Resolution 762 (1981)[1]

Reply to the 20th and 21st annual reports of the European Trade Association (EFTA)

Parliamentary Assembly

The Assembly,

1. Having taken note of the 20th and 21st annual reports of the European Free Trade Association (EFTA) (Docs. 4639 and 4765) and the report of its Committee on Economic Affairs and Development (Doc. 4766) ;

2. Noting that the economic situation of the EFTA member countries, particularly in terms of economic growth and employment, has so far been healthier than that of most of the big industrialised countries, but is now beginning to worsen, notably as economic activity slows down appreciably and prices rise at an excessive rate in several countries ;

3. Noting that, in spite of intense external pressures created by increasingly fierce commercial competition and stagnating world trade, the EFTA countries have successfully maintained and extended freedom of trade amongst themselves and with their partners in the European Communities ;

4. Welcoming the satisfactory operation of the European free trade agreements and their enlargement by application to Greece, a member of the European Communities since 1 January 1981, and the implementation of the multilateral free trade agreement with Spain which provides the progressive removal of customs barriers ;

5. Reiterating the wish expressed in its Resolution 715 (1980) in reply to the 18th and 19th annual reports of EFTA that the benefits of the European free trade agreements should be extended to three Council of Europe member states which are members of neither the European Communities nor EFTA, namely Cyprus, Malta and Turkey ;

6. Recalling that the European Communities and the EFTA countries are each others' most important trading partners and that the free trade agreements between the Communities and each of the EFTA member countries are thus of great importance in that they have not only instituted industrial free trade but have also laid the foundations for a dense and diversified network of bilateral relations in such spheres as the environment, transport and research ;

7. Recognising the remarkable achievements of the EFTA Industrial Development Fund for Portugal in permitting the creation or protection of several tens of thousands of jobs, not least through loans extended to the agricultural and food-processing industries, and most importantly in helping to stabilise Portugal's democracy by strengthening its economic structure ;

8. Commending the EFTA countries' co-operation with Yugoslavia, particularly in matters of trade promotion and tourism,

9. Invites the governments of the member countries of EFTA :

9.1. to take firm measures to deal with adverse economic trends which threaten the basis of free trade in Europe, in particular by controlling inflation and encouraging economic growth ;

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1. Assembly debate on 7 October 1981 (17th Sitting) (see Doc. 4766, report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 7 October 1981 (17th Sitting).

9.2. to establish closer links and improve coordination with the European Communities on all matters, since free trade among the European countries can progress only if the process of economic development is analogous in all countries ;

9.3. to devote particular attention to eliminating all barriers (tariff and non-tariff) to trade and to simplifying origin rules, not only amongst themselves but also with the European Communities ;

9.4. to direct the activities of the EFT A Industrial Development Fund for Portugal increasingly towards schemes likely to create jobs ;

9.5. to continue co-operation with Yugoslavia and consider extending the benefits of such cooperation to Council of Europe member states belonging to neither the European Communities nor EFTA ;

9.6. to this end to initiate a process of reflection on future EFTA activities after Portugal joins the European Communities since EFTA's reaction to the departure of its least developed member must not be to retreat into itself but rather to turn the experience acquired in the case of Portugal to other European countries' advantage ;

9.7. to pursue their efforts at further liberating intra-EFTA trade in fisheries products, given the importance of that industry in several EFTA countries ;

10. Calls on the governments of both EFTA and the European Communities to intensify their joint efforts to ensure a harmonious development of their trade, and pay particular attention to the special nature of trade in agricultural produce and to agriculture's situation in the countries concerned.