

## EFTA-SLOVAK REPUBLIC FREE TRADE AREA

### Biennial Report on the Operation of the Agreement

#### *Communication from the Parties*

The report below presents the information received from the European Free Trade Association and the Permanent Mission of the Slovak Republic, dated 25 July 2001. It is organized in accordance to the Standard Format for Information on Regional Trade Agreements (WT/REG/W/6).

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The Agreement between the States of the European Free Trade Association (EFTA) and the Slovak Republic was examined in accordance with Article XXIV of GATT. In accordance with the guidelines approved by the Council For Trade in Goods<sup>1</sup>, as recommended by the Committee on Regional Trade Agreements<sup>2</sup>, and the reporting schedule established by the WTO Secretariat, the Parties to the Agreement establishing the Free Trade Area between the EFTA States and the Slovak Republic herewith provide their biennial report on the operation of the Agreement covering the period since 1999. The Parties to the Agreement submitted a biennial report on the operation of the Agreement on 28 May 1999, circulated in WT/REGG86/R/B/1; G/L/353.

#### Main developments

The Parties have continued to pay attention to updating and upgrading the Agreement. During the reporting period (1999-2000), the Joint Committee held one meeting on 14 December 2000, and has adopted seven Joint Committee Decisions. For further details, see Annex I.

## **I. BACKGROUND INFORMATION ON THE AGREEMENT**

### **1. Membership and Dates of Signature, Ratification and Entry into Force**

The Agreement was signed on 20 March 1992, originally between the EFTA States and the Czech and Slovak Federal Republic (CSFR). Following the dissolution of the CSFR on 31 December 1992, a Protocol on the succession by the Slovak Republic to the Agreement was signed on 19 April 1993.

The Agreement entered into force on 1 July 1992. Austria, Finland and Sweden ceased to be Parties to the FTA, following their withdrawal from the EFTA Convention and subsequent accession to the European Union on 1 January 1995. Liechtenstein has applied it provisionally as of 1 January 1997. The Agreement can be consulted on the EFTA web page: <http://www.efta.int/library/legal/fta/slovak/>.

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<sup>1</sup> G/L/286.

<sup>2</sup> WT/REG/4.

## **2. Trade Data**

According to the EFTA Secretariat's statistical sources, trade between the EFTA States and the Slovak Republic expanded by 42 per cent in the period from 1997 to 2000. EFTA imports from the Slovak Republic increased by 125 per cent and EFTA exports to the Slovak Republic fell by 8.6 per cent during the same period.

The trade balance between the two was in favour of the EFTA States in 1997 and 1998 and then in favour of the Slovak Republic in 1999 and 2000. In 2000, EFTA exports to the Slovak Republic amounted to 148 million US dollars while imports from the Slovak Republic amounted to 224 million US dollars.

Among the EFTA States, Switzerland was the Slovak Republic's largest trading partner in 2000, accounting for 86.9 per cent of the trade, followed by Norway with 12.3 per cent and Iceland with 0.8 per cent.

In the period 1997 to 2000, the EFTA States' total trade increased by 6.9 per cent, or in absolute terms from 239.7 billion US dollars to 256.1 billion US dollars. Both import and export figures showed the same positive trend.

In the period 1997 to 2000, the Slovak Republic's share of EFTA's total trade with the world has increased from 0.11 per cent to 0.15 per cent. With regard to other free trade partners, the share of the Slovak Republic's trade with the EFTA States' total preferential trade (including trade with the EU) increased from 0.16 per cent in 1997 to 0.20 per cent in 2000.

Detailed trade data can be found in Annex II.

## **II. TRADE PROVISIONS**

### **1. Import Restrictions &**

### **2. Export Restrictions**

Both the EFTA States and the Slovak Republic have dismantled and/or abolished customs duties and quantitative restrictions in accordance with the timetables of the Agreement. They have also accelerated the gradual dismantling/abolishing of certain trade restrictions such as Icelandic, Liechtenstein and Swiss customs duties of a fiscal nature. It should be noted that the abolition of these duties was done on an MFN basis. The Parties have complied with all requirements set out in the Agreement and all transitional periods have come to an end.

### **3. Rules of Origin**

Since all Parties to the Agreement are included in the system of pan-European cumulation system, annual amendments to Protocol on Origin Rules (Protocol B) have been made in 1999 and 2000 (see Annex I).

### **III. GENERAL PROVISIONS OF THE AGREEMENT**

#### **5. Institutional Framework**

A Joint EFTA-Slovak Republic Committee has been established under the Agreement. The aim of the Joint Committee is to supervise and administer the implementation of the Agreement, as well as to review the possibility of further removal of obstacles to trade between the Parties. The Joint Committee is assisted by expert groups, in particular by the Sub-Committee on Customs and Origin Matters. Other expert groups can be convened, as agreed. During the reporting period, the sixth Joint Committee took place on 14 December 2000 in Geneva.

**ANNEX I**Amendments to the EFTA – Slovak Republic FTA since 1999

<b>Articles/ Annexes</b>	<b>Description</b>	<b>Amendments / Deletions</b>	<b>Remarks</b>	<b>Entry into Force</b>
Protocol B	Rules of origin and methods of administrative co-operation	Amended JCD of 07.01.1999	Protocol B updated in line with the updated rules on pan-European cumulation.	Entered into force 01.01.1999
Protocol B	Rules of origin and method of administrative co-operation	Amended JCD of 22.12.1999	Protocol B updated in line with the updated rules on pan-European cumulation.	Entered into force 01.01.2000
Annex II	Fish and other marine products	Amended JCD of 14.12.2000	The last exceptions for freshwater fish were deleted.	Entered into force 01.01.2001
Protocol B	Rules of origin and methods of administrative co-operation	Amended JCD of 14.12.2000	Protocol B updated in line with the updated rules on pan-European cumulation.	Entered into force 01.01.2001
Joint Declaration to Protocol B	Transitional period concerning issuing of documents relating to proof of origin	Deleted JCD of 14.12.2000		Entered into force 01.01.2001
Annex IV	Slovak transitional arrangements for the abolition of import duties and charges having equivalent effect	Deleted JCD of 14.12.2000	.	Entered into force 01.01.2001
Protocol D	State monopolies	Amended JCD of 14.12.2000	Elimination of Swiss/Liechtenstein monopoly on gunpowder and Icelandic monopoly on fertilizers.	Entry into force is pending national acceptance

## **ANNEX II**

### **Detailed Trade Data**

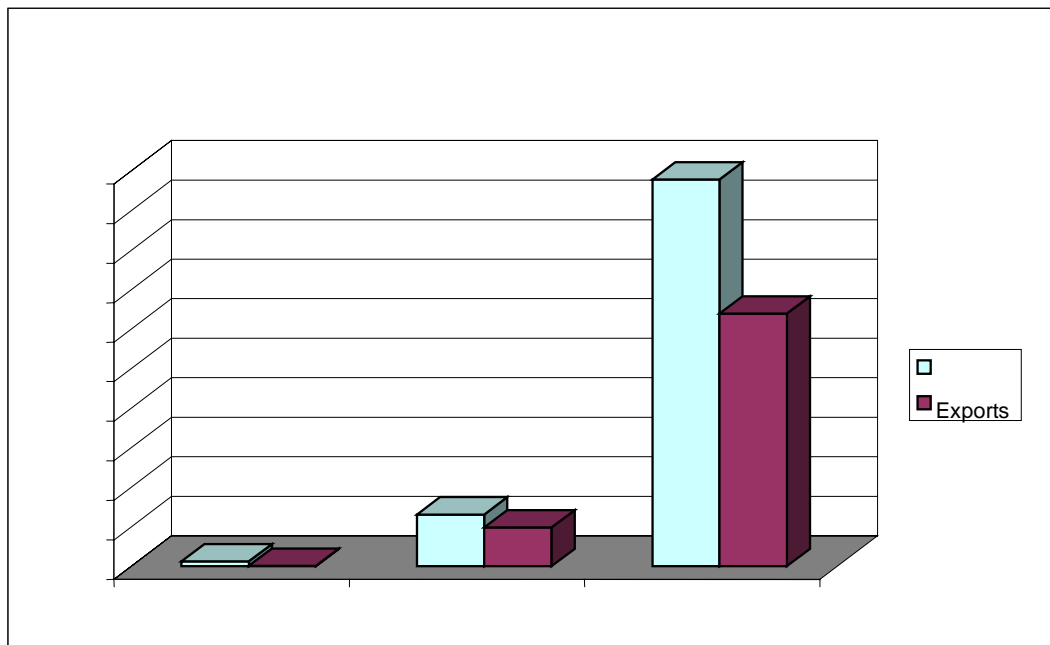
Statistical information on:

- EFTA States' trade with the Slovak Republic 1997-2000
- EFTA States' trade with the Slovak Republic by selected commodities 1998-2000
- EFTA States' trade with the world 1997-2000
- EFTA States' trade with the world by selected commodities 1998-2000

**EFTA STATES' TRADE WITH SLOVAK REPUBLIC**

	1997	1998	1999	2000	1997/98	1998/99	99/2000
<b>IMPORTS</b>	In thousand US dollars				Percentage Change		
Iceland	1,007	1,155	1,458	2,500	14.7	26.2	71.5
Norway	12,280	17,323	23,702	26,252	41.1	36.8	10.8
Switzerland	86,495	136,294	152,459	195,739	57.6	11.9	28.4
EFTA	99,782	154,772	177,619	224,491	55.1	14.8	26.4
Share in EFTA's tot. imports	0.09%	0.13%	0.15%	0.19%			
<b>EXPORTS</b>							
Iceland	0	16	165	133		931.3	-19.4
Norway	18,205	16,896	19,153	19,767	-7.2	13.4	3.2
Switzerland	143,425	150,723	119,368	127,775	5.1	-20.8	7.0
EFTA	161,630	167,635	138,686	147,675	3.7	-17.3	6.5
Share in EFTA's tot. exports	0.13%	0.14%	0.11%	0.11%			
<b>IMPORTS + EXPORTS</b>							
Iceland	1,007	1,171	1,623	2,633	16.3	38.6	62.2
Norway	30,485	34,219	42,855	46,019	12.2	25.2	7.4
Switzerland	229,920	287,017	271,827	323,514	24.8	-5.3	19.0
EFTA	261,412	322,407	316,305	372,166	23.3	-1.9	17.7
Share in EFTA's total trade	0.11%	0.13%	0.13%	0.15%			

No percentage calculated



Source: World Trade Atlas

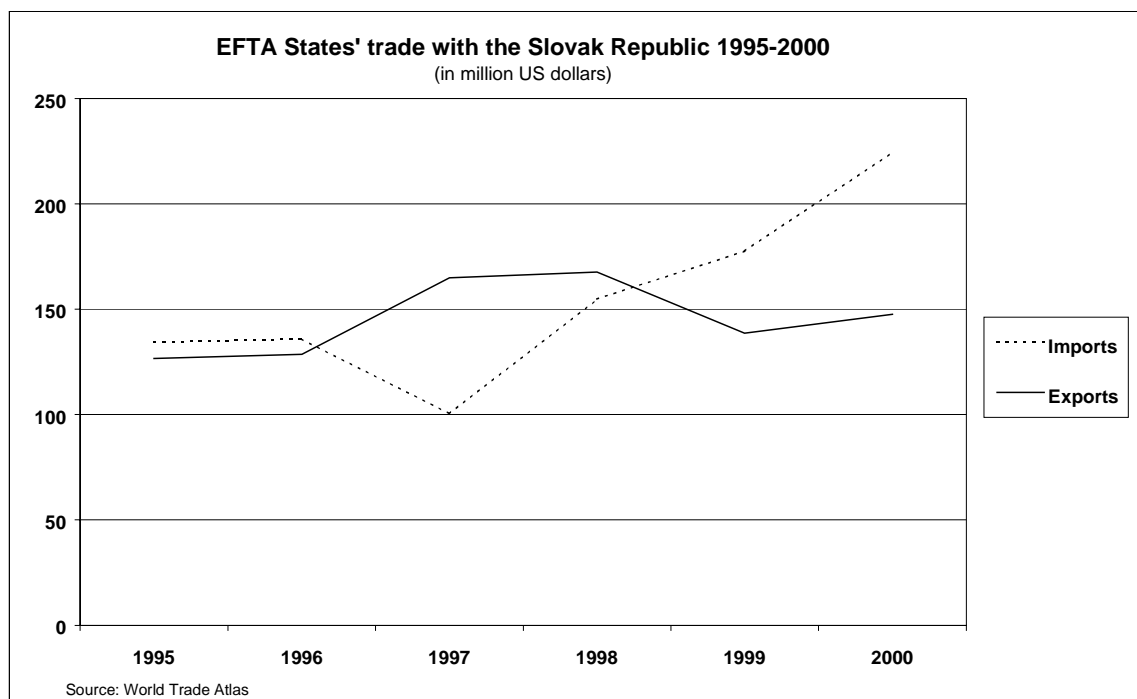
**EFTA STATES' TRADE WITH SLOVAK REPUBLIC BY**

## SELECTED COMMODITIES (HS)

	1998	1999	2000	1998	1999	2000
<b>IMPORTS</b>	In thousand US dollars			In per cent		
<b>Iceland</b>						
Total imports from Slovak Republic	1,155	1,458	2,500	100.0	100.0	100.0
<i>In per cent of imports from world</i>	<i>0.05%</i>	<i>0.06%</i>	<i>0.11%</i>			
HS 85 Electrical machinery	221	208	1,062	19.1	14.3	42.5
HS 76 Aluminium and articles thereof	34	133	371	2.9	9.1	14.8
HS 62 Woven apparel or clothing accessories	133	190	233	11.5	13.0	9.3
<b>Norway</b>						
Total imports from Slovak Republic	17,323	23,702	26,252	100.0	100.0	100.0
<i>In per cent of imports from world</i>	<i>0.05%</i>	<i>0.07%</i>	<i>0.08%</i>			
HS 84 Machinery, mechanical appliances	4,433	5,006	5,409	25.6	21.1	20.6
HS 85 Electrical machinery	2,092	5,199	4,358	12.1	21.9	16.6
HS 94 Furniture and bedding	749	2,028	3,294	4.3	8.6	12.5
HS 64 Footwear	1,015	2,156	2,653	5.9	9.1	10.1
HS 54 Manmade filaments	1,457	2,084	2,124	8.4	8.8	8.1
HS 48 Paper, paperboard	83	620	1,484	0.5	2.6	5.7
HS 73 Iron and steel products	252	492	1,153	1.5	2.1	4.4
HS 62 Woven apparel or clothing accessories	1,313	1,238	982	7.6	5.2	3.7
<b>Switzerland</b>						
Total imports from Slovak Republic	136,294	152,459	195,739	100.0	100.0	100.0
<i>In per cent of imports from world</i>	<i>0.17%</i>	<i>0.19%</i>	<i>0.24%</i>			
HS 87 Vehicles (not railway)	57,170	71,820	107,702	41.9	47.1	55.0
HS 48 Paper, paperboard	10,834	9,557	13,242	7.9	6.3	6.8
HS 54 Manmade filaments	1,116	6,114	10,047	0.8	4.0	5.1
HS 94 Furniture and bedding	11,983	9,027	9,438	8.8	5.9	4.8
HS 62 Woven apparel or clothing accessories	9,954	8,746	8,208	7.3	5.7	4.2
HS 84 Machinery, mechanical appliances	6,413	7,912	6,891	4.7	5.2	3.5
HS 85 Electrical machinery	3,823	3,460	5,541	2.8	2.3	2.8
HS 72 Iron and steel	5,101	3,696	5,144	3.7	2.4	2.6
HS 86 Railway vehicles	396	6,702	4,187	0.3	4.4	2.1
HS 73 Iron and steel products	2,207	2,923	3,776	1.6	1.9	1.9
<b>EXPORTS</b>	In thousand US dollars			In per cent		
<b>Iceland</b>						
Total exports to Slovak Republic	16	165	134	100.0	100.0	100.0
<i>In per cent of exports to world:</i>	<i>0.00%</i>	<i>0.01%</i>	<i>0.01%</i>			
HS 30 Pharmaceutical products	0	141	134	0.0	85.5	100.0
HS 01 Live animals	0	8	0	0.0	4.8	0.0
HS 16 Preparation of meat, fish	0	17	0	0.0	10.3	0.0
<b>Norway</b>						
Total exports to Slovak Republic	16,896	19,153	19,767	100.0	100.0	100.0
<i>In per cent of exports to world:</i>	<i>0.04%</i>	<i>0.04%</i>	<i>0.03%</i>			
HS 48 Paper, paperboard	1,845	3,756	4,769	10.9	19.6	24.1
HS 84 Machinery, mechanical appliances	4,892	3,827	3,578	29.0	20.0	18.1
HS 99 Salvage, reparations	2,492	2,573	2,604	14.7	13.4	13.2
HS 47 Woodpulp	253	2,592	2,390	1.5	13.5	12.1
HS 56 Wadding, felt, twine, rope	198	1,264	1,774	1.2	6.6	9.0
HS 85 Electrical machinery	1	880	1,316	0.0	4.6	6.7
HS 03 Fish, crustaceans	1,528	1,380	887	9.0	7.2	4.5
HS 76 Aluminium and articles thereof	920	337	729	5.4	1.8	3.7

	1998	1999	2000	1998	1999	2000
<b>Switzerland</b>						
Total exports to Slovak Republic	150,723	119,368	127,775	100.0	100.0	100.0
<i>In per cent of exports to world:</i>	<i>0.19%</i>	<i>0.15%</i>	<i>0.16%</i>			
HS 30 Pharmaceutical products	26,868	32,715	31,808	17.8	27.4	24.9
HS 85 Electrical machinery	29,079	13,318	18,538	19.3	11.2	14.5
HS 86 Railway vehicles	0	773	13,007	0.0	0.6	10.2
HS 84 Machinery, mechanical appliances	20,298	19,250	12,520	13.5	16.1	9.8
HS 39 Plastic, plastic articles	9,511	10,193	9,571	6.3	8.5	7.5
HS 52 Cotton	4,418	4,456	4,715	2.9	3.7	3.7
HS 90 Optical, medical, surgical instruments	5,502	5,032	4,619	3.7	4.2	3.6
HS 38 Misc. chemical products	21,310	4,413	3,787	14.1	3.7	3.0
HS 48 Paper, paperboard	1,388	2,891	3,563	0.9	2.4	2.8
HS 29 Organic chemicals	2,514	1,289	2,663	1.7	1.1	2.1

Source: World Trade Atlas

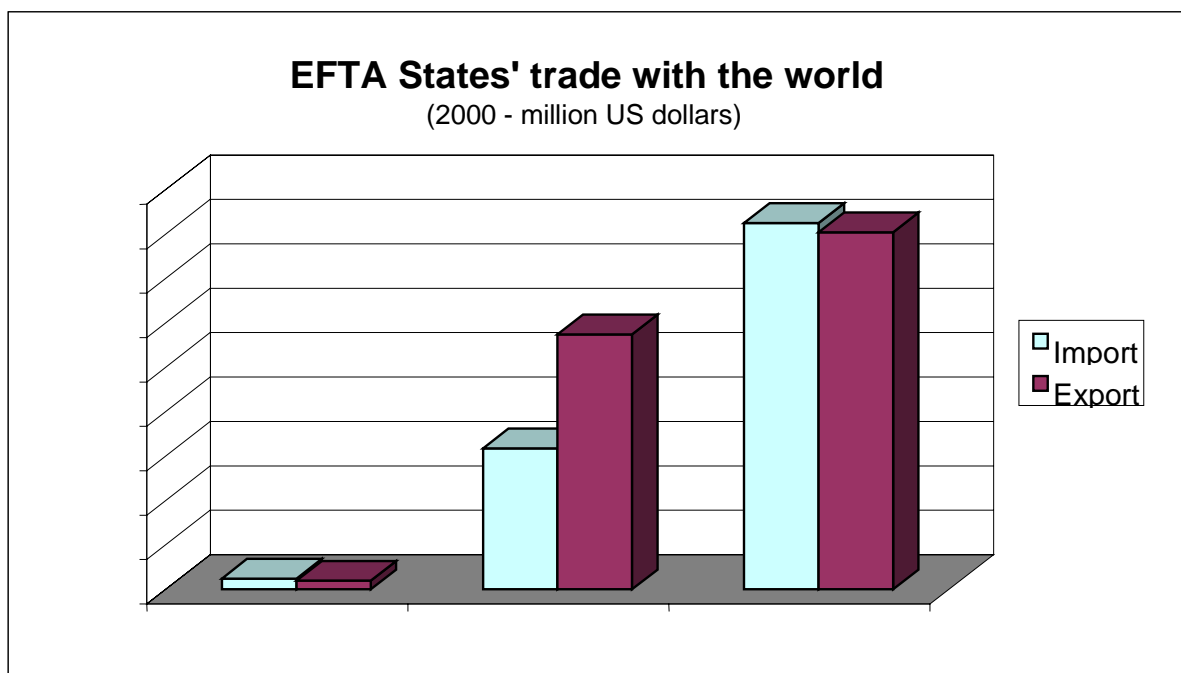




**EFTA STATES' TRADE WITH THE WORLD**

	1997	1998	1999	2000	1997/98	1998/99	99/2000
	In thousand US dollars				Percentage Change		
<b>IMPORTS</b>							
Iceland	1,851,157	2,284,704	2,315,759	2,380,086	23.4	1.4	2.8
Norway	35,673,861	37,451,092	33,779,975	31,674,645	5.0	-9.8	-6.2
Switzerland	75,770,047	80,267,624	80,008,545	82,411,758	5.9	-0.3	3.0
EFTA	113,295,065	120,003,420	116,104,279	116,466,489	5.9	-3.2	0.3
Share in EFTA's tot. imports	100%	100%	100%	100%			
<b>EXPORTS</b>							
Iceland	1,850,720	1,926,744	2,001,400	1,889,770	4.1	3.9	-5.6
Norway	48,495,496	40,374,441	44,824,714	57,367,564	-16.7	11.0	28.0
Switzerland	76,021,445	78,842,006	80,295,179	80,402,473	3.7	1.8	0.1
EFTA	126,367,661	121,143,191	127,121,293	139,659,807	-4.1	4.9	9.9
Share in EFTA's tot. exports	100%	100%	100%	100%			
<b>IMPORTS + EXPORTS</b>							
Iceland	3,701,877	4,211,448	4,317,159	4,269,856	13.8	2.5	-1.1
Norway	84,169,357	77,825,533	78,604,689	89,042,209	-7.5	1.0	13.3
Switzerland	151,791,492	159,109,630	160,303,724	162,814,231	4.8	0.8	1.6
EFTA	239,662,726	241,146,611	243,225,572	256,126,296	0.6	0.9	5.3
Share in EFTA's tot trade	100%	100%	100%	100%			

No percentage calculated



Source: World Trade Atlas

## EFTA STATES' TRADE WITH THE WORLD BY SELECTED COMMODITIES (HS)

	1998	1999	2000	1998	1999	2000
<b>IMPORTS</b>	In thousand US dollars			In per cent		
<b>Iceland</b>						
Total imports from the world	2,284,704	2,315,759	2,380,086	100.0	100.0	100.0
<i>In per cent of imports from world</i>	100%	100%	100%			
HS 84 Machinery, mechanical appliances	343,400	338,079	304,921	15.0	14.6	12.8
HS 85 Electrical machinery	279,576	259,297	276,459	12.2	11.2	11.6
HS 87 Vehicles (not railway)	228,117	265,046	249,848	10.0	11.4	10.5
<b>Norway</b>						
Total imports from the world	37,451,092	33,779,975	31,674,645	100.0	100.0	100.0
<i>In per cent of imports from world</i>	100%	100%	100%			
HS 84 Machinery, mechanical appliances	6,328,865	5,644,825	4,805,467	16.9	16.7	15.2
HS 85 Electrical machinery	3,506,578	3,353,604	3,376,049	9.4	9.9	10.7
HS 87 Vehicles (not railway)	3,535,595	3,089,991	2,956,628	9.4	9.1	9.3
HS 27 Mineral fuels, oil	947,888	1,035,991	1,163,853	2.5	3.1	3.7
HS 39 Plastic, plastic articles	1,085,801	1,019,696	994,492	2.9	3.0	3.1
HS 94 Furniture and bedding	1,010,353	975,274	963,645	2.7	2.9	3.0
HS 89 Ships, boats and floating structures	2,619,491	1,604,601	931,579	7.0	4.8	2.9
HS 73 Iron and steel products	1,914,583	1,270,865	926,097	5.1	3.8	2.9
<b>Switzerland</b>						
Total imports from the world	80,267,624	80,008,545	82,411,758	100.0	100.0	100.0
<i>In per cent of imports from world</i>	100%	100%	100%			
HS 84 Machinery, mechanical appliances	10,571,578	11,075,982	11,203,711	13.2	13.8	13.6
HS 85 Electrical machinery	7,184,466	7,490,076	8,180,210	9.0	9.4	9.9
HS 87 Vehicles (not railway)	6,668,542	7,032,447	6,789,513	8.3	8.8	8.2
HS 71 Precious stones and metals	6,937,018	5,076,812	6,726,878	8.6	6.3	8.2
HS 30 Pharmaceutical products	3,463,563	4,293,309	4,283,838	4.3	5.4	5.2
HS 29 Organic chemicals	4,092,940	3,961,542	4,265,592	5.1	5.0	5.2
HS 27 Mineral fuels, oil	2,365,844	2,379,581	3,760,061	2.9	3.0	4.6
HS 39 Plastic, plastic articles	2,892,037	2,865,059	2,865,389	3.6	3.6	3.5
HS 90 Optical, medical, surgical instruments	2,540,987	2,699,511	2,708,710	3.2	3.4	3.3
HS 94 Furniture and bedding	2,025,839	2,102,726	1,960,136	2.5	2.6	2.4
<b>EXPORTS</b>	In thousand US dollars			In per cent		
<b>Iceland</b>						
Total exports to the world	1,926,744	2,001,400	1,889,770	100.0	100.0	100.0
<i>In per cent of exports to world:</i>	100%	100%	100%			
HS 03 Fish, crustaceans	1,022,550	1,066,335	953,473	53.1	53.3	50.5
HS 76 Aluminium and articles thereof	267,540	319,073	352,473	13.9	15.9	18.7
HS 16 preparations of meat, fish	181,135	159,460	132,692	9.4	8.0	7.0
<b>Norway</b>						
Total exports to the world	40,374,441	44,824,714	57,367,564	100.0	100.0	100.0
<i>In per cent of exports to world:</i>	100%	100%	100%			
HS 27 Mineral fuels, oil	17,472,594	22,803,716	36,287,450	43.3	50.9	63.3
HS 03 Fish, crustaceans	3,293,716	3,452,780	3,266,934	8.2	7.7	5.7
HS 99 Salvage, reparations	2,852,882	2,626,850	2,567,594	7.1	5.9	4.5
HS 76 Aluminium and articles thereof	2,383,826	2,152,071	2,453,409	5.9	4.8	4.3
HS 84 Machinery, mechanical appliances	2,622,145	2,548,091	2,300,745	6.5	5.7	4.0
HS 85 Electrical machinery	1,525,444	1,457,122	1,451,713	3.8	3.3	2.5
HS 48 Paper, paperboard	802,279	794,343	746,990	2.0	1.8	1.3

	1998	1999	2000	1998	1999	2000
HS 72 Iron and steel products	829,051	732,428	688,860	2.1	1.6	1.2
<b>Switzerland</b>						
Total exports to the world	78,842,006	80,295,179	80,402,473	100.0	100.0	100.0
<i>In per cent of exports to world:</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>			
HS 84 Machinery, mechanical appliances	15,525,047	15,220,247	15,217,874	19.7	19.0	18.9
HS 30 Pharmaceutical products	8,034,124	9,036,844	8,257,533	10.2	11.3	10.3
HS 85 Electrical machinery	7,437,217	7,388,342	7,778,432	9.4	9.2	9.7
HS 29 Organic chemicals	7,022,523	7,079,625	7,026,746	8.9	8.8	8.7
HS 91 Clocks and watches	5,810,028	5,976,159	6,073,494	7.4	7.4	7.6
HS 71 Precious stones and metals	4,400,966	5,111,609	6,061,537	5.6	6.4	7.5
HS 90 Optical, medical, surgical instruments	4,500,309	4,704,777	4,860,803	5.7	5.9	6.0
HS 39 Plastic, plastic articles	2,772,396	2,752,348	2,628,327	3.5	3.4	3.3
HS 32 Tanning, dye, paints, putty, inks	1,876,173	1,809,686	1,792,976	2.4	2.3	2.2
HS 73 Iron and steel products	1,821,551	1,748,717	1,706,374	2.3	2.2	2.1

Source: World Trade Atlas