

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 Mission of Norway and the Delegation for the European Communities, dated 13 September 2004. It is organized in accordance with the standard format (WT/REG/W/6).

This report covers the period 2001-2003. The previous biennial report submitted by the Parties was circulated as WTO document WT/REG137/R/B/1, G/L/550 of 14 May 2002. The general situation remains as described in the last report.

I. BACKGROUND INFORMATION ON THE AGREEMENT

1. Membership And Dates Of Signature, Ratification And Entry Into Force

No alteration of the membership was made during the period 2001-2003. The Agreement on the European Economic Area (EEA), which entered into force in 1994¹, continues to link the European Union and Norway, together with Iceland and Liechtenstein, in a broad integrated economic agreement.

With European Union enlargement on 1 May 2004, the EEA Agreement was revised and extended, after negotiation and a ratification process, to the ten new member States of the EU. Conversely, the existing free trade agreements between the EFTA (including Norway) and the acceding countries were cancelled (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic and Slovenia).

2. Type Of Agreement

As stipulated in the last biennial report, the EEA Agreement provides for the freedom of movement of goods², persons, services and capital, throughout the territories of the Parties. It provides for a high degree of economic integration, set out in a large number of Protocols and Annexes. The Agreement also contains provisions for the strengthening and broadening of co-operation among the

¹ Official Journal of the European Communities, N° L1, 3 January 1994, p.1.

² For products falling within chapters 25 to 97 of the harmonized system (cf. article 8 of the EEA Agreement).

Parties in a wide range of activities. No alterations have been made in this regard from the last biennial report.

4. Trade Data

Total bilateral trade between the EU-15 and Norway amounted to approximately €70 billion in the year 2002. Detailed statistical data concerning bilateral trade between the parties is presented in the attached annex.

II. TRADE PROVISIONS

1. Import Restrictions &

2. Export Restrictions

The extent of liberalisation under the EEA Agreement remains to be only possible because the non-EU members have agreed to take over, in its entirety, 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 Parties to integrate new *acquis* into the Agreement.

3. Rules Of Origin

4. Standards

5. Safeguards

6. Anti-Dumping And Countervailing Measures

7. Subsidies And State-Aid

There have been no amendments to the EEA Agreement concerning these areas. The EEA Agreement continues to prohibit 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 on a wide range of areas.

8. Sector-Specific Provisions

In June 2003, Norway and the EC agreed to a further bilateral liberalisation of trade in agriculture under the EEA Agreement, with a view to achieving progressive liberalization of agricultural trade on a reciprocal and mutually beneficial basis. This included the introduction on both sides of additional import quotas and tariff concessions for imports of a few agricultural products (mainly cheese, fruit and vegetables and ornamental plants).

Also, since 2002, the top priority in EU-Norway relations was to reach an agreement on the enlargement of the EEA simultaneously with the enlargement of the EU as from 1 May 2004. An "EEA Enlargement Agreement" was negotiated to this effect. The amendments to the EEA Agreement are mainly technical, taking over the relevant provisions of the EU Act of Accession, but considerable new financial contributions from the EEA EFTA States, and in particular Norway, were also agreed to contribute to social and economic cohesion in the enlarged internal market.

In the context of the "EEA Enlargement Agreement", the relevant protocols of the EEA Agreement defining the trade regime for the agricultural and fisheries sectors have also been amended and adapted to the dimensions of the enlarged EU. Norway opened tariff quotas or increased the existing ones for certain agricultural products (mainly fruits and fruit juices). The enlarged EU increased tariff quotas and/or reduction of duties for certain fishery products (hareng, mackerel).

EU15-Norway Imports/Exports, 1999-2002

Norway	EU15 trade 1999 - 2002 with Norway (million Euro)															
	imports				exports				balance				total trade			
	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
Total	28,961	45,081	44,167	45,080	21,667	23,904	24,813	25,318	-7,294	-21,177	-19,353	-19,763	50,628	68,985	68,980	70,398
of which:																
01 Animals & animal products	1,878	2,014	1,840	1,818	72	86	100	115	-1,806	-1,928	-1,739	-1,703	1,950	2,100	1,940	1,933
02 Vegetable products	8	13	25	25	308	347	395	433	300	334	370	408	316	360	420	458
03 Animal or vegetable fats	31	30	36	39	34	34	45	61	3	5	8	22	65	64	81	100
04 Prepared foodstuffs	353	338	328	372	734	772	804	903	381	434	476	531	1,088	1,110	1,132	1,275
05 Mineral products	13,217	26,406	24,591	24,493	936	1,196	1,265	1,004	-12,281	-25,210	-23,326	-23,490	14,153	27,602	25,856	25,497
06 Chemical products	1,431	1,667	1,798	1,778	1,907	2,172	2,278	2,394	476	505	480	616	3,338	3,839	4,076	4,172
07 Plastics & rubber	639	743	714	679	1,075	1,178	1,212	1,256	436	435	498	577	1,714	1,921	1,926	1,935
08 Hides & skins	70	86	91	88	64	85	101	102	-7	-1	10	15	134	172	193	190
09 Wood & wood products	340	346	299	313	517	593	589	619	177	247	290	306	858	939	887	932
10 Wood pulp products	1,271	1,430	1,439	1,247	1,056	1,166	1,057	1,065	-215	-263	-381	-182	2,327	2,596	2,496	2,313
11 Textiles & textile articles	125	120	121	122	1,001	1,016	998	1,038	875	895	877	916	1,126	1,136	1,119	1,160
12 Footwear, headgear	7	9	9	8	187	189	175	204	180	180	166	197	195	198	183	212
13 Articles of stone, plaster, cement, asbestos	124	137	150	153	358	386	400	427	234	250	249	274	482	523	550	580
14 Pearls, (semi-)precious stones, metals	61	105	110	78	92	108	107	99	31	3	-3	21	154	213	216	177
15 Base metals & articles thereof	3,733	4,339	4,172	3,878	2,091	2,050	2,113	2,279	-1,642	-2,288	-2,059	-1,598	5,824	6,389	6,285	6,157
16 Machinery & mechanical appliances	2,093	2,124	2,122	1,979	6,256	6,821	7,166	7,304	4,163	4,697	5,045	5,324	8,349	8,945	9,288	9,283
17 Transportation equipment	709	927	763	824	2,710	3,341	3,510	3,285	2,002	2,415	2,747	2,462	3,419	4,268	4,273	4,109
18 Instruments - measuring, musical	374	404	438	470	736	772	844	939	362	368	406	469	1,110	1,176	1,283	1,408
19 Arms & ammunition	5	9	4	21	10	19	20	21	5	10	15	0	16	27	24	43
20 Miscellaneous	402	419	405	393	950	1,028	1,057	1,153	548	609	652	760	1,352	1,447	1,462	1,546
21 Works of art	14	13	11	33	27	19	19	18	13	7	9	-15	41	32	30	52
Other	2,074	3,404	4,701	6,268	543	524	558	597	-1,531	-2,880	-4,143	-5,672	2,617	3,928	5,259	6,865

Source : Eurostat COMEXT 10 September 2003 (Statistical regime 1)

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EU15-Norway Imports/Exports, 2002 and comparison with extra-EU15

Norway / Total

Total

of which:

01 Animals & animal products					
02 Vegetable products					
03 Animal or vegetable fats					
04 Prepared foodstuffs					
05 Mineral products					
06 Chemical products					
07 Plastics & rubber					
08 Hides & skins					
09 Wood & wood products					
10 Wood pulp products					
11 Textiles & textile articles					
12 Footwear, headgear					
13 Articles of stone, plaster, cement, asbestos					
14 Pearls, (semi-)precious stones, metals					
15 Base metals & articles thereof					
16 Machinery & mechanical appliances					
17 Transportation equipment					
18 Instruments - measuring, musical					
19 Arms & ammunition					
20 Miscellaneous					
21 Works of art					
Other					

Source : Eurostat COMEXT 10 September 2003 (Statistical regime 1)

EU15 trade 2002 with Norway				
imports		exports		balance
M Euro	% Total	M Euro	% Total	M Euro

45,080	100.0%	25,318	100.0%	-19,763
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1,818	4.0%	115	0.5%	-1,703
25	0.1%	433	1.7%	408
39	0.1%	61	0.2%	22
372	0.8%	903	3.6%	531
24,493	54.3%	1,004	4.0%	-23,490
1,778	3.9%	2,394	9.5%	616
679	1.5%	1,256	5.0%	577
88	0.2%	102	0.4%	15
313	0.7%	619	2.4%	306
1,247	2.8%	1,065	4.2%	-182
122	0.3%	1,038	4.1%	916
8	0.0%	204	0.8%	197
153	0.3%	427	1.7%	274
78	0.2%	99	0.4%	21
3,878	8.6%	2,279	9.0%	-1,598
1,979	4.4%	7,304	28.8%	5,324
824	1.8%	3,285	13.0%	2,462
470	1.0%	939	3.7%	469
21	0.0%	21	0.1%	0
393	0.9%	1,153	4.6%	760
33	0.1%	18	0.1%	-15
6,268	13.9%	597	2.4%	-5,672

EU15 trade 2002 with Extra-EUR				
imports		exports		balance
M Euro	% Total	M Euro	% Total	M Euro

918,798	100.0%	868,524	100.0%	-50,274
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15,949	1.7%	11,195	1.3%	-4,754
26,010	2.8%	11,625	1.3%	-14,385
2,317	0.3%	2,339	0.3%	22
23,791	2.6%	27,732	3.2%	3,941
147,537	16.1%	29,272	3.4%	-118,266
67,920	7.4%	126,606	14.6%	58,685
25,724	2.8%	36,740	4.2%	11,016
10,253	1.1%	9,177	1.1%	-1,076
13,546	1.5%	7,637	0.9%	-5,908
15,485	1.7%	25,167	2.9%	9,682
66,360	7.2%	38,688	4.5%	-27,671
11,422	1.2%	6,862	0.8%	-4,560
7,809	0.8%	15,368	1.8%	7,559
33,805	3.7%	26,743	3.1%	-7,062
49,836	5.4%	52,420	6.0%	2,584
235,463	25.6%	270,216	31.1%	34,754
76,013	8.3%	92,269	10.6%	16,257
38,860	4.2%	41,363	4.8%	2,504
955	0.1%	1,197	0.1%	242
28,770	3.1%	18,637	2.1%	-10,132
2,949	0.3%	4,098	0.5%	1,150
18,025	2.0%	13,172	1.5%	-4,853

Norway		
market shares		Exp-Imp ratio
imports	exports	

4.9%	2.9%	0.56
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11.4%	1.0%	0.06
0.1%	3.7%	17.46
1.7%	2.6%	1.56
1.6%	3.3%	2.43
16.6%	3.4%	0.04
2.6%	1.9%	1.35
2.6%	3.4%	1.85
0.9%	1.1%	1.17
2.3%	8.1%	1.98
8.1%	4.2%	0.85
0.2%	2.7%	8.48
0.1%	3.0%	25.77
2.0%	2.8%	2.79
0.2%	0.4%	1.26
7.8%	4.3%	0.59
0.8%	2.7%	3.69
1.1%	3.6%	3.99
1.2%	2.3%	2.00
2.2%	1.8%	1.02
1.4%	6.2%	2.93
1.1%	0.4%	0.55
34.8%	4.5%	0.10

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