

WORLD TRADE ORGANIZATION

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AGREEMENT BETWEEN THE EUROPEAN COMMUNITIES AND NORWAY

Biennial Report on the Operation of the Agreement

Communication from the Parties

The report below presents the information received from the Permanent Delegation of the European Commission, dated 19 April 2002. It is organized in accordance with the standard format (WT/REG/W/6).

I. BACKGROUND INFORMATION ON THE AGREEMENT

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

The trade agreement between the European Community and Norway has undergone considerable change since 1994. At that time the existing free trade agreements were largely replaced by a new agreement, the Agreement on the European Economic Area,¹ which links the European Union and Norway, together with Iceland and Liechtenstein, in a broad integrated economic agreement.

2. Type of Agreement

The EEA Agreement provides for the freedom of movement of goods, persons, services and capital, throughout the territories of the Contracting Parties. It provides for a high degree of economic integration, set out in a large number of Protocols and Annexes.

It also contains provisions for the strengthening and broadening of co-operation among the Parties in a wide range of activities, including research and technological development, information services, the environment, youth policy, education and training.

All transitional periods associated with the free trade area established by the EC/Norway Agreement have long expired. The EEA Agreement provides for some transitional periods to allow for adaptation to the full terms of that Agreement. Most of these have also now expired, but some remain subject to periodic review and will expire as the Contracting Parties' legislation converges. As additional legislation is integrated into the Agreement, the Parties may establish further transitional periods, to allow for their adaptation.

4. Trade Data

Statistical data on the evolution of trade between the European Communities and Norway is presented in the attached annex.

¹ Official Journal of the European Communities, No L1, 3 January 1994, p.1.

II. TRADE PROVISIONS

1. Import Restrictions & 2. Export Restrictions

The EEA Agreement confirms that all trade in non-agricultural products between the EC and Norway is free of duty or quantitative restrictions (as has been the case since the mid-1980s). Arrangements for trade in agricultural, processed agricultural and fisheries products are according to the relevant Articles of the Agreement set out in specific Protocols.

The extent of liberalisation under the EEA Agreement is only possible because the non-EU members have agreed to take over in its entirety the whole of the Community *acquis* in the relevant economic sectors. This is done on an ongoing basis, and requires a continuing effort on the part of the Contracting Parties to integrate new *acquis* into the Agreement. Presently, the Agreement covers over 4,000 Community legislative acts.

3. Rules of Origin & 4. Standards & 5. Safeguards & 6. Anti-dumping and Countervailing Measures & 7. Subsidies and State-aid

The EEA Agreement prohibits the use of trade defence instruments in relation to areas covered by its provisions and in which the Community *acquis* is fully integrated into the Agreement. The Agreement provides that the non-EU Contracting Parties will take over the EU's *acquis* into their national legislation. This concerns a wide range of trade instruments and measures, including standards, rules of origin, Veterinary and Phytosanitary regulations, rules on state aids and competition etc.

8. Sector-Specific Provisions

Those products falling within chapters 1 to 24 of the HS system and a small number of other products of agricultural origin, are covered by the EEA Agreement only to a limited extent, as set out in specific protocols to the Agreement (Protocol 3 for processed agricultural products, Protocol 9 for fisheries products). The EEA Agreement also includes a provision foreseeing future bilateral negotiations for additional liberalisation in the agricultural sector.

III. GENERAL PROVISIONS OF THE AGREEMENT

5. Institutional Framework

The EEA Agreement is managed by a Joint Committee which meets on a monthly basis. Political direction is provided by a Joint Council, and a number of other institutions with consultation, surveillance, judicial and arbitration functions are set up under the Agreement.

IV. OTHER

The Agreement provides for freedom of movement of persons, services and capital, as well as of goods. These provisions are very wide and have very few exceptions, the most notable being the fisheries sector, where access to investment in or participation in the industry in Norway is excluded.

Harmonisation of rules for intellectual property is also foreseen in a protocol and an annex.

ANNEX

EU IMPORTS FROM WORLD AND NORWAY 1980-1998 (million ECU)

SITC:	0	1	2	3	4	5	6	7	8	9	TOTAL
EU IMPORTS											
1980 (EU 9)											
WORLD	23,908	1,929	27,501	85,384	1,579	11,374	37,648	37,853	22,176	20,502	269,853
Norway	315	1	401	3,286	41	339	1,518	449	135	1,649	8,134
1984 (EU 10)											
WORLD	33,643	2,810	36,139	107,594	2,803	19,968	48,969	71,432	34,537	24,205	382,100
Norway	536	2	597	8,347	49	678	2,385	602	182	2,492	15,869
1988 (EU 12)											
WORLD	32,221	2,152	35,752	47,393	1,499	25,067	59,078	106,689	49,968	27,937	387,757
Norway	877	3	672	5,026	21	746	3,138	1,007	262	749	12,502
1992 (EU 12)											
WORLD	34,580	3,215	32,218	65,183	1,748	33,888	69,355	146,277	76,771	23,900	487,135
Norway	1,372	3	754	8,337	26	867	2,876	1,258	420	1,314	17,228
1996 (EU 15)											
WORLD	41,305	3,599	34,829	75,910	2,423	44,328	75,479	189,056	93,962	20,131	581,065
Norway	1,753	13	945	12,863	47	1,487	4,351	2,510	875	2,703	27,864
1997 (EU 15)											
WORLD	44,248	4,072	40,131	85,155	2,554	51,485	87,685	229,346	108,779	17,690	672,413
Norway	1,888	16	1,019	17,685	49	1,750	4,749	2,729	963	180	33,617
1998 (EU 15)											
WORLD	45,198	4,458	39,370	64,843	2,891	55,290	94,672	264,153	116,092	22,676	709,643
Norway	2,205	10	977	12,270	57	1,820	4,960	3,194	1,060	186	29,058

EU EXPORTS TO WORLD AND NORWAY 1980-1998 (million ECU)

SITC:	0	1	2	3	4	5	6	7	8	9	TOTAL
EU EXPORTS											
1980 (EU 9)											
WORLD	13,662	3,422	4,327	10,071	717	23,228	46,455	84,154	21,333	13,716	221,084
Norway	218	27	120	675	10	414	1,052	1,643	693	284	5,136
1984 (EU 10)											
WORLD	21,120	5,784	7,319	18,087	1,343	38,465	65,412	129,088	39,835	24,806	351,259
Norway	269	37	178	631	10	606	1,692	2,850	1,192	572	8,038
1988 (EU 12)											
WORLD	19,588	6,205	7,602	8,232	1,158	44,449	65,673	141,249	48,507	20,256	362,917
Norway	394	64	287	234	14	735	1,571	3,090	1,559	567	8,515
1992 (EU 12)											
WORLD	24,887	8,778	8,068	10,552	1,491	54,200	71,091	180,838	59,247	16,939	436,091
Norway	478	77	218	243	17	896	1,813	3,626	1,761	732	9,861
1996 (EU 15)											
WORLD	30,646	10,339	11,414	15,431	1,998	79,144	102,957	283,081	79,287	12,695	627,011
Norway	811	127	659	680	35	1,820	3,775	7,645	2,954	425	19,755
1997 (EU 15)											
WORLD	33,504	12,374	13,084	17,109	2,575	93,046	114,927	331,113	88,686	13,717	721,109
Norway	823	157	773	791	49	2,059	4,182	9,996	3,364	272	23,361
1998 (EU 15)											
WORLD	31,772	12,005	11,554	13,833	2,831	95,885	112,815	343,435	89,424	16,869	730,423
Norway	841	169	779	594	72	2,198	4,532	10,824	3,691	410	24,943

EU TRADE WITH NORWAY BY HS SECTION
(Million ECU)

EXPORTS						IMPORTS					
SECTION	1988	1992	1996	1997	1998	SECTION	1988	1992	1996	1997	1998
TOTAL	8,515	9,861	19,756	23,361	24,943	TOTAL	12,502	17,228	27,864	33,617	29,058
I	41	49	86	82	79	I	779	1,228	1,467	1,590	1,835
II	164	175	275	301	284	II	5	3	6	6	6
III	15	19	34	49	76	III	22	26	35	34	40
IV	312	397	657	705	750	IV	101	157	306	329	397
V	285	298	799	952	761	V	5,313	8,701	13,288	18,146	12,717
VI	650	745	1,538	1,754	1,922	VI	504	606	1,040	1,245	1,315
VII	436	493	964	1,075	1,078	VII	307	322	624	672	669
VIII	113	57	74	81	76	VIII	98	47	90	116	108
IX	59	56	467	532	545	IX	84	217	291	309	298
X	221	284	967	1,001	999	X	791	813	1,253	1,179	1,273
XI	753	770	955	1,017	1,046	XI	67	68	134	139	137
XII	99	108	176	185	194	XII	1	1	11	11	8
XIII	190	144	289	335	362	XIII	42	57	120	122	116
XIV	45	42	84	90	88	XIV	21	20	64	59	62
XV	881	1,172	2,088	2,374	2,678	XV	2,417	2,052	2,984	3,455	3,568
XVI	2,176	2,479	5,250	6,166	7,221	XVI	693	880	1,836	2,021	2,306
XVII	915	1,163	2,488	3,945	3,824	XVII	304	369	673	713	888
XVIII	297	374	603	720	894	XVIII	106	207	307	358	437
XIX	10	8	10	13	22	XIX	1	2	7	8	3
XX	287	289	708	862	917	XX	90	135	327	359	376
XXI	187	175	258	262	294	XXI	129	94	994	176	179

EU TRADE WITH WORLD BY HS SECTION
(Million ECU)

EXPORTS						IMPORTS					
SECTION	1988	1992	1996	1997	1998	SECTION	1988	1992	1996	1997	1998
TOTAL	362,917	436,091	627,011	721,109	730,423	TOTAL	387,757	487,135	581,065	672,413	709,643
I	7,060	8,001	9,980	10,897	10,062	I	8,349	10,300	10,897	12,227	13,296
II	6,372	8,511	8,819	9,757	9,145	II	17,555	17,353	23,130	25,437	24,992
III	1,341	1,673	2,286	2,977	3,156	III	1,542	1,781	2,250	2,390	2,693
IV	13,817	19,194	24,510	27,744	27,279	IV	13,638	15,595	18,511	19,019	19,518
V	9,723	12,152	17,487	19,630	16,711	V	55,920	73,081	84,793	95,737	75,508
VI	37,393	46,951	68,968	81,772	85,215	VI	22,179	29,303	39,774	46,234	49,432
VII	15,521	16,914	23,128	27,148	27,504	VII	10,125	13,862	17,132	19,323	21,043
VIII	4,119	4,084	7,159	7,375	6,435	VIII	6,121	5,701	7,590	8,498	8,224
IX	1,771	2,035	4,045	4,927	5,182	IX	9,615	10,926	9,118	10,973	11,434
X	7,937	10,271	18,033	19,764	19,803	X	17,605	19,227	11,110	11,996	12,571
XI	20,244	25,208	31,611	34,724	35,221	XI	28,639	39,478	47,467	55,248	57,903
XII	3,440	4,526	5,922	6,313	6,043	XII	3,325	5,451	7,029	8,308	8,274
XIII	7,153	8,120	11,257	12,916	12,894	XIII	2,593	3,883	4,386	5,090	5,648
XIV	13,026	12,425	16,992	19,285	17,990	XIV	17,526	15,037	21,620	23,890	26,981
XV	30,826	30,864	42,214	46,944	45,623	XV	26,101	29,345	33,661	40,312	44,472
XVI	93,666	120,842	193,730	226,482	234,539	XVI	81,389	106,397	146,298	173,122	195,378
XVII	46,674	59,351	89,086	104,705	110,049	XVII	25,240	40,386	42,797	56,275	68,476
XVIII	14,107	17,067	23,982	28,129	29,109	XVIII	14,869	19,652	24,343	27,814	29,926
XIX	402	388	1,097	1,326	1,656	XIX	118	194	466	603	510
XX	7,819	9,378	13,350	15,177	15,242	XX	6,655	12,072	14,394	17,529	19,046
XXI	8,204	5,727	13,354	13,115	11,565	XXI	5,733	5,511	14,298	12,387	14,318

Norway / Total	EU15 trade 2000 with Norway					EU15 trade 2000 with EXTRA-EUR					Norway		
	imports		exports		balance	imports		exports		balance	market shares	Exp-Imp	
	M Euro	% Total	M Euro	% Total	M Euro	M Euro	% Total	M Euro	% Total	M Euro	imports	exports	
HS Section													
Total	45,683	100.0%	25,538	100.0%	-20,145	1,026,798	100.0%	937,836	100.0%	-88,961	4.4%	2.7%	0.56
of which:													
01 Animals & animal products	2,043	4.5%	95	0.4%	-1,947	15,386	1.5%	12,064	1.3%	-3,321	13.3%	0.8%	0.05
02 Vegetable products	13	0.0%	350	1.4%	337	25,086	2.4%	11,223	1.2%	-13,864	0.1%	3.1%	26.86
03 Animal or vegetable fats	34	0.1%	44	0.2%	10	2,360	0.2%	2,687	0.3%	327	1.5%	1.7%	1.30
04 Prepared foodstuffs	357	0.8%	848	3.3%	490	22,170	2.2%	29,937	3.2%	7,767	1.6%	2.8%	2.37
05 Mineral products	26,407	57.8%	1,191	4.7%	-25,216	160,181	15.6%	33,372	3.6%	-126,808	16.5%	3.6%	0.05
06 Chemical products	1,667	3.6%	2,176	8.5%	508	63,673	6.2%	113,378	12.1%	49,705	2.6%	1.9%	1.30
07 Plastics & rubber	745	1.6%	1,189	4.7%	444	26,308	2.6%	35,240	3.8%	8,932	2.8%	3.4%	1.60
08 Hides & skins	87	0.2%	87	0.3%	0	10,204	1.0%	8,969	1.0%	-1,234	0.8%	1.0%	1.00
09 Wood & wood products	346	0.8%	594	2.3%	248	14,618	1.4%	7,007	0.7%	-7,611	2.4%	8.5%	1.72
10 Wood pulp products	1,429	3.1%	1,166	4.6%	-264	17,021	1.7%	24,481	2.6%	7,461	8.4%	4.8%	0.82
11 Textiles & textile articles	123	0.3%	1,030	4.0%	907	69,611	6.8%	40,549	4.3%	-29,062	0.2%	2.5%	8.39
12 Footwear, headgear	9	0.0%	190	0.7%	181	10,903	1.1%	6,825	0.7%	-4,078	0.1%	2.8%	21.10
13 Articles of stone, plaster, cement, asbestos	136	0.3%	388	1.5%	252	7,846	0.8%	15,121	1.6%	7,275	1.7%	2.6%	2.85
14 Pearls, (semi-)precious stones, metals	109	0.2%	113	0.4%	3	35,656	3.5%	28,969	3.1%	-6,687	0.3%	0.4%	1.03
15 Base metals & articles thereof	4,375	9.6%	2,157	8.4%	-2,218	57,454	5.6%	52,942	5.6%	-4,512	7.6%	4.1%	0.49
16 Machinery & mechanical appliances	2,364	5.2%	7,479	29.3%	5,115	298,805	29.1%	298,008	31.8%	-797	0.8%	2.5%	3.16
17 Transportation equipment	1,094	2.4%	3,704	14.5%	2,610	90,679	8.8%	139,903	14.9%	49,224	1.2%	2.6%	3.38
18 Instruments - measuring, musical	452	1.0%	835	3.3%	384	42,480	4.1%	39,533	4.2%	-2,947	1.1%	2.1%	1.85
19 Arms & ammunition	9	0.0%	30	0.1%	21	601	0.1%	1,574	0.2%	973	1.4%	1.9%	3.44
20 Miscellaneous	422	0.9%	1,029	4.0%	607	27,149	2.6%	18,409	2.0%	-8,739	1.6%	5.6%	2.44
21 Works of art	15	0.0%	22	0.1%	7	2,672	0.3%	4,583	0.5%	1,910	0.6%	0.5%	1.47
Other	3,446	7.5%	820	3.2%	-2,626	25,935	2.5%	13,062	1.4%	-12,872	13.3%	6.3%	0.24

Source : Eurostat COMEXT 30 Jul 01 (Statistical regime 4)

07-Aug-01

TRADE/D/1 Paul VERBURGT

Norway HS Section	EU15 trade 1997-2000 with Norway (million Euro)															
	imports				exports				balance				total trade			
	1997	1998	1999	2000	1997	1998	1999	2000	1997	1998	1999	2000	1997	1998	1999	2000
Total	33,711	28,134	29,593	45,683	23,361	25,088	23,244	25,538	-10,350	-3,045	-6,350	-20,145	57,072	53,222	52,837	71,221
<i>of which:</i>													07-Aug-01			
01 Animals & animal products	1,590	1,837	1,892	2,043	82	79	82	95	-1,508	-1,758	-1,810	-1,947	1,673	1,916	1,974	2,138
02 Vegetable products	6	7	8	13	301	295	313	350	295	289	305	337	307	302	321	363
03 Animal or vegetable fats	34	40	32	34	49	79	47	44	15	39	15	10	84	119	80	79
04 Prepared foodstuffs	329	397	371	357	705	756	817	848	376	359	446	490	1,033	1,153	1,188	1,205
05 Mineral products	18,146	11,784	13,373	26,407	952	772	936	1,191	-17,194	-11,012	-12,437	-25,216	19,097	12,556	14,309	27,598
06 Chemical products	1,245	1,318	1,433	1,667	1,754	1,946	1,940	2,176	509	628	507	508	2,999	3,264	3,372	3,843
07 Plastics & rubber	672	670	641	745	1,075	1,086	1,081	1,189	403	417	439	444	1,747	1,756	1,722	1,935
08 Hides & skins	116	110	71	87	81	76	66	87	-35	-33	-5	0	197	186	137	174
09 Wood & wood products	309	298	340	346	532	546	518	594	223	248	178	248	841	844	859	941
10 Wood pulp products	1,179	1,271	1,271	1,429	1,001	1,003	1,060	1,166	-178	-269	-211	-264	2,180	2,274	2,331	2,595
11 Textiles & textile articles	139	137	128	123	1,017	1,050	1,014	1,030	878	913	886	907	1,157	1,188	1,141	1,153
12 Footwear, headgear	11	8	7	9	185	197	189	190	175	189	181	181	196	204	196	199
13 Articles of stone, plaster, cement, asbestos	122	116	124	136	335	367	359	388	213	250	234	252	457	483	483	524
14 Pearls, (semi-)precious stones, metals	59	62	67	109	90	88	95	113	31	26	28	3	149	150	162	222
15 Base metals & articles thereof	3,455	3,599	3,759	4,375	2,374	2,732	2,195	2,157	-1,081	-866	-1,564	-2,218	5,830	6,331	5,954	6,532
16 Machinery & mechanical applicances	2,021	2,314	2,327	2,364	6,166	7,247	7,055	7,479	4,145	4,933	4,729	5,115	8,187	9,560	9,382	9,843
17 Transportation equipment	807	890	760	1,094	3,945	3,833	2,894	3,704	3,138	2,943	2,134	2,610	4,752	4,723	3,653	4,799
18 Instruments - measuring, musical	358	439	406	452	720	896	810	835	363	457	405	384	1,078	1,335	1,216	1,287
19 Arms & ammunition	8	3	13	9	13	22	27	30	5	19	14	21	21	24	40	38
20 Miscellaneous	359	376	406	422	862	922	952	1,029	503	546	545	607	1,222	1,298	1,358	1,451
21 Works of art	11	8	14	15	20	16	28	22	8	8	14	7	31	24	42	36
Other	2,735	2,451	2,150	3,446	1,100	1,081	767	820	-1,635	-1,370	-1,383	-2,626	3,835	3,531	2,917	4,267

Source : Eurostat COMEXT 30 Jul 01 (Statistical regime 4)

TRADE/D/1 Paul VERBURGT