

Brussels, 28 November 1984

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Meeting of the EEC/ECSC/Norway Joint Committees

The annual session of the EEC-Norway and ECSC/Norway Joint Committees took place in Brussels on 27 November 1984. The delegations were led, on the Community side, by Mr Eberhard RHEIN, Director in the Directorate-General for External Relations, and, on the Norwegian side, by Mr Christian BERG-NIELSEN, Ambassador and Head of Mission to the European Communities.

The two sides reviewed developments in EC-Norway relations since the ministerial level meeting between Vice-President Wilhelm Haferkamp and Foreign Minister Sverre Strøm in June and examined prospects for the future.

The Joint Committee examined briefly the results of the meeting of high officials of the Commission and the EFTA states which took place in September. This meeting whose task was to begin the implementation of the EC-EFTA Luxembourg Declaration agreed to set up a series of further meetings at expert level to examine concrete suggestions for deepening the relationship.

Both sides commented favourably on the meeting which took place in Geneva in November between President Gaston E. Thorn, Vice-President Wilhelm Haferkamp and ministers of the EFTA countries to analyse jointly the progress achieved to date in the implementation of the Luxembourg Declaration.

The Norwegian delegation expressed its disappointment at the Commission's proposal to re-establish customs duties on certain fish products. The Commission replied that duties on these products had been suspended at a time when there was a shortage on the Community market but that this situation was changing. The Commission had a duty to use the instruments at its disposal to provide for an orderly development of the fish market in the Community.

## The State of EC-Norway Relations

Norway and the Community form, with the other members of the European Free Trade Association, an industrial free trade zone which comprises almost all of Western Europe and its more than 300 million consumers. Spain is the only exception but is currently negotiating membership of the Community. This is the end result of the free trade agreements which were signed in 1972 and 1973 in the wake of the decision by three EFTA Members, Britain, Ireland and Denmark, to become full members of the European Community.

Norway had also signed the 1972 Accession Treaty but following the referendum decided not to ratify the Treaty. Subsequently the Community offered Norway the same type of industrial free trade agreement that it had offered to the other members of the European Free Trade Association.

Since the end of the transition period in 1983, a transition which was accomplished without encountering any major difficulties, trade in industrial products has been made completely free of tariffs and quantitative restrictions.

Although agriculture was not part of the original agreement a provision was included whereby both parties would foster the harmonious development of trade. In application of this, an agreement was negotiated in 1983 setting out conditions for trade in cheese. In an annex to the 1972 Agreement specific rules were also agreed clearly defining how tariff reductions would be applied to the industrial element of transformed agricultural produce.

## The Rules of origin

One of the annexes to the 1972 Agreement sets out the rules governing origin. They define which products will qualify for preferential treatment and ensure that goods do not enter the free trade zone through the country with the lowest external tariff. They encourage joint production between the Community and Norway of industrial products by providing a system of bilateral cumulation. This is closely in line with the economic thought behind the free trade agreement which was to promote economic integration within Western Europe. In this light, a simplification of the rules was introduced in 1983 for engineering products.

## Beyond the Agreement

In the past decade, cooperation has gone well beyond the original scope of the agreements. In a pragmatic way a totally new type of relationship between the Community and Norway has been established within which both sides can deal with any problem of mutual interest. Contacts at political level have also intensified both through annual ministerial level consultations, which take place alternately in Brussels and Oslo, and regular exchanges of visits.

In April 1984 the Foreign Ministers of the Community and of the EFTA states met in Luxembourg where they committed themselves to consolidating the achievements of the last decade and extending in a pragmatic way cooperation beyond the free trade agreements.

In the recent past, Commission President Jenkins (1980) and Vice-President Haferkamp responsible for external relations (1981) have visited Oslo. The Norwegian Prime Minister, Mr Kaare Willoch, visited the Commission in November 1983 as did the former Prime Minister Odvar Nordli, Foreign Minister Sverre Stray in 1984, Commerce Minister Revulf Steen and Finance Minister Ulf Sand in 1980. The Minister for Trade and Shipping Arne Skauge came to Brussels in 1981, 1982 and 1983 as did the Minister of Petrol and Energy in 1984.

These political exchanges, together with the regular meetings of the Joint Committee set up by the Agreement, have consolidated the close relationship which exists between the Community and Norway and provided an impetus for further development.

Among the many areas of cooperation are:

#### **Steel**

Since 1978 the Community and Norway have negotiated annual steel arrangements to regulate trade during the present recession in the steel market.

#### **Agriculture and Fisheries**

In 1973 the Community granted autonomous tariff concessions for certain fisheries products from Norway and at the same time the Norwegian authorities offered similar concessions for certain Community agricultural exports.

A framework agreement on fisheries between the Community and Norway, which was negotiated in 1978, was formally signed in 1980. In the context of this framework agreement annual arrangements have been reached since 1978 regulating reciprocal fishing rights and agreeing measures of conservation of joint fish stocks in the Skagerrak.

This year, agreement has still to be reached on the herring catch in areas under joint control. The Community Council has therefore provisionally allocated quotas for the EC member states and for Norway as an interim measure.

#### **Science and Technology**

Norway participates in the Community's Cooperation in Scientific and Technical Research programme (COST). The main fields of interest are data processing, telecommunications, meteorology, oceanography, transport, metallurgy, environment and biology.

### Euronet

On 14 September 1984, an agreement was signed between the Commission and the Norwegian authorities to interconnect the Norwegian data transmission network with EURONET, the Community's own network, as well as the networks of Finland, Sweden and Switzerland.

### Other Areas

Experts on both sides meet regularly to exchange information on a wide variety of topics including sea and air transport, protection of the environment, energy policy, public aids, economic and monetary policy, consumer protection and development aid.

### TRADE STRUCTURE AND DEVELOPMENT

Trade has considerably expanded since the industrial free trade agreements came into effect. Norwegian exports to the Community increased from 1873 million ECU in 1973 to 13976 million ECU in 1983 representing 70% of its total exports in 1983. Norwegian imports from the Community increased in the same period from 2252 million ECU to 6862 million ECU representing 45% of its imports in 1983.

In 1983 50% of EC imports from Norway were made up of mineral fuel mainly oil and gas. Machinery, transport equipment, chemicals and other manufactured goods accounted for 6% and basic manufactures, mainly non-ferrous metal, iron and steel, textiles and paper accounted for 14%. The Community exports to Norway were made up of machinery, transport equipment and chemicals (46%), basic manufactures mainly iron and steel, non-ferrous metals and textiles (19%) and other manufactured goods (14%).

#### TRADE BETWEEN THE COMMUNITY AND NORWAY

(million ECU)(\*)

	1973	1975	1978	1980	1982	1983	1984 (3 months)
EC Imports	1873	2795	5426	8444	11357	13976	4150
EC Exports	2252	3272	3864	5141	6267	6862	1965
Balance	397	477	-1562	-3303	-4490	-7114	-2185

Source: EUROSTAT

(\*) The exchange rate ECU/dollar varies daily as the various EC currencies, which make up the ECU, vary against the dollar. One ECU was worth US\$ 1.2 in 1973, US\$ 1.27 in 1978 and US\$ 1.39 in 1980, US\$ 0.98 in 1982, US\$ 0.89 in 1983 and US\$ 0.83 in 1984.