Enlargement of the EEA

Previous / Next / Overview
Useful links

Background

The enlargement of the EU which took place 1 May 2004 will have a direct bearing on the EEA Agreement for the Agreement explicitly states that a country becoming a member of the EU shall also apply for membership of the EEA (Article 128). The terms and conditions for such participation shall be the subject of an agreement. EU enlargement therefore means that the EEA is - likewise - enlarged and includes 28 countries as of May 2004.

Against this background, negotiations on EEA enlargement took place between the Commission (negotiating on behalf of the EU Member States), the EEA EFTA States and the ten applicant states (Cyprus, Czech Republic, Estonia, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and the Slovak Republic) in the first half of 2003.

The negotiations

The negotiations on enlarging the EEA were launched on 9 January 2003 in Brussels. Negotiations were conducted in a plenary setting, assisted by technical working groups in the areas of fish and marine products, financial contributions and agricultural products. They were concluded and the five EEA Enlargement Instruments were initialled on 3 July 2003 in Brussels. All initialled legal texts can be consulted on the EFTA website. Signature of the various legal Instruments was foreseen for mid-October 2003. Pending finalisation of ratification of the Agreement by the 28 Contracting Parties, the Agreement provisionally entered into force simultaneously with the EU Accession Treaty on 1 May 2004 by an agreement in the form of an exchange of letters.

The main results

The negotiations focused on the financial contributions from the EEA EFTA countries towards reducing the social and economic disparities within the EEA, on the one hand, and questions of market access for fish exports from the EEA EFTA countries to the enlarged EU, on the other hand.

Trade in fish products

The main change is that the free trade regime for fish products under EFTA's free trade agreements with the accession countries has been replaced by a number of duty-free quotas. To compensate for some of the loss of free trade, the EU has opened a number of duty-free quotas for herring and mackerel. These are products typically exported by Iceland and Norway to the accession countries.

Trade in agricultural products

Norway has transformed current quotas for a limited number of basic agricultural products into quotas applicable to the enlarged EEA. These quotas are calculated on the basis of Norway's historical trade for some key products with certain accession countries under the free trade agreements (such as frozen strawberries, frozen raspberries, apple juice, rye grass seeds, and cat food).

Transition periods

The same transition periods have been incorporated into the EEA Enlargement Instrument for the Internal Market acquis as contained in the EU Accession Treaty. Liechtenstein's special arrangement under the EEA

with respect to the free movement of persons has been maintained. In addition, there is the possibility of invoking an internal market safeguard clause in the event of a serious breach of the functioning of the Internal Market during the first three years in line with the EU Accession Treaty.

Structure of the EEA Enlargement Agreements

The EEA Enlargement Agreement package consists of a main Agreement listing the amendments to be made to the existing EEA Agreement ("amending Agreement") to take account of the participation of ten new Parties to the EEA. The Protocols and Annexes to the EEA have been amended to take account of the adaptations made to the Community acquis by the Treaty of Accession.

However, instead of having all the adaptations to the acquis that are contained in the EU Act of Accession spelled out in the Annexes to the EEA Agreement, a so-called "reference technique" has been used in conjunction with one general Article in the amending Agreement. This general Article (see Article 3) states, on the one hand, that all the amendments made to Community acquis through the EU Act of Accession - that is covered by the EEA Agreement - are hereby "incorporated into and made part" of the EEA Agreement. Annex A to the amending Agreement, on the other hand, lists all the acts referred to in the Annexes of the EEA Agreement that have been amended by the EU Act of Accession and where these acts are to be found in the EEA Agreement. The objective of this reference technique was to make the exercise of enlargement as simple and straightforward as possible.

Annex B of the main Agreement contains the accession countries' transitional arrangements for implementing the Internal Market acquis.

In addition to the amending Agreement, four bilateral Agreements form part of the EEA enlargement package:
- an Agreement between Norway and the EU on a Norwegian Financial Mechanism;
- an additional Protocol between Norway and the EU amending the existing regime for trade in fish and fishery products laying down the quotas for fish;
- an additional Protocol between Iceland and the EU amending the existing regime for trade in fish and fishery products laying down the quotas for fish; and
- an Agreement in the form of an Exchange of Letters between Norway and the EU on certain agricultural products laying down the quotas.

The main implications

The EEA EFTA States' relations with the accession countries will be considerably enhanced, benefiting both traders and citizens. The current trade relations based on the free trade agreements are replaced by the comprehensive EEA Agreement, encompassing the four freedoms and a number of other areas of co-operation. Generally, enlargement is expected to have a positive impact. The EEA EFTA countries will have access to an enlarged Internal Market comprising some 455 million consumers. The EEA provides a level playing field for businesses with the establishment of common rules and standards throughout the enlarged Area which will facilitate and expand trade. Citizens will have the opportunity to work and live abroad, supported by the co-ordination of social security schemes and the mutual recognition of qualifications and diplomas.

Useful links

URL EEA Enlargement page on the EFTA website

URL The Treaty of Accession 2003 (Europa website)

URL Enlargement page on the Europa website

URL Overview of candidate countries (Europa website)

URL "Enlargement 2004 - Big Bang and Aftershocks" (report by the consultancy Burson-Marsteller, based on interviews with over 30 senior Commission officials)