

Foreword

The Agreement on the European Economic Area has now been in force for nine years. The Agreement continues to ensure access to an increasingly important Internal Market, and is a cornerstone of trade policy in the EFTA States.

With its dynamic character, the EEA Agreement has stood the test of time. Just as the Agreement functions in parallel with the EC Treaty to ensure a homogenous Internal Market, the Authority works in parallel with the European Commission to ensure that the Agreement is implemented and applied in an equal manner throughout the European Economic Area. It is worth noting, however, that certain Articles of the EC Treaty, which have been added since 1992, are not reflected in the EEA Agreement. There is a growing concern that differences between the EC Treaty and the EEA Agreement may eventually result in an Internal Market moving at different speeds, thus reducing the efficiency of the Internal Market.

During 2002, considerable effort was made by the EFTA States to improve their implementation records for EEA law. These efforts have been fruitful: all the EFTA States now figure among the EEA countries with the highest implementation scores.

Statistics show that the number of cases dealt with by the Authority in 2002 has been reduced compared to the previous year. This can be attributed in part to the improved implementation records of the EFTA States, and in part to a gradual shift in focus of the Authority's tasks towards resolution of complaints and examination of implementing legislation and away from legislative notification by EFTA States. In order to be better equipped to handle its future workload and to be more flexible, the Authority, in 2002, merged the Goods Directorate and the Persons, Services and Capital Movements Directorate into a new Internal Market Affairs Directorate.

In 2002, the Authority focused its attention particularly on the free movement of services and the free movement of capital. More open financial and capital markets being an important goal. The Authority dealt with discriminatory practices and provisions that also, in effect or indirectly, limited the free movement of capital. This focus will continue in 2003.

An important task for the Authority remains to secure compliance with the competition and state aid rules of the EEA Agreement.

Food safety remains an important issue for citizens in the EFTA States. This field has been and will continue to be a priority within the Authority, both with respect to veterinary inspections and implementation control of EEA rules in this area.

Over the last years, the Authority has noticed increased media attention on its activities. While the Authority welcomes this recognition of the importance of its work, a perception in the EFTA States that the Authority is creating, rather than simply applying, EEA law has not gone unnoticed. It is important to bear in mind that the Authority is an organisation whose tasks are of a legal nature – it is not a political body. Moreover, the EEA Agreement, including its secondary legislation, is agreed upon by the EFTA States. The Authority has no legislative powers.

Looking forward, the enlargement of the European Union will enhance the importance of the EEA Agreement to the EFTA States. Although the existing imbalances between the two pillars of the EEA will increase even further, the Authority will continue to play a central role in ensuring that the EFTA States remain equal partners in the European Economic Area, bound by the same internal market principles and rules as the EU Member States.

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