

EUROPEAN FREE TRADE ASSOCIATION (EFTA)

➤ What is EFTA?

- **Creation: 4 January 1960** → Signature of the Stockholm Convention at the initiative of the United Kingdom.
- **Purpose: Create a single free trade area** for European countries who are not members of the European Economic Community (EEC), limited to processed agricultural products and industrial products and therefore with no common external tariff or common policies
 - Since the 1990s, EFTA has been implementing a **free trade policy beyond Europe**.
- **Composition:**
 - **Its founding members: United Kingdom, Denmark, Norway, Switzerland, Portugal, Austria, Sweden**
 - **Two new members have since joined:** Iceland (in 1970) and Finland (1986).
 - **Certain members have gradually become part of the European Community:**
 - United Kingdom (1973), Denmark (1973), Portugal (1986), Austria (1995), Sweden (1995) and Finland (1995).
 - **Today: Iceland, Liechtenstein, Norway and Switzerland**
- **Institutional organisation:**
 - EFTA is organised around the **EFTA Council**, which gathers the Member State representatives in Geneva once a month. The Chairmanship of the EFTA Council rotates every six months. Iceland is chairing it in the second half of 2008.
 - The **EFTA Secretariat** handles day-to-day matters and is located in Geneva, Brussels and Luxembourg. The Norwegian **Kåre Bryn is the current Secretary-General**.

➤ What is the European Economic Area (EEA)?

An agreement strengthening their cooperation, the European Economic Area (EEA) currently unites the 27 EU Member States and the EFTA States. All except Switzerland that is, for although this country signed the EEA Agreement, it could not ratify it due to a negative vote by its citizens on this text. It has since signed a series of bilateral agreements with the European Union.

- Agreement signed in May 1992, came into force on 1 January 1994.
- Purpose: extend the four liberties (**freedom of movement of goods, persons, services and capital**) forming the basis of the single market to the three EEA EFTA States.
- In return, these States are committed to adopting *acquis communautaire* on the sectors covered by the agreement (competition and State aid, environment, etc). A **permanent incorporation mechanism via a Joint Committee** composed of representatives of the European Union and representatives of the three EFTA States has subsequently been set up.

➤ The joint meeting of EU and EFTA finance ministers

A joint meeting of EU and EFTA finance ministers is held every year.

This joint meeting is the **only formal meeting of EFTA States and the Council of the European Union under the French Presidency of the European Union.**

In 2007, energy issues were the focus of this ministerial meeting.

This year, the EU and EFTA ministers will share their views on the financial crisis and discuss the progress made and remaining challenges in terms of international financial cooperation.

→ This is a **direct consequence of the conclusions of the European Council meeting in Copenhagen in June 1993:**

- **1 January 1993**: Internal market comes into force in the EU (free movement of goods, persons, services and capital).
- **April 1993**: First meeting of the European Council and EFTA finance ministers.
- **June 1993**: European Council → Decision to sustain this joint meeting to improve the coordination of policies.