



Resolution 924 (1989)¹

Reply to the 27th and 28th annual reports (1987 and 1988) on the activities of the European Free Trade Association (EFTA)

Parliamentary Assembly

The Assembly,

1. Having regard to the 27th and 28th annual reports of the European Free Trade Association ([Docs. 5916](#) and [6068](#)), and to the report of its Committee on Economic Affairs and Development in reply thereto ([Doc. 6095](#)) ;
2. Noting with satisfaction the intensive trade and economic relations that unite eighteen Council of Europe member states - the twelve states of the European Community and the six countries that make up the European Free Trade Association - forming the largest free trade area in the world ;
3. Anxious that this co-operation be strengthened further as the European Community prepares to complete its internal market by 1993, as any development other than a truly open European economic space would hurt all of the highly interdependent economies involved, and the rest of the world as well ;
4. Welcoming the declaration adopted by EFTA heads of government on 15 March 1989, in which they stated their desire to "further integration and reach balanced solutions within a homogeneous European economic space" encompassing both trading blocs, and expressed their "determination to strengthen and further improve the multilateral trading system and to fight all forms of protectionism" ;
5. Welcoming also the declaration adopted at the meeting of the European Council in Rhodes in 1988, in which the Community expressed its desire to strengthen and expand relations with EFTA states, and the call by the President of the Commission of the European Communities in January 1989 for an open and comprehensive dialogue on the scope and the institutional framework for closer co-operation with EFTA states ;
6. Regretting that, in spite of considerable European Community-EFTA efforts to remove them, numerous invisible barriers to trade remain between the two groups of countries, and considering that these cannot be tolerated at a time when Western Europe prides itself on having achieved free trade ;
7. Noting that co-operation between EFTA and the European Community extends to fields other than economics and trade, and concerned that this development, apart from distracting attention from the many still unsolved problems in these areas, also risks duplicating work already in progress, or that could be done more usefully, within the Council of Europe framework, for instance in education, environment protection and legal co-operation,
8. Invites the governments of the member states of EFTA and the European Community :
 - 8.1. to work with determination for the creation of a genuinely free trading European economic space uniting, in the first place, the internal market of the twelve member states of the European Community foreseen for 1993 and the EFTA area ;

1. Assembly debate on 23 September 1989 (13th Sitting) (see [Docs. 5916](#) Docs. 5916 and [Doc. 6068](#), 27th and 28th reports of EFTA ; and [Doc. 6095](#), report of the Committee on Economic Affairs and Development, Rapporteur : Mr Eicher). Text adopted by the Assembly on 23 September 1989(13th Sitting).



- 8.2. to have this European economic space extend also to those member states of the Council of Europe that belong neither to the European Community nor EFTA, and, in the interest of world trade and development, to make it as open as possible vis-à-vis other countries in conformity with the rules and the spirit of GATT ;
- 8.3. to remove, towards this end and as a matter of urgency, any non-tariff barriers to trade remaining between them, and also to find joint solutions to the many transport policy problems facing the Community and EFTA member states;
- 8.4. to give special priority to the task of ensuring fair European Community-EFTA competition in the field of public procurement ;
- 8.5. to strengthen institutional links permitting speedier negotiations and an early exchange of information between EFTA and the European Community, and to permit both sides to have an equal say in the construction of the European economic space ;
- 8.6. to make full use of the Council of Europe as a bridge not only between EFTA and European Community members but also with states which belong to neither ;
9. Invites the governments of the member states of EFTA :
 - 9.1. to work towards the elimination of any remaining trade obstacles among them, be they of a tariff or a non-tariff character, and to concentrate increasingly on other types of harmonisation essential for raising overall economic efficiency among them ;
 - 9.2. to contemplate orienting EFTA from a mere free trade area (where each country sets its own tariffs on imports from third countries) towards a customs union (with joint tariff walls for all members) harmonised with the European Community, especially in view of the association's objective to form a European economic space with the Community.