

# EFTA at a Glance



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## What is EFTA?

The European Free Trade Association (EFTA) is an intergovernmental organisation set up for the promotion of free trade and economic integration to the benefit of its four Member States: Iceland, Liechtenstein, Norway and Switzerland. The Association has responsibility for the management of:

- The EFTA Convention;
- The Agreement on the European Economic Area (the EEA Agreement); and
- EFTA's worldwide network of free trade agreements (FTAs).

## The EFTA Convention

The EFTA Convention regulates the free trade relations between the four EFTA Member States and provides the legal framework for EFTA as an organisation. It covers trade in goods and services and includes areas such as investment and the free movement of persons.

## The EEA Agreement

The EEA Agreement brings together the Member States of the European Union (EU) and three of the EFTA States – Iceland, Liechtenstein and Norway – in a single market, also referred to as the "Internal Market". The Agreement provides for the inclusion of EU legislation on the free movement of goods, services, capital and persons in the legal systems of the three EEA EFTA States and establishes common rules on competition and state aid. It further covers cooperation in key areas such as research and development, environment, education and social policy. Switzerland is not a member of the EEA but has a series of bilateral agreements with the EU.

## EFTA's Free Trade Network

Cross-border trade and investment are central to the economic growth and dynamism of the EFTA countries, which are highly integrated in the global economy and are leading international investors. Together they ranked twelfth in world merchandise trade and seventh in world commercial services trade in 2013. The EFTA States have developed one of the largest networks of FTAs, which today spans over 60 countries and territories, including the EU. Combining the contractual frameworks with the EU and the FTAs with non-EU countries, some 80% of EFTA's total merchandise trade is conducted under preferential arrangements.

Region	Free trade agreements (FTA)	FTA negotiations	Joint declaration on cooperation/ Dialogue on closer trade relations
Europe	European Union, Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia, Turkey and Ukraine	Russia/Belarus/Kazakhstan	Georgia
Middle East/ North Africa	Egypt, Gulf Cooperation Council (GCC; comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates), Israel, Jordan, Lebanon, Morocco, Palestinian Authority and Tunisia	Algeria	
Sub-Saharan Africa	Southern African Customs Union (SACU; comprising Botswana, Lesotho, Namibia, South Africa and Swaziland)		Mauritius
Americas	Canada, Central American States (Costa Rica and Panama), Chile, Colombia, Mexico and Peru	Guatemala and Honduras	Ecuador, Southern Common Market (MERCOSUR; a joint declaration with Argentina, Brazil, Paraguay and Uruguay)
Asia Pacific	Hong Kong China, Republic of Korea and Singapore	India, Indonesia, Malaysia, Vietnam, the Philippines and Thailand	Mongolia, Myanmar and Pakistan

While actively expanding trade relations with partners worldwide, the EFTA States maintain a strong commitment to the multilateral trading system. The World Trade Organization's rules-based system provides the basis for all EFTA FTAs.

EFTA FTAs cover trade in industrial products (including fish) and agricultural products. They include trade remedies as well as provisions on competition, on the protection of intellectual property, and on payments and transfers. Many FTAs also contain substantive rules liberalising trade in services, investment and public procurement, as well as provisions on trade facilitation and sustainable development.

Some FTAs extend to technical cooperation, with the aim of supporting free trade partners in the implementation of the agreements and enhancing their capacity to benefit from preferential access to the EFTA markets.

Joint declarations on cooperation (JDCs) aim to promote the development of economic relations between the EFTA States and partner countries. They cover various trade-related issues and seek to improve the conditions for private sector cooperation.

## The EFTA Countries

The four EFTA States are competitive in several sectors vital to the global economy. Switzerland is a world leader in pharmaceuticals, biotechnology, machinery, banking and insurance. Liechtenstein, like Switzerland, is highly industrialized and specialized in capital-intensive and R&D driven technology products. The Icelandic economy benefits from renewable natural resources, not least rich fishing grounds, and has increasingly diversified into other industries and services. Abundant natural resources also contribute significantly to Norway's economic strength, including petroleum exploration and production, as well as important service sectors such as maritime transport and energy related services.

## The EFTA Secretariat

The headquarters of the EFTA Secretariat are located in Geneva, with offices in Brussels and Luxembourg. The Secretariat has an annual budget of approximately CHF 22 million. Its staff (of approximately 80) provide expertise in all areas covered by the EFTA Convention, the EEA Agreement and EFTA's agreements with free trade partners.

The Secretariat in Geneva assists the EFTA Council in the management of relations between the four EFTA States and deals with the negotiation and operation of EFTA's FTAs and JDCs with non-EU countries. It also handles EFTA's technical cooperation programme.

The Secretariat in Brussels provides support for the management of the EEA Agreement, including preparation of new legislation and assistance in the elaboration of input into EU decision making.

The EFTA Statistical Office in Luxembourg contributes to the development of a broad and integrated European statistical system.

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## Contacting EFTA

For more information about EFTA and its activities, please visit our website, [www.efta.int](http://www.efta.int)

### EFTA Secretariat, Geneva (Headquarters)

9-11, rue de Varembe  
1211 Geneva 20  
Switzerland  
Tel: +41 22 33 22 600  
Email: [mail.gva@efta.int](mailto:mail.gva@efta.int)

### EFTA Secretariat, Brussels

Rue Joseph II, 12-16  
1000 Brussels  
Belgium  
Tel: +32 2 286 17 11  
Email: [mail.bxl@efta.int](mailto:mail.bxl@efta.int)

### EFTA Statistical Office, Luxembourg

Bâtiment Bech Office F2/908  
5 Rue Alphonse Weicker  
2721 Luxembourg  
Tel: +352 4301 37775  
Email: [efta-lux@ec.europa.eu](mailto:efta-lux@ec.europa.eu)