

# EFTA REPORTER

European Free Trade Association

Geneva, December 1980

493

No.5

## Forthcoming meetings

(Excluding regular meetings of the Councils at official level)

### January

- 20-23 Committee of Origin and Customs Experts  
27 Steering Committee of the EFTA Industrial Development Fund for Portugal  
28-29 Legal experts on model contracts for industrial cooperation : group set up by the Joint EFTA-Yugoslavia Committee

### February

- 18-19 Consultative Committee: first part of 44th meeting  
20 Joint meeting between delegations from EFTA's Consultative Committee and the Economic and Social Committee of the EC

All meetings take place in Geneva



<u>Table of contents:</u>	Page
Postgraduate research scholarships in the field of European trade and trade policy	2
EFTA in 1980	3
EFTA-Yugoslavia: search for ways to increase trade	5
Amendments to EFTA origin rules	5

Editor: David Egli

Postgraduate research scholarships in the field of European trade and trade policy

The European Free Trade Association (EFTA) invites applications for postgraduate research scholarships into the activities of EFTA or European trade and trade policy.

Up to four such scholarships, each of between 5,000 and 10,000 Swiss francs, will be awarded during the current academic year for research projects which may extend into the 1981-82 academic year.

Candidates should present an outline of their project, including precise definition of the field of research, as well as a description of proposed organisation and methodology. While the outlines should preferably be submitted in English, both they and the research work may be conducted in any of the following languages: English, Finnish, French, German, Icelandic, Italian, Norwegian, Portuguese and Swedish.

Applications should include full details of the candidate's academic qualifications (academic post, degrees, publications, etc.) as well as the names of three referees. If the research is to be done as part of a thesis to obtain a higher degree, candidates should also present a written recommendation from their supervisor.

Applications should be received by 15th May 1981 at the EFTA Secretariat, 9-11 rue de Varembé, 1211 Geneva 20, Switzerland.

All decisions of the panel set up by EFTA to examine applications and the award of scholarships, which will take place by 30th June 1981, are final. No correspondence with respect to such awards will be entered into and acceptance of these rules is implicit in all applications.

\* \* \* \* \*

## EFTA in 1980

In the middle of the year EFTA celebrated its twentieth anniversary with a series of meetings more concerned with the future than with the past.

There were successes to celebrate, particularly the early and untroubled realisation of free trade within EFTA itself by the end of 1966 and the achievement by 1977 of the Association's second objective through agreements which installed free trade for industrial goods between its seven countries and the nine-nation European Community.

But the emphasis was on the future for several reasons. An organisation that prides itself on its pragmatism prefers to move ahead to its next task. Moreover, the economic climate was now very different from that of EFTA's earlier years; the discarding of tariffs and quotas in EFTA, and the later negotiations that produced the free trade agreements with the EC, had taken place at a time of particularly rapid growth in production and international trade. The new decade had opened in a mood of great uncertainty about the general economic prospects.

What emerged from the anniversary meetings was confirmation that the path chosen for EFTA by its members was judicious for the promotion of trade, economic growth and employment. This was the view not only of the government ministers from the EFTA countries but also of others who took part in the meetings: representatives of industry, trade unions, chambers of commerce and other sections of economic life who belong to EFTA's Consultative Committee, as well as the Committee of members of parliament of the EFTA countries. There was unanimous demand for intensified international cooperation to maintain free trade against the growing dangers of protectionism and to extend and improve the open world trading system.

A particular focus of interest during the year was relations between the EFTA countries and the EC, the source of more than half of their imports and the destination of more than half of their exports. (The EFTA countries account for a quarter of the external exports of the EC.) The free trade agreements between the individual EFTA countries and the EC continued to work satisfactorily. The desirability of complementing the removal of tariffs and quotas in trade with the EC by eliminating non-tariff barriers was expressed in a memorandum to the EC Commission. It identified a number of possible ways of dealing with them and in particular with the technical barriers to trade that arise from differences in national standards or requirements for particular products.

The economic relations between the individual EFTA countries and the EC involve a growing and varied number of links - quite apart from the free trade agreements. Recent examples are the inclusion of Switzerland in Euronet, the EC's data information network, and the completion of negotiations for Swedish participation also. A number of new joint research projects were initiated during the year under the COST framework which provides for co-operation in specific matters of scientific and technical research between research institutes in EFTA, EC and other European countries.

In view of the great variety of fields in which individual EFTA countries cooperate with the EC, a comprehensive survey of the current state of cooperation was carried out by officials responsible in the EFTA countries for the coordination of relations with the EC, and its findings were discussed last May at a meeting of senior government officials from each of the EFTA countries. They concluded that there was an obvious interest in an exchange of information on all these matters and coordination where appropriate. They also found that such meetings strengthened EFTA's role as a clearing house for this purpose.

A multilateral free trade agreement between the EFTA countries and Spain came into force on 1st May and brought about substantial tariff cuts on 1st July. This was a first step towards the elimination of all tariffs and other restrictions on substantially all the trade between the seven EFTA countries and Spain. When the Joint Committee established to supervise the working of the agreement met for the third time in December it noted that trade between the EFTA countries and Spain was growing satisfactorily although it was of course too early to assess the impact of the tariff cuts.

All the EFTA countries apart from Portugal negotiated and signed additional protocols to their free trade agreements with the EC to cover their trade relations with Greece during a five-year transitional period from 1st January 1981 when it becomes the tenth member of the EC. From the beginning of 1981 the EFTA countries will abolish import duties on almost all Greek industrial goods (other than iron and steel on which the duties will be abolished by the end of 1985).

Greece in turn will end its import duties on many industrial exports from the EFTA countries on 1st January 1981. On others the duties will be phased out between the beginning of 1981 and the end of 1985, the transitional period during which Greece will also be completing its abolition of duties and quotas on industrial imports from the EC and the EC removing its duties on iron and steel imports from Greece.

### EFTA-Yugoslavia: search for ways to increase trade

A very positive atmosphere characterised the first meeting, on 9th and 10th December, of an ad hoc group of experts appointed to study the trade between the EFTA countries and Yugoslavia with the aim of finding practical ways to expand the trade.

There was a comprehensive exchange of views on the development and composition of this trade and on the relevant import regimes. At a second meeting, to be held next March, there will be a closer analysis of some structural features of the trade and a discussion of specific ideas for bringing about an expansion. The ad hoc group is to present a report to the next meeting, in the autumn of 1981, of the Joint EFTA-Yugoslavia Committee.

In 1979 the EFTA countries imported goods from Yugoslavia to a value of \$ 155 million c.i.f. and their exports to Yugoslavia amounted to \$ 470 million f.o.b. Yugoslav statistics show that EFTA accounted for 8.1 per cent of Yugoslavia's imports and 5.2 per cent of its exports.

The chairman of the ad hoc group is Mr. Vinko Mir, Assistant Federal Secretary for Foreign Trade of Yugoslavia.

\* \* \*

A first meeting of another expert group established at the Joint Committee's last meeting will be held in January. It consists of legal experts who are to draft model contracts for various kinds of industrial cooperation, as a means of encouraging cooperation between enterprises in the EFTA countries and in Yugoslavia.

\* \* \* \* \*

### Amendments to EFTA origin rules

On 18th December the Councils made some amendments to EFTA's origin rules (Annex B), partly as a result of one of the agreements reached in the Tokyo Round negotiations and partly to take account of the accession of Greece to the EC.

The former change states that "Customs value" in the origin rules is to be understood in accordance with the agreement reached on this subject in the Tokyo Round in April 1979. The text of Note 6 of Appendix 1 to Annex B is amended accordingly.

The other amendments directly reflect the recently signed protocols to the free trade agreements. There are two formal but permanent additions to mention Greece as an EC member (in Paragraph 2 of Article 24 and sub-paragraphs (b)(i) and (c) of Paragraph 1 of Article 25). There are also additional texts to apply to imports into EFTA of those industrial products originating in Greece (essentially iron and steel products) which will continue to be liable to duties, at progressively reduced rates, until the end of 1985. (Most industrial products originating in Greece will be able to enter the EFTA countries duty-free from 1st January 1981.) These additional texts are valid only until the end of 1985.

All these amendments come into force on 1st January 1981.

\* \* \* \* \*