

WORLD TRADE ORGANIZATION

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EUROPEAN FREE TRADE ASSOCIATION

Biennial Report on the Operation of the Convention

Communication from the European Free Trade Association

In accordance with the guidelines approved by the Council For Trade in Goods,¹ as recommended by the Committee on Regional Trade Agreements,² and the reporting schedule established by the WTO Secretariat,³ the European Free Trade Association (EFTA) hereby submits its periodical report on the operation of the EFTA Convention (Convention) since 1999. The last such report was issued on 28 May 1999.⁴ The EFTA Secretariat regularly publishes an annual report which is made available on the EFTA web page. This web page also provides comprehensive information on EFTA and its activities including links to its Member States.⁵

In the period 1999 to 2001, the Convention was subject to substantial modifications in respect of its scope and coverage in the form of an Agreement amending the Convention. This Agreement was signed by the EFTA States in Vaduz, Liechtenstein, on 21 June 2001 and is expected to enter into effect during the first half of 2002. The revised consolidated version of the Convention, incorporating all the amendments, has been made available on the EFTA web page. The main part of the consolidated version of the Convention is enclosed with this report as Annex I, while the Annexes thereto have been forwarded electronically to the WTO Secretariat for consultation by interested delegations.

The provisions of the revised Convention pertaining to trade in services will be subject to a separate notification to the WTO pursuant to Article V of the GATS.

I. BACKGROUND INFORMATION ON THE AGREEMENT

1. The revision of the EFTA Convention

Since 1 January 1995, the European Free Trade Association consists of Iceland, Liechtenstein, Norway and Switzerland. For further information on membership, dates of signature, ratification, entry into force and withdrawal, reference is made to the last biennial report of 28 May 1999.

Since 1960, the relationship between the EFTA States was based on the Convention signed in Stockholm, Sweden, that same year. The scope and coverage of the original Convention was limited to trade in goods and related disciplines. In 1995, three of the Member States became Parties to the European Economic Area Agreement with the European Community (Iceland, Liechtenstein and Norway). Switzerland on its side concluded seven bilateral agreements with the EC in June 1999.

¹ G/L/286.

² WT/REG/4.

³ WT/REG/W/33.

⁴ WT/REG85/R/B/1.

⁵ [Http://www.efta.int](http://www.efta.int)

Following the signing of the bilateral agreements, Switzerland proposed to the other EFTA Members to extend to them the treatment accorded to and benefits obtained with the European Community under the bilateral agreements on the basis of reciprocity. The resulting revised and updated Convention aims to strengthen the cohesion among and improve the economic relations between the four Member States.

4. Trade data

Trade among the four EFTA States has decreased by 13.1 per cent between 1997 and 2000, falling from approximately 1,990 million US dollars in 1997 to about 1,729 million US dollars in 2000. In 1997, intra-EFTA trade accounted for 0.83 per cent of the EFTA States' total trade with the world. In 2000, the share of intra-EFTA trade of EFTA's trade with the world had fallen to 0.68 per cent.

The EFTA States' trade with the world has expanded by 6.9 per cent during the same period, increasing from 239.7 billion US dollars in 1997 to 256.1 billion US dollars in 2000.

The share of the EFTA States' trade with the EU increased slightly from 68.5 per cent in 1997 to 68.9 per cent in 2000. EFTA imports from the EU increased by 3.8 per cent between 1997 and 2000, while EFTA's exports to the EU increased by 10.9 per cent. Trade between the EFTA States and the 15 EU countries expanded by 7.4 per cent between 1997 and 2000, from 164.2 billion US dollars to 176.4 billion US dollars.

The EFTA States' trade with other preferential partners expanded by 33.2 per cent during the period of consideration, from 6.9 billion US dollars in 1997 to 9.1 billion US dollars in 2000. Its share of EFTA's total trade has increased from 2.9 per cent in 1997 to 3.6 per cent in 2000.

Detailed trade data can be found in Annex II.

II. TRADE PROVISIONS OF THE REVISED CONVENTION

The list of amendments to the Convention introduced by the Agreement signed in June 2001 is extensive. In a number of instances, the language of the original provisions has been modernised to bring it up to the present day trade terminology, while in other instances, substantive changes have been introduced to reflect recent developments in international trade law, in particular the WTO Agreements. In the following description of the modifications to the Convention, reference is made to the Articles as numbered in the Consolidated Version of the Convention Establishing the European Free Trade Areas, which in accordance with Article 2 of the Agreement Amending the Convention is considered to be an authentic version of the Convention.

1. Import Restrictions &

2. Export Restrictions

1.1/2.1 Duties and charges

In order to bring the provisions on import restrictions and their language up to the current state of actual liberalisation between the EFTA States, Article 3 has been replaced by a new Article 3 prohibiting any customs duties on imports and exports, including customs duties of a fiscal nature. Further, the old Articles 4 (Area tariff treatment), 5 (Deflection of trade) were deleted. Article 6 (Revenue duties and internal taxation) was replaced by a new Article 4 confirming the present regime

between the EFTA Members by prohibiting the impositions of internal taxation of any kind in excess of that imposed on domestic products.

In order to bring the provisions on export restrictions and the language used up to the current state of affairs between the EFTA States, Articles 7 (Drawback) and 8 (Prohibition of export duties) were deleted as they were considered redundant, and replaced by the new Article 3 referenced above.

1.2/2.2 Quantitative Restrictions

In order to modernise and bring the Convention up to present day intra-EFTA realities, the old Article 10 (Quantitative import restrictions) has been replaced by a new Article 7 prohibiting the imposition of quantitative restrictions on imports and exports, and all measures having equivalent effect between the Member States. The old Article 11 (Quantitative export restrictions) has consequently also been deleted.

3. Rules of Origin

Annex B of the Convention on rules of origin has been renamed Annex A on Rules of Origin, and the origin rules and arrangements for administrative cooperation have been revised. The last such revision of the rules of origin took place in 1996 and entered into force on 1 January 1997. The revision of the rules of origin takes into account recent developments in the pan-European rules of origin which provide for diagonal cumulation among European countries interlinked with a network of free trade agreements.

A new Annex I of the Convention on mutual administrative assistance in customs matters entered into force in 2000. Under the revised Convention, this Annex has been renamed Annex B.

4. Standards

4.1 Technical regulations

A new Chapter III, Technical Barriers to Trade, has been introduced in the Convention amending and renumbering the old Article 12bis on notification of draft technical measures as Article 14 and introducing a new Article 15 on mutual recognition of conformity assessment. Annex H sets out the procedures for notification of technical regulations while Annex I provides for mutual acceptance of reports, certificates, authorisations, conformity marks and manufacturer's declarations. The new conformity assessment rules will apply to the following categories of products and related assessments: machinery, personal protective equipment, toys, medical devices, gas appliances and boilers, pressure vessels, telecommunications installations, equipment used in environments where there is a high risk of explosion, electrical and electromagnetic compatibility appliances, construction plant and equipment, measuring instruments, motor vehicles, agricultural and forestry tractors, Good Laboratory Practice, medicinal products, Good Medicinal Manufacturing Practice, Inspection and Batch Certification.

4.2 Sanitary and phytosanitary measures

A new Article 12 and Annex G provide that the rights and obligations of the Member States in respect to sanitary and phytosanitary measures are governed by the WTO Agreement on the Application of Sanitary and Phytosanitary Measures.

5. Safeguards

In the new Chapter XIV: Exceptions and Safeguards, Articles 40 and 41 (Safeguard measures) replace and modernise the old provisions in Article 20 on Difficulties in particular sectors. Moreover, the old Article 19 on Balance of payments difficulties has been deleted.

Article 40 establishes the conditions and Article 41 the procedures for the application of safeguard measures between the Parties in case serious economic, societal or environmental difficulties of a sectorial nature liable to persist, are arising. Such safeguard measures must be restricted with regard to their scope and duration to what is strictly necessary in order to remedy the situation. Priority must be given to measures that will least disturb the functioning of this Convention. Any measures taken by an EFTA State will apply to all EFTA States. It should be noted that these provisions apply to all chapters of the revised Convention, i.e., both to trade in goods and services, investment and to the movement of persons.

The provisions in Article 40 are without prejudice to the application of specific safeguard measures as specified in the Annexes to this Convention or of special safeguard measures in accordance with Article 5 of the WTO Agreement on Agriculture.

6. Ant-Dumping and Countervailing Measures

Chapter XI: Dumping, and a new Article 36 replace the old Article 17 which permitted the use of anti-dumping and countervailing measures. The new provision stipulates that anti-dumping measures, countervailing duties and measures against illicit commercial practices are not to be applied in relation between the Member States.

7. Subsidies and State-aid

Chapter IV: State-aid, and a new Article 16 refers to State-aid:

- Paragraph 1 sets out that the rights and obligations of the Member States relating to subsidies and countervailing measures are governed by Article XVI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures, which are incorporated and made part of the Convention.
- Paragraph 2 foresees that Members States may not apply countervailing measures in relations between them in accordance with the new Article 36, referenced above under Dumping.

8. Sector-Specific Provisions

8.1 Agriculture

While recognising the special considerations that affect agriculture, a number of improvements to facilitate trade in agricultural products have been introduced in the Convention by way of a new Article 8 (Agricultural goods) and Article 9 (Parts I and II – Goods of Annex C (processed agricultural goods)). The new elements mainly concern:

- the inclusion under the Convention of tariff concessions for basic agricultural products that were formerly covered by separate bilateral agreements between the individual EFTA Member States (new Article 8);

- new tariff concessions on certain agricultural products; and
- the facilitation of trade in seeds and organically produced agricultural products through the reduction or elimination of technical barriers (Article 11 - Seeds and Organic Agriculture).

8.2 Fish and other marine products

A new Article 10 (Fish and other marine products) consolidates the existing free trade regime for these products on which duties and other restrictions had been eliminated in 1989.

9. Other

9.1 State monopolies

A new Chapter V: Public Undertakings and monopolies and a new Article 17 replace the old Article 14 on Public undertakings. The new provisions have been modernised and disciplines strengthened, providing that the Member States must ensure that public undertakings refrain from applying measures the effect of which is to afford protection to domestic production inconsistent with the Convention, and trade discrimination on grounds of nationality. These provisions also apply to the activities of public undertakings, and undertakings for which the Member States grant special or exclusive rights, in so far as the application of these provisions does not obstruct the performance, in law or in fact, of the particular public tasks assigned to them.

9.2 Rules of competition concerning undertakings

A new Chapter VI: Rules of Competition and a new Article 18 replace the old Article 15 (Restrictive business practices). Article 18 stipulates that practices consisting of (i) agreements between enterprises, decisions by associations of enterprises and concerted practices between enterprises which have as their object or result the prevention, restriction or distortion of competition; and (ii) abuse by one or more undertakings of a dominant position in the territories of the Member States as a whole or in a substantial part thereof are incompatible with the Convention in so far as they frustrate the benefits arising from the Convention. Article 17, paragraph 3 prescribes that the provisions of Article 18 apply also to public undertakings dealt with in Chapter V.

9.3 Internal taxation

A new Article 4 replacing the old Article 6 (Revenue duties and internal taxation) provides that the Member States may not impose, directly or indirectly, on the products of other Member States any internal taxation of any kind in excess of that imposed directly or indirectly on similar domestic products. Furthermore, no Member State is permitted to impose on the products of other Member States any internal taxation of such a nature as to afford indirect protection to other products. Where products are exported to the territory of any Member State, any repayment of internal taxation shall not exceed the internal taxation imposed on them whether directly or indirectly.

9.4 Payments and transfers

In a new Chapter XIII: Current payments, Article 38 provides that current payments connected with the movement of goods, persons, services or capital between Member States within the framework of the provisions of this Convention shall be free of all restrictions.

9.5 Public procurement

Under the new Chapter XII on Public Procurement Article 37 reaffirms the right and obligations of the Member States under the WTO Agreement on Government Procurement (GPA), and broadens the scope of these commitments in accordance with the provisions set out in a new Annex V to the Convention. Annex V extends the scope of public procurement among the EFTA States to cover, in addition to their commitments under the GPA, the purchases of products and services by railway operators, entities active in the field of energy other than electricity and private utilities active on the basis of special or exclusive rights in the fields of drinking water, electricity, urban transport, ports and airports by Member States. The new rules further provide that the entities covered are encouraged to apply non-discriminatory, transparent and reciprocal treatment also to the award of contracts of value below the thresholds specified in the Convention.

9.6 Intellectual property

In accordance with the new Chapter VII on Protection of Intellectual Property and Article 19, Member States are under an obligation to grant and ensure adequate and effective protection of intellectual property rights. They must enforce such rights against infringement, counterfeiting and piracy in accordance with the provisions of Article 19 and with the international agreements referred to in Annex J. They are to accord to each other's nationals national treatment, except if permitted in accordance with Article 3 of the TRIPS Agreement, and MFN treatment, except if this is permitted by the TRIPS Agreement.

The relevant standards are defined in Annex J by reference to multilateral agreements (TRIPS Agreement, Stockholm Act 1967, Paris Act 1971, Rome Convention 1961, Geneva Act 1999, WIPO Copyright Treaty 1996 and WIPO Performances and Phonogram Treaty 1996). The European Patent Convention 1973 and the EEA Agreement are to determine the level of protection in Liechtenstein and Switzerland and in Iceland and Norway respectively with regard to technology patents. Specific provisions have been inserted with regard to the additional term of protection for pharmaceuticals and plant protection products, designs, and geographical indications.

The Members States agree to review the provisions on the protection of intellectual property rights with a view to further improving levels of protection and to avoid or remedy trade distortions caused by actual levels of protection of intellectual property rights provided one Member State so requests.

III. GENERAL PROVISIONS OF THE AGREEMENT

1. Exceptions and Reservations

1.1 Exceptions

A new Article 13, Exceptions, introduces a modernised version of the old Article 12 similar to Article XX GATT by confirming the right of the Member States to impose prohibitions or restrictions on imports, exports or goods in transit on grounds of public morality, public health or public security; the protection of health and life of humans, animals and plants, including the environmental measures necessary to protect human, animal or plant life or health and for the protection of intellectual property, rules related to gold, silver and for the conservation of exhaustive natural resources.

1.2 Security exceptions

A new Article 39 on Security exceptions similar to Article XXI GATT replacing the old Article 18 permit Members States to take security measures when they consider such measures necessary to prevent disclosure of information contrary to their essential security interests, for the protection of their essential security interests or for the implementation of international obligations or national policies, as further defined in Article 39.

2. **Accessions**

The old Article 41 on Accession has been amended by the addition of a new paragraph 3 and renumbered as Article 56 in the revised Convention. Paragraph 3 provides that any State acceding to the Convention are obliged to become a party to the free trade agreements between the Member States on the one hand and third States, unions of states or international organisations on the other. Otherwise no changes have been introduced in respect to accession, which remains open to any State.

3. **Dispute Settlement Procedures**

A new Chapter XVII: Consultations and Dispute Settlement, contains rules on dispute resolution and settlement. Article 47 provides that the Member States at all times must endeavour to agree on the interpretation of the Convention and make every attempt to cooperate and consult in order to arrive at a mutually satisfactory resolution of any matter that might affect the operation of the Convention.

Any Member State may bring a matter relating to the interpretation of the Convention before the Council which is to examine the situation with a view to finding an acceptable solution. Such meetings of the Council are to be held within 30 days from the receipt of the request for consultations. If a matter is not resolved within 45 days after consultations have been held, the matter may be referred to arbitration by one or more Member States parties to the dispute by means of a written notification addressed to the Member State complained against. More than one Member State may request the submission to an arbitration tribunal of a dispute, and in such cases a single arbitration tribunal should be established to consider the dispute.

The establishment and functioning of the arbitration tribunal and the implementation of arbitral awards are governed by the rules set out in Annex X to the Convention.

The award of the arbitration tribunal is final and binding upon the Member States parties to the dispute and must be complied with promptly.

5. **Institutional Framework**

The institutional set up and framework under the revised Convention, set out in Chapter XVI: Institutional Provisions and Article 43, reflect recent developments in the Association, in particular the conclusion since 1990 of free trade agreements with third countries, and also the introduction of a new dispute settlement mechanism under the Convention. The responsibilities of the Council have accordingly been extended to include functions relating to the negotiation of trade and co-operation agreements with other States, union of States or international organisations. With regard to dispute settlement, the Council has been given additional tasks to endeavour to resolve disputes that may arise regarding the interpretation or application of this Convention in accordance with the new provisions on dispute settlement, see below.

ANNEX I

Annex XX to the Agreement amending the Convention establishing the European Free Trade Association

Consolidated version of the Convention establishing the European Free Trade Association

CONVENTION ESTABLISHING THE EUROPEAN FREE TRADE ASSOCIATION CONVENTION ESTABLISHING THE EUROPEAN FREE TRADE ASSOCIATION

The Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation (hereinafter referred to as the "Member States");

Having regard to the conclusion on 4 January 1960, between the Republic of Austria, the Kingdom of Denmark, the Kingdom of Norway, the Portuguese Republic, the Kingdom of Sweden, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland, of the Convention establishing the European Free Trade Association (hereinafter referred to as the "Convention");

Having regard to the association with the Republic of Finland and its subsequent accession on 1 January 1986, and to the accessions by the Republic of Iceland on 1 March 1970 and by the Principality of Liechtenstein on 1 September 1991;

Having regard to the successive withdrawals from the Convention by the Kingdom of Denmark and the United Kingdom on 1 January 1973; the Republic of Portugal on 1 January 1986; the Republic of Austria, the Republic of Finland and the Kingdom of Sweden on 1 January 1995;

Having regard to the free trade agreements between the Member States on the one hand and third parties on the other;

Reaffirming the high priority they attach to the privileged relationship between the Member States and to the facilitation of continuity in their respective good relations with the European Union, which are based on proximity, long-standing common values and European identity;

Resolved to deepen the co-operation instituted within the European Free Trade Association, further facilitating the free movement of goods, aiming at the progressive attainment of free movement of persons and the progressive liberalisation of trade in services and investment, further opening up the public procurement markets in the EFTA States, and providing for the appropriate protection of intellectual property rights, under fair conditions of competition;

Building on their respective rights and obligations under the Agreement establishing the World Trade Organization and other multilateral and bilateral instruments of co-operation;

Recognising the need for mutually supportive trade and environmental policies in order to achieve the objective of sustainable development;

Affirming their commitment to the observance of recognised core labour standards, noting their endeavours to promote such standards in the appropriate multilateral fora and expressing their belief that economic growth and development fostered by increased trade and further trade liberalisation contribute to the promotion of these standards;

Have agreed as follows:

CHAPTER I - OBJECTIVES

Article 1

The Association

An international organisation to be known as the European Free Trade Association, hereinafter referred to as "the Association", is hereby established.

Article 2

Objectives

The objectives of the Association shall be:

- (a) to promote a continued and balanced strengthening of trade and economic relations between the Member States with fair conditions of competition, and the respect of equivalent rules, within the area of the Association;
- (b) the free trade in goods;
- (c) to progressively liberalise the free movement of persons;
- (d) the progressive liberalisation of trade in services and of investment;
- (e) to provide fair conditions of competition affecting trade between the Member States;
- (f) to open the public procurement markets of the Member States;
- (g) to provide appropriate protection of intellectual property rights, in accordance with the highest international standards.

CHAPTER II - FREE MOVEMENT OF GOODS

Article 3

Customs Duties on Imports and Exports, and Charges having Equivalent effect

Customs duties on imports and exports, and any charges having equivalent effect, shall be prohibited between the Member States. This shall also apply to customs duties of a fiscal nature.

Article 4

Internal Taxation

1. No Member State shall impose, directly or indirectly, on the products of other Member States any internal taxation of any kind in excess of that imposed directly or indirectly on similar domestic products.
2. Furthermore, no Member State shall impose on the products of other Member States any internal taxation of such a nature as to afford indirect protection to other products.
3. Where products are exported to the territory of any Member State, any repayment of internal taxation shall not exceed the internal taxation imposed on them whether directly or indirectly.

Article 5

Rules of Origin

The rules of origin and methods of administrative cooperation in customs administration are set out in Annex A.

Article 6

Mutual Assistance in Customs Matters

1. Member States shall assist each other in customs matters in general in accordance with the provisions of Annex B in order to ensure that their customs legislation is correctly applied.
2. Annex B shall apply to all products whether or not covered by the provisions of this Convention.

Article 7

Quantitative Restrictions on Imports and Exports, and
Measures having Equivalent Effect

Quantitative restrictions on imports and exports, and all measures having equivalent effect, shall be prohibited between the Member States.

Article 8

Agricultural Goods

1. In view of the special considerations affecting agriculture, the basic agricultural goods and the goods processed from agricultural raw materials listed in Annex C shall be subject to the following rules:
 - (a) In relation to the goods listed in Part I of Annex C, the provisions of this Convention shall apply, with due regard to the arrangements provided for in Article 9.

- (b) In relation to goods listed in Part II or in Part III of Annex C, and with due regard to the arrangements provided for in Article 9, Articles 2, 3, 4 and 7 shall not apply.
- (c) In relation to the goods listed in Part III of Annex C, the Member States declare their readiness to foster, in so far as their agricultural policies allow, the harmonious development of trade. In pursuance of this objective, Iceland shall grant tariff concessions to agricultural products originating in Norway and Switzerland⁶ as specified in Table 1 of Annex D, Norway shall grant tariff concessions to agricultural products originating in Iceland and Switzerland⁷ as specified in Table 2 of Annex D, and Switzerland⁸ shall grant tariff concessions to agricultural products originating in Iceland and Norway as specified in Table 3 of Annex D. Article 15 of Annex A shall not apply to goods listed in Part III of Annex C.

2. Chapter IV on State aid, Chapter VI on competition and Chapter XII on public procurement shall not apply to agricultural goods.

Article 9

Parts I and II - Goods of Annex C (processed agricultural goods)

1. In order to take account of differences in the cost of the agricultural raw materials incorporated in the goods specified in Part I of Annex C referred to in sub-paragraph (a) of Article 8, the Convention does not preclude, in respect of such goods:

- (a) the levying, upon import, of a fixed duty;
- (b) the application of internal price compensation measures;
- (c) the application of measures adopted upon export.

2. The fixed duties, levied upon import of goods listed in Part I of Annex C, shall be based on, but not exceed, the differences between the domestic price and the world market price of the agricultural raw materials incorporated into the goods concerned.

3. With due regard to the provisions in paragraph 2, no Member State shall accord to imports of goods listed in Part I or in Part II of Annex C from the territory of another Member State a treatment less favourable than it accords to imports from the territory of the European Community or any other free trade partner.

4. The Member States shall notify each other of all changes in the treatment for products listed in Part I or in Part II of Annex C accorded to the European Community or any other free trade partner.

⁶ Also applies to the Principality of Liechtenstein as long as its Customs Union Treaty of 29 March 1923 with Switzerland remains in force.

⁷ Also applies to the Principality of Liechtenstein as long as its Customs Union Treaty of 29 March 1923 with Switzerland remains in force.

⁸ Also applies to the Principality of Liechtenstein as long as its Customs Union Treaty of 29 March 1923 with Switzerland remains in force.

Article 10

Fish and Other Marine Products

The provisions of this Convention shall apply in relation to fish and other marine products.

Article 11

Seeds and Organic Agriculture

1. Specific rules on seeds are set out in Annex E.
2. Specific rules on organic agriculture are set out in Annex F.

Article 12

Sanitary and Phytosanitary Measures

The rights and obligations of the Member States in respect of sanitary and phytosanitary measures shall be governed by Annex G.

Article 13

Exceptions

The provisions of Article 7 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality; public policy or public security; the protection of health and life of humans, animals or plants and of the environment; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Member States.

CHAPTER III - TECHNICAL BARRIERS TO TRADE

Article 14

Notification of Draft Technical Regulations

1. Member States shall notify to the Council at the earliest practicable stage all draft technical regulations or amendments thereto.
2. The provisions on the notification procedure are set out in Annex H.

Article 15

Mutual Recognition of Conformity Assessment

Without prejudice to Article 7, Switzerland, on the one hand, and Iceland, Liechtenstein and Norway, on the other, grant mutual acceptance of reports, certificates, authorisations, conformity marks and manufacturer's declarations of conformity in accordance with Annex I.

CHAPTER IV - STATE AID

Article 16

State Aid

1. The rights and obligations of the Member States relating to State aid shall be based on Article XVI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures, which are incorporated and made part of the Convention, except as otherwise provided for in Annex Q.

2. Member States shall not apply countervailing measures as provided for under Part V of the WTO Agreement on Subsidies and Countervailing Measures in relation to any other Member State in accordance with Article 36.

3. The Member States shall review the scope of application of this Chapter with a view to extending the disciplines with respect to State aid to the field of services, taking into account international developments in the sector. The reviews shall take place at yearly intervals.

CHAPTER V - PUBLIC UNDERTAKINGS AND MONOPOLIES

Article 17

Public Undertakings and Monopolies

1. Member States shall ensure that public undertakings refrain from applying

- (a) measures the effect of which is to afford protection to domestic production which would be inconsistent with this Convention if achieved by means of a duty or charge with equivalent effect, quantitative restriction or government aid, or
- (b) trade discrimination on grounds of nationality in so far as it frustrates the benefits expected from the removal or absence of duties and quantitative restrictions on trade between Member States.

2. For the purposes of this Article, "public undertakings" means central, regional, or local government authorities, public enterprises and any other organisation by means of which a Member State, by law or in practice, controls or appreciably influences imports from, or exports to, the territory of a Member State.

3. The provisions of paragraph 1 of Article 18 shall also apply to the activities of public undertakings, and undertakings for which the Member States grant special or exclusive rights, in so far as the application of these provisions does not obstruct the performance, in law or in fact, of the particular public tasks assigned to them.

4. Paragraph 3 shall apply to Annex Q. The Member States shall review the scope of application of this Chapter with a view to extending the disciplines to other services, taking into account international developments in the sector. The reviews shall take place at yearly intervals.

5. Member States shall ensure that new practices of the kind described in paragraph 1 of this Article are not introduced.

6. Where Member States do not have the necessary legal powers to control the activities of regional or local government authorities or enterprises under their control in these matters, they shall nevertheless endeavour to ensure that those authorities or enterprises comply with the provisions of this Article.

CHAPTER VI - RULES OF COMPETITION

Article 18

Competition

1. Member States recognise that the following practices are incompatible with this Convention in so far as they frustrate the benefits arising from this Convention:

- (a) agreements between enterprises, decisions by associations of enterprises and concerted practices between enterprises which have as their object or result the prevention, restriction or distortion of competition;
- (b) abuse by one or more undertakings of a dominant position in the territories of the Member States as a whole or in a substantial part thereof.

2. Should a Member State consider that a given practice is incompatible with this Article, it may ask for consultations in accordance with the procedures set out in Article 47 and take appropriate measures under the conditions set out in paragraph 2 of Article 40 to deal with the difficulties resulting from the practice in question.

CHAPTER VII - PROTECTION OF INTELLECTUAL PROPERTY

Article 19

1. Member States shall grant and ensure adequate and effective protection of intellectual property rights, and provide for measures for the enforcement of such rights against infringement thereof, counterfeiting and piracy, in accordance with the provisions of this Article, Annex J to this Agreement and the international agreements referred to therein.

2. Member States shall accord to each other's nationals treatment no less favourable than that they accord to their own nationals. Exemptions from this obligation must be in accordance with the substantive provisions of Article 3 of the TRIPS Agreement.

3. Member States shall grant to each other's nationals treatment no less favourable than that accorded to nationals of any other State. Exemptions from this obligation must be in accordance with the substantive provisions of the TRIPS Agreement, in particular Articles 4 and 5 thereof.

4. Member States agree, upon request of any Member State, to review the provisions on the protection of intellectual property rights contained in the present Article, with a view to further improve levels of protection and to avoid or remedy trade distortions caused by actual levels of protection of intellectual property rights.

CHAPTER VIII - FREE MOVEMENT OF PERSONS

Article 20

Movement of Persons

1. Freedom of movement of persons shall be secured among Member States in accordance with the provisions set out in Annex K and in the Protocol to Annex K on the free movement of persons between Liechtenstein and Switzerland.

2. The objective of this Article for the benefit of the nationals of the Member States shall be:

- (a) to accord a right of entry, residence, access to work as employed persons, establishment on a self-employed basis and the right to stay in the territory of the Member States;
- (b) to facilitate the provision of services in the territory of the Member States, and in particular to liberalise the provision of services of brief duration;
- (c) to accord a right of entry into, and residence in, the territory of the Member States to persons without an economic activity in the host State;
- (d) to accord the same living, employment and working conditions as those accorded to nationals.

Article 21

Coordination of Social Security Systems

In order to provide freedom of movement of persons, the Member States shall make provision, in accordance with Appendix 2 of Annex K and with the Protocol to Annex K on the free movement of persons between Liechtenstein and Switzerland, for the coordination of social security systems with the aim in particular of:

- (a) securing equality of treatment;
- (b) determining the legislation applicable;

- (c) aggregating, for the purpose of acquiring and retaining the right to benefit and of calculating the amount of benefit, of all periods taken into consideration by the national legislation of the States concerned;
- (d) paying benefits to persons resident in the territories of the Member States;
- (e) fostering mutual administrative assistance and cooperation between authorities and institutions.

Article 22

Mutual Recognition of Professional Qualifications

In order to make it easier for nationals of the Member States to take up and pursue activities as workers and self-employed persons, the Member States shall take the necessary measures, as contained in Appendix 3 to Annex K and in the Protocol to Annex K on the free movement of persons between Liechtenstein and Switzerland, concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications, and the coordination of the provisions laid down by law, regulation or administrative action in the Member States concerning the taking up and pursuit of activities by workers and self-employed persons.

CHAPTER IX - INVESTMENT

Section I - Establishment

Article 23

Principles and Scope

1. Within the framework of, and subject to, the provisions of this Convention, there shall be no restrictions on the right of establishment of companies or firms, formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business in the territory of the Member States. This shall also apply to the setting up of agencies, branches or subsidiaries by companies or firms of any Member State established in the territory of any other Member State.

The right of establishment shall include the right to set up, acquire and manage undertakings, in particular companies or firms within the meaning of paragraph 2, under the conditions laid down for its own undertakings by the law of the Member State where such establishment is effected, subject to the provisions set out hereafter.

2. For the purposes of this Chapter:

- (a) "subsidiary" of a company shall mean a company which is effectively controlled by the first company;
- (b) "companies or firms" shall mean companies or firms constituted under civil or commercial law, including cooperative societies, and other legal persons governed by public or private law, save for those which are non-profit-making; in order to be considered as a company or firm of a Member State, the company or firm shall have a real and continuous link with the economy in that Member State.

3. Annexes L to O contain specific provisions and exemptions regarding the right of establishment. The Member States shall endeavour to eliminate gradually remaining discriminations, which they may maintain in accordance with Annexes L to O. The Member States agree to review the present provision, including its Annexes, within two years after the entry into force of the Agreement amending the Convention establishing the European Free Trade Association of 21 June 2001 with a view to reducing, and ultimately eliminating, the remaining restrictions.

4. From the date of entry into force of the Agreement amending the Convention establishing the European Free Trade Association of 21 June 2001, neither Member State shall adopt new, or more, discriminatory measures as regards the establishment and operation of companies or firms of another Member State, in comparison with the treatment accorded to its own companies or firms.

5. In sectors covered by an exemption as contained in Annexes L to O, each Member State shall accord to companies or firms of another Member State treatment no less favourable than that accorded to companies or firms of third parties other than the European Community. As regards any new agreements concluded between any Member State and the European Community, the Member States further undertake to extend to each other, on the basis of reciprocity, the benefits of such agreements, subject to a decision by the Council.

6. The right of establishment in the field of road, rail and air transport shall be governed by the provisions of Article 35 and Annexes P and Q, subject to the specific provisions and exemptions set out in Annexes L and M.

7. The right of establishment of natural persons shall be governed by the provisions of Article 20, Annexes K and the Protocol to Annex K on movement of persons between Liechtenstein and Switzerland.

Article 24

National Treatment

1. Within the scope of application of this Chapter, and without prejudice to any special provisions contained herein:

- (a) Member States shall grant treatment no less favourable than that accorded to their own companies or firms;
- (b) each Member State may regulate the establishment and operation of companies or firms on its territory, in so far as these regulations do not discriminate against companies or firms of the other Member States in comparison to its own companies or firms.

2. The provisions of this Article do not preclude the application by a Member State of particular rules concerning the establishment and operation in its territory of branches and agencies of companies of another Member State not incorporated in the territory of the first Member State, which are justified by legal or technical differences between such branches and agencies as compared to branches and agencies of companies incorporated in its territory. The difference in treatment shall not go beyond what is strictly necessary as a result of such legal or technical differences.

Article 25

Financial Market Regulation

1. In respect of financial services, this Chapter does not prejudice the right of the Member States to adopt measures necessary for prudential grounds in order to ensure the protection of investors, depositors, policy holders, or persons to whom a fiduciary duty is owed, or to ensure the integrity and stability of the financial system. These measures shall not discriminate against companies or firms of the other Member States in comparison to its own companies or firms.
2. Nothing in this Chapter shall be construed to require a Member State to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

Article 26

Recognition

1. A Member State may enter into an agreement or arrangement with a particular State providing for the recognition of standards, criteria for authorization, licensing or certification of service suppliers, in which case it shall offer adequate opportunity for any other Member State to negotiate its accession to such an agreement or arrangement or to negotiate comparable ones with it.
2. Where a Member State accords recognition as provided for in paragraph 1 autonomously, it shall afford adequate opportunity for any other Member State to demonstrate that experience, licences or certifications obtained or requirements met in that other Member State's territory should be recognised.
3. A Member State shall not accord recognition in a manner which would constitute a means of discrimination between countries in the application of its standards or criteria for the authorisation, licensing or certification of service suppliers, or a disguised restriction to establishment in the services sector.

Article 27

Exceptions

1. The provisions of this Chapter shall not apply, so far as any given Member State is concerned, to activities which in that Member State are connected, even occasionally, with the exercise of official authority.
2. The provisions of this Chapter and measures taken in pursuance thereof shall not prejudice the applicability of provisions laid down by law, regulation or administrative action providing for special treatment for foreign companies or firms on grounds of public policy, public security, public health or the environment.
3. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between States where like conditions prevail, or a disguised restriction on trade in services, nothing in this Convention shall be construed to prevent the adoption or enforcement by any Member State of measures:

- (a) inconsistent with Article 24, provided that the difference in treatment is aimed at ensuring the equitable or effective⁹ imposition or collection of direct taxes in respect of services or service suppliers of other Member States;
- (b) inconsistent with paragraph 5 of Article 23, provided that the difference in treatment is the result of an agreement on the avoidance of double taxation or provisions on the avoidance of double taxation in any other international agreement or arrangement by which the Member State is bound.

Section II - Capital Mouvement

Article 28

1. Within the framework of this Chapter, there shall be no restrictions between the Member States on the movement of capital relating to the establishment in another Member State's territory of a company or firm of that Member State.

2. The movement of capital not relating to establishment between the Member States shall be ensured in accordance with the international agreements to which they are parties.

3. The Member States agree to review the present provision within two years after the entry into force of the Agreement amending the Convention establishing the European Free Trade Association of 21 June 2001 in order to broaden the scope of, and ultimately eliminate the remaining restrictions to, the movement of capital.

⁹ Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Member under its taxation system which:

- (i) apply to non-resident service suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Member State's territory; or
- (ii) apply to non-residents in order to ensure the imposition or collection of taxes in the Member State's territory; or
- (iii) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures; or
- (iv) apply to consumers of services supplied in or from the territory of another Member State in order to ensure the imposition or collection of taxes of such consumers derived from sources in the Member State's territory; or
- (v) distinguish service suppliers subject to tax on world-wide taxable items from other service suppliers, in recognition of the difference in the nature of the tax base between them; or
- (vi) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Member State's tax base.

Tax terms or concepts in paragraph 3(a) of Article 27 and in this footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Member State taking the measure.

CHAPTER X - TRADE IN SERVICES

Article 29

Principles and Scope

1. Within the framework of, and subject to, the provisions of this Convention, there shall be no restrictions on the right to supply services within the territory of the Member States in respect of natural persons, companies or firms of Member States who are established in a Member State other than that of the natural person, company or firm for whom the services are intended.
2. For the purposes of this Chapter, services shall be considered to be "services" within the meaning of this Convention where they are normally supplied for remuneration:
 - (a) from the territory of one Member State into the territory of another Member State;
 - (b) in the territory of a Member State to the service consumer of another Member State in accordance with paragraph 7 below;
 - (c) by service supplier of a Member State, through presence of natural persons of that Member State in the territory of another Member State in accordance with paragraph 7 below.
3. Annexes L to O contain specific provisions and exemptions regarding the right to supply services. The Member States shall endeavour to eliminate gradually remaining discriminations, which they may maintain in accordance with Annexes L to O. The Member States agree to review the present provision, including its Annexes, within two years after the entry into force of the Agreement amending the Convention establishing the European Free Trade Association of 21 June 2001 with a view to reducing, and ultimately eliminating, the remaining restrictions.
4. From the date of entry into force of the Agreement amending the Convention establishing the European Free Trade Association of 21 June 2001, neither Member State shall adopt new, or more, discriminatory measures as regards services or service suppliers of another Member State, in comparison with the treatment accorded to its own like services or service suppliers.
5. In sectors covered by an exemption as contained in Annexes L to O, each Member State shall accord to services or service suppliers of another Member State treatment no less favourable than that accorded to like services or service suppliers of third parties other than the European Community. As regards any new agreements concluded between any Member State and the European Community, the Member States further undertake to extend to each other, on the basis of reciprocity, the benefits of such agreements, subject to a decision by the Council.
6. The right to supply services in the field of road, rail and air transport shall be governed by the provisions of Article 35 and Annexes P and Q, subject to the specific provisions and exemptions set out in Annex M.
7. The supply or consumption of services by natural persons as provided for in paragraphs 2(b) and (c) shall be governed by the relevant provisions of Article 20, Annex K and the Protocol to Annex K on movement of persons between Liechtenstein and Switzerland, in accordance with the principles set out hereinafter.

Article 30

National Treatment

Within the scope of application of this Chapter, and without prejudice to any special provisions contained herein:

- (a) Member States shall grant treatment no less favourable than that accorded to their own natural persons, companies or firms providing services;
- (b) each Member State may regulate services activities within its territory in so far as these regulations do not discriminate against natural persons, companies or firms of the other Member States in comparison to its own natural persons, companies or firms.

Article 31

Financial Market Regulation

1. In respect of financial services, this Chapter does not prejudice the right of the Member States to adopt measures necessary for prudential grounds in order to ensure the protection of investors, depositors, policy holders, or persons to whom a fiduciary duty is owed, or to ensure the integrity and stability of the financial system. These measures shall not discriminate against natural persons, companies or firms of the other Member States in comparison to its own natural persons, companies or firms.
2. Nothing in this Chapter shall be construed to require a Member State to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

Article 32

Recognition

1. The mutual recognition between the Member States of diplomas, certificates and other evidence of formal qualifications, and the coordination of the provisions laid down by law, regulation or administrative action in the Member States concerning the taking up and pursuit of activities by natural persons, shall be governed by the relevant provisions of Article 22, Annex K and Appendix 3 thereto and the Protocol to Annex K on movement of persons between Liechtenstein and Switzerland.
2. A Member State may enter into an agreement or arrangement with a particular State providing for the recognition of standards, criteria for authorization, licensing or certification of service suppliers, in which case it shall offer adequate opportunity for any other Member State to negotiate its accession to such an agreement or arrangement or to negotiate comparable ones with it.
3. Where a Member State accords recognition as provided for in paragraph 2 autonomously, it shall afford adequate opportunity for any other Member State to demonstrate that experience, licences or certifications obtained or requirements met in that other Member State's territory should be recognised.

4. A Member State shall not accord recognition in a manner which would constitute a means of discrimination between countries in the application of its standards or criteria for the authorisation, licensing or certification of service suppliers, or a disguised restriction to trade in services.

Article 33

Exceptions

1. The provisions of this Chapter shall not apply, so far as any given Member State is concerned, to activities which in that Member State are connected, even occasionally, with the exercise of official authority.

2. The provisions of this Chapter and measures taken in pursuance thereof shall not prejudice the applicability of provisions laid down by law, regulation or administrative action providing for special treatment of foreign service suppliers on grounds of public policy, public security, public health or the environment.

3. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between States where like conditions prevail, or a disguised restriction on trade in services, nothing in this Convention shall be construed to prevent the adoption or enforcement by any Member State of measures:

- (a) inconsistent with Article 30, provided that the difference in treatment is aimed at ensuring the equitable or effective¹⁰ imposition or collection of direct taxes in respect of services or service suppliers of other Member States;
- (b) inconsistent with paragraph 5 of Article 29, provided that the difference in treatment is the result of an agreement on the avoidance of double taxation or provisions on the avoidance of double taxation in any other international agreement or arrangement by which the Member State is bound.

¹⁰ Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Member under its taxation system which:

- (i) apply to non-resident service suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Member State's territory; or
- (ii) apply to non-residents in order to ensure the imposition or collection of taxes in the Member State's territory; or
- (iii) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures; or
- (iv) apply to consumers of services supplied in or from the territory of another Member State in order to ensure the imposition or collection of taxes of such consumers derived from sources in the Member State's territory; or
- (v) distinguish service suppliers subject to tax on world-wide taxable items from other service suppliers, in recognition of the difference in the nature of the tax base between them; or
- (vi) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Member State's tax base.

Tax terms or concepts in paragraph 3(a) of Article 27 and in this footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Member State taking the measure.

Article 34

Public Procurement

Nothing in this Chapter shall be construed to impose any obligations with respect to public procurement.

Article 35

Transport

The Member States shall liberalise the access to each other's transport markets for the carriage of passengers and goods by road, rail and air in accordance with the provisions set out in Annex P and Annex Q respectively.

CHAPTER XI - DUMPING

Article 36

Anti-dumping measures, countervailing duties and measures against illicit commercial practices attributable to third countries shall not be applied in relations between the Member States.

CHAPTER XII - PUBLIC PROCUREMENT

Article 37

1. The Member States reaffirm their rights and obligations under the WTO Agreement on Government Procurement (GPA). Under this Convention, the Member States broaden the scope of their commitments under the WTO Government Procurement Agreement with an aim to pursue liberalisation in public procurement markets in accordance with Annex R.

2. To this effect, the Member States shall secure non-discriminative, transparent and reciprocal access to their respective public procurement markets and shall ensure open and effective competition based on equal treatment.

CHAPTER XIII - CURRENT PAYMENTS

Article 38

Current payments connected with the movement of goods, persons, services or capital as defined in Article 28 between Member States within the framework of the provisions of this Convention shall be free of all restrictions.

CHAPTER XIV - EXCEPTIONS AND SAFEGUARDS

Article 39

Security Exceptions

Nothing in this Convention shall prevent a Member State from taking any measures:

- (a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;
- (b) which relate to the production of, or trade in, arms, munitions and war materials or other products or services indispensable for defence purposes or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products or services not intended for specifically military purposes;
- (c) which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

Safeguard Measures

Article 40

1. If serious economic, societal or environmental difficulties of a sectorial or regional nature liable to persist are arising, a Member State may unilaterally take appropriate measures under the conditions and procedures set out in Article 41.
2. Such safeguard measures shall be restricted with regard to their scope and duration to what is strictly necessary in order to remedy the situation. Priority shall be given to such measures as will least disturb the functioning of this Convention.
3. The safeguard measures shall apply with regard to all Member States.
4. This Article is without prejudice to the application of specific safeguard provisions set out in the Annexes to this Convention or of special safeguard measures in accordance with Article 5 of the WTO Agreement on Agriculture.

Article 41

1. A Member State which is considering taking safeguard measures under Article 40, shall, without delay, notify the other Member States through the Council and shall provide all relevant information.
2. The Member States shall immediately enter into consultations in the Council with a view to finding a commonly acceptable solution.
3. The Member State concerned may not take safeguard measures until one month has elapsed after the date of notification under paragraph 1, unless the consultation procedure under paragraph 2

has been concluded before the expiration of the stated time limit. When exceptional circumstances requiring immediate action exclude prior examination, the Member State concerned may apply forthwith the protective measures strictly necessary to remedy the situation.

4. The Member State concerned shall, without delay, notify the measures taken to the Council and shall provide all relevant information.

5. The safeguard measures taken shall be the subject of consultations in the Council every three months from the date of their adoption with a view to their abolition before the date of expiry envisaged, or to the limitation of their scope of application.

Each Member State may at any time request the Council to review such measures.

CHAPTER XV - ECONOMIC AND MONETARY POLICY CO-OPERATION

Article 42

The Member States shall exchange views and information concerning the implementation of this Convention and the impact of the integration on economic activities and on the conduct of economic and monetary policies. Furthermore, they may discuss macro-economic situations, policies and prospects. This exchange of views and information shall take place on a non-binding basis.

CHAPTER XVI - INSTITUTIONAL PROVISIONS

Article 43

The Council

1. It shall be the responsibility of the Council
 - (a) to exercise such powers and functions as are conferred upon it by this Convention;
 - (b) to decide on amendments to this Convention in accordance with the provisions herein;
 - (c) to supervise the application of this Convention and keep its operation under review;
 - (d) to consider whether further action should be taken by Member States in order to promote the attainment of the objectives of the Association;
 - (e) to facilitate the establishment of closer links with other States and unions of States;
 - (f) to seek to establish such relationships with other international organisations as may facilitate the attainment of the objectives of the Association;
 - (g) to negotiate trade and co-operation agreements between the Member States and any other State, union of States or international organisation;

(h) to endeavour to resolve disputes that may arise regarding the interpretation or application of this Convention; and

(i) to consider any other matter that may affect the operation of this Convention.

2. Each Member State shall be represented in the Council and shall have one vote.

3. The Council may decide to set up such organs, committees and other bodies, as it considers necessary to assist it in accomplishing its tasks. These organs, committees and other bodies are listed in Annex S.

4. In exercising its responsibility under this Article, the Council may take decisions, which shall be binding on all Member States, and may make recommendations to Member States.

5. Decisions and recommendations of the Council shall be made by unanimous vote, except in so far as this Convention provides otherwise. Decisions or recommendations shall be regarded as unanimous unless any Member State casts a negative vote. Decisions and recommendations which are to be made by majority vote, require the affirmative vote of three Member States.

6. If the number of the Member States changes, the Council may decide to amend the number of votes required for decisions and recommendations which are to be made by majority vote.

Article 44

Administrative Arrangements of the Association

The Council shall take decisions for the following purposes:

(a) to lay down the Rules of Procedure of the Council and of any other bodies of the Association, which may include provision that procedural questions may be decided by majority vote;

(b) to make arrangements for the secretariat services required by the Association;

(c) to establish the financial arrangements necessary for the administrative expenses of the Association, the procedure for establishing a budget and the apportionment of those expenses between the Member States.

Article 45

Legal Capacity, Privileges and Immunities

1. The legal capacity, privileges and immunities to be recognised and granted by the Member States in connection with the Association shall be laid down in a Protocol to this Convention.

2. The Council, acting on behalf of the Association, may conclude with the Government of the State in whose territory the headquarters will be situated an agreement relating to the legal capacity and the privileges and immunities to be recognised and granted in connection with the Association.

CHAPTER XVII - CONSULTATIONS AND DISPUTE SETTLEMENT

Article 46

Scope

The provisions of this Chapter shall apply to any matter arising from this Convention, unless otherwise specified in this Convention.

Article 47

Consultations

1. The Member States shall at all times endeavour to agree on the interpretation and application of this Convention, and shall make every attempt through cooperation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation.
2. Any Member State may bring any matter, which concerns the interpretation or application of this Convention before the Council. The Council shall be provided with all information, which might be of use in making possible an in-depth examination of the situation, with a view to finding an acceptable solution. To this end, the Council shall examine all possibilities to maintain the good functioning of the Convention.
3. A meeting of the Council shall be held within 30 days from the receipt of the request for consultations.

Article 48

Arbitration

1. In case a Member State considers that a measure applied by another Member State violates the Convention and the matter has not been resolved within 45 days after consultations have been held pursuant to Article 47, such matter may be referred to arbitration by one or more Member States parties to the dispute by means of a written notification addressed to the Member State complained against. A copy of this notification shall be communicated to all Member States so that each may determine whether it has a substantial interest in the matter. Where more than one Member State requests the submission to an arbitration tribunal of a dispute with the same Member State relating to the same question a single arbitration tribunal should be established to consider such disputes whenever feasible.
2. A Member State which is not a party to the dispute, on delivery of a written notice to the disputing Member States, shall be entitled to make written submissions to the arbitration tribunal, receive written submissions of the disputing Member States, attend all hearings and make oral submissions.
3. The award of the arbitration tribunal shall be final and binding upon the Member States parties to the dispute and shall be complied with promptly.
4. The establishment and functioning of the arbitration tribunal and the implementation of arbitral awards are governed by the rules set out in Annex T.

CHAPTER XVIII - GENERAL PROVISIONS

Article 49

Obligations under Other International Agreements

1. Nothing in this Convention shall be regarded as exempting any Member State from obligations which it has undertaken by virtue of agreements with third States or multilateral agreements to which they are parties.
2. This Convention shall be without prejudice to the rules applicable to Member States governed by the Agreement on the European Economic Area, the Nordic cooperation and the regional union between Switzerland and Liechtenstein

Article 50

Rights and Obligations of the Member States

The Member States shall take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising out of this Convention. They shall abstain from any measure which could jeopardize the attainment of the objectives of this Convention.

Article 51

Transparency

1. The Member States shall publish their laws, or otherwise make publicly available their laws, regulations, procedures and administrative rulings and judicial decisions of general application as well as the international agreements which may affect the operation of this Convention.
2. The Member States shall promptly respond to specific questions and provide, upon request, information to each other on matters referred to in paragraph 1.

Article 52

Confidentiality

The representatives, delegates and experts of the Member States, as well as officials and other servants acting under this Convention shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy, in particular information about undertakings, their business relations or their cost components.

Article 53

Annexes

1. The Annexes, Appendices and Protocols to this Convention shall form an integral part of it.
2. The Annexes to this Convention are the following:

Annex A on Rules of Origin

Annex B	on mutual administrative assistance in customs matters
Annex C	List of agricultural goods and goods processed from agricultural raw materials referred to in paragraph 1 of Article 8
Annex D	List of tariff concessions to agricultural products
Annex E	Seeds
Annex F	Organic agriculture
Annex G	Sanitary and phytosanitary measures
Annex H	Procedure for the provision of information in the field of technical regulations and of rules on Information Society services
Annex I	Mutual recognition in relation to conformity assessment
Annex J	Intellectual property rights
Annex K	Movement of persons
Annex L	Reservations by Iceland on investment and services
Annex M	Reservations by Liechtenstein on investment and services
Annex N	Reservations by Norway on investment and services
Annex O	Reservations by Switzerland on investment and services
Annex P	Land transport
Annex Q	Air transport
Annex R	Public procurement
Annex S	Organs, committees and other bodies set up by the Council
Annex T	Arbitration
Annex U	List of territories to which Article 58 applies

The Council may decide to amend the provisions to this paragraph.

3. The Council may decide to amend Annexes A, C, H, S and T, as well as the Appendices to Annexes E, F, K, P, Q and R, unless otherwise provided in the Annexes.
4. The Committee established under Annex I may decide to amend Article 4 of that Annex as well as Appendices 1 and 2 thereto. It shall inform the Council of its decision-making.

Article 54

Ratification

1. This Convention shall be ratified by the signatory States. The instruments of ratification shall be deposited with the Government of Sweden, which shall notify all other signatory States.
2. The Government of Norway shall act as Depositary as of 17 November 1995.
3. The Council may decide to amend the provisions of this Article.

Article 55

Entry into force

This Convention shall enter into force on the deposit of instruments of ratification by all signatory States.

Article 56

Accession and Association

1. Any State may accede to this Convention, provided that the Council decides to approve its accession, on such terms and conditions as may be set out in that decision. The instrument of accession shall be deposited with the Depositary, which shall notify all other Member States. This Convention shall enter into force in relation to an acceding State on the date indicated in that decision.
2. The Council may negotiate an agreement between the Member States and any other State, union of States or international organisation, creating an association embodying such reciprocal rights and obligations, common actions and special procedures as may be appropriate. Such an agreement shall be submitted to the Member States for acceptance and shall enter into force provided that it is accepted by all Member States. Instruments of acceptance shall be deposited with the Depositary, which shall notify all other Member States.
3. Any State acceding to this Convention shall apply to become a party to the free trade agreements between the Member States on the one hand and third states, unions of states or international organisations on the other.

Article 57

Withdrawal

1. Any Member State may withdraw from this Convention provided that it gives twelve months' notice in writing to the Depositary, which shall notify all other Member States.
2. Before the withdrawal takes effect, the Member States shall agree on appropriate arrangements and equitable cost-sharing relating to the withdrawal.

Article 58

Territorial Application

This Convention shall apply to the territories of the Member States except as provided for in Annex U.

Article 59

Amendment

Except as otherwise provided for in this Convention, an amendment to the provisions of this Convention shall be subject to a decision of the Council which shall be submitted to the Member States for acceptance in accordance with their internal legal requirements. It shall enter into force, unless otherwise provided, on the first day of the second month following the deposit of the instruments of acceptance by all Member States with the Depositary, which shall notify all other Member States.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have signed the present Convention.

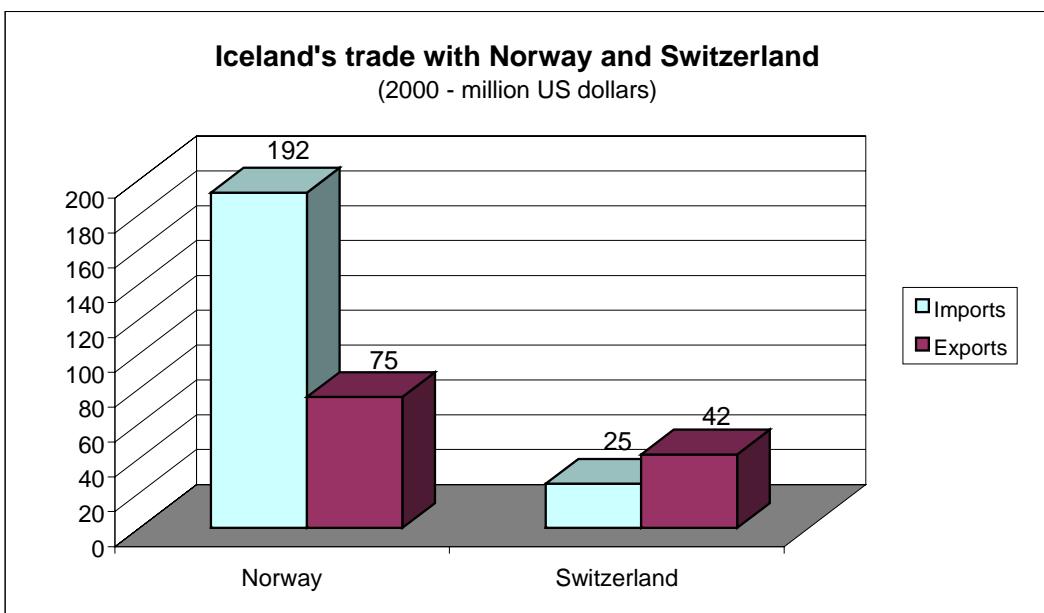
DONE at Stockholm this 4th day of January, 1960, in a single copy in the English and French languages, both texts being equally authentic, which shall be deposited with the Government of Sweden, by which certified copies shall be transmitted to all other signatory and acceding States.

AMENDED at Vaduz this 21st day of June, 2001, in a single authentic copy in the English language, which shall be deposited with the Government of Norway.

ANNEX IIDetailed Trade Data among the Four Member States**ICELAND'S TRADE WITH NORWAY AND SWITZERLAND**

	1997	1998	1999	2000	1997/98	1998/99	99/2000
In thousand US dollars							
IMPORTS							
Norway	214,829	208,041	240,666	192,382	-3.2	15.7	-20.1
<i>Share in Iceland's tot. imports</i>	<i>11.61%</i>	<i>9.11%</i>	<i>10.39%</i>	<i>8.08%</i>			
Switzerland	43,386	35,194	26,759	25,276	-18.9	-24.0	-5.5
<i>Share in Iceland's tot. imports</i>	<i>2.34%</i>	<i>1.54%</i>	<i>1.16%</i>	<i>1.06%</i>			
Iceland's tot. imports	1,851,157	2,284,704	2,315,759	2,380,086	23.4	1.4	2.8
EXPORTS							
Norway	102,758	92,420	96,059	75,103	-10.1	3.9	-21.8
<i>Share in Iceland's tot. exports</i>	<i>5.55%</i>	<i>4.80%</i>	<i>4.80%</i>	<i>3.97%</i>			
Switzerland	56,286	88,537	73,971	42,135	57.3	-16.5	-43.0
<i>Share in Iceland's tot. exports</i>	<i>3.04%</i>	<i>4.60%</i>	<i>3.70%</i>	<i>2.23%</i>			
Iceland's tot. exports	1,850,720	1,926,744	2,001,400	1,889,770	4.1	3.9	-5.6
IMPORTS + EXPORTS							
Norway	317,587	300,461	336,725	267,485	-5.4	12.1	-20.6
<i>Share in Iceland's tot. trade</i>	<i>8.58%</i>	<i>7.13%</i>	<i>7.80%</i>	<i>6.26%</i>			
Switzerland	99,672	123,731	100,730	67,411	24.1	-18.6	-33.1
<i>Share in Iceland's tot. trade</i>	<i>2.69%</i>	<i>2.94%</i>	<i>2.33%</i>	<i>1.58%</i>			
Iceland's tot. trade	3,701,877	4,211,448	4,317,159	4,269,856	13.8	2.5	-1.1

No percentage calculated



Source: World Trade Atlas

**ICELAND'S TRADE WITH NORWAY AND SWITZERLAND BY
SELECTED COMMODITIES (HS)**

	1998	1999	2000	1998	1999	2000
NORWAY	In thousand US dollars			In per cent		
Imports						
Iceland's tot. imports from Norway	208,041	240,666	192,382	100.0	100.0	100.0
HS 27 Mineral fuels, oil	77,824	80,864	61,686	37.4	33.6	32.1
HS 89 Ships, boats and floating structures	8,793	37,099	22,932	4.2	15.4	11.9
HS 03 Fish, crustaceans	8,315	19,422	20,047	4.0	8.1	10.4
HS 85 Electrical machinery	15,890	20,776	13,437	7.6	8.6	7.0
HS 84 Machinery, mechanical appliances	23,674	16,549	12,463	11.4	6.9	6.5
HS 48 Paper, paperboard	7,996	7,965	7,537	3.8	3.3	3.9
HS 44 Wood	4,638	5,828	4,951	2.2	2.4	2.6
HS 56 Wadding, felt, twine, rope	6,916	4,844	4,668	3.3	2.0	2.4
HS 94 Furniture and bedding	3,944	3,922	4,375	1.9	1.6	2.3
HS 39 Plastic, plastic articles	6,452	5,773	4,239	3.1	2.4	2.2
Exports						
Iceland's tot. exports to Norway	92,420	96,059	75,103	100.0	100.0	100.0
HS 23 Waste from the food industries, animal feed	24,560	31,635	36,102	26.6	32.9	48.1
HS 15 Fats and oils	30,541	17,556	8,424	33.0	18.3	11.2
HS 84 Machinery, mechanical appliances	6,617	8,497	7,366	7.2	8.8	9.8
HS 03 Fish, crustaceans	20,175	16,352	7,136	21.8	17.0	9.5
HS 56 Wadding, felt, twine, rope	1,107	1,226	2,337	1.2	1.3	3.1
HS 72 Iron and steel	48	1,529	2,089	0.1	1.6	2.8
HS 76 Aluminium and articles thereof	1,447	1,899	1,917	1.6	2.0	2.6
HS 05 Other products and animal origin	424	115	1,455	0.5	0.1	1.9
HS 99 Salvage and reparations	1,013	1,296	1,307	1.1	1.3	1.7
HS 02 Meat	9	455	1,233	0.0	0.5	1.6
SWITZERLAND	In thousand US dollars			In per cent		
Imports						
Iceland's tot. imports from Switzerland	35,194	26,759	25,276	100.0	100.0	100.0
HS 30 Pharmaceutical products	8,304	8,249	7,406	23.6	30.8	29.3
HS 84 Machinery, mechanical appliances	5,584	3,333	3,300	15.9	12.5	13.1
HS 85 Electrical machinery	9,620	3,458	2,870	27.3	12.9	11.4
HS 73 Iron and steel products	1,214	743	1,687	3.4	2.8	6.7
HS 24 Tobacco	1,042	1,189	1,369	3.0	4.4	5.4
HS 90 Optical, medical, surgical instruments	1,969	1,488	1,345	5.6	5.6	5.3
HS 39 Plastic, plastic articles	574	729	937	1.6	2.7	3.7
HS 21 Misc, edible preparations	1,103	1,099	829	3.1	4.1	3.3
HS 91 Clocks and watches	651	909	721	1.8	3.4	2.9
HS 33 Perfumery, cosmetics	591	657	643	1.7	2.5	2.5

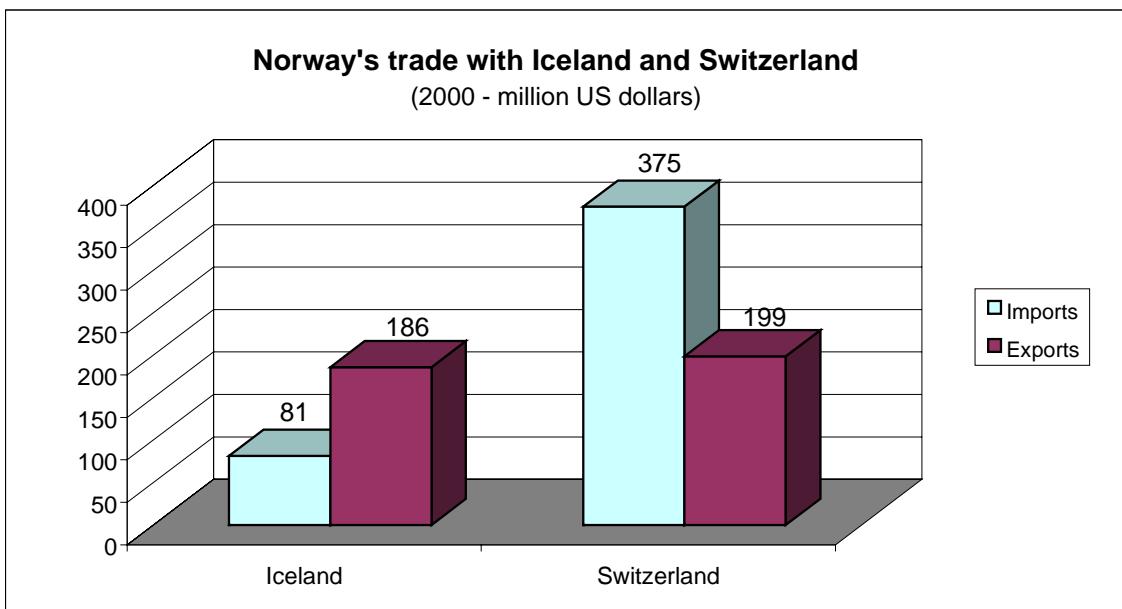
	1998	1999	2000	1998	1999	2000
Exports						
Iceland's tot. exports to Switzerland	88,537	73,971	42,135	100.0	100.0	100.0
HS 76 Aluminium and articles thereof	84,910	70,498	39,084	95.9	95.3	92.8
HS 03 Fish, crustaceans	2,272	2,289	2,191	2.6	3.1	5.2
HS 01 Live animals	202	353	286	0.2	0.5	0.7
HS 99 Salvage and reparations	569	115	119	0.6	0.2	0.3
HS 05 Other products of animal origin	111	66	114	0.1	0.1	0.3
HS 90 Optical, medical, surgical instruments	0	47	77	0.0	0.1	0.2
HS 42 Leather articles, saddlery and harness	25	56	50	0.0	0.1	0.1
HS 49 Books, newspapers, pictures, manuscripts	4	10	38	0.0	0.0	0.1
HS 16 Preparations of meat, fish	65	21	36	0.1	0.0	0.1
HS 73 Iron and steel products	0	1	28	0.0	0.0	0.1

Source: World Trade Atlas

NORWAY'S TRADE WITH ICELAND AND SWITZERLAND

	1997	1998	1999	2000	1997/98	1998/99	99/2000
In thousand US dollars					Percentage Change		
IMPORTS							
Iceland	107,690	97,410	94,141	81,399	-9.5	-3.4	-13.5
<i>Share in Norway's tot. imports</i>	<i>0.30%</i>	<i>0.26%</i>	<i>0.28%</i>	<i>0.26%</i>			
Switzerland	415,059	499,827	393,478	375,373	20.4	-21.3	-4.6
<i>Share in Norway's tot. imports</i>	<i>1.16%</i>	<i>1.33%</i>	<i>1.16%</i>	<i>1.19%</i>			
Norway 's tot. imports	35,673,861	37,451,092	33,779,975	31,674,645	5.0	-9.8	-6.2
EXPORTS							
Iceland	217,462	205,315	250,257	186,127	-5.6	21.9	-25.6
<i>Share in Norway's tot. exports</i>	<i>0.45%</i>	<i>0.51%</i>	<i>0.56%</i>	<i>0.32%</i>			
Switzerland	222,178	209,706	206,115	198,765	-5.6	-1.7	-3.6
<i>Share in Norway's tot. exports</i>	<i>0.46%</i>	<i>0.52%</i>	<i>0.46%</i>	<i>0.35%</i>			
Norway 's tot. exports	48,495,496	40,374,441	44,824,714	57,367,564	-16.7	11.0	28.0
IMPORTS + EXPORTS							
Iceland	325,152	302,725	344,398	267,526	-6.9	13.8	-22.3
<i>Share in Norway's tot. trade</i>	<i>0.39%</i>	<i>0.39%</i>	<i>0.44%</i>	<i>0.30%</i>			
Switzerland	637,237	709,533	599,593	574,138	11.3	-15.5	-4.2
<i>Share in Norway's tot. trade</i>	<i>0.76%</i>	<i>0.91%</i>	<i>0.76%</i>	<i>0.64%</i>			
Norway 's tot. trade	84,169,357	77,825,533	78,604,689	89,042,209	-7.5	1.0	13.3

No percentage calculated



Source: World Trade Atlas

**NORWAY'S TRADE WITH ICELAND AND SWITZERLAND BY
SELECTED COMMODITIES (HS)**

	1998	1999	2000	1998	1999	2000
ICELAND	In thousand US dollars			In per cent		
Imports						
Norway's tot. imports from Iceland	97,410	94,141	81,399	100.0	100.0	100.0
HS 23 Waste from the food industries, animal feed	22,240	40,048	39,137	22.8	42.5	48.1
HS 03 Fish, crustaceans	22,049	14,660	10,500	22.6	15.6	12.9
HS 15 Fats and oils	32,680	19,093	8,446	33.5	20.3	10.4
HS 84 Machinery, mechanical appliances	7,109	8,596	8,089	7.3	9.1	9.9
HS 72 Iron and steel	321	1	2,010	0.3	0.0	2.5
HS 26 Ores, slag, ash	484	1,481	1,460	0.5	1.6	1.8
HS 02 Meat	15	356	1,427	0.0	0.4	1.8
HS 56 Wadding, felt, twine, rope	907	1,130	1,173	0.9	1.2	1.4
HS 73 Iron and steel products	385	548	1,067	0.4	0.6	1.3
HS 05 Other products and animal origin	218	20	1,020	0.2	0.0	1.3
Exports						
Norway's tot. exports to Iceland	205,315	250,257	186,127	100.0	100.0	100.0
HS 27 Mineral fuels, oil	78,751	84,596	52,947	38.4	33.8	28.4
HS 03 Fish, crustaceans	13,593	21,379	23,803	6.6	8.5	12.8
HS 85 Electrical machinery	18,062	20,943	14,402	8.8	8.4	7.7
HS 84 Machinery, mechanical appliances	23,402	14,272	13,920	11.4	5.7	7.5
HS 62 Woven apparel or clothing accessories	995	1,402	9,614	0.5	0.6	5.2
HS 99 Salvage and reparations	8,663	9,644	9,168	4.2	3.9	4.9
HS 44 Wood	4,604	5,732	5,075	2.2	2.3	2.7
HS 73 Iron and steel products	5,200	4,687	4,415	2.5	1.9	2.4
HS 56 Wadding, felt, twine, rope	6,583	5,820	4,249	3.2	2.3	2.3
HS 61 Knitted apparel or clothing accessories	2,451	2,360	4,014	1.2	0.9	2.2
SWITZERLAND	In thousand US dollars			In per cent		
Imports						
Norway's tot. imports from Switzerland	499,827	393,478	375,373	100.0	100.0	100.0
HS 84 Machinery, mechanical appliances	168,061	89,392	88,272	33.6	22.7	23.5
HS 85 Electrical machinery	72,851	58,807	59,046	14.6	14.9	15.7
HS 90 Optical, medical, surgical instruments	44,697	32,939	32,254	8.9	8.4	8.6
HS 30 Pharmaceutical products	36,134	38,423	31,580	7.2	9.8	8.4
HS 24 Tobacco	9,555	13,051	20,962	1.9	3.3	5.6
HS 91 Clocks and watches	17,385	16,143	15,808	3.5	4.1	4.2
HS 39 Plastic, plastic articles	18,221	15,930	13,537	3.6	4.0	3.6
HS 21 Misc, edible preparations	12,875	14,179	10,816	2.6	3.6	2.9
HS 87 Vehicles (not railway)	6,925	8,979	10,129	1.4	2.3	2.7
HS 76 Aluminium and articles thereof	8,453	5,449	9,005	1.7	1.4	2.4

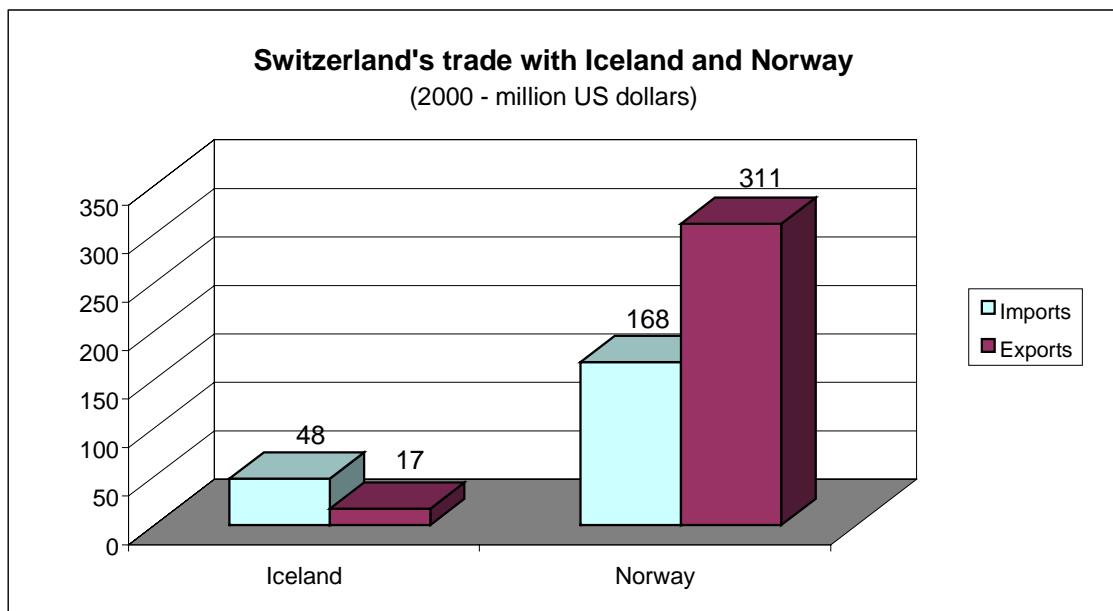
	1998	1999	2000	1998	1999	2000
Exports						
Norway's tot. exports to Switzerland	209,706	206,115	198,765	100.0	100.0	100.0
HS 76 Aluminium and articles thereof	47,342	35,236	36,950	22.6	17.1	18.6
HS 03 Fish, crustaceans	30,121	30,314	29,366	14.4	14.7	14.8
HS 99 Salvage and reparations	19,182	17,237	14,639	9.1	8.4	7.4
HS 84 Machinery, mechanical appliances	11,500	14,261	14,055	5.5	6.9	7.1
HS 85 Electrical machinery	10,461	15,355	12,173	5.0	7.4	6.1
HS 27 Mineral fuels, oil	4,424	6,396	10,613	2.1	3.1	5.3
HS 44 Wood	9,377	10,897	7,829	4.5	5.3	3.9
HS 48 Paper, paperboard	7,398	9,190	7,549	3.5	4.5	3.8
HS 38 Misc. chemical products	2,991	6,466	6,508	1.4	3.1	3.3
HS 16 Preparations of meat, fish	5,309	6,524	6,023	2.5	3.2	3.0

Source: World Trade Atlas

SWITZERLAND'S TRADE WITH ICELAND AND NORWAY

	1997	1998	1999	2000	1997/98	1998/99	99/2000
In thousand US dollars							
IMPORTS							
Iceland	56,620	56,979	45,281	47,908	0.6	-20.5	5.8
<i>Share in Switzerland's tot. imports</i>	<i>0.07%</i>	<i>0.07%</i>	<i>0.06%</i>	<i>0.06%</i>			
Norway	166,241	180,814	173,595	168,086	8.8	-4.0	-3.2
<i>Share in Switzerland's tot. imports</i>	<i>0.22%</i>	<i>0.23%</i>	<i>0.22%</i>	<i>0.20%</i>			
Switzerland's tot. imports	75,770,047	80,267,624	80,008,545	82,411,758	5.9	-0.3	3.0
EXPORTS							
Iceland	17,584	43,119	17,016	16,804	145.2	-60.5	-1.2
<i>Share in Switzerland's tot. exports</i>	<i>0.02%</i>	<i>0.05%</i>	<i>0.02%</i>	<i>0.02%</i>			
Norway	367,677	456,391	332,662	310,671	24.1	-27.1	-6.6
<i>Share in Switzerland's tot. exports</i>	<i>0.48%</i>	<i>0.58%</i>	<i>0.41%</i>	<i>0.39%</i>			
Switzerland's tot. exports	76,021,445	78,842,006	80,295,178	80,402,472	3.7	1.8	0.1
IMPORTS + EXPORTS							
Iceland	74,204	100,098	62,297	64,712	34.9	-37.8	3.9
<i>Share in Switzerland's tot. trade</i>	<i>0.05%</i>	<i>0.06%</i>	<i>0.04%</i>	<i>0.04%</i>			
Norway	533,918	637,205	506,257	478,757	19.3	-20.6	-5.4
<i>Share in Switzerland's tot. trade</i>	<i>0.35%</i>	<i>0.40%</i>	<i>0.32%</i>	<i>0.29%</i>			
Switzerland's tot. trade	151,791,492	159,109,630	160,303,723	162,814,230	4.8	0.8	1.6

No percentage calculated



Source: World Trade Atlas

**SWITZERLAND'S TRADE WITH ICELAND AND NORWAY BY
SELECTED COMMODITIES (HS)**

	1998	1999	2000	1998	1999	2000
ICELAND	In thousand US dollars			In per cent		
Imports						
Switzerland's tot. imports from Iceland	56,979	45,281	47,908	100.0	100.0	100.0
HS 76 Aluminium and articles thereof	49,418	39,991	42,502	86.7	88.3	88.7
HS 03 Fish, crustaceans	2,496	2,680	2,718	4.4	5.9	5.7
HS 71 Precious stones and metals	2,028	307	1,098	3.6	0.7	2.3
HS 01 Live animals	276	446	315	0.5	1.0	0.7
HS 39 Plastic, plastic articles	35	193	251	0.1	0.4	0.5
HS 26 Ores, slag, ash	0	0	195	0.0	0.0	0.4
HS 90 Optical, medical, surgical instruments	67	83	175	0.1	0.2	0.4
HS 05 Other products of animal origin	70	60	100	0.1	0.1	0.2
HS 94 Furniture and bedding	0	1	90	0.0	0.0	0.2
HS 23 Waste from the food industries, animal feed	1207	109	70	2.1	0.2	0.1
Exports						
Switzerland's tot. exports to Iceland	43,119	17,016	16,804	100.0	100.0	100.0
HS 84 Machinery, mechanical appliances	4,605	3,989	3,692	10.7	23.4	22.0
HS 85 Electrical machinery	27,946	2,084	2,852	64.8	12.2	17.0
HS 91 Clocks and watches	2,037	2,585	2,496	4.7	15.2	14.9
HS 90 Optical, medical, surgical instruments	1,637	1,224	1,270	3.8	7.2	7.6
HS 21 Misc. edible preparations	900	925	1,081	2.1	5.4	6.4
HS 73 Iron and steel products	537	289	838	1.2	1.7	5.0
HS 18 Cocoa	797	880	624	1.8	5.2	3.7
HS 39 Plastic, plastic articles	359	632	509	0.8	3.7	3.0
HS 24 Tobacco	561	422	366	1.3	2.5	2.2
HS 33 Perfumery, cosmetics	329	390	327	0.8	2.3	1.9
NORWAY	In thousand US dollars			In per cent		
Imports						
Switzerland's tot. imports from Norway	180,814	173,595	168,086	100.0	100.0	100.0
HS 03 Fish, crustaceans	29,834	30,394	28,449	16.5	17.5	16.9
HS 76 Aluminium and articles thereof	38,794	27,681	25,886	21.5	15.9	15.4
HS 85 Electrical machinery	11,087	17,053	13,552	6.1	9.8	8.1
HS 84 Machinery, mechanical appliances	8,409	9,541	13,413	4.7	5.5	8.0
HS 48 Paper, paperboard	17,709	15,668	13,191	9.8	9.0	7.8
HS 44 Wood	9,266	10,528	7,860	5.1	6.1	4.7
HS 38 Misc. chemical products	3,841	4,165	6,283	2.1	2.4	3.7
HS 16 Preparations of meat, fish	5,310	6,341	6,164	2.9	3.7	3.7
HS 89 Ships, boats and floating structures	4,850	4,416	5,952	2.7	2.5	3.5
HS 94 Furniture and bedding	4,959	4,461	4,684	2.7	2.6	2.8

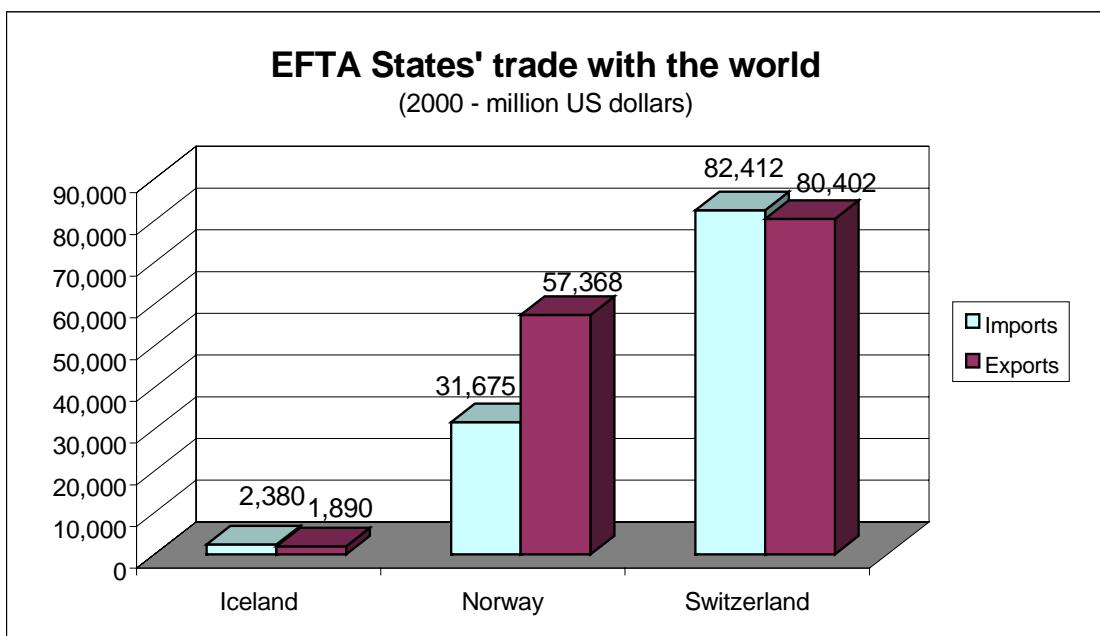
	1998	1999	2000	1998	1999	2000
Exports						
Switzerland's tot. exports to Norway	456,391	332,662	310,671	100.0	100.0	100.0
HS 84 Machinery, mechanical appliances	162,567	74,227	71,109	35.6	22.3	22.9
HS 85 Electrical machinery	60,800	48,605	49,931	13.3	14.6	16.1
HS 30 Pharmaceutical products	34,307	35,059	26,840	7.5	10.5	8.6
HS 90 Optical, medical, surgical instruments	31,034	26,399	24,608	6.8	7.9	7.9
HS 24 Tobacco	11,680	12,843	18,775	2.6	3.9	6.0
HS 91 Clocks and watches	16,400	15,376	14,054	3.6	4.6	4.5
HS 39 Plastic, plastic articles	18,278	15,036	11,516	4.0	4.5	3.7
HS 73 Iron and steel products	12,422	10,852	9,634	2.7	3.3	3.1
HS 21 Misc. edible preparations	11,490	11,786	9,207	2.5	3.5	3.0
HS 87 Vehicles (not railway)	11,538	8,578	6,807	2.5	2.6	2.2

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		
IMPORTS							
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
<i>Share in EFTA's tot. imports</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>			
EXPORTS							
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
<i>Share in EFTA's tot. exports</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>			
IMPORTS + EXPORTS							
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
<i>Share in EFTA's tot. trade</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>			

No percentage calculated



Source: World Trade Atlas

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

	1998	1999	2000	1998	1999	2000
IMPORTS	In thousand US dollars			In per cent		
Iceland						
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 the world</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>			
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
Norway						
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 the world</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>			
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
Switzerland						
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 the world</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>			
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, oils	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	2,867,389	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
EXPORTS	In thousand US dollars			In per cent		
Iceland						
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 the world</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>			
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 Preparation of meat, fish	181,135	159,460	132,692	9.4	8.0	7.0
Norway						
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 the world</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>			

	1998	1999	2000	1998	1999	2000
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 and 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
HS 72 Iron and steel	829,051	732,428	688,860	2.1	1.6	1.2
Switzerland						
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 the 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 Plastic, plastic articles	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