

EFTA REPORTER

European Free Trade Association

Geneva, December 1979

No. 1

Table of contents

LIBRARY

FREE TRADE

Iceland ends duties on imports from EFTA	3
Portugal ends duties on many imports from EFTA, seeks to postpone other cuts	3
Tariff reductions due under free trade agreements with EC	4
Call for negotiations to amend origin rules	5
Economic and Social Sub-Committee to examine sources of protectionism	5
Some possible obstacles to trade in EFTA discussed	6
EFTA and new GATT codes for non-tariff measures	7

OTHER EFTA ACTIVITIES

New studies to be undertaken in EFTA: one on contribution of EFTA's free trade to growth and welfare	9
11 districts receive new loans from EFTA Industrial Development Fund for Portugal	9
EFTA competition: first prize 5,000 Swiss francs	10

ECONOMIC DEVELOPMENTS AND STATISTICS

Domestic demand in EFTA to grow by 3% in 1980	12
Economic developments in the EFTA countries: table	13

INTERNATIONAL COOPERATION

Cooperation between EFTA countries and Yugoslavia	14
ASEAN countries will receive improved tariff treatment from five EFTA countries	14



FORTHCOMING MEETINGS

16

SCHEMES AND CONVENTIONS

Lifting appliances: scheme not yet operational	17
Heating equipment using liquid fuel	18
Pharmaceutical Inspection Convention: new guidelines for sterile products	18

EFTA REPORTER

Beginning with this issue, EFTA is publishing a newsletter, the "EFTA REPORTER".

The objective of the newsletter is to give readers up-to-date information about EFTA activities, current and coming events. Thus it will focus upon the work of the EFTA institutions - Council and Committees - and give greater detail on decisions, conclusions and debates than has been available so far. It will provide news of interest to the daily press, trade journals and economic circles.

EFTA now has two periodical publications. The "EFTA BULLETIN" will be published every two months, whereas the "EFTA REPORTER" will appear more frequently. Although the two publications for all practical purposes will supplement each other, they will not necessarily boast the same readership. The magazine will appeal to more readers with its thoughtful articles and layout. The newsletter will be fact-studded. It will be written for trade experts, government bodies, trade unions and industrial and commercial organisations interested in the achievements and efforts of EFTA from a professional point of view.

The newsletter will be written in English, French and German editions. In addition there will be a separate Scandinavian edition. Next year there will also be a Scandinavian edition of the periodical "EFTA BULLETIN". By so doing, we hope to overcome some linguistic barriers and stimulate the interest for EFTA in the Scandinavian countries.

The fact that you have received this newsletter proves that you are on our mailing list. If you want additional copies, please send us a written request, indicating in block letters your name and address and the number of copies you want.

Orders are to be mailed to:

Press and Information Service
European Free Trade Association
9 - 11, rue de Varembé
CH-1211 Geneva 20

Note: all EFTA publications are issued free of charge

FREE TRADE

Iceland ends duties on imports from EFTA

From 1st January 1980 Iceland will no longer impose import duties on manufactured goods imported from its partners in EFTA.

At present it can impose duties equivalent to 10 per cent of the rates which were in force when it entered EFTA in 1970 and which have been reduced step by step over a ten-year transitional period. The final 10 per cent will now disappear.

Mr. Thorhallur Asgeirsson, Secretary General of Iceland's Ministry of Commerce, told EFTA Ministers at their November meeting that the removal of the remaining tariffs would be carried out on schedule. This confirmation was warmly welcomed by the Ministers.

Iceland's manufacturers, previously accustomed to supplying a protected domestic market, have experienced some difficulties in adjusting to the final stages of the dismantling of tariffs in relation to the rest of EFTA (and to the EC). Earlier this year the EFTA countries accepted an Icelandic request to be permitted to apply a 3 per cent adjustment levy, until the end of 1980, on the value of imports of a large range of manufactured goods. A similar request, made by Iceland to the EC, has not been turned down by the EC. The purpose of the levy is to give industry a respite while adjusting to full free trade in Western Europe.

Portugal ends duties on many imports from EFTA, seeks to postpone other cuts

Portuguese import duties on a large number of products imported from EFTA will be abolished from the end of this year. Although it is hardly possible to estimate the value of the trade concerned, a considerable liberalisation of trade is involved.

Since Portugal was - and is - less highly industrialised than other EFTA countries, it was given a 20-year period (under Annex G of the Convention) to complete the removal of its tariffs on a very wide range of products. The twenty years end with the end of this month. It was however agreed in 1976 that the time limit could be extended until 31st December 1984 for a stated list of products. Portuguese figures indicate that in 1977 imports of these products accounted for 7.2 per cent of its imports from its partners in EFTA. On this basis, duties - at a maximum rate of 30 per cent of the initial basic duties - will remain in force after 1st January 1980 for this range of products.

FREE TRADE

(The remaining duties will be reduced in two or more steps and eliminated no later than the end of 1984.)

For a number of other products Portugal has had authority from the Councils since last March to introduce new duties or raise existing ones, the maximum permitted duty rate being at present 18 per cent ad valorem. EFTA has not been notified that duties have been applied, but if they all have - and Portugal was empowered to apply them as a way of helping it to overcome economic difficulties - they would cover, according to the Portuguese authorities, 3.5 per cent of imports from the other EFTA countries on the basis of the trade figures for 1977. The duties on these products have also to be reduced in two steps and finally removed by the end of 1984.

Moreover, Portugal has requested a standstill on its obligation to reduce tariffs on certain products between now and the end of 1982 (originally 1984). The request applies, firstly, to two only of the products for which the timetable was extended, no tariff cuts on the others being scheduled before the end of the standstill period; and secondly to the products already mentioned for which new or higher duties were authorised from 29th March 1979. In addition it applies to a third list of products which according to the Portuguese authorities accounted in 1977 for 1.3 per cent of imports from EFTA. In the absence of a standstill the remaining import duties on these products, currently 20 per cent of the original basic duties, would be removed at the end of this year.

Last April Portugal asked for authority to introduce new duties or increase existing duties on imports of a few products the manufacture of which has recently started, or will start in the near future, in Portugal.

The consideration of this request and of the standstill proposal had almost been completed early in November when the Portuguese authorities added five products to which they also wished the standstill to apply. It is expected that decisions will be taken on 13th December.

Tariff reductions due under free trade agreements with EC

From 1st January 1980 only paper products (chapters 48 and 49 but not 48.09 of the EC's external tariff) will remain liable to duty when imported from the EFTA countries into the EC. The duties on the other "sensitive" products cease from the end of

FREE TRADE

this year. These are the limited range of industrial goods which remained subject to duty after the stage of free trade for almost all industrial goods was reached on 1st July 1977.

The treatment of "sensitive" products entering the EFTA countries from the EC varies from country to country. There will no longer be any tariffs in the case of imports into Iceland or Sweden. Only some paper products will still be liable to duty on entering Austria from the EC, and only a few paper products and chipboard in the case of Switzerland. For Norway tariffs will remain only on some textile products and articles of clothing. For Portugal, see item on Portugal on page 3: the timetable extends to 1984 for the same products as in EFTA, and a similar standstill request was presented by Portugal to the EC. No tariff cuts are due on 1st January 1980 in the case of Finland's sensitive products.

Call for negotiations to amend origin rules

The EFTA countries have called for negotiations to be started as soon as possible with the European Community on the formulation of amended rules of origin in their free trade agreements with the EC. The invitation was contained in the communiqué issued at the end of the ministerial meeting of the EFTA Councils in November.

EFTA has long stressed the need to improve the free trade system by simplifying the origin rules.

Economic and Social Sub-Committee to examine sources of protectionism

A special study of protectionism is to be made by the Economic and Social Sub-Committee of EFTA's Consultative Committee. The Sub-Committee, a tripartite body with representatives from employers, unions and governments, will begin its work at a meeting in January.

The study will involve both a fact-finding exercise and an examination of all possible means by which the pressures for protectionist measures could be relieved and removed.

The precise terms of the Sub-Committee's mandate were formulated by the Councils on 15th November on the basis of the general agreement, reached at the last meeting of the Consultative Committee, on what the study should cover. The Sub-Committee will be given access to the material already

FREE TRADE

collected within EFTA, or being collected, on non-tariff barriers to trade and on government aids.

Some possible obstacles to trade
in EFTA discussed

The Committee of Trade Experts, meeting in Geneva recently, dealt with, among other things, three cases of possible obstacles to intra-EFTA trade. In two cases, involving Switzerland, it was decided to analyse matters further at subsequent meetings. In a case involving declaration and notification of chemical products, Sweden promised to provide more information.

One of the cases has a bearing on food products, such as biscuits, chocolate, bread and macaroni, when imported into Switzerland. Variable levies for the purpose of equalizing the price differences of agricultural raw materials in Switzerland are assessed on the basis of gross weight with a 7 per cent discount for the weight of the packaging. In other EFTA countries similar levies are based upon the net weight of the products, which result in lower duties in some cases. Austria brought up the problem on a previous meeting. The Austrian representative claimed that a discount of 7 per cent is not enough to make up for the difference in levies.

During the meeting it was emphasised by the Swiss representative that an investigation of the matter has been started. This will probably be finished by the end of 1979 when bilateral talks with Austria will be resumed.

The Committee once more discussed Swiss marking regulations for certain chocolate products. According to the Swiss Foodstuff Ordinance (Lebensmittelverordnung), as amended from October 1978, it is required that the country of origin be indicated in one of the Swiss national languages printed in letters at least 3 mm high. The Swiss provisions are said to be more stringent than the general standard for the labelling of prepacked foods, recommended by the Codex Alimentarius Commission and they are also said not to be in line with the general recommendations on origin marking within EFTA. Switzerland maintains, however, that the marking enables consumers to distinguish clearly between Swiss chocolate products and chocolate of foreign origin. Such a distinction would be necessary to protect the high quality image of Swiss chocolate.

Similar problems exist in other countries as well. The Committee therefore decided to revert to the matter at its next meeting when regulations on the marking and labelling of prepacked foodstuffs in general would be reviewed.

FREE TRADE

The third case, concerning product notification and declaration in the chemical field in Sweden, had also been discussed by the Committee previously. The draft regulations, made by the Swedish Product Control Board, entered into force in July 1979. EFTA countries were notified by Sweden about the proposed legislation when it was at the drafting stage.

They were criticized by more than one EFTA country. The regulations require that the product declaration should indicate the constituents as well as the known impurities in the product.

The Swedish authorities maintained that it was necessary to indicate the constituents of the product to establish whether a product is hazardous to health or not.

The draft was criticized by Switzerland at the previous meeting of trade experts, because such stringent rules could create obstacles to intra-EFTA trade.

At the October meeting the Swedish representative gave some information about certain aspects of the new system which had been raised earlier in the discussion. However he promised a formal notification about the legislation at a later stage.

Finland's emergency action on imports of women's tights was also brought up during the meeting. The Finnish delegate informed trade experts that a very small quantity of women's tights had been imported into Finland from Portugal at prices below the reference prices at which imports become liable to a surcharge. The reference price system had been introduced because the volume of low-priced imports had aggravated the unemployment in Finnish industry. It was stressed during the meeting that a reference price system was tolerable only if applied temporarily and accompanied by measures to improve the competitiveness of domestic industry.

EFTA and new GATT codes for non-tariff measures

The EFTA Councils completed in November the first stage of a consideration of the implications of the results obtained in the Tokyo Round of Multilateral Trade Negotiations within the GATT.

This stage involved a preliminary comparison between the new GATT agreements or codes on specific types of non-tariff measures and the corresponding rules in EFTA. It appeared from the comparison that there were in general no major discrepancies between the two sets of rules.

FREE TRADE

On 8th November the Councils agreed that, in relations between the EFTA countries which implement the new codes, these countries would apply whichever of the two sets of rules - the EFTA provisions or the new GATT codes - entails the greater liberalisation of the trade between them.

The GATT agreements concerned relate to: subsidies and countervailing duties, customs valuation, government procurement, technical barriers to trade, import licensing procedures and a partial revision of the GATT anti-dumping code.

The Secretariat was instructed by the Councils to study whether amendments to the EFTA rules would be appropriate and which amendments could be considered.

OTHER EFTA ACTIVITIES

New studies to be undertaken in EFTA:

one on contribution of EFTA's free trade to growth and welfare

A study of EFTA's experience of free trade as a contribution to economic growth and welfare will be made before the next ministerial meeting which will take place in Saltsjöbaden, near Stockholm. The study will serve as a background document for discussions on free trade and will probably suggest guidelines for the trade policies of the EFTA countries in the future.

It was also agreed at the EFTA ministerial meeting in Geneva in November that the effects of the Portuguese entry into the EC should be studied by EFTA. And EFTA is also to watch closely the development of industrial policy in the EC in relation to Greece, which will enter the Community in 1981, and to Portugal and Spain which are now seeking membership. The purpose is to explore the consequences for EFTA of the EC's industrial policy in view of the possible implications for the maintenance of free trade in Western Europe.

To mark the twentieth anniversary of the establishment of EFTA, the next meeting of the Councils at ministerial level will be held, at the invitation of the Swedish Government, from 11th to 13th June in Saltsjöbaden where the EFTA Convention was signed.

An account of the ministerial meeting, at which these decisions were taken, is given in the December issue of the EFTA Bulletin which also reproduces the text of the ministerial communiqué.

Eleven districts receive new loans from EFTA Industrial Development Fund for Portugal

The EFTA Development Fund for Portugal, reporting on its operations in the past 9-month period (February-October 1979), announced a 7.9 per cent increase in loans granted and substantial increases in new jobs created or made more secure through the Fund.

Loans granted by the Fund in that period rose to 762 million escudos (about 15.7 million dollars), it was disclosed in a report to the Steering Committee, meeting in Geneva in November.

The Fund maintained that more than a thousand new jobs were created and 11,200 persons given greater security of employment through its operations.

OTHER EFTA ACTIVITIES

The capital of the Fund (which is expressed by special drawing rights (SDR)), is put up jointly by all EFTA states, including Portugal. The money is used to contribute to the development of Portuguese industry by providing medium-term financing in the private and the public sector. Moreover, the statutes of the Fund stipulate that its operations are to be conducted in such a way that they promote intra-EFTA trade.

In the nine months to the end of October 1979 loans were granted to such industries as glass and glassware, tyres and tubes, paper, foodstuffs, textiles and mining. The Fund tries to stimulate regional development and the modernisation and expansion of medium-sized enterprises.

Eleven districts on the Portuguese mainland and two island districts were beneficiaries of the Fund in the first three quarters of its third financial year.

At the November meeting three new loans totalling 338 million escudos (about 6.7 million dollars) were approved by the Steering Committee. These loans will help to finance investment projects of a total value of 1,193 million escudos (about 23.6 million dollars).

A loan of 123 million escudos (2.44 million dollars) went to SEPSA, which produces electrical machinery, heavy equipment and railway cars near Oporto. The loan will create 200 new jobs. The second loan of 120 million escudos (2.38 million dollars) was granted to FABRICAS MENDES GODINHO. The loan aims at increasing the company's production of fibre board at Tomar in central Portugal.

A third loan of 95 million escudos (1.88 million dollars) will contribute to the financing of a programme for the extension and improvement of the tyre plant at Lausado, belonging to MABOR GENERAL, Portugal's biggest manufacturer of tyres.

EFTA competition: first prize 5,000 Swiss francs

To mark its 20th anniversary next year, EFTA is organising a competition open to anyone interested in European economic questions. The first prize will be at least 5,000 Swiss francs. Those wishing to take part in the competition are invited to submit a relatively short essay, about twenty typed pages, on a subject related to the role of EFTA during its twenty years of existence or the future role of EFTA in European economic integration. Participants are free to choose other subjects as well provided that they are related to the main theme. Remember

OTHER EFTA ACTIVITIES

the deadline: end of February 1980. Write to EFTA's Secretariat for further information: the rules of the competition were published in the August-October issue of the EFTA Bulletin.

ECONOMIC DEVELOPMENTS AND STATISTICSDomestic demand in EFTA to grow by 3% in 1980

The strong demand growth in major OECD countries in 1978-79 resulted in a substantial rise in exports from smaller countries. Both this year and next year, it seems that economic growth in the EFTA countries as a group, which is expected to be close to 4 per cent in 1979 and 3 per cent in 1980, will stay well above the expected growth in OECD Europe as a whole.

The domestic demand in the seven major OECD countries is expected to grow only slightly. The countries involved are the United States, Japan, Canada, Western Germany, United Kingdom, France and Italy. The growth of their domestic demand is expected to be 1 per cent or perhaps as low as $\frac{1}{2}$ per cent in 1980. For the European Community, growth of demand will be somewhat higher, 1 to $1\frac{1}{2}$ per cent. For the EFTA countries as a group, the prognosis is more optimistic. Domestic demand is expected to grow by 3 per cent or twice the EC figure.

Growth figures vary from EFTA country to EFTA country. Sweden and Portugal are both expected to have a growth in domestic demand of $3\frac{1}{2}$ per cent, Norway 3 per cent, Austria nearly 3 per cent, Switzerland $1\frac{3}{4}$ per cent and Finland between 5 - 7 per cent.

As a general observation, it seems that there is a time lag between changes in the trend of domestic demand in major and smaller countries in recent years. The decline in demand growth in major countries may thus pose serious problems for the EFTA countries towards the end of 1980 and 1981.

ECONOMIC DEVELOPMENTS IN THE EFTA COUNTRIES

	GDP/GNP, annual real growth in percentage			Current account of the balance of payments				Unemployment in per cent of labour force		Consumer price indices, yearly % increases	
	1978	1979 Fore- cast ¹	1980 Fore- cast ¹	1978		1979 Fore- cast ¹ Billion US \$	1980 Fore- cast ¹ Billion US \$	1978 Average	1979 Sept. or Oct.	1978	12 months to Sept. 1979
				Bill. US \$	% of GNP/ GDP						
Austria	1.5	4½ - 5	2½ - 3	-1.5	-2.6	-1¼	-2	2.1	2.1	3.6	3.7
Finland	2.5	7 - 7½	4 - 4½	0.6	1.9	0	-1½	7.5	5.6	7.8	7.7
Iceland	4.2	2 - 2½	½ - 1	+31 ⁴	1.5	-13 ⁴	0	0.5	0.2	44.9	41.9
Norway	3.5	3 - 3½	4 - 4½	-2.1	-5.3	-1¼	+½	1.1	1.3	8.1	3.5
Portugal	3.2	2½ - 3	4 - 4½	-0.8	-4.4	-¼	-½	8.2	8.3 ⁵	22.6	23.4
Sweden	2.7	4½ - 5	3 - 3½	-1.0	-1.1	-2¼	-4	2.2	1.8	10.0	7.9
Switzerland	0.2	½ - 1	1 - 1½	4.9	5.8	+3	+2½	0.4	0.3	1.1	4.9
Total EFTA	2.0 ²	3½ - 4 ²	2¼ - 3¼ ²	0.1	..	-3	-5	(3.8) ³	(3.5) ³	6.9 ²	6.9
OECD Europe	2.9	3	2	15.1	0.6	-10	-14	n.a.	n.a.	9.3	11.7
EC	3.0	3	1¼	16.4	0.8	-4¼	-8	5.5	5.4	6.8	10.0
Total OECD	3.7	3	1½	6.4	0.1	-28	-30	5.3	(5.2)	7.9	10.6

1 Forecasts by the Secretariat based on national sources, OECD and other sources

2 GNP in dollars have been used as weights

3 Labour force has been used as weights, however the EFTA "average" should be used with care, since definitions of unemployment and labour force vary as between countries

4 Million \$

5 August figure

INTERNATIONAL COOPERATION

Cooperation between EFTA countries and Yugoslavia

The ad hoc group on industrial cooperation, set up by the Joint EFTA-Yugoslavia Committee, is scheduled to meet in Geneva on 15th and 16th January 1980.

The meeting is expected to focus on:

- the legal framework for industrial cooperation in Yugoslavia and the EFTA countries;
- the various forms of cooperation (joint ventures, transfer of technology etc.);
- the experiences gained in these spheres by enterprises in EFTA and Yugoslavia;
- possibilities for expanding industrial cooperation in the future.

The ad hoc group will probably need more than one meeting to conclude its work.

Arrangements are being made for the first meeting of the ad hoc group on tourism which the Joint Committee decided to establish. The Yugoslav side has suggested that the meeting might be held late in January or as soon as possible afterwards. The ad hoc group is to provide consultancy services on the reconstruction of the tourist facilities destroyed in Montenegro by the earthquake last April. Particular aspects proposed by the Yugoslav side include advice and information on marketing, on the development of mountain tourism in Montenegro and on the possibilities of cooperation in health tourism.

ASEAN countries will receive improved tariff treatment from five EFTA countries

Some manufactured goods made in Indonesia, Malaysia, the Philippines, Singapore and Thailand - the five members of the Association of South East Asian Nations (ASEAN) - will have easier access to the markets of the five EFTA countries which already grant tariff preferences to them and to other developing countries.

The ASEAN Secretariat had asked that its members should benefit from the new cumulation rules*which the five preference-giving EFTA countries - Austria, Finland, Norway, Sweden and Switzerland - have declared themselves willing to apply to

INTERNATIONAL COOPERATION

regional groupings of developing countries. These EFTA countries have accepted ASEAN's request.

To take advantage of the new system, ASEAN members have been asked to submit to the five EFTA countries concerned the names of the authorities in their countries which are competent to issue certificates of origin, as well as the names of the authorities which can be contacted to verify the information given in the certificates.

When preference-giving EFTA countries have received the information, they will inform the ASEAN countries from which date certificates of origin for goods produced under the system of cumulation will be accepted.

* The provisions on cumulation will offer the ASEAN countries an additional possibility of benefiting from preferential tariff treatment in respect of their exports to the five preference-giving countries in EFTA. This will apply in cases where the processing criteria in the origin rules of the GSP (UNCTAD Generalised System of Preferences) for a given product can be fulfilled only by taking into account any previous processing which has been performed on that product in another ASEAN country.

FORTHCOMING MEETINGSJanuary 1980

- | | |
|-------------|---|
| 15th - 16th | Ad hoc group on industrial cooperation between the EFTA countries and Yugoslavia |
| 21st - 23rd | Economic and Social Sub-Committee of the Consultative Committee |
| 29th - 30th | Hallmarking Convention: Standing Committee* |
| From 30th | Committee of Origin and Customs Experts |
| end month | Committee of Members of Parliament of the EFTA countries: preparatory meeting of national secretaries in Strasbourg |

February 1980

- | | |
|-------------|---|
| 11th - 14th | Committee of Trade Experts |
| 12th | Meeting between a delegation from the Economic and Social Committee of the EC and members of EFTA's Consultative Committee: in Brussels |
| 13th - 14th | Consultative Committee |

All meetings take place in Geneva unless otherwise stated.

Meetings of the Councils at official level are not listed here: they usually take place each Thursday except during the Easter, summer and Christmas recesses.

* Not an EFTA meeting, but the EFTA Secretariat provides secretariat services for it.

SCHEMES AND CONVENTIONS

The following items contain news of some of the international schemes and conventions which were originally worked out in EFTA with the purpose of overcoming technical barriers to trade. All are independent of EFTA. The secretariat services necessary for the administration of the schemes and conventions are provided by the EFTA Secretariat.

Lifting appliances: scheme not yet operational

The bodies responsible for approving lifting appliances in Portugal and Sweden, the only EFTA countries which are not yet covered by the reciprocal recognition scheme for lifting appliances, are being asked if they intend to join the scheme in the near future.

The scheme, in force since 1st January 1978, is one of six international schemes worked out originally in EFTA to overcome a common obstacle to trade: the obligation to have certain products tested or inspected, for such reasons as safety, before they can be put on the market. The schemes - each for a different category of product - make it possible for national approval bodies or authorities in one country to recognise (accept) tests or inspections carried out in another country, provided both countries participate in the scheme.

This works to the advantage of the manufacturer or exporter since the testing can be carried out by an institution in his own country, even though what is tested is the conformity of the product to the particular requirements of the importing country.

At present the lifting appliances' scheme, which relates to such products as lifts, cranes and hoists, has not in fact become operational. For one thing, none of the national approval bodies has yet received any request for recognition from foreign testing institutions. The reason may well be that no manufacturers have so far asked these institutions to carry out tests. Once a testing institution has been asked to do so it will need to apply for recognition, at the same time giving the foreign approval body in question a detailed description of its testing facilities.

Several other factors are also relevant. There is more trade in lifting appliances between individual EFTA countries and countries outside EFTA than within EFTA itself. (Non-EFTA countries are covered by all the other schemes except the relatively new one for heating equipment: see following item.)

SCHEMES AND CONVENTIONS

The non-participation of Sweden and Portugal also limits its immediate usefulness. The fact that some lifting appliances have to be inspected after installation necessarily rules out the use of the scheme for that inspection.

These problems were recognised by EFTA's Committee of Trade Experts when it discussed the scheme in October but the Committee nonetheless concluded that it was a useful instrument for removing a barrier to trade.

French and German translations of the text of the scheme will be published early in 1980 and an up-dated English version will also become available.

Heating equipment using liquid fuel

Oil burners, domestic boilers, air heaters and driers, oil stoves with flue connection, portable heaters and portable cooking appliances: these are the kinds of product which are covered by the reciprocal recognition scheme for heating equipment using liquid fuel; and this scheme, like the one for lifting appliances mentioned above, is still not in effective operation.

Here again, the immediate reason is that it is necessary for national testing institutions to request recognition from the approval bodies in the other countries taking part - all seven EFTA countries are in the scheme - and the request is not likely to be made until manufacturers ask to make use of the scheme. The approval bodies believe nevertheless that the scheme will become operative. In Finland, Iceland and Portugal there are however no compulsory testing or inspection requirements at present.

Pharmaceutical Inspection Convention: new guidelines for sterile products

Revised guidelines for the manufacture of sterile products and plans to arrange seminars for national pharmaceutical inspectors were among the main items discussed at a recent meeting of the Committee of Officials which supervises the operation of the Pharmaceutical Inspection Convention (PIC).

The Convention, which is in force in twelve European countries, applies to pharmaceutical products for human consumption which are subject to control by health legislation.

SCHEMES AND CONVENTIONS

It provides that the Convention countries will exchange, on the basis of inspections, such information as is necessary for the health authority in an importing country to be able to recognise - and thus accept the findings of - inspections carried out in the country where the product is manufactured.

The guidelines for the manufacture of sterile products, which form an annex to "Basic standards of good manufacturing practice for pharmaceutical products", are more detailed in the revised version and also cover the manufacture of intravenous infusion liquids.

It was agreed at the meeting that the national inspection authorities would continue to study the new draft and discuss it again at their next meeting, in May, after the customary consultations with interested circles.

Two training seminars for pharmaceutical inspectors from the Convention countries will be held this summer. One, on pharmaceutical inspection, will be held in Copenhagen in the first week of July. The second, on the manufacture of ingredients for pharmaceutical products, will be held two weeks later in Basle.

EFTA REPORTER

Editor Raymond Couvreu, Head of the Press and Information Service of the European Free Trade Association
 Assistant Editors: Martin Judge, Truls N. Treider
 9-11, rue de Varembe, CH - 1211 Geneva 20; Telex: 22660 EFTA CH; Telephone: (022) 34 90 00

Officials responsible for information on EFTA in the EFTA countries

Herr Josef Mayer
 Bundesministerium für Handel,
 Gewerbe und Industrie
 Sektion II/8
 Stubenring 1
 A - 1010 Wien
 Telex: 112240
 Tel: 7500-5774

Tiedotussihteerit Aune Peräinen
 Ulkoasiainministeriö
 Ritarinkatu 2
 SF - 00171 Helsinki 17
 Telex: 121667
 Tel: 1602177

Mr. Magnus T. Olafsson
 blaðafulltrúi ríkisstjórnarinnar
 Stjórnarráðshúsinu
 IS - Reykjavík
 Telex: (viðskiptaráðuneytinu) 2092
 Tel: 25.000

Fr. Berit Griebenow
 Informasjonssekretær
 Handelsdepartementet
 P.O. Box 8113, Dep
 N - Oslo 1
 Telex: 18670
 Tel: 20 51 10

Dr. Jorge Pereira de Carvalho
 Ministério da Comunicação Social
 Serviço de Informação Interministerial,
 Sala de Imprensa
 Palácio Foz
 Praça dos Restauradores
 P - 1200 Lisboa
 Telex: 18342/6/8
 Tel: 36 34 64

Herr Erik Pierre
 Chef för pressbyrån
 Utrikesdepartementet
 Box 161 21
 S - 103 23 Stockholm 16
 Telex: 105 90
 Tel: 763 2917

Monsieur Pierre Monod
 Bureau de l'Intégration du DFAE/DFEP
 Palais Fédéral
 CH - 3003 Berne
 Tél: 32 176
 Tél. 61 22 54

