



Resolution 1028 (1994)¹

Activities of the European Free Trade Association (EFTA) in 1991 and 1992 (in reply to the 31st and 32nd annual reports)

Parliamentary Assembly

1. The Assembly has examined the 31st and the 32nd annual reports of the European Free Trade Association (EFTA) (Docs. 6729 and 6961), and the report of its Committee on Economic Affairs and Development in reply thereto (Doc. 7047).
2. The Assembly recognises the essential contribution made by EFTA since its foundation to enhanced and more open trade in Europe and the world.
3. The Agreement on a European Economic Area (EEA) - which entered into force on 1 January 1994 among the member states of the European Union and the EFTA member countries Austria, Finland, Iceland, Liechtenstein, Norway and Sweden - is a milestone on the road to further European economic integration, creating as it does the world's largest internal market. It is vital that it be allowed to contribute to overall European and world economic development, in agreement with GATT principles.
4. The Assembly welcomes the conclusion of negotiations for membership in the European Union by the governments of Austria, Finland, Norway and Sweden. It also welcomes EFTA's intensified co-operation with other countries and regions, and in particular hails its recently concluded free-trade agreements with several central and east European countries, as well as with Turkey and Israel.
5. These agreements will, along with the association agreements concluded between six central and east European countries and the European Union ("Europe agreements"), play an important role in supporting political and economic reform in post-communist central and eastern Europe, and in integrating the latter into the world economy.
6. The Assembly strongly supports the EFTA co-operation declarations with Estonia, Latvia, Lithuania, Slovenia and Albania, and encourages EFTA to pursue these agreements so as to facilitate the integration of these countries into the European economic mainstream.
7. Increased economic integration in Europe requires intensified co-operation also at parliamentary level, with a view to strengthening democratic control, ensuring faithful and equitable implementation of agreements, and safeguarding the legitimate interests of European or other countries not party to these agreements but affected by them.
8. The Assembly in this context welcomes the progress made towards ensuring the smooth functioning of EEA bodies, including its Joint Parliamentary Committee, and repeats its earlier proposal made in [Resolution 965 \(1991\)](#) that the Assembly should have observer status with the latter body, in view of its increasingly pan-European membership and its longstanding concern for European integration.
9. The Assembly also welcomes the creation of a consumer's consultative committee within EFTA, and the efforts of the EFTA Environment Group to promote co-operation in this field among EFTA member states.

1. Assembly debate on 11 April 1994 (9th Sitting) (see [Doc. 7047](#), report of the Committee on Economic Affairs and Development, Rapporteur: Mr Townsend). Text adopted by the Assembly on 11 April 1994 (9th Sitting).



10. The Assembly, in conclusion, asks the member states of EFTA and the European Union:
 - 10.1. to do their utmost to enhance access to their markets for exports from the new democracies in central and eastern Europe - including agricultural and other "sensitive" products - so as to allow these countries to profit from their comparative advantages such as the low cost of labour;
 - 10.2. to ensure that the EEA retains a maximum degree of openness vis-à-vis the rest of Europe and the world, thus offering the prospect of joining the EEA to other European countries which wish to pursue economic integration but which may not be in a position to join the European Union;
 - 10.3. to use the EEA as a stepping-stone to a continent-wide multilateral trading framework respectful of GATT principles, eventually leading to a "pan-European internal market";
 - 10.4. to consider, more immediately, the creation of a free-trade system based on common rules of origin for the purpose of pan-European cumulation, comprising the European Union, the EFTA member states and central and east European countries concerned - the absence of which has considerable negative consequences for intra-European trade;
 - 10.5. toward this end, to make full use of the Council of Europe as a privileged joint forum for political, legal, social and cultural co-operation - and to consider providing within it a political framework for pan-European co-operation on economic issues.