenstein figures are from 2012.

³ Liechtenstein unemployment is register-based unemployment. Figures are from 2012.

EFTA Secretariat, Geneva (Headquarters)

Rue de Varembé, 9-11 Tel. +41 22 33 22 600
1211 Geneva 20 Fax: +41 22 33 22 677
Switzerland Email: mail.gva@efta.int

EFTA Secretariat, Brussels

Rue Joseph II, 12-16 Tel. +32 2 286 17 11
1000 Brussels Fax: +32 2 286 17 50
Belgium Email: mail.bxl@efta.int

EFTA Statistical Office, Luxembourg

Bâtiment Bech Tel. +352 4301 37775
Office F2/908 Fax: +352 4301 32145
5 Rue Alphonse Weicker Email: efta-lux@ec.europa.eu
2721 Luxembourg

www.efta.int