

## Parliamentary briefing by Anita Gradin on EFTA–EC relations (18 January 1990)

**Caption:** On 18 January 1990, Anita Gradin, Swedish Minister for Foreign Trade, informs Parliament of the outcome of the ministerial meeting held on 19 December 1989 between the Member States of the EEC and those of EFTA with a view to closer cooperation between these two organisations in a European Economic Area.

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## Parliamentary briefing by the Minister for Foreign Trade, Ms Anita Gradin, concerning EFTA-EC relations (18 January 1990)

My last parliamentary briefing on the discussions in progress between the EFTA countries and the European Community was on 9 November. At that point, the joint High-Level Steering Group had recently submitted its report for consideration by the two sides. Since then, the Community and EFTA have each issued statements at the political level about the prior conditions for further progress in the cooperation process. On 19 December, ministers from the EC and EFTA member states agreed to commence negotiations on a broad agreement to establish a European economic space.

At the European Council meeting in Strasbourg on 8 and 9 December, the heads of state and government of the EC member states expressed their satisfaction at the preparatory discussions with the EFTA countries. They stated their wish for negotiations to begin on a comprehensive agreement between the EC and EFTA. The purpose was said to be to strengthen, on the basis of the *acquis communautaire*, cooperation in the framework of a European economic space - EES - encompassing the eighteen states. Emphasis was placed on a balance of rights and obligations.

At their ministerial meeting in Geneva on 11 and 12 December, the EFTA countries, for their part, stressed that the exploratory talks held so far had identified sufficiently broad common ground between themselves and the EC Commission to continue the process. The EFTA ministers expressed the hope that an outline of an agreement would be ready around the middle of 1990, to enable the negotiations to be concluded within the year. In addition, the aim is for the agreement to enter into force in parallel with the EC's internal market.

The EFTA ministerial meeting foresaw that the negotiations would lead to a more structured partnership, with common decision making and common administrative institutions.

The EFTA ministers also agreed that the relevant *acquis communautaire* should be integrated, in one way or another, into an agreement as the common legal basis. Exceptions, justified by fundamental interests, and transitional arrangements would be the subject of negotiations. We recalled that there existed areas in which the EFTA countries had more elaborate rules. And we therefore underlined that future cooperation relating to health, safety, consumer or environmental issues should be based on high standards of protection.

As regards the role of EFTA itself in future cooperation with the EC, we agreed to strengthen the Association's structures, as required by the joint EFTA-EC solutions developed in the new process. The resources of the EFTA Secretariat have already been considerably increased. The EFTA countries have spoken with one voice during the talks so far, and the ministers said they intended to continue to do so.

When ministers of the EC and EFTA countries met in Brussels on 19 December, a declaration was adopted containing the following main points:

- A decision was taken to commence negotiations on a broad agreement in the first half of 1990, with the aim of concluding them as rapidly as possible.
- The aim is to achieve the free movement of goods, services, capital and persons, on the basis of the relevant *acquis communautaire*; exceptions and transitional arrangements will be a matter for negotiation.
- Equal conditions of competition should be ensured.
- Cooperation should also extend to related areas, such as research, the environment, education, working conditions, social welfare, consumer protection, programmes for small and medium-sized enterprises, and tourism.
- Economic and social disparities between different regions should be reduced.
- Regarding institutional issues, the decision-making autonomy of the parties is to be respected; procedures

should be negotiated so as to facilitate consensus solutions to EES issues.

- There should be appropriate formulae to ensure the direct effect of common legislation and judicial monitoring of compliance with the agreement.
- The declaration notes, finally, that a political dialogue could be envisaged, including at the ministerial level.

The ministers agreed to meet again in 1990 to follow up the process.

*Mr/Madam Speaker,*

We have now achieved the first intermediate objective in our efforts to realize Parliament's aim that 'Sweden's contacts with the EC should if possible result in the same benefits and undertakings for citizens, institutions and companies in Sweden as will apply in the Community when the aims of the White Paper have been achieved'.

As current holder of the EFTA chairmanship, Sweden has a particular responsibility to carry the negotiations forward during the first half of this year. Our aim is that the outline of an agreement should be discernible by the middle of the year. This means

- that the substantive scope of the agreement should have been settled by then, as should the more important exceptions and/or transitional arrangements;
- that agreement in principle should have been reached on legal and institutional issues.

The Prime Minister and I visited Brussels on Monday to draw up plans for the coming months' work, together with the President of the Commission, Mr Delors, and Mr Andriessen, one of its Vice-Presidents. Our general impression is that both the EFTA countries and the Community are anxious to make rapid progress. The next stage of the process begins in Brussels today, with a meeting of the chief negotiators. The 'exploratory talks' that are now beginning - in practice, they amount to preliminary negotiations - are intended to enable the Commission to request a concrete negotiating mandate from the EC Council later this spring.

The timetable is ambitious, but I have every hope that we will be able to keep to it.

*Mr/Madam Speaker,*

If we are to achieve the aim of equal treatment for individuals, enterprises and institutions on the West European market, we must create a common foundation for cooperation between the European Community and the EFTA countries. An important aspect of the work that now lies ahead will therefore be to agree on common and uniform EES rules.

In the declaration adopted at the ministerial meeting on 19 December, the parties agreed to identify such common rules jointly, on the basis of existing EC legislation. Around a thousand different directives are involved, although the proposals put forward by the Commission are still preliminary and incomplete. A large proportion of the directives proposed in the EC White Paper are included, as well as rules adopted previously. The aim is not that we should take over all the existing EC legislation. What has to be done now is to clarify which rules are relevant to EES cooperation, what exceptions can be considered, and what transitional arrangements may be necessary.

That is one aspect of the negotiations. The other has to do with judicial monitoring and with agreeing a decision-making procedure for future EES legislation. A precondition for resolving the latter question is a real say in decision making for the EFTA countries - and that is a point which those countries have made very clear in the discussions so far.

The various integration working groups set up within the Cabinet Office and Ministries are currently studying what we in Sweden believe should be included in a common body of rules. The second phase of their work involves an analysis of the substance of the EC legislation. Our assumption is that in many cases Swedish law is already in conformity with Community law. In other cases, Swedish adjustment measures are being discussed against the background I have mentioned. Here lies the key to access to the internal market on equal terms.

Some legislation, however, Sweden is not prepared to change for the sake of the planned cooperation, and the same is undoubtedly true of the other EFTA countries. The EFTA group has repeatedly underlined this. We wish to maintain our level of aspiration as regards workplace safety and health and environmental standards. We can expect the same attitude from the EC in areas where it has higher standards than our own. Here, of course, a delicate balancing act is called for. Or as President Mitterrand said during his visit to Reykjavik last autumn: 'There is no agreement without exceptions, but equally there are no agreements consisting solely of exceptions.'

We are well equipped for the task ahead; our organizational structure for examining integration issues works well. At the same time, within the EFTA circle, we have been well prepared during our informal talks with the EC Commission, we have spoken with one voice, and we have together resolved to continue to do so.

I expect to keep Parliament informed on an ongoing basis in the coming months and to consult its EFTA Delegation on the subsequent stages of this process. At the EFTA level, too, we have agreed to intensify cooperation with our Committee of Members of Parliament, as part of the consultation process.