

CONVENTION
ESTABLISHING THE
EUROPEAN FREE TRADE
ASSOCIATION

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Convention establishing
the European Free Trade Association

1 The Republic of Austria, the Kingdom of Denmark, the Kingdom of Norway, the Portuguese Republic, the Kingdom of Sweden, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland; 2, 3

Having regard to the Convention for European Economic Co-operation of 16th April, 1948, which established the Organisation for European Economic Cooperation; Resolved to maintain and develop the co-operation instituted within that Organisation;

Determined to facilitate the early establishment of a multilateral association for the removal of trade barriers and the promotion of closer economic co-operation between the Members of the Organisation for European Economic Co-operation, including the Members of the European Economic Community;

Having regard to the General Agreement on Tariffs and Trade;

Resolved to promote the objectives of that Agreement;

Have agreed as follows:

ARTICLE 1

The Association

1. An international organisation to be known as the European Free Trade Association, hereinafter referred to as "the Association", is hereby established.

2. The Members of the Association, hereinafter referred to as "Member States", shall be the States which ratify this Convention and such other States as may accede to it.

1 Signed at Stockholm on 4th January, 1960. Entered into force on 3rd May, 1960.

2 Iceland acceded to the Convention on 1st March, 1970 (see Council Decision No. 17 of 1969 (page Ic/1)); Finland acceded to the Convention on 1st January, 1986 (see Council Decision No. 7 of 1985); Liechtenstein acceded to the Convention on 1st September, 1991 (see Council Decision No. 2 of 1991 (page Li/1)).

3 Denmark and the United Kingdom withdrew from the Convention on 1st January, 1973; Portugal withdrew from the Convention on 1st January, 1986; Austria, Finland and Sweden withdrew from the Convention with effect from January 1995.

4

3. The Area of the Association shall be the territories to which this Convention applies.

4. The Institutions of the Association shall be a Council and such other organs as the Council may set up.

ARTICLE 2

Objectives

The objectives of the Association shall be

(a) to promote in the Area of the Association and in each Member State a sustained expansion of economic activity, full employment, increased

productivity and the rational use of resources, financial stability and continuous improvement in living standards,

(b) to secure that trade between Member States takes place in conditions of fair competition,

(c) to avoid significant disparity between Member States in the conditions of supply of raw materials produced within the Area of the Association, and

(d) to contribute to the harmonious development and expansion of world trade and to the progressive removal of barriers to it.

ARTICLE 3

Import duties

1. Member States shall reduce and ultimately eliminate, in accordance with this Article, customs duties and any other charges with equivalent effect, except duties notified in accordance with Article 6 and other charges which fall within that Article, imposed on or in connection with the importation of goods which are eligible for Area tariff treatment in accordance with Article 4. Any such duty or other charge is hereinafter referred to as an "import duty".

2. (a) On and after each of the following dates, Member States shall not apply an import duty on any product at a level exceeding the percentage of the basic duty specified against that date 1:

1 Concerning the timetable applying to Iceland see paragraph 1 of Council Decision No. 17 of 1969 (page Ic/1).

5

1st July, 1960 80 per cent,

1st July, 1961 1 70 per cent,

1st March, 1962 2 60 per cent,

31st October, 1962 3 50 per cent,

31st December, 1963 4 40 per cent,

31st December, 1964 4 30 per cent,

31st December, 1965 4 20 per cent.

(b) On and after 31st December, 1966 4, 5, Member States shall not apply any import duties 6.

3. Subject to Annex A, the basic duty referred to in paragraph 2 of this Article is, in respect of each Member State and in respect of any product, the import duty applied by that Member State to the imports of that product from other Member States on 1st January, 1960 7.

4. Each Member State declares its willingness to apply import duties at a level below that indicated in paragraph 2 of this Article if it considers that its economic and financial position and the position of the sector concerned so permit.

5. The Council may at any time decide that any import duties shall be reduced more rapidly or eliminated earlier than is provided in paragraph 2 of this Article. Between 1st July, 1960 and 31st December, 1961, the Council shall examine whether it is possible so to decide in respect of import duties applied on some or all goods by some or all of the Member States.

ARTICLE 4

Area tariff treatment

1. For the purposes of this Convention goods shall be accepted as eligible for Area