



EFTA-Peru Trade Relations

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Outline

- Presentation of EFTA
- EFTA-Peru trade
- EFTA-Peru free trade negotiations
- EFTA's Free Trade Agreements: Overview





Presentation of EFTA

Established 1960 by Austria, Denmark, Norway,
Portugal, Sweden, Switzerland, UK

1961 Finland (Associated Member)

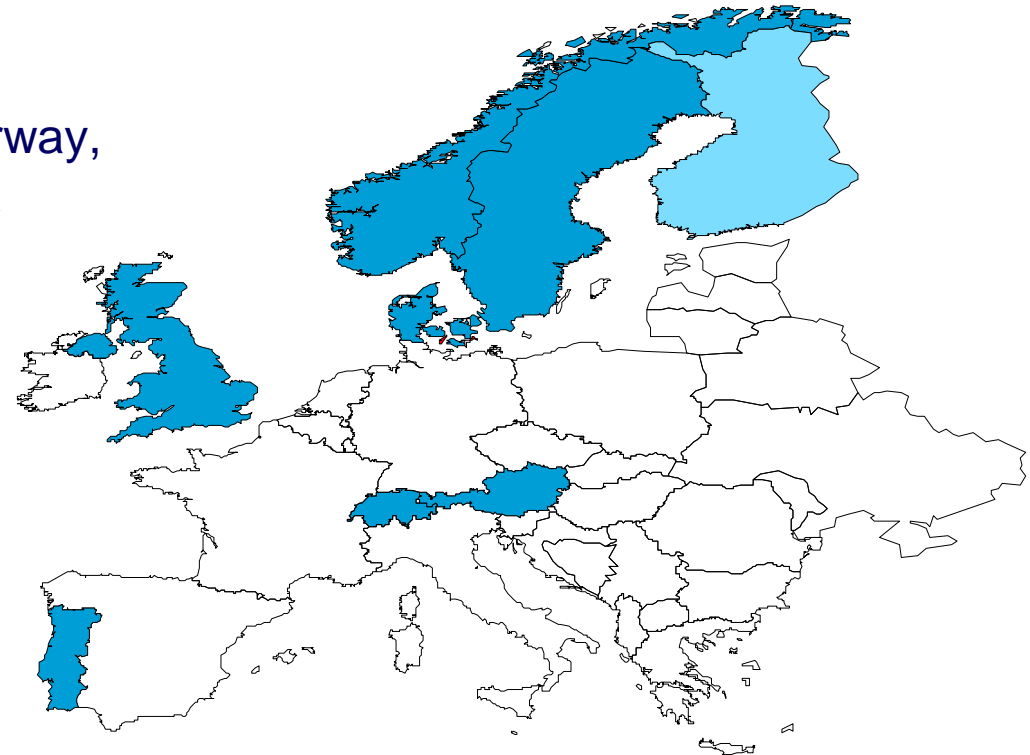
1970 Iceland

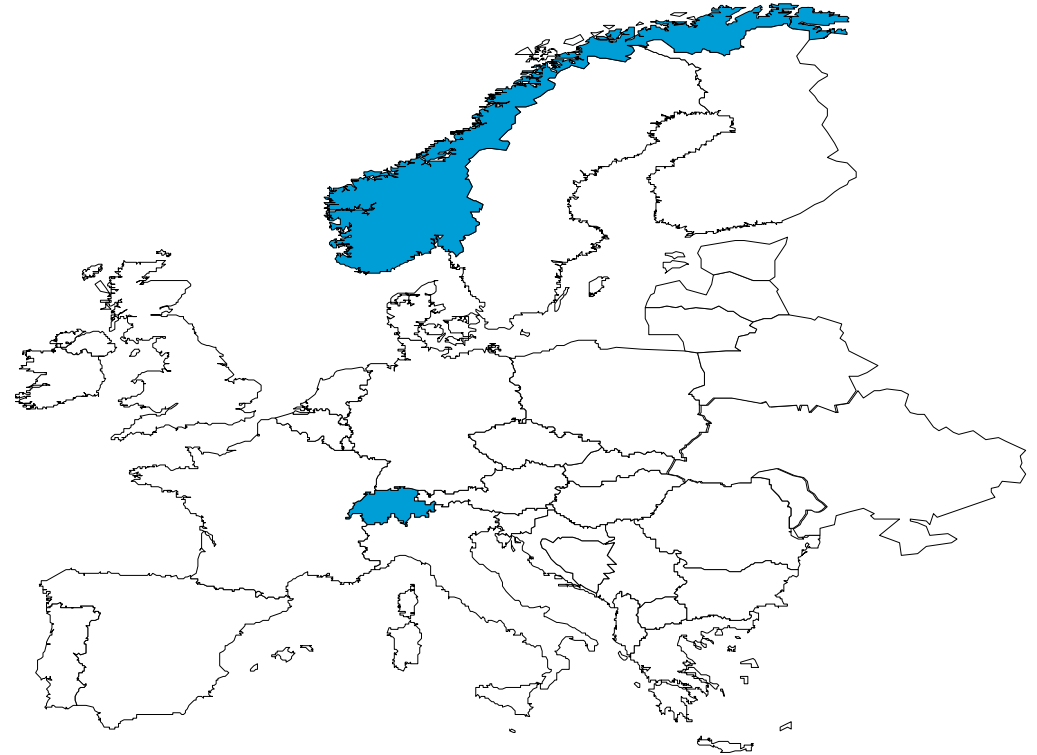
1991 Liechtenstein

1994 EEA Agreement

First free trade area in modern history

- committed to the integration process in Europe
- innovative approach to regional cooperation
- abolishing industrial tariffs (1967)





Denmark (1972)

UK (1972)

Portugal (1985)

Austria (1995)

Finland (1995)

Sweden (1995)

left EFTA to join the European Union

EFTA Convention governs the relations between the Member States

Free Trade Agreements

European Economic Area Agreement



The EFTA Secretariat

Geneva (Head Quarter)

- Secretary-General's Office
- Trade Relations Division
- Paris – Eurocustoms

Brussels

- Administration
- EEA Coordination Division
- Goods Division
- Services, Capital, Persons and Programmes Division
- Financial Mechanism Office

Luxembourg

- EFTA Statistical Office



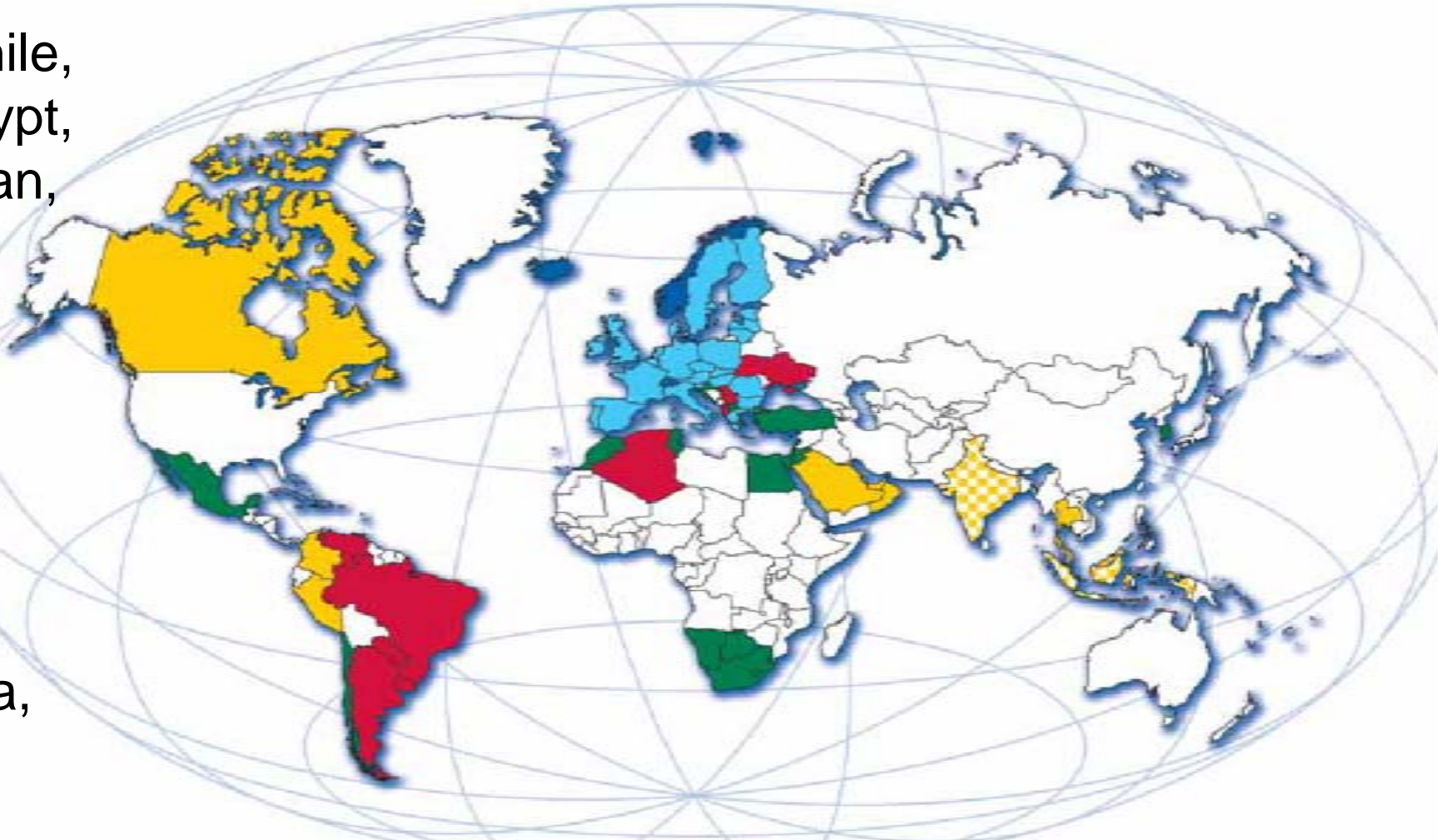
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EFTA Free Trade Agreements

Agreements:

Canada, Chile,
Croatia, Egypt,
Israel, Jordan,
Lebanon,
Macedonia,
Mexico,
Morocco,
Palestinian
Authority,
Singapore,
South Korea,
SACU,
Tunisia,
Turkey



Negotiations with: Colombia, GCC, Peru, and Thailand



4 European Countries

EFTA - a top rank trader

- World's 12th biggest economy (2005)
- World's 15th biggest trader (total trade value)
- Combined foreign direct investment outflow 64 billion US\$ (2005)
- Among the world's highest GDP per capita





Economic indicators 2005

Economic Indicators: 2005

	Iceland	Liechtenstein	Norway	Switzerland	EU-25 ^[4]
GDP (in million EUR at market prices)	12,954	2,719	237,707	294,255	10,793,800
GDP per capita (PPS in EUR)	31,200	33,700 ^[3]	38,600	29,800	23,400
GDP growth (in %)	7.5	-1.3	2.3	1.9	1.7
Inflation	2.6	1.2	1.5	1.2	2.2
Unemployment (in %)	2.6	n.a	4.6	3.8	8.7
Exports: Goods (in million EUR)	2,495	n.a	83,159	102,496	1,070,981
Imports: Goods (in million EUR)	3,686	n.a	44,250	100,486	1,179,812
Exports: Services (in million EUR)	1,647	n.a	24,181	38,365	362,700
Imports: Services (in million EUR)	2,047	n.a	20,875	20,466	319,900
Exports of goods and services	4,141	n.a	107,340	140,862	1,433,681
Imports of goods and services	5,733	n.a	65,125	120,953	1,499,712
Total trade (in million EUR)	9,874	n.a	172,465	261,814	2,933,393
Government financial balance (in % of GDP)	5.6	n.a	16.2	0.0	-2.3
Government debt (in % of GDP)	19.4	n.a	44.7	28.6	63.2



Highly competitive economies with well educated work force

THE WORLD COMPETITIVENESS SCOREBOARDS: 2006

According to IMD	
Rank	Country
4 (4)	Iceland
8 (8)	Switzerland
12 (15)	Norway

* 2005 rankings are in brackets

Source: Institute for Management Development

According to WEF	
Rank	Country
1 (8)	Switzerland
12 (9)	Norway
14 (7)	Iceland

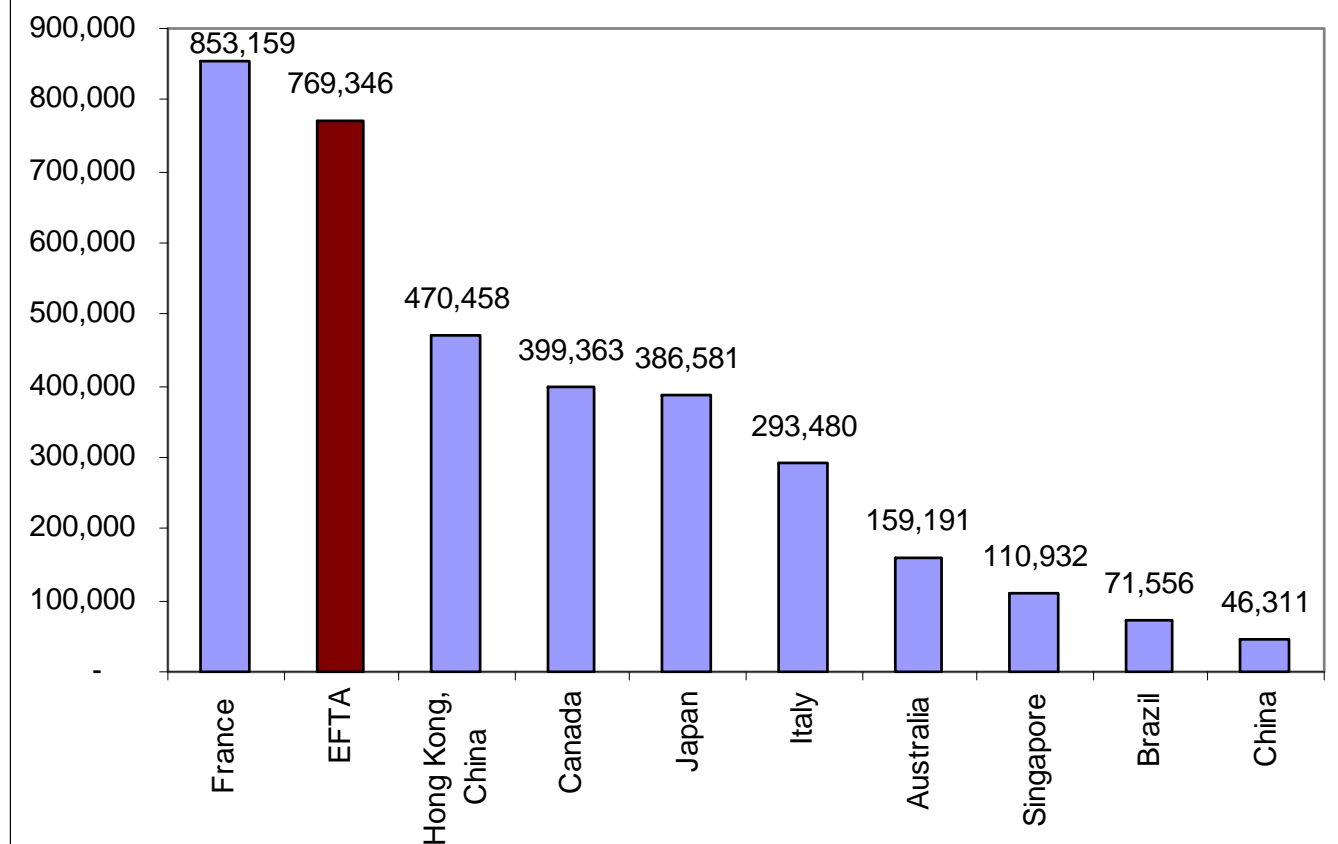
* 2005 rankings are in brackets

Source: World Economic Forum



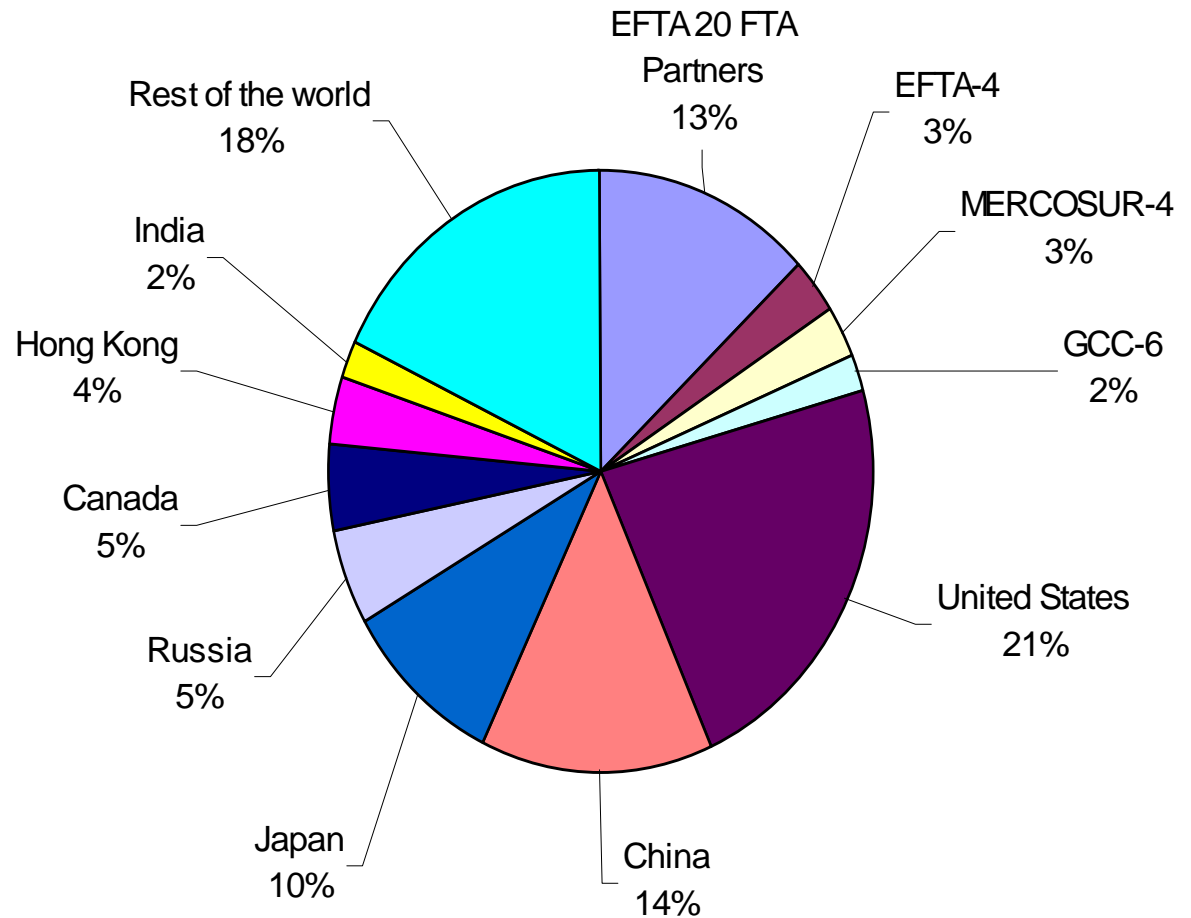
Big foreign investors

Outward FDI stocks of EFTA and selected countries: 2005 (in million USD)





EFTA's main import partners in 2005, excluding the EU (merchandise trade)



EFTA-EU
trade:
>70% of
EFTA total
trade



Top EFTA companies, 2006

EFTA Rank	Europe Rank	World Rank	Company	Activity	Market Value 2006 (in billion USD)
1	7 (7)	21 (23)	Novartis	Pharmaceuticals	146.0
2	8 (12)	25 (34)	Roche Holding	Pharmaceuticals	130.5
3	11 (9)	30 (28)	Nestlé	Food	119.4
4	12 (13)	31 (35)	UBS	Banking	119.2
5	31 (33)	84 (94)	Credit Suisse Group	Banking	67.9
6	36 (51)	93 (142)	Statoil	Oil / Gas	63.1
7	68 (93)	185 (265)	Norsk Hydro	Energy / mining	35.8
8	73 (79)	200 (222)	Zurich Financial Services	Banking	33.7
9	97 (159)	272 (497)	ABB	Electronic & electric equipme	26.1
10	100 (119)	283 (371)	Richemont	Watches / jewellery	25.0
11	111 (90)	327 (246)	Swiss RE	Insurance	22.5
12	125 (83)	383 (231)	Swisscom	Telecom	19.9
13	134 (125)	417 (440)	Telenor Group	Telecom	18.3
14	139 (146)	(463)	DnB Nor	Banking	18.0
15	168 (170)	(616)	Syngenta	Agritechnology	14.9
16	193 (158)	(500)	Synthes	Health	12.6
17	230 (195)	(612)	Adecco	Support services	10.4
18	234 (256)		Orkla	Food producer	10.3
19	236 (240)	(647)	Swatch Group	Watches	10.2
20	238 (500)		Julius Baer	General financial	10.0

The FT Global top 500 companies survey is based on market values at end March each year;
the 2005 rankings are indicated in brackets

Source: FT Global 500 Survey: 2006



EFTA Conventions

Stockholm, 4 January 1960

- Establishing the Association
- Establishing the Association
- Served for over 40 years

Vaduz, 21 June 2001

- **European Economic Area (1994)**
- **Switzerland EU bilaterals (2001)**
- **GATT to WTO**
- **Free Trade Agreements**



Modernisation:

- **Conformity assessments**
- **IPR**
- **Free movement of persons**
- **Investment and services**
- **Land and air transport**
- **Public procurement**
- **Agriculture**

**Reflecting EEA and Swiss relations
with EU**



EFTA-Peru Trade

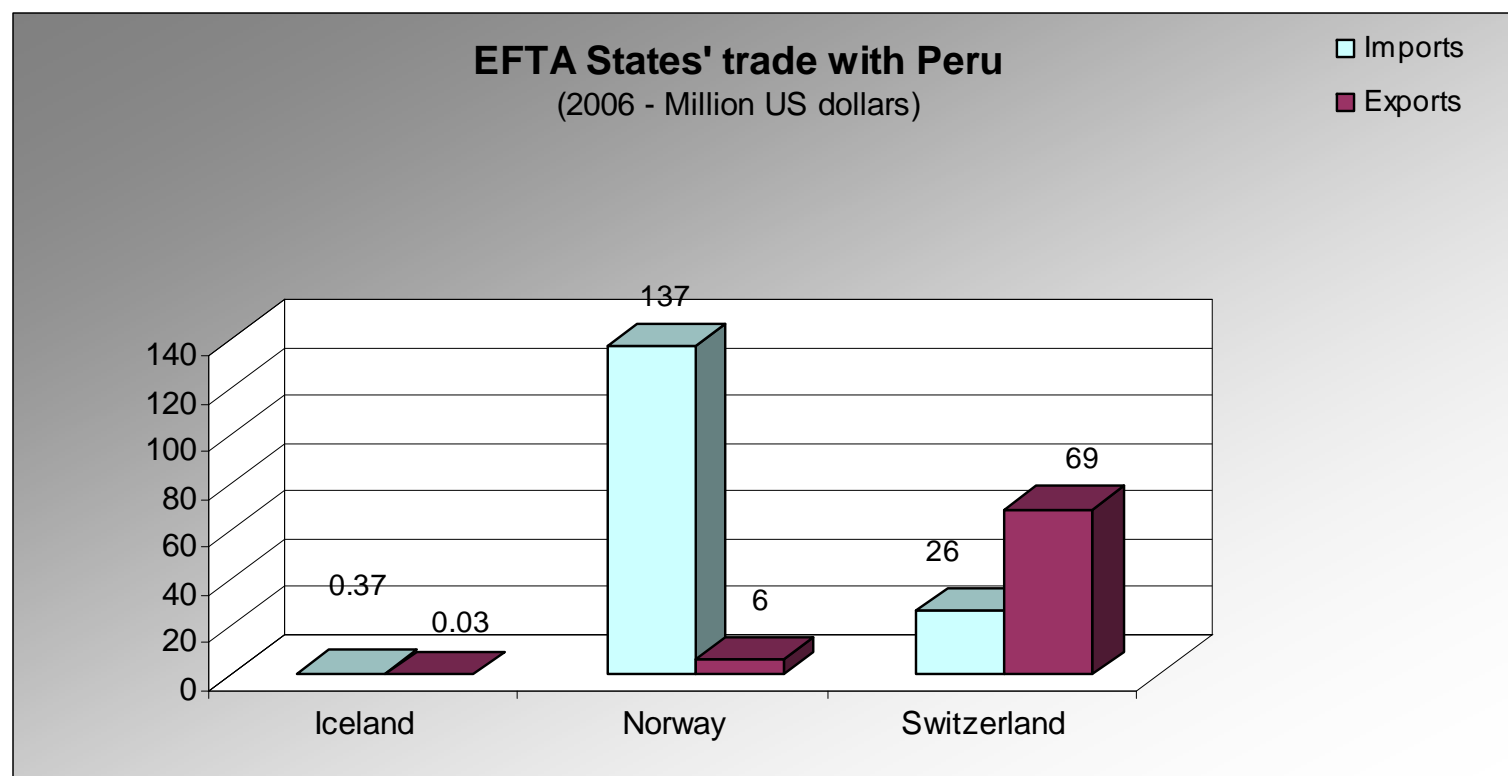
Trade between EFTA and Peru in 2006

239 Million USD

-9% from 2005

Norway main
trade partner
among EFTA
States

Source: World Trade Atlas





EFTA-Peru trade

	2003	2004	2005	2006	2004/03	2005/04	2006/05
	In thousand US dollars				Annual percentage change		
IMPORTS							
Iceland	100	197	251	373	97.4	27.4	48.6
Norway	50,881	47,549	133,887	137,450	-6.6	181.6	2.7
Switzerland	14,296	16,131	18,677	26,136	12.8	15.8	39.9
EFTA	65,276	63,877	152,816	163,959	-2.1	139.2	7.3
<i>Share in EFTA's tot. imports</i>	<i>0.05%</i>	<i>0.04%</i>	<i>0.08%</i>	<i>0.08%</i>			
EXPORTS							
Iceland	23	0	62	27	-100.0		-55.8
Norway	9,522	4,596	32,507	6,025	-51.7	607.2	-81.5
Switzerland	46,422	52,720	77,945	68,973	13.6	47.9	-11.5
EFTA	55,968	57,316	110,514	75,025	2.4	92.8	-32.1
<i>Share in EFTA's tot. exports</i>	<i>0.03%</i>	<i>0.03%</i>	<i>0.05%</i>	<i>0.03%</i>			
IMPORTS + EXPORTS							
Iceland	123	197	313	401	59.9	58.9	28.0
Norway	60,403	52,145	166,394	143,475	-13.7	219.1	-13.8
Switzerland	60,718	68,851	96,623	95,108	13.4	40.3	-1.6
EFTA	121,244	121,193	263,329	238,984	0.0	117.3	-9.3
<i>Share in EFTA's total trade</i>	<i>0.04%</i>	<i>0.03%</i>	<i>0.06%</i>	<i>0.05%</i>			





Imports

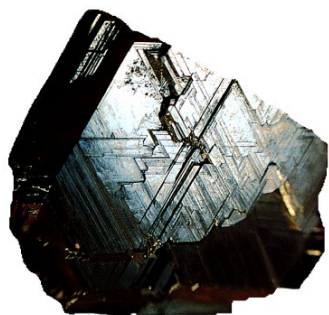
Imports from
Peru to EFTA

Main products:

-Fish waste

-Fats and oils

-Zinc



IMPORTS	In thousand US dollars			In per cent			% Change
Iceland							
Total imports from Peru	197	251	373	100.0	100.0	100.0	
<i>In per cent of imports from the world</i>	<i>0.01%</i>	<i>0.01%</i>	<i>0.01%</i>				
HS 07 Vegetables	50	71	105	25.4	28.3	28.1	47.86
HS 61 Knitted apparel or clothing accessories	59	51	104	29.9	20.3	27.9	104.19
HS 08 Fruit and nuts	29	38	76	14.6	15.2	20.4	100.33
Norway							
Total imports from Peru	47,549	133,887	137,450	100.0	100.0	100.0	
<i>In per cent of imports from the world</i>	<i>0.10%</i>	<i>0.24%</i>	<i>0.22%</i>				
HS 23 Waste from the food industries, animal feed	11,964	54,583	67,535	25.2	40.8	49.1	23.73
HS 15 Fats and oils	20,967	64,002	47,783	44.1	47.8	34.8	-25.34
HS 26 Ores, slag, ash	5,244	3,624	8,415	11.0	2.7	6.1	132.21
HS 07 Vegetables	2,425	3,224	4,319	5.1	2.4	3.1	33.96
HS 08 Fruit and nuts	1,186	925	2,362	2.5	0.7	1.7	155.35
HS 09 Coffee, tea, maté and spices	3,540	3,341	1,588	7.4	2.5	1.2	-52.46
HS 51 Wool, animal hair, yarn	611	1,029	1,576	1.3	0.8	1.2	53.09
HS 03 Fish, crustaceans	759	1,102	989	1.6	0.8	0.7	-10.29
Switzerland							
Total imports from Peru	16,131	18,677	26,136	100.0	100.0	100.0	
<i>In per cent of imports from the world</i>	<i>0.01%</i>	<i>0.01%</i>	<i>0.02%</i>				
HS 09 Coffee, tea, maté and spices	2,586	2,044	6,081	16.0	10.9	23.3	197.53
HS 84 Machinery, mechanical appliances	1,684	2,249	5,586	10.4	12.0	21.4	148.31
HS 08 Fruit and nuts	2,397	4,017	3,668	14.9	21.5	14.0	-8.67
HS 20 Preparations of vegetables, fruit	2,372	1,832	2,987	14.7	9.8	11.4	63
HS 07 Vegetables	1,596	2,680	2,572	9.9	14.4	9.8	-4.04
HS 14 Other vegetable products	816	369	816	5.1	2.0	3.1	121
HS 71 Precious stones and metals	1,541	1,306	625	9.6	7.0	2.4	-52.11
HS 61 Knitted apparel or clothing accessories	500	665	554	3.1	3.6	2.1	-16.79
HS 06 Live trees and plants	378	462	427	2.3	2.5	1.6	-7.58
HS 52 Cotton	540	600	320	3.4	3.2	1.2	-46.68



Exports

Exports from
EFTA to Peru

Main products:

-Machinery

-Pharma

-Instruments



EXPORTS

Iceland

Total exports to Peru

In per cent of exports to the world:

HS 84 Machinery, mechanical appliances

HS 90 Optical, medical, surgical instruments

Norway

Total exports to Peru

In per cent of exports to the world:

HS 84 Machinery, mechanical appliances

HS 90 Optical, medical, surgical instruments

HS 99 Art and antiques

HS 85 Electrical machinery

HS 87 Vehicles (not railway)

HS 94 Furniture and bedding

HS 28 Inorganic chemicals

HS 83 Misc. articles of base metal

Switzerland

Total exports to Peru

In per cent of exports to the world:

HS 84 Machinery, mechanical appliances

HS 30 Pharmaceutical products

HS 85 Electrical machinery

HS 90 Optical, medical, surgical instruments

HS 91 Clocks and watches

HS 32 Tanning, dye, paints, putty, inks

HS 29 Organic chemicals

HS 39 Plastic, plastic articles

HS 38 Misc. chemical products

HS 04 Dairy produce, eggs, honey

	In thousand US dollars			In per cent			% Change
Total exports to Peru	0	62	27	100.0	100.0	100.0	
<i>In per cent of exports to the world:</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>				
HS 84 Machinery, mechanical appliances	0	59	22	n/a	94.9	79.1	-63.16
HS 90 Optical, medical, surgical instruments	0	3	6	n/a	4.4	21.0	110.64
Norway							
Total exports to Peru	4,596	32,507	6,025	100.0	100.0	100.0	
<i>In per cent of exports to the world:</i>	<i>0.01%</i>	<i>0.03%</i>	<i>0.01%</i>				
HS 84 Machinery, mechanical appliances	670	4,685	2,605	14.6	14.4	43.2	-44.4
HS 90 Optical, medical, surgical instruments	2,277	1,407	1,325	49.5	4.3	22.0	-5.86
HS 99 Art and antiques	888	1,322	1,322	19.3	4.1	22.0	0.01
HS 85 Electrical machinery	205	667	382	4.5	2.1	6.3	-42.7
HS 87 Vehicles (not railway)	0	0	78	0.0	0.0	1.3	n/a
HS 94 Furniture and bedding	68	60	74	1.5	0.2	1.2	24.06
HS 28 Inorganic chemicals	16	0	53	0.4	0.0	0.9	n/a
HS 83 Misc. articles of base metal	6	59	48	0.1	0.2	0.8	-18.8
Switzerland							
Total exports to Peru	52,720	77,945	68,973	100.0	100.0	100.0	
<i>In per cent of exports to the world:</i>	<i>0.04%</i>	<i>0.06%</i>	<i>0.05%</i>				
HS 84 Machinery, mechanical appliances	20,082	30,247	17,933	38.1	38.8	26.0	-40.71
HS 30 Pharmaceutical products	8,854	13,531	12,762	16.8	17.4	18.5	-5.68
HS 85 Electrical machinery	2,652	12,302	8,483	5.0	15.8	12.3	-31.04
HS 90 Optical, medical, surgical instruments	2,115	2,626	5,799	4.0	3.4	8.4	120.84
HS 91 Clocks and watches	1,927	3,097	4,354	3.7	4.0	6.3	40.59
HS 32 Tanning, dye, paints, putty, inks	2,905	2,737	2,923	5.5	3.5	4.2	6.81
HS 29 Organic chemicals	2,895	3,443	2,412	5.5	4.4	3.5	-29.94
HS 39 Plastic, plastic articles	1,502	1,771	2,342	2.9	2.3	3.4	32.22
HS 38 Misc. chemical products	1,312	1,219	1,969	2.5	1.6	2.9	61.49
HS 04 Dairy produce, eggs, honey	1,890	1,286	1,604	3.6	1.7	2.3	24.8



EFTA-Peru free trade negotiations

Combined negotiations with Colombia and Peru,
but separate agreements

First round in Bogotá, June 2007

Second round in Lima, August 2007

Third round in Geneva, October 2007





Issues for negotiation:

- Market access for industrial goods
- Rules of origin / Customs procedures and trade facilitation
- Agriculture
- Technical barriers to trade / sanitary and phytosanitary issues
- Competition, dispute settlement, institutional provisions
- Government procurement
- Investments
- Services
- Intellectual property rights
- Trade capacity building





EFTA Free Trade Agreements

General overview

EFTA's trade strategy has progressively evolved. Since the late 1990s the EFTA States have 'gone global' to maintain their competitive position in the world. EFTA has one of the world's largest networks of free trade partners, which secure EFTA economic operators free access to markets of around 440 million consumers.

The main reason EFTA is a common vehicle for free trade negotiations is that, as a trade grouping, the EFTA countries carry more weight as economic players and are thus more interesting for potential trade partners.





EFTA Free Trade Agreements



Establish a free trade area between the partners.

They provide for free trade in industrial goods, including and other marine products;

cover trade with processed agricultural products;

provide for trade disciplines;

govern the preferential trade in goods under the FTA and contain elaborate rules on customs and

origin matters, including cumulation.

Trade in basic agricultural products is covered in separate bilateral agreements relating to the FTA.

fish





EFTA Free Trade Agreements

Liberalise trade in services, investments and public procurement in more recent agreements, including those with Mexico, Singapore, Chile and the Republic of Korea. Also with Colombia and Peru.

Other agreements contain rules allowing for the further development and deepening of relations in these fields through evolutionary clauses, e.g., with partners in the Mediterranean region.





EFTA Free Trade Agreements

Include rules on competition to avoid adverse effects in the case of restraints of competition which could frustrate the liberalisation benefits of the FTA.

Provide for the protection of intellectual property rights in accordance with high standards.

Contain provisions for the avoidance and settlement of disputes between the parties.

Are regularly adapted and upgraded to make them as efficient as possible, taking into account developments in the World Trade Organization, and in bilateral trade relations of major trading partners.





EFTA Free Trade Agreements

Technical assistance

- Assist new partners in the implementation of the FTA with EFTA
- Provide the necessary capacity to benefit from preferential access to the EFTA markets.
- Capacity-building, training, and transfer of know-how in trade-related matters

Focus on where EFTA can provide optimal expertise. EFTA technical assistance centres on: technical standards, intellectual property, fisheries, origin rules and general customs procedures, services, promotion of exports towards the EFTA States and organisational training vis-à-vis new multilateral trade bodies.





Thank you for your attention

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