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TRADE POLICY REVIEW MECHANISM

NORWAY

In pursuance of the CONTRACTING PARTIES' Decision of 12 April 1989 concerning the Trade Policy Review Mechanism (L/6490), the initial full report by Norway is herewith submitted.

NOTE TO DELEGATIONS

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I. TRADE POLICIES AND PRACTICES

A. INTRODUCTION

1. This report on Norwegian trade policies and practices has been prepared pursuant to the CONTRACTING PARTIES' Decision of 12 April 1989 (L/6490, Part I, para. B(i)) and follows in a general way the Outline Format decided on by the Council 19 July 1989 (L/6552).

2. The report provides information on Norwegian trade policies and practices covered by existing GATT obligations, and attempts to explain their historical, economic and political context. The report should therefore be seen as a complement to the detailed and very extensive Secretariat report. While this report is less exhaustive in detailed descriptions, the two reports together should give a comprehensive picture of Norwegian trade policies and practices. It should be noted, however, that this report has been written before the ongoing negotiations between the EFTA countries and the EC on the establishment of a European Economic Area (EEA) have been completed. Prospective changes in policies or practices which may emerge as a consequence of the EEA are not dealt with.

3. Given the parameters in the Outline format adopted by the Council, certain aspects of Norwegian trade policy and some sectors are not dealt with in detail in this report. For example, the services sector, which accounts for 30 per cent of both Norwegian exports and imports, is only touched upon in a cursory manner. Norwegian investment policies and competition policies which are interlinked with trade policies and practices, are examples of aspects which are not dealt with.

4. Norway is in area the fifth largest country in Europe, with an extensive coastline. With a population of only 4 million, however, the population density is less than 14 per square kilometre. The population is widely scattered across ¹the country, with nearly 30 per cent living in sparsely populated areas.

5. Norway is richly endowed with natural resources (hydropower, fish, forests, minerals and petroleum) and its productive structure remains highly influenced by this. The greater portion of these natural resources are located in the rural regions of Norway, where consequently many industrial enterprises have been established.

¹Sparsely populated areas are defined as areas with less than 200 inhabitants, and where the distance between the houses as a rule exceeds 50 metres.

6. The current account of balance of payments gives an indication of the structure of Norwegian exports and imports. Traditional goods (excluding ships, oil rigs and crude oil and natural gas) in 1990 account for nearly 40 per cent of all exports while services and crude oil and natural gas each account for approximately 30 per cent. In terms of imports services account for 30 per cent, while traditional goods account for approximately 60 per cent.

Table 1
Current account of the balance of payments
 (NOK Billion)

	1970	1980	1985	1987	1990
Exports:	33.4	134.8	235.6	200.2	291.4
Goods	17.7	92.9	173.3	145.2	214.3
Of which crude oil and natural gas	-	41.4	85.4	53.6	88.5
Second hand ships	1.4	2.4	10.0	8.7	6.8
Traditional goods	15.5	47.2	76.1	81.2	115.2
Services	15.7	41.9	62.3	55.0	77.1
Imports:	34.4	117.4	194.6	211.4	243.4
Goods	26.6	84.5	133.9	151.0	171.2
Ships	3.0	1.4	3.8	4.3	13.6
Traditional goods	23.5	82.3	127.5	143.7	152.4
Services	7.8	32.8	60.7	60.4	72.2
Export surplus	-1.0	17.4	41.0	-11.2	48.0
Surplus on the interest and unilateral transfers account	-0.7	-12.0	-14.3	-16.1	-25.4
Surplus on current account	-1.7	5.4	26.7	-27.3	22.6

Source: Central Bureau of Statistics, Revised National Budget 1991.

7. Up until the mid-1950s Norway was almost exclusively an exporter of raw materials and semi-processed goods. Despite the intensive technological and industrial development that has taken place since then, Norway is still basically an exporter of raw materials and semi-processed goods. The cyclical developments in supply and demand for such materials in export markets therefore have a significant impact on the Norwegian economy. This high dependence on raw material exports is to a large extent a reflection of the importance of oil and gas exports, but raw materials also account for some 40 per cent of exports of traditional goods (excluding oil, gas, ships and oil rigs).

Table 2
Developments in the composition of Norwegian exports of traditional goods²
 (Main export sectors in per cent of total exports of traditional goods. Value.)

	1970	1980	1985	1990
Food ³	17.4	14.5	14.7	14.1
Raw Materials ⁴	51.7	45.0	44.0	40.0
Fuels ⁵	2.0	7.1	9.1	10.5
Manufactured goods	28.9	33.4	32.1	35.4
Traditional goods in % of all exports	46.2	35.0	32.3	39.5

Source: The Norwegian Ministry of Finance.

8. There has, however, been a shift in the composition of Norway's exports of goods. While fish, forestry and mining traditionally accounted for the largest share of Norwegian exports of traditional goods, the export of manufactured goods has steadily increased. Crude oil and natural gas today is the single largest export sector, **accounting for 42 per cent** of Norwegian exports of goods in 1990 with metals accounting for the second largest share.

9. In light of the fact that the majority of the raw materials are traded in dollars, fluctuations in the exchange rate between the dollar and the Norwegian krone (NOK) can have significant effects on the Norwegian economy.

10. The Norwegian shipping industry accounts for 60 per cent of Norwegian services exports. Norway has for many decades ranked among the major shipping nations in the world, currently number four, and the fleet under Norwegian flag makes up approximately 6 per cent of the world fleet. Gross earnings from the Norwegian international shipping activities was NOK 46 billion in 1990. Expenses incurred abroad amounted to NOK 28 billion, which left a net income of NOK 18 billion in 1990.

²Excluding ships, oil rigs and crude oil and natural gas.

³The major portion of food exports are fish and fish products as can be seen from the external trade statistics provided in the appendix. In 1990, exports of fish and fish products accounted for 11 per cent of traditional Norwegian exports.

⁴Raw materials include chemical raw materials, metals and forestry products.

⁵Fuels include electricity, gasoline and heating oil.

11. The basic composition of Norway's imports has changed little since the 1950s, manufactured goods still account for the major share of traditional imports, nearly 80 per cent today.

12. A notable characteristic of the Norwegian industry structure is the abundance of very small- and medium-sized enterprises and the regional dispersion of these. The following salient figures give an indication of the make-up of Norwegian industry :

- 90 per cent of industry employees are in production exclusively for the domestic market
- 65 per cent of industry employees are in enterprises with less than 200 employees
- less than ten percent of the industry enterprises are engaged in export competing manufacturing
- the ten largest industrial corporations account for 40 per cent of Norwegian exports of traditional goods

13. Both Norway's resource base and industrial structure have affected the direction and contents of Norwegian trade policy objectives.

⁶Excluding the oil sector.

B. OBJECTIVES OF TRADE POLICIES

14. Norway is highly dependent on international trade, which amounts to nearly half of Norway's GDP. (Exports amounted to 44 per cent of GDP and imports to 37 per cent in 1990.) The overriding objective of Norwegian trade policy is thus to provide for an open, liberal and predictable trading environment. The high standard of living experienced today has been and is dependent on market access for Norwegian exports. A liberal Norwegian trade régime has also consistently been perceived as an important means of promoting growth and structural adjustment domestically. Support for an open multilateral trading system has therefore not only been a fundamental trade policy objective in itself since the Second World War, but has also been an integral part of Norwegian economic policy.

15. Given the productive structure and export orientation of the Norwegian economy the emphasis on liberalizing trade has only been logical. In a White Paper (Stortingsmelding) presented to Parliament in 1951 the general motivation for trade liberalization was expressed:

"The arguments for liberalization of international trade are in general that production, and thereby international trade, will increase; at the same time an improved division of labour can be achieved among countries with increased specialization. Increased specialization promotes efficient industry, increases competition and enables one to draw greater benefits from economies of scale." (St. meld. nr. 59, 1951).

16. The importance of the shipping industry for the Norwegian economy has also contributed to support for a liberal trade régime. As 90 per cent of the Norwegian fleet is engaged in cross trades, the Norwegian shipping industry depends on open market solutions and a well functioning multilateral trading system.

17. Norway's early accession to the GATT, and membership in the OEEC (later OECD), and subsequently in the European Free Trade Association (EFTA), reflect the acceptance of these fundamental objectives. Norway has remained one of the staunchest supporters of free trade through its broad participation in these fora. Norway's participation in the efforts to establish a European free trade area, first among the EFTA countries and later with the European Communities also reflect Norwegian willingness to base its trade relations on the principles of free trade.

18. The Government reiterated the importance of international trade for the functioning of the Norwegian economy in its Long Term Program (1990-93):

"Extensive international trade is of vital importance for the national welfare in a small economy like Norway. The selection of goods will be greater, and the advantages of economies of scale and specialization may be utilized. Transfer of know-how and technology are other beneficial spin-offs from trade and internationalization. International competition also intensifies the demand for increased efficiency in production.

Continued reduction of barriers to trade is important to increase welfare in Norway. Even though other countries may introduce import restrictions, we will benefit from free imports of goods which are produced cheaper in other countries. Restrictions on imports to protect producers in certain sectors are often very costly compared to the effects they are meant to achieve." (St. meld. nr. 4 (1988-89))

19. The main characteristics of the Norwegian import régime today reflect the results of Norway's support for a liberal trade régime.

- **The Norwegian m.f.n. tariff protection level for industrial goods is 3.3 per cent**
- **Almost 90 per cent of all imports enter duty-free as a result of GSP and Norway's free trade agreements with the EFTA countries and the EC.**
- **Tariff rates are bound for 99 per cent of all m.f.n. imports.**
- **Imports account for nearly 48 per cent of the Norwegian market for traditional goods.**

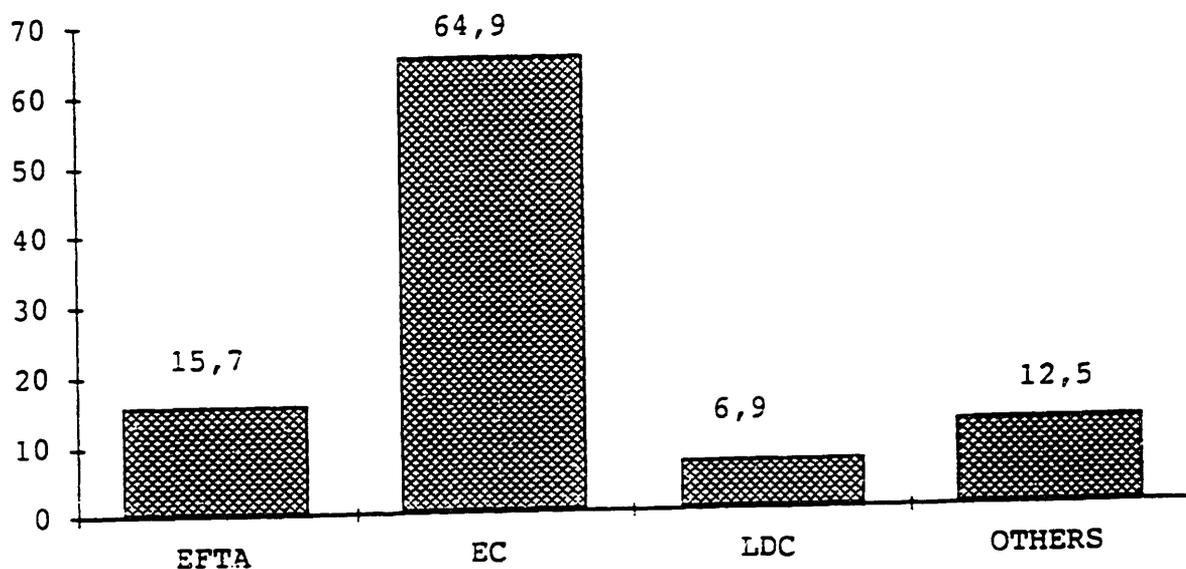
20. The multilateral rules, rights and obligations established in the General Agreement are seen as vital to the maintenance of an open multilateral trading system. Norway has participated in all previous negotiating rounds in the GATT and signed all codes adopted in the Tokyo Round.

21. In a Parliamentary Recommendation the importance of continued support for the open multilateral trading system and the important contribution a successful conclusion of the Uruguay Round could make in this regard was underlined:

"The Committee is convinced that for Norway, which is a small nation in international trade, with a large dependence on foreign trade, it is clearly in our interest to strengthen the multilateral aspects of the international trading system." (Innst. S. nr. 253 (1987-88))

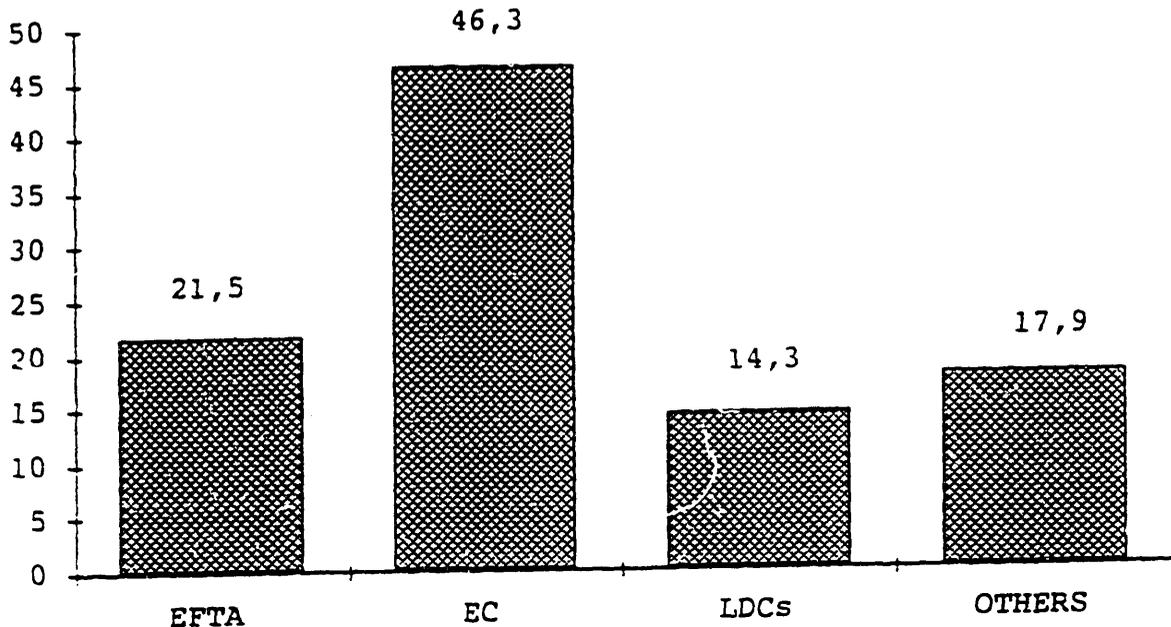
22. A timely successful conclusion of the Uruguay Round is currently a priority trade objective. The lack of agreement on a comprehensive package of results at the Ministerial meeting in Brussels in December 1990, caused grave concern in both private industry and political circles. Strengthening and expanding the open multilateral trading system is widely perceived as essential for continued world economic growth and development. The improvement of GATT-rules and disciplines, and dispute settlement procedures is stressed as a primary objective in the context of the Round. Such improvements are necessary to maintain a predictable trading environment and to ensure that all countries have the same rights and obligations in international trade.

NORWEGIAN EXPORTS BY MAIN REGIONS. 1990. %



23. Given that the greater part of Norwegian trade is with the EFTA countries and the EC, a continuing trade policy objective has been to improve trade relations with these countries. Currently, conclusion of the negotiations on the establishment of a European Economic Area (EEA) comprising the EFTA countries and the EC is a major trade policy objective. These negotiations were launched to ensure that the EFTA countries would participate actively in the European integration process and benefit directly from the completion of the EC Internal Market.

NORWEGIAN IMPORTS BY MAIN REGIONS. 1990. %



24. The EEA negotiations are, however, not a substitute for negotiations to improve the multilateral trading system in the GATT. At the EFTA meeting in Oslo 14-15 March 1989 when EFTA Heads of Government declared their intent to enter into negotiations with the EC, this point was stressed:

"We underline our commitment to strengthening and improving the multilateral trading system and to combat all forms of protectionism. We therefore commit ourselves to actively participate and constructively support the efforts being made in the GATT and underline that the efforts at increased European integration are a complement to the global liberalization process underway in the Uruguay Round."

25. Another central objective in Norwegian trade policy has been to promote the developing countries' trade possibilities in order to contribute to their development. In line with the focus of Norwegian development policy, particular emphasis has been on promoting trade with the least-developed countries. This is reflected in the special and differential treatment accorded these countries in the Norwegian Generalized System of Preferences.

26. In the Norwegian Parliament's discussion of selected trade policy issues in 1968, Parliament declared that a central objective for Norwegian trade policy should be to work towards full duty-free treatment for developing country imports in light of the duty-free treatment accorded such goods in the context of the EFTA and EC free-trade agreements.

27. A fairly new trade policy objective for Norway which is expected to receive increased emphasis, is to work for multilateral rules that can ensure that trade policies and environmental policies are mutually supportive. This is viewed as important given the increasing emphasis on environmental policies in all countries. Establishing a set of multilateral rules and disciplines is perceived as the best way to ensure that measures taken to preserve or improve the environment are taken in a manner which supports the objectives of the multilateral trading system, and vice versa.

28. As indicated at the outset of this report, the structure of the Norwegian resource base and industry has had implications for the development of Norwegian trade policy objectives. While the promotion of a liberal trading system has been and remains a general goal, other national objectives are also to be pursued and safeguarded within such a system. Specifically, given the wide geographical dispersion of industry and existing population patterns, safeguarding regional concerns is fundamental.

29. Norway has no sector specific trade policy objectives. Trade regulations in individual sectors have, however, emerged as a consequence of specific national goals, for example in terms of regional development, employment or resource conservation. While applying to all sectors such objectives have particularly affected trade practices in some sectors.

30. A case in point is the agricultural sector. Inherent in Norwegian agricultural policies are a set of non-economic goals which relate to regional development, environmental protection and conservation, social concerns and food-security. Specific trade policy practices for agricultural trade have evolved as a consequence of these policies.

31. Norwegian Agricultural Policy including the import régime for agricultural products is, however, currently under review. A Government appointed committee, with broad representation, presented its recommendations in December 1990 (Alstadheim Utvalgets innstilling), and a Parliamentary debate on existing and future objectives and policies is planned for the spring of 1992 following a Government White Paper in the autumn of 1991. Although this review and debate will focus on domestic priorities for agricultural policies in the future, it will also take into account developments in international discussions on agricultural policies. The reform program for agriculture adopted by the OECD Ministers in 1987

and the goals of the Uruguay Round will thus also be points of departure for the debate.

32. Furthermore, a separate committee has been established by the Ministry of Agriculture with representatives from other ministries and the agricultural organizations to review the import régime for all agricultural products, inter alia, in light of the ongoing Uruguay Round, and with a view to finding means of providing especially the developing countries with possibilities for greater access to the Norwegian market.

33. In the textiles sector, which has traditionally been protected in Norway as in many other industrial countries, trade practices have also been influenced primarily by regional concerns. Trade practices in the sector are, however, in the process of being adjusted in order to bring them into conformity with Norway's general trade policy objectives. In connection with a parliamentary debate in 1987 on Norwegian goals in the Uruguay Round, Parliament indicated that Norway should not support an extension of MFA after its expiry.

"Any need of protection against low priced imports of textiles should thereafter be based on the general rules of the GATT and the multilateral discipline which emerges from the Uruguay Round concerning protection." (Innst. S. nr. 253 (1987-88))

34. The Parliamentary Standing Committee argued for this approach both on the basis of Norwegian consumer interest and general economic considerations, and emphasizing the importance of liberalization in the sector for the developing countries. Currently the basic objective is therefore to bring trade in textiles and clothing under the general rules of the GATT.

35. Subsequently the Government, in early 1989, indicated (in its Long Term Program) that it intended to dismantle the existing import regulations for textiles when the existing bilateral restraint agreements expire in 1991. Import policies for the sector are currently under review; no decision has been taken on whether or not to make full use of the transitional arrangements or periods that may result from a conclusion of the Uruguay Round.

36. Given the importance of fish exports particularly for Northern Norway and the West Coast, liberalization in this sector has also been an important objective. The objective has been met for trade with the other EFTA countries and is currently being pursued both in the Uruguay Round, through support for the Zero-Zero option proposed by the United States and Canada, and in the EEA negotiations where the EFTA countries are requesting that free trade in fish and fish products be established for the whole European Economic Area.

C. TRADE POLICY FORMULATION

37. Although formally trade policies are formulated by the Government and subsequently approved or endorsed by Parliament (Stortinget), a large number of actors and institutions are involved in Norwegian trade policy formulation. Broad involvement in policy formulation is not exceptional for trade policy; the general rule in Norwegian government is that any interest group or institution affected by a decision or policy should be heard and allowed to attempt to influence the direction of policies. This secures a high level of domestic transparency in trade policy formulation.

38. Existing Norwegian trade legislation (see the following section) is broad and provides for a high degree of government discretion in policy formulation and implementation. Formal decisions of approval of specific trade policies by the Parliament is therefore seldom required. However, given that Norway is a parliamentary democracy, the Government tends to consult Parliament closely on important issues. This has particularly been the case in the period under review in this report, as the governments in office have been minority governments.

39. The Government confers with Parliament either in the form of White Papers on particular issues, through specific Government Propositions to Parliament, in connection with Government statements in the plenary on general developments or specific issues, in response to questions raised by members of Parliament, or through informal consultations with Parliament committees.

40. As a general rule the advice given to Government either in the form of Parliamentary Recommendations or the general sentiment expressed is followed. The on-going EEA negotiations and the Uruguay Round have been the subject of numerous such consultations with Parliament.

41. Parliament, furthermore, approves the level of tariffs and duties every year in response to Government Propositions to Parliament (Stortingsproposisjon) which establish the level of duties and tariffs and the revenue expected from such sources.

42. The Constitution establishes that all laws, including trade laws, must be enacted by the legislative assembly. As a main rule the Government submits proposals for new laws or amendments to existing legislation. However, individual representatives in Parliament may also submit proposals, but have seldom done so in the trade policy field.

43. Legislative proposals and reports to Parliament are in most cases made after an extensive process of review. The process normally starts with the appointment of a Government Committee mandated to evaluate the need for new or revised legislation or to prepare the contents of a report. The

relevant Government Ministry thereafter submits the Committee's report for comments to a wide range of Ministries and Directorates, as well as relevant public and private sector organizations and interest groups.

44. In the case of legislative action the responsible Minister prepares an Odelsting Proposition to the Government. After adoption by the King in Council the proposition is transmitted to Parliament and sent to the Odelsting, one of the two chambers of Parliament (Lagting is the other). The bill is subsequently debated, and in most cases adopted by the two chambers. Having been adopted by the Storting, the Bill is returned to the Government for sanction. Most Norwegian trade laws entitle the Government to adopt implementing regulations.

45. A less extensive procedure for trade policy formulation takes place in the form of White Papers (Stortingsmeldinger). These are prepared by the responsible Minister and are submitted to Parliament by the Government. White Papers are discussed first by a Standing Committee and subsequently Parliament in Plenary. This process enables the Government to take into account Parliament's political recommendations and considerations. The latest White Paper dealing with general trade policy issues was presented to Parliament by the Government in 1987 (St. meld. nr. 63 (1986-87) "On certain trade policy questions".)

46. The private sector and non-governmental organizations participate in the trade policy formulation process with both formal and informal inputs. Formal inputs take the form of comments to proposed policy changes or legislative proposals during public hearings. Informal inputs take the form of participation in the public debate and through lobbying activities. The private sector and non-governmental organizations moreover maintain a continuous dialogue with politicians and the Government.

47. In important areas of trade policy the Ministry of Foreign Affairs normally establishes reference groups where possible policy developments and assessments are discussed on a continuous basis. Representatives from other ministries and from private interest groups and organizations are invited to attend. Such groups have been established in the context of the Uruguay Round for the Round as a whole and for individual negotiating groups. In the context of the EEA negotiations similar groups have also been established.

48. The composition of the Trade Policy Advisory Committee ("the GATT Committee") established by the Ministry of Foreign Affairs, gives an indication of the broad representation involved in such groups:

- The Prime Minister's Office
- The Ministry of Agriculture
- the Ministry of Finance and Customs

- The Ministry of Fisheries
- The Ministry of Foreign Affairs (chairman)
- The Ministry of Industry
- The Ministry of Petroleum and Energy
- The Directorate of Customs and Excise
- The Price Directorate
- The Norwegian Central Bank
- The Norwegian Trade Council
- The Norwegian Federation of Trade Unions
- The Federation of Norwegian Commercial and Service Enterprises
- The Confederation of Norwegian Business and Industry
- The Norwegian Fishermen's Association
- The Norwegian Ship-owners' Association
- The Norwegian Co-operative Union and Wholesale Society
- The Norwegian Farmers' Union
- The Union of Norwegian Farmers and Smallholders

49. The overall responsibility for trade policy formulation and implementation within the Government rests with the **Ministry of Foreign Affairs**. The Ministry is the licensing authority for imports and exports of industrial goods. The Ministry has three Ministers, the Minister of Foreign Affairs, the Minister of Development Cooperation and the Minister of Trade and Shipping. **The Minister of Trade and Shipping** heads the Trade and Shipping Departments within the Ministry of Foreign Affairs, and has the constitutional responsibility for trade and shipping matters. The Minister of Trade and Shipping is also responsible for any international negotiations on trade policy issues, and has a co-ordinating rôle in all trade policy discussions. Trade relations with individual countries and groups of countries also fall under the responsibility of the Minister of Trade and Shipping.

50. **The Minister of Foreign Affairs** is responsible for Norwegian participation in the United Nations and consequently for discussions of trade policy within the UN system. **The Minister of Development Cooperation** is together with the Minister of Foreign Affairs involved in the trade policy formulation process to the extent it concerns developing countries. The Minister of Development Cooperation is, moreover, responsible for co-ordinating Norwegian participation in World Bank programs, and for establishing guidelines for the Norwegian Import Promotion Office for Products from Developing Countries (NORIMPOD).

51. Other Ministries have been delegated responsibility for implementation of Norwegian trade policy in individual sectors, or are responsible for specific elements of trade policy implementation.

52. **The Minister of Finance** is responsible for proposing and implementing tariffs and duties. Responsibility for the rules of origin have been delegated to the Ministry of Finance.

53. The Ministry of Finance and Customs is, moreover, responsible for conducting anti-dumping and countervailing duty investigations. Even though such investigations are rare (see section on Trade Policy Implementation), the Ministry has established an advisory Anti-dumping Committee which investigates cases upon request from the Ministry of Finance. The Committee has representatives from the Ministry of Finance, the Ministry of Foreign Affairs, the Ministry of Industry, the Price Directorate, the Confederation of Norwegian Business and Industry, the Federation of Norwegian Commercial and Service Enterprises and the Norwegian Federation of Trade Unions. The secretariat for the Committee is in the Ministry of Foreign Affairs.

54. **The Norwegian Directorate of Customs and Excise** is responsible for administering import- and export controls and collecting customs and duties. The Directorate reports to the Ministry of Finance.

55. In 1958 the responsibility for implementation of agricultural trade policy was transferred from the then Ministry of Trade and Shipping to the **Ministry of Agriculture**. The Ministry of Agriculture is responsible for this implementation taking place in conformity with Norway's international obligations.

56. The responsibility for licensing of agricultural imports was transferred from the Ministry of Agriculture to Statkorn (The Norwegian Grain Corporation) in 1991.

57. The Government has transferred the authority to license fish exports from the then Ministry of Trade and Shipping to the **Ministry of Fisheries**.

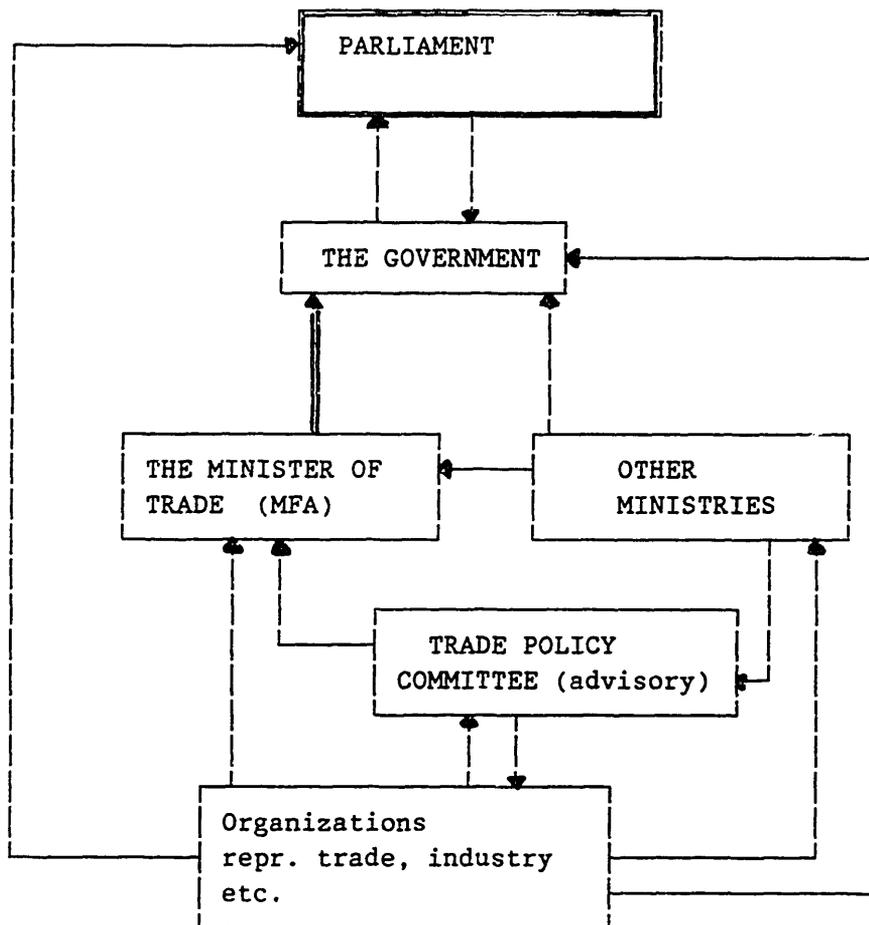
58. In addition to the Ministers mentioned above, which are directly involved in Norwegian trade policy, nearly all other Ministers have policy responsibilities in fields that are linked to external trade questions.

59. **The Minister of Industry** is responsible for domestic implementation of government procurement policies, industrial establishment and investment policies. The Minister of Industry is also responsible for industrial support policies and state-owned corporations.

60. **The Minister of Petroleum and Energy** is involved in trade policy concerning trade in petroleum and energy, and is responsible for procurement policies for the continental shelf.

61. The Minister of Labour and Government Administration is involved in the trade policy formulation process in light of her responsibility for Norwegian competition policies and legislation. The Price Directorate has been conferred the responsibility for administering and monitoring compliance with competition policies.

THE TRADE POLICY FORMULATION PROCESS



D. THE TRADE POLICY FRAMEWORK

1. Domestic laws and regulations governing the application of trade policies

62. Many of the domestic laws governing Norwegian export and import measures date back to the early post-war period or earlier. These general trade laws give the Government the authority and discretion to introduce a wide range of measures. Regulations affecting trade based on these laws are to be found in a series of ordinances and Royal Decrees, and in directives by government agencies, which are not exhaustively dealt with here.

63. Norway introduced a trade embargo with South Africa on 21 July 1987 in order to combat apartheid following a UN General Assembly Resolution recommending that economic measures be taken. The embargo prohibits trade in goods and services when such transactions are part of any commercial activity. Trade in medicines or equipment for medical purposes, news items, printed matters or electronic audio or visual recordings are exempted from the prohibition. The Government may, however, grant dispensation for a period not exceeding two years, if the prohibition would be detrimental to essential public interests or, if there is no reasonable proportion between the interest to be protected by the prohibition and the damage entailed by the prohibition.

64. Norway introduced regulations prohibiting trade with Iraq and Kuwait on 9 August 1990 in response to UN Security Council Resolution 661. Subsequently, in response to UN Security Council Resolution 670 trade restrictions were expanded 5 October 1990. These trade restrictions are based on Act No. 4 of 7 June 1968 on implementation of binding decisions by the United Nations Security Council. The restrictions on trade with Kuwait were lifted 15 March 1991 by a Royal Decree.

a. Imports

65. The legal basis for Norwegian import controls is the Provisional Act on import prohibition of 13 December 1946 No. 29. The Act forbids all imports without a prior licence, and authorizes the Government to issue import licences and establish conditions for such licences. A Royal Decree of 12 December 1947 with subsequent amendments confers authority to the Ministry of Foreign Affairs to regulate imports in accordance with the Provisional Act or to authorize other bodies to regulate imports.

66. The Provisional Act of 1946 was introduced for balance-of-payments purposes after the Second World War. Norway maintained strict import controls on a wide range of products in accordance with Article XII of the

GATT for a number of years, yet already in the mid-1950s approximately 75 per cent of all imports were unrestricted. The remaining restrictions, apart from for agricultural products were lifted in 1961. The Act has, however, remained the domestic legal framework for subsequent import regulations for industrial products.

67. In addition the Act No. 5 of 22 June 1934 forms the legal basis for existing import licensing of agricultural products. The Act allows the Government to introduce provisional bans on imports or to establish specific quantitative limits on imports, and to introduce price compensatory levies on regulated imports. A number of supplementary Royal Decrees particularly Royal Decree of 2 June 1960, have subsequently established in detail which products are subject to import controls. (The appendix provides a list of agricultural products subject to import regulation.)

68. Act No. 20 of 31 May 1974 provides the legal basis for the introduction of levies and export restitutions in order to compensate for price differences in the agricultural product(s) in processed agricultural products.

69. Act No. 5 of 23 February 1951 On Norwegian feed availability gives the Government exclusive rights to import and purchase domestically produced feeds for domestic utilization.

70. The legal basis for the Norwegian State-import monopoly on grain and feed imports is to be found in Act No. 27 of 22 June 1928 On the country's grain availability. The Act established that the Government has the sole right of imports of wheat, rye, barley, oats, milled products and feedgrains. The Act also established the Norwegian Grain Corporation (Statkorn). The activities of this corporation are regularly notified to the GATT pursuant to Article XVII:4(a) on State Trading Enterprises.

71. The legal basis for the Norwegian Wine Monopoly is to be found in an Act dating back to 5 April 1927, with regulations and concession established in a Royal Decree of 31 March and a subsequent Parliamentary decision of 1 August of that year. The Wine Monopoly has the sole right to import, (wholesale and retail) foreign wines and spirits, and imports and wholesale of foreign beer. Given that the Wine Monopoly cannot market every existing brand of wines or spirits, consumers may instruct the Wine Monopoly to purchase/import on his/her behalf a specific non-listed commodity from a specific producer. All such specialized purchases are subject to the Wine Monopoly controlling the imports and to duties being paid. The Wine Monopoly is obliged to operate on a non-discriminatory and commercial basis.

72. Act No. 1 of 27 February 1953 established the Norwegian Medicinal Depot with exclusive importation rights for pharmaceuticals, drugs and substances used for drug production.

b. Exports

73. The legal basis for Norwegian export controls is to be found in the Provisional Act No. 30 of 13 December 1946, which prohibits all exports without a licence. The Act is general and covers all types of export control. It was originally introduced as a measure to ensure Norway's balance-of-payments situation after the Second World War.

74. As is the case for the Provisional Act on Imports the authority to regulate exports in accordance with the Act was transferred to the Ministry of Foreign Affairs by a Royal Decree of 12 December 1947 with subsequent amendments.

75. The Ministry of the Environment has been authorized to regulate exports of threatened plants and animals covered by the Washington Convention.

76. The Act of 1928 establishing the Grain Corporation also prohibits exports of the products covered by the import monopoly.

77. Exports of strategic goods and services are, in addition to the Act of 1946, covered by a separate Act No. 93 of 18 December 1987 specifically relating to the export of strategic goods, services and technology.

78. In accordance with Act No. 1 of 9 June 1961 on weapons and ammunition and Royal Decrees of 25 January 1963 and 18 December 1987 special permission for exports of weapons and ammunition is required from the Ministry of Foreign Affairs.

79. The Act No. 3 On levies to promote Norwegian exports of 23 March 1956 allows for the imposition of a levy amounting to 0,075 per cent of the value of all exports of goods from Norway. The revenue is allocated to the Norwegian Trade Council for export promotion measures.

80. The legal basis for existing export regulation of fish and fish products is the Act No. 10 of 30 June 1955 with subsequent amendments. The Act covers exports of Norwegian fish as well as exports of fish and fish products of foreign origin. The Act allows the Government to regulate exports through distribution of exclusive exporting rights to export committees, and to authorize export committees to determine sales conditions and prices for exports to one or several markets, or for one or several types of goods.

81. The existing export regulation for fish has been amended by a new Act No. 9 adopted by Parliament 27 April 1990, which comes into force 1 July 1991. The most significant change in the regulation of exports that will come about as a result of the new Act, is that all export licensing of fish and fish products will be eliminated. In addition a single export committee will replace the previous eleven organizations. Membership in Government-approved exporter associations will no longer be a requirement to engage in export activities. However, the Government may still establish minimum export prices and conditions of sale.

2. Multilateral, regional and bilateral agreements

a. **The General Agreement on Tariffs and Trade (GATT)**

82. Norway was one of the 23 founding fathers of the GATT and has since consistently supported efforts under the agreement to improve conditions for world trade. Norway has participated in all seven previous negotiating rounds, and is a signatory (without reservations) to all the multilateral codes and agreements adopted in the Tokyo Round:

- The Agreement on Government Procurement;
- The Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the GATT (the Subsidies Code);
- The Agreement on Implementation of Article VI of the GATT (the Anti-dumping Code);
- The Agreement Regarding Bovine Meat;
- The International Dairy Agreement;
- The Agreement on Technical Barriers to Trade;
- The Agreement on Implementation of Article VII of the GATT (the Customs Valuation Code);
- The Agreement on Import Licensing Procedures;
- The Agreement on Trade in Civil Aircraft;
- The Geneva 1979 Protocol

83. Norway is also a signatory to the Arrangement Regarding International Trade in Textiles (MFA IV).

84. The General Agreement serves as the basic framework or foundation for Norway's international commitments in the trade policy field. The General Agreement also provides the underlying principles for other Norwegian international agreements governing trade, whether they are bilateral, regional, plurilateral or multilateral.

b. The Organization for Economic Cooperation and Development (OECD)

85. Norway joined the OEEC (The Organization for European Economic Cooperation), the forerunner of the OECD, when it was established in 1948 and subsequently became a member of the OECD. The OECD has as one of its main goals "to contribute to the expansion of world trade on a multilateral non-discriminatory basis in accordance with international obligations." The OECD Codes on Liberalisation of Invisibles and Capital Movements, to which Norway is a signatory, serve as the international framework for Norwegian practices in these areas. Norway is also a party to the Understanding on Shipbuilding and the Agreement on Guidelines for Officially Supported Export Credits. Norway is also a party to the 1976 Declaration on International Investments and Multinational Enterprises.

86. The analytical work carried out by the OECD Secretariat and participation in discussions on current economic and trade developments are highly valued in Norway. For a small country with limited resources the discussions in the OECD help prepare the ground for both internal discussions and negotiations in other fora. Thus at the outset of the Uruguay Round OECD work on particularly the new areas, services, TRIPs and TRIMS in the Trade Committee, as well as the work on agricultural policies and trade was very useful. The regular OECD reviews of trade policy developments and the ensuing exchanges of views constitute important inputs into the Norwegian trade policy debate.

c. The European Free Trade Association

87. The European Free Trade Association (EFTA) was established in 1960 as a reaction to the creation of the EEC. The Association created a free trade area in accordance with Article XXIV of the GATT, without establishing a customs union. In addition, EFTA was to serve as an instrument of cooperation between the EFTA countries and the EC, as well as promoting the expansion of world trade and the objectives of GATT in a broader context. EFTA today has seven member countries, Finland, Iceland, Norway, Sweden, Switzerland, Austria, and Liechtenstein.

88. The EFTA countries have been successful in establishing a free trade area in industrial goods. All tariffs were eliminated for industrial goods in 1966 and subsequently all quota restrictions on industrial goods have been lifted. Free trade in fish and fish products between member countries was introduced on 1 July 1990.

89. Protective duties on the industrial element of agricultural products have also been removed for a number of products. (These are listed in Annex D to the Convention). The EFTA Convention stipulates that price compensation for the agricultural element in the price of processed

foodstuffs should not exceed the differences between domestic and world market prices of the raw materials used.

90. Securing free trade among the EFTA countries has been made possible through the introduction of common origin rules which define the conditions under which commodities can qualify for preferential treatment.

91. EFTA cooperation is not limited to tariffs or non-tariff border measures. Cooperation has been extensive on technical barriers to trade among the member countries. Such barriers have been substantially reduced through, inter alia, the establishment of a series of arrangements for the reciprocal recognition of tests and inspection. The free trade agreement between the member countries also covers common rules of competition in areas such as government aids, public undertakings, restrictive business practices, establishment, and on dumped and subsidized imports.

92. The EFTA countries have also jointly worked to promote the multilateral trading system established by the GATT in a number of fora.

93. EFTA cooperation became the object of renewed interest and emphasis when the EC launched its Internal Market program. Since its establishment EFTA has served as a bridge of cooperation between the EFTA countries and the EC, and EFTA's rôle in this regard was particularly stressed in connection with the adoption at EC and EFTA ministerial level of the Luxembourg Declaration in 1984.

94. The Luxembourg Declaration underlined the importance of European integration for European stability and growth, and stressed the need for continued efforts to expand cooperation between the EFTA countries and the EC in a broad number of areas.

95. Cooperation between the EC and EFTA countries was to be pursued in particular in the following areas:

- harmonization of standards
- elimination of technical barriers
- simplification of border formalities and rules of origin
- elimination of unfair trade practices, State-aid contrary to the free trade agreements (FTAs) between EFTA countries and the EC and access to government procurement

96. In addition cooperation beyond the free trade agreements with the EC was also to cover, inter alia, the following areas:

- research and development
- energy
- transport
- agriculture and fisheries
- intellectual property protection
- tourism
- social questions and working conditions
- culture
- consumer protection
- environmental conservation and protection
- economic policies

97. Shortly after the adoption of the Luxembourg Declaration in 1984 consultations started between the EFTA countries and the EC on the whole spectre of areas with a view to identifying potential cooperative efforts which could be undertaken in a pragmatic and flexible manner.

98. The Luxembourg process flowed into the launching of the EEA negotiations which are dealt with below.

99. EFTA has a history of cooperation with third countries as well, particularly with Yugoslavia, with whom a special relationship has been maintained since the establishment of the EFTA-Yugoslavia Joint Working Group in 1967. Meetings of the Joint Working Group which were practically non-existent in the 1970s were resumed on a regular basis in 1983.

100. The EFTA countries have since 1990 established joint sub-committees with Hungary, Poland and Czechoslovakia in order to promote European integration in a broader context. The negotiations taking place in these groups aim at the establishment of free-trade agreements in the near future. Negotiations aiming at free trade agreements with Turkey and Israel have also been initiated.

d. Free Trade Agreements with the European Economic Community, the European Coal and Steel Community and its Member States (FTAs)

101. As has been mentioned, the establishment of EFTA also aimed at increased cooperation with the European Communities. Norway participated in these efforts with other EFTA countries, and entered into membership negotiations with the EC in the early 1970s. A national referendum held in 1972, however, resulted in a negative vote with regard to membership. Therefore negotiations were instead initiated with the EC aimed at establishing free trade agreements.

102. The free trade agreements with the European Economic Communities entered into force on 1 July 1973. The agreements established a free trade

area, in accordance with Article XXIV of the GATT, between Norway and the EC based on reciprocity in suspensions of customs duties for industrial goods. The agreements also provided for regular consultations on developments in trade between Norway and the EC.

103. Full elimination of duties on industrial goods within HS Chapters 25-97 was achieved by 1984, on the condition that the goods have undergone processing in accordance with the origin rules of the FTAs.

104. The free trade agreements also secured free trade in a number of processed agricultural products while allowing for price compensations for the variations in price of the agricultural commodity component.

105. Norway, together with the other EFTA countries, has negotiated successive adaptations of the free trade agreements with the EC in connection with the accession of new members to the EC.

106. The free trade agreements with the EC have enabled Norway to maintain and expand trade in industrial goods with the EC. In absolute terms Norwegian trade with the EC has expanded significantly. The relative size of both Norwegian exports and imports to and from the EC have remained fairly constant, demonstrating that Norwegian exporters have been able to maintain market shares in the EC and vice versa.

107. The free trade agreements have, however, not been without limitations. The FTAs have been mainly confined to trade in industrial goods and have not covered important sectors such as trade in services, trade in fish and fish products and agriculture.

108. In addition, the extensive harmonization efforts within the EC led to increased awareness of the importance of participating in establishing common standards and removing non-tariff measures for international trade.

109. Moreover, experience with the free trade agreements with the EC demonstrated that it provided no safeguard for Norwegian export industries against the EC's use of anti-dumping measures.

110. Together these factors contributed to a common perception of the need to extend cooperation with the European Communities. As indicated above extended cooperation was initiated on the basis of the Luxembourg Declaration in 1984.

111. The Luxembourg process led to extended cooperation with the EC in a number of areas. However, given the speed of the integration process within the EC, there was a need for a more dynamic cooperation framework. In January 1989 the President of the Commission of the European Communities indicated in a speech to the European Parliament that the existing

framework for cooperation between the EFTA countries and the EC would be insufficient in the future. Subsequently EFTA Heads of Government at a meeting in Oslo in March 1989 responded positively to the idea of establishing an extended and formalized cooperation with the EC - the Oslo-Brussels Process.

112. The Norwegian Parliament expressed its support for the initiation of negotiations with the EC on an EEA treaty in 1989.

113. Norway, along with the other EFTA countries formally entered into negotiations with the EC on 20 June 1990 with the aim of establishing an Agreement on a European Economic Area (EEA). The formal launching of these negotiations followed an intensive series of discussion and evaluation both domestically, among the EFTA countries, and between the EFTA countries and the EC on how to organize extended cooperation between the EFTA countries and the EC.

114. The negotiations to establish an EEA aim to extend the four freedoms of the EC Internal Market to the EFTA countries on the basis of Community "acquis" to the fullest possible extent. The negotiations cover:

- free flow of goods
- free flow of services
- free flow of capital
- free flow of persons

115. In addition, the negotiations aim to extend the cooperation to areas such as research and development, education, environmental issues and social policy aspects.

116. The negotiations will result in a significant extension of cooperation between the EFTA countries and the EC compared to the existing individual EFTA countries' free trade agreements with the EC; and will lead to the establishment of necessary institutions and decision-making procedures for the EEA.

117. The negotiations are to be concluded within the first half of 1991. The results are expected to enter into force on 1 January 1993 simultaneously with the completion of the EC internal market.

e. Nordic Cooperation

118. The Nordic Council was established in 1952 as a regional cooperation council between the Nordic countries' Parliaments (Denmark, Sweden, Finland, Iceland and Norway). The Council has powers of recommendation.

Implementation of recommendations from the Council are dependent on decisions at the national level.

119. The Council's general objective is to maintain and improve the close cultural and economic relations between the Nordic countries. In establishing the Council no specific trade policy aims were defined, but over the years efforts to facilitate trade between the Nordic countries in accordance with Article XXIV:3(a) of the GATT have been undertaken.

120. In 1971, a Nordic Council Committee of Ministers was founded. The Committee is a forum for Nordic cooperation in a wide range of fields, including, financial policy, manpower, industrial policy among others. Cooperation within the Committee is not limited to any specific policy fields. Ministers in individual fields meet on a regular basis to discuss potential cooperative efforts and exchange views.

121. The only permanent body within the Nordic cooperation dealing with trade matters is the High Officials Group on Trade (Embedsmannskomiteen - Handel). This Group is responsible for identifying trade policy issues for discussion among the Nordic Ministers. The Group reports to the Ministers of Foreign Trade which meet formally on a regular basis, normally twice a year. Subjects under discussion often include Nordic cooperation in GATT and the United Nations.

122. The Nordic Council recommended in 1987 that a long-term goal should be to establish an extended home-market in the Nordic countries. In this context recent emphasis has been on the removal of technical barriers to trade including elimination of border formalities.

123. Despite the limited importance of the Nordic Council for trade policy, the Nordic countries have a history of extensive cooperation in the trade policy field. Regular meetings take place at high officials level to discuss Nordic cooperation in other international fora, among them GATT, where the Nordic countries, less Denmark, negotiate as a group.

f. The NORDIC/SADCC Initiative

124. Together with Denmark, Finland, Iceland and Sweden, Norway signed a joint declaration on expanded economic and cultural cooperation between the Nordic countries and the nine member countries of the Southern African Development Coordination Conference (SADCC) in January 1986. The Nordic/SADCC Initiative aims at expanding productive activities in the SADCC region, mobilising additional public and private resources and consolidating development achievements through both short- and long-term activities ranging from investment and trade to culture and development assistance.

125. Within the framework of the Nordic/SADCC Initiative, a joint trade advisory group, established in 1989, decided to give priority to the practical issues concerning promotion of exports from SADCC. Norway grants the SADCC-countries GSP-treatment, and a working group presented its recommendations on how to increase Norwegian imports from the SADCC countries. The SADCC countries, as a regional economic grouping, have been granted the possibility of applying cumulation as regards the origin rules under the GSP.

g. UNCTAD

126. Norway participates actively in discussions and negotiations of multilateral trade policy questions with a bearing on developing country interests in UNCTAD. Norway is, moreover, one of the major contributors to UNCTAD's technical assistance activities in trade and trade policy areas.

127. Norway is also one of the main voluntary contributors to the activities of the UNCTAD/GATT International Trade Centre (ITC). Together with the other Nordic countries Norway finances over 50 per cent of ITC's Trust Fund activities.

h. Commodity Agreements

128. Norway has pursued a policy of strong support for international commodity agreements. (See Appendix for a list of Agreements of which Norway is a member.)

129. This support has been motivated both by Norwegian emphasis on North-South cooperation in general, but also by a conviction that it is in the mutual interest of both producers and consumers to stabilize and increase the transparency of commodity markets. Experience with the existing agreements have shown, however, with an exception for the International Rubber Agreement, that the results achieved have not matched the ambitions. This is partly due to insufficient account being taken of long-term market trends or because the membership in the agreements has not been broad enough.

130. In recent years agreements aimed at diversification and improvement of the competitiveness of commodities have proved to be more viable instruments in international commodity cooperation. In the longer term these types of agreements can also lead to market stability and transparency through their function as fora for exchanging market information.

131. Norway has from the outset been one of the staunchest supporters of the Common Fund for Commodities, and has made a significant voluntary contribution of approx. US\$22,5 million of the Fund's Second Account. In view of the developments described above, the Second Account operations take on greater importance than originally envisaged.

i. Bilateral agreements

132. Norway has a series of bilateral trading agreements with a large number of countries, some of them dating back to the 1800s. Most of these are friendship agreements on good intentions, establishing the will on both sides to promote economic relations in general, without establishing specific trade measures.

133. Norway has established bilateral agreements which cover trade with a number of state-trading and developing countries as listed in the Appendix. In general the objective of these agreements is to promote trade and other forms of economic cooperation. The agreements serve as a framework for exchange of information and discussion of developments in economic relations between Norway and the country concerned. The agreements are transparent and measures undertaken in the context of them are non-discriminatory to assure full compatibility with Norway's GATT obligations.

134. In addition, Norway has a few bilateral agreements which aim at maintaining traditional export or import access for a number of agricultural products both within the context of EFTA and the FTAs with the EC.

E. THE IMPLEMENTATION OF TRADE POLICIES

1. The import and export system

135. As has already been indicated the Norwegian economy is open. Exports and imports each amount to nearly 50 per cent of GDP, and are basically unrestricted despite the domestic legal framework which at the outset prohibits all imports and exports unless otherwise authorized. In practice exports and imports are unrestricted unless otherwise indicated.

136. As a general rule any resident or resident enterprise in Norway can engage in import and export activities. Foreign exchange regulations have consistently been liberalized and no longer present an obstacle to foreign trade.

a. Imports

137. Imports are cleared by the Norwegian Customs Authorities and subject to duties established in the Norwegian Customs Tariff which is based on the Harmonized System. The Tariff Schedule is simple with only three columns for each tariff-line, m.f.n. rate, EFTA rate and EC rate. If the product is subject to import regulations this is also indicated in the tariff. Imports from countries which are not Contracting Parties to the GATT have traditionally been accorded m.f.n. treatment on entry. A separate booklet which lists products eligible for duty-free treatment under the Norwegian Generalized System of Preferences is available in the Directorate of Customs and Excise.

138. Tariffs are presently bound for 90 per cent of all tariff lines, while tariffs are bound for 99 per cent of all m.f.n. imports. For the industrial chapters HS 25-99 97 per cent of the tariff lines are bound resulting in a 99 per cent binding of industrial m.f.n. imports.

139. In describing the Norwegian import system in more detail, a distinction has to be made between agricultural and textile imports on the one hand, and all other imports of goods on the other. Imports of industrial goods are in general unrestricted, such imports are only subject to the tariff treatment indicated in the Norwegian Customs Tariff.

Textiles

140. Imports of textiles and clothing account for 82 per cent of the Norwegian market. Such imports have duty free access and are otherwise unrestricted when imported from the EFTA countries, the EC, or the

least-developed countries provided that the criteria established in the corresponding origin rules are fulfilled. No quantitative restrictions are in force for imports from these and most other countries. However, Norway has MFA or MFA-type agreements with nineteen countries, most of these agreements expire 31 December 1991.

141. A number of product categories are subject to import licensing requirements for surveillance purposes. Licences are issued automatically on presentation of the required documentation. Any person, firm or institution resident in Norway is eligible to apply for import licences for industrial products. (Products subject to licensing are listed in the Appendix.)

142. Norway has explicitly supported a full integration of trade in textiles into the rules of the GATT, and has consistently, together with the other Nordic countries, worked towards this objective in the Uruguay Round.

143. The Government decided in 1988 to introduce a policy of gradual liberalization of quota restrictions. The first step in this direction was to reduce the number of products covered by restrictions to eight. From 1991 the number of product categories restricted was reduced further to four for all countries except for Hong Kong for which five categories remain.

144. The average level of m.f.n. tariff protection for textiles and clothing is approximately 15 per cent. The maximum tariff rate in the sector is 25 per cent and the lowest 2.2 per cent.

Table 4
Norwegian imports of clothing - distribution of import shares
(In per cent of value of textile imports)

	1985	1986	1987	1988	1989	1990
EFTA	20.2	18.4	15.9	14.8	12.3	9.9
EC	64.8	65.0	64.5	62.1	61.0	62.5
Developing countries	13.2	14.4	17.2	20.6	24.2	24.9
Others	1.8	2.2	2.4	2.5	2.5	2.7

Source: NOS External Trade.

Table 5
Norwegian imports of textiles (SITC 65) - distribution of import shares
 (Per cent and value of textile imports)

	1985	1986	1987	1988	1989	1990
EFTA	22.3	21.2	21.3	20.6	19.6	17.7
EC	65.6	65.8	64.6	62.5	63.2	63.2
Developing countries	6.8	7.4	8.8	10.9	10.9	12.8
Others	5.3	5.6	5.3	6.0	6.3	6.3

Source: NOS External Trade

Agriculture

145. The import system for agricultural products (HS chapters 1-24) consists of a number of measures or combination of measures ranging from import licensing, seasonal restrictions, State-trading enterprises, import quotas, and price-triggered imports to tariffs. In general imports are subject to quantitative restrictions. The import protection is highest for the most important agricultural products produced in Norway. The import system cannot, however, be understood in isolation from the structure and objectives of Norwegian agriculture.

146. Norwegian agriculture accounts for less than 3 per cent of GDP and employs approximately 5 per cent of the work force. Arable land is limited to a total of 975,000 hectares and is concentrated in valleys and around lakes and fjords. Less than 3 per cent of the land is under permanent cultivation. Given Norway's geographic location and climate, conditions are not well suited for all types of agricultural production. Norway is thus a net importer of agricultural products. Imports account for 45.8 per cent of domestic food consumption (excluding fish and fish products) on a calorie basis. Wheat, sugar and fats account for the major share of agricultural imports. In addition, additives and some fruits and vegetables, which are not produced in Norway, or where production is limited to certain parts of the year, are imported.

147. Despite the natural limitations, Norwegian agricultural production covers the major portion of domestic demand for food. Norway is self-sufficient with respect to the following product categories, dairy products, meat and most vegetables. (The Appendix provides self-sufficiency ratios for the individual commodities.)

148. Continued agricultural production has, to a large extent, been maintained in Norway as a result of measures aiming at implementation of

agricultural policies and the high level of import protection accorded this sector. These measures relate to levels of production, income parity, efficiency, regional development and environmental protection and conservation.

149. Food security has been a recurrent concern affecting agricultural policies in Norway. These concerns have their background in the food shortages experienced during the First and Second World Wars. In the 1950s Parliament decided that Norwegian agricultural production should attempt to meet domestic demand for milk and milk products, meat, eggs, potatoes and rough vegetables suitable for storage. An additional goal has been to produce as much grain for human consumption as possible, the upper limit being in practice 40 per cent of domestic demand, and to aim at covering domestic demand for feed grain.

150. Maintaining a certain level of agricultural production has also been perceived as an important means of preserving existing population patterns. Agriculture together with forestry and fisheries play an important rôle in providing employment opportunities and stimulating economic development in less-favoured rural areas. Less-favoured regions account for two-thirds of agricultural production.

151. Norwegian agricultural policies, moreover, aim at providing farmers with economic and social conditions comparable to those of other groups. Together these three basic objectives have led to an import system for agricultural products which allows Norwegian farmers to meet demand in the Norwegian market, at target prices agreed on between the farmers' organizations and the Government, and subsequently agreed on by Parliament.

152. Imports of the major agricultural products mentioned above are thus generally restricted as long as there is sufficient Norwegian production to meet domestic demand, and as long as prices on the domestic market do not exceed those stipulated in the Norwegian Agricultural Agreement. Imports to supplement Norwegian production are, however, licensed on a regular basis.

153. For a number of vegetables and products within the greenhouse sector, import restrictions are limited to certain parts of the year, either in the form of differentiated tariffs or import licensing, or a combination of both. In general the import restrictions apply in the period when there is Norwegian production. The remaining part of the year imports are unrestricted and receive duty treatment in accordance with the those stipulated in the Norwegian Customs Tariff.

154. Norway has bound the majority of tariffs for agricultural products. Tariffs in 67 per cent of all tariff lines for agricultural products are

bound, in per cent of imports 96 per cent are bound. The levels at which tariffs are bound provide only marginal import protection.

155. Wheat, rye, barley and oats, and milled products thereof as well as feedstuffs can only be imported by the Norwegian Grain Corporation established by law in 1928. The Corporation was established for the purpose of ensuring the country's supplies of grain and flour, including grain seed. The Corporation is required by law to maintain emergency stocks of grain and is obliged to purchase all Norwegian produced grains at prices stipulated in the agricultural agreements. The Corporation acts on the basis of purely commercial considerations. It is responsible for procuring imports at the most reasonable prices for the supplies required.

156. In the context of the agricultural negotiations in the Uruguay Round, Norway has proposed a significant transformation of the import régime for agricultural products. Norway has offered to dismantle the basically quantitative import régime now in force and introduce a régime based on tariffs and levies for all products except for milk and some milk products and reindeer, deer and elk. Given the extensive binding of tariffs this is provided that tariffs can be increased without compensation in the context of the negotiations.

157. Norway has an extremely favourable zoosanitary and phytosanitary status. Stringent import measures have therefore been introduced in order to maintain this status. Imports are tested for diseases and imports of some products are restricted to suppliers in countries with a certain zoosanitary or phytosanitary status. The maintenance of this favourable sanitary status has made it possible to limit the usage of environmentally damaging pesticides.

158. Production control through supply control measures forms an integral part of Norwegian agricultural policies. Such measures have been introduced to minimize Norwegian exports of agricultural products, but have also become a means of advancing income and regional objectives. Supply controls contribute to maintaining incomes as the cost of exports are paid by producers through marketing fees, thereby diminishing producer returns. Existing supply control measures also tend to limit the growth of farm size and thus allow a larger number of farms in the regions to survive.

159. Supply control measures are currently applied to milk, meat, and eggs.

b. Exports

160. Exports from Norway are generally unrestricted. Norway does, however, restrict exports of weapons, ammunition, military equipment and strategic goods. These restrictions are based on **national commitments** to avoid

contributing to armed conflicts, and proliferation of military weapons and strategic material.

161. In addition export licences are required for exports of scrap metals. This latter regulation is based on national considerations concerning possible shortages of raw materials for the Norwegian metallurgic industry.

162. Norway has also recently introduced legislation which allows for restricting exports of products which are banned or severely restricted on the domestic market, as well as hazardous waste, on the grounds that they are hazardous to human, animal or plant life or health, in accordance with Article XX of the GATT, or of the environment.

163. Exports of fish and fish products are not restricted, but regulated through a system of exclusive exporting rights for specific markets. The background for this regulation has been, inter alia, to secure minimum prices and quality of fish exports given the high number of economic actors in the fisheries sector. Furthermore, centralized exports have been a natural response to centralized imports in some markets.

164. The present and pending export regulation relating to fish and fish products is not designed to constrain, but rather promote exports of fish and fish products.

2. Trade policy measures - usage, coverage and developments

a. **Tariffs and non-tariff measures**

165. Tariffs are the main trade policy instrument for imports of industrial goods.

166. Norway does not apply **tariff quotas** on industrial imports, and **quantitative restrictions** are only applied on imports of textiles and on imports and exports of agricultural products. Norway has no voluntary export restraints of exports, nor has Norway entered into any orderly marketing arrangements for imports or exports of industrial goods.

167. **Variable levies** are exclusively used on imports of processed agricultural products covered by the free trade agreements with EFTA and the EC. In essence trade in the processed agricultural products covered by these agreements are free, however the price differential in the commodity component used in the processed product can be compensated by the use of variable levies or duties.

b. The Norwegian Generalized System of Preferences

168. The Norwegian Generalized System of Preferences entered into force 1 October 1971, and the provisions of the system were revised in 1974/75 and 1977/78. The product coverage has been extended on a number of occasions, in 1973, 1985, 1986, 1987, and 1989. The system was technically adapted to the new Norwegian Customs Tariff Nomenclature based on the Harmonized Commodity Description and Coding System in 1988.

169. The Norwegian GSP provides for duty free entry for all products covered by the scheme. In addition, **all products originating in the least-developed countries**, regardless of whether they are covered by the scheme, receive duty free access. There are no quota provisions in the scheme. Nor are there any quantitative ceilings or price ceilings on imports under the scheme.

170. The **product coverage** of the scheme is broad. Basically all industrial products, apart from textiles, clothing and footwear are covered. Approximately half of the tariff lines in the agricultural chapters (HS 1-24) are covered. The product coverage has, as been mentioned, consistently been expanded. Imports of agricultural products from the GSP beneficiaries accounted for 7.4 per cent of imports from these countries in 1989.

171. The following table gives an indication of the coverage. As can be seen approximately 60 per cent of all imports from GSP beneficiaries which normally would have been dutiable enter duty free as a result of the GSP.

Table 6
Imports from GSP beneficiaries eligible for GSP treatment
as a per cent of the value of dutiable imports

1983	48.0
1985	57.9
1986	65.8
1987	64.3
1988	61.1
1989	59.9

Source: The Norwegian Central Bureau of Statistics.

172. The **country coverage** is also broad. All countries that have declared themselves developing countries are eligible to make use of the scheme provided that the Norwegian Directorate of Customs and Excise has been notified of the authority empowered to issue certificates of origin and that documents are in order. The list of least-developed countries is the same as that issued by the United Nations.

173. The Norwegian GSP does not in principle discriminate between developing countries covered, apart from the special and differential treatment given the least-developed countries. In practice, however, a few countries have not been granted GSP for all products when becoming eligible for the scheme, these are: the Republic of Korea, Hong Kong, Macao, Bulgaria and Romania for which separate exception lists exist in addition to the general exception list.

174. Imports from the developing countries have increased significantly in recent years, mainly due to the return of Norwegian ships under the Norwegian flag after the establishment of the Norwegian International Ship-register (NIS) in 1987. In 1980, imports from the developing countries amounted to only 8 per cent of all imports, while in 1989 imports from the GSP-beneficiaries amounted to nearly 20 per cent of all Norwegian imports. Import shares in terms of traditional goods have remained stable at around 8 per cent.

175. As Table 7 shows, a substantial part of LDC imports receive m.f.n. duty-free treatment, GSP duty-free treatment is thus a supplement to the liberal market access provided by the Norwegian import régime. The importance of the GSP as a trade liberalizing measure varies from year to year depending on the composition of imports from the beneficiary countries.

Table 7
Imports (value) from GSP beneficiaries by import régime

	1983	1985	1987	1989
m.f.n. zero duty	71.3%	67.4%	59.0%	24.2%
GSP duty free	13.8%	18.9%	26.4%	9.5%
Not covered by GSP	14.9%	13.7%	14.6%	6.3%

Source: Norwegian Central Bureau of Statistics.

c. Government Procurement

176. Two sets of international obligations on government procurement are applicable in Norway: the GATT Agreement on Government Procurement and the EFTA Convention. The applicable EFTA rules are contained in article 14 of the EFTA Convention and the 1966 Lisbon Agreement on its interpretation. The GATT Agreement on Government Procurement entered into force in Norway on 1 January 1981. The 1987 revision of the Code entered into force on 14 February 1988.

177. Nineteen Norwegian entities are subject to the provisions of the Code. The clause that allows Norwegian derogation from the provisions has not been used in recent years.

178. Arrangements between the EEC and the EFTA on public procurement is presently under negotiation as part of the EEA.

179. Central government procurement in Norway is carried out in accordance with the regulations in the "Ordinance for Central Government Procurement". This ordinance regulates the procurement of supplies, works and services, and recognizes three forms of procurement: open, restricted and negotiated tender. Direct purchase may be allowed for contracts with a value of less than NOK 150,000. Tender invitations must be extended either by advertisement or letter. The award criteria is the lowest price (open tender), or the best offer/most advantageous tender (restricted and negotiated tender).

180. Competition is a basic principle to assure cost-effective utilization of government funding. If a contract, however, is considered to be of vital importance, the competition may, upon authorization from the Government, be restricted if this does not impede international obligations. A limitation of the competition exclusively to national bidders may only occur in connection with non-code covered procurements. Employment, regional development and the development of Norwegian industry are factors that may be considered to be of vital importance. This derogation from the general Norwegian domestic ordinance regulations has only been used once since 1987.

181. No separate national public procurement appeal procedures have been established, however, normal avenues of complaint, including use of the legal system, are available.

182. The fact that competition is a basic principle for government procurement is clearly reflected in the very high degree of import penetration in Norwegian government procurement. In 1987 and 1988 respectively 44 per cent and 54 per cent of all code covered government procurements were awarded foreign tenderers. In 1989, 60 per cent of procurement contracts covered by the Code went to foreign suppliers after an open or restricted tendering procedure. Seen in terms of value 55 per cent of the procurements were awarded foreign suppliers in 1990.

183. Regional and local authorities are not subject to government procurement regulations. However, a majority of the counties and municipalities have administrative regulations similar to the Ordinance for Central Government Procurement.

184. The overall public procurement in Norway in 1988 amounted to approximately NOK 110 billion. Regional procurement accounted for NOK 10 billion and local procurement for NOK 50 billion.

d. Technical standards

185. While standards are increasingly important in protecting human and plant health and safety, and the environment, it is essential that common international standards are arrived at in order to avoid that standards become barriers to trade. The rôle of standardization has received increased attention in recent years. Norway participates in several international schemes and conventions designed to enable national authorities to accept the results of tests and inspections performed in other participating countries on a reciprocal basis. The schemes and conventions to which Norway is a member are listed in the Appendix.

186. Norwegian standards apply equally to Norwegian and imported goods. In general new Norwegian standards are either identical with or based on internationally adopted standards. Deviations, however, may arise due to differing geographical or climatic conditions. Testing requirements are not part of or included in the standards, but are normally stipulated in the contract into which buyer and producer/seller have entered.

187. Standards are prepared and adopted by the Norwegian Standards Association and the Norwegian Electrotechnical Committee, which are private, non-governmental organizations. These organizations are members of and work in close contact with the International Standards Organization (ISO) and the International Electrotechnical Commission (IEC). The Norwegian Standards Association functions as the GATT Enquiry Point for standards and technical regulations.

e. Safeguard actions

188. Norway has only once taken recourse to safeguard action under Article XIX of the GATT since signing the Agreement. In 1978 after having based import restrictions on textiles and clothing on bilateral restraint agreements under MFA I from 1974-77 Norway introduced global quotas under Article XIX. This was in response to sharp increases in imports, particularly from Hong Kong, with whom bilateral negotiations failed. The global quotas were kept in place until 1 July 1984 when Norway again became a member of the MFA. Transitional restrictions were maintained up to November 1985 on imports from countries with which no bilateral agreements had been negotiated.

f. Anti-dumping and countervailing actions

189. Norway does not readily take recourse to anti-dumping measures. This is due to a strict interpretation of the anti-dumping code. Such measures have been introduced on one occasion in recent years, against imports of cement from the former German Democratic Republic. Anti-dumping duties were imposed by Royal Decree 18 May 1984. The anti-dumping duty was abolished by the King in Council 20 December 1985. One other investigation has been initiated since 1985, an investigation into alleged dumping of cables by the former German Democratic Republic in 1986. No injury was documented and the case was dropped in June 1990.

190. Countervailing measures against imports have been taken by Norwegian authorities on one occasion, in 1969, against imports of refrigerators from Italy. The countervailing duties imposed were progressively reduced and finally abolished in 1976.

191. The virtual non-use of such measures are not a reflection of fairer pricing of exports to the Norwegian market as compared to other markets where such measures are readily used. As mentioned the Norwegian interpretation of the GATT Codes on Anti-dumping and Countervailing measures is strict. In addition, the procedures for initiating investigations and measures are cumbersome. An imposition of the duties mentioned have to be decided on by the King in Council, and without delay followed by a report in the form of a White Paper transmitted to Parliament.

g. Export levies

192. An export levy of 0.075 per cent of the value is levied on all exported goods. The collected levy is pooled by the Norwegian Trade Council which uses the funds for export promotional activities and financing of its offices and personnel in Norway and abroad. The products benefiting from these activities are mainly within consumer goods, capital goods and finished products, but also cover services.

h. Export financing

193. Export credit guarantees are issued on a commercial basis by the Guarantee Institute for Export Credits (GIEK), a government agency. The guidelines for the Institute are currently being reviewed and considerable changes are expected to be introduced within the course of this year.

194. GIEK presently covers both commercial and political risks in connection with exports of capital goods, and offers several forms of cover for both pre-shipment and post-shipment risks.

195. Norway operates a mixed credit scheme administered by the Ministry of Foreign Affairs for low income and lower middle-income developing countries. The scheme is based on government aid principles, and the grant element may be given in the form of interest subsidies for commercial bank credits or a cash grant. The administration of the scheme is carried out in accordance with OECD guidelines. The scheme has a ceiling, total outstanding guarantees commitments shall at any time not exceed NOK 200 million, and maximum liability under one guarantee is limited to NOK 50 million.

196. The Norwegian Agency for Development Cooperation (NORAD) in cooperation with GIEK operates a special guarantee scheme. This scheme provides export and investment guarantees for projects to the poorest developing countries (Lower middle income or lower).

i. State-trading enterprises

197. Three State-trading enterprises have been established and their activities are regularly notified to the GATT pursuant to Article XVII:4(a). The three are: **The Norwegian Grain Corporation** (Statkorn), **The Wine Monopoly** (A/S Vinmonopolet) and **The Norwegian Medicinal Depot** (Norsk Medisinaldepot). All three enterprises operate in a non-discriminatory fashion. These monopolies have been established in response to special objectives and concerns, and play a rôle beyond the trade policy field.

198. The Norwegian Grain Corporation was established for the purpose of ensuring the country's supplies of grain and flour, including grain seed. The Corporation is required by law to maintain emergency stocks of grain equal to annual consumption of grain, and is obliged to purchase Norwegian grain at prices stipulated in the biannual agricultural agreements. The Corporation is thus the sole buyer and seller of grain. The Grain Corporation is instrumental in fixing prices of grains and animal feeds. These prices have been used to influence the location of different types of production in order to pursue regional policy objectives.

199. The Wine Monopoly is formally a stock company with the share capital owned by the State. The Wine Monopoly was established for social reasons, particularly to neutralize private sales interest of alcohol. The sales policy aims at preventing the abuse of alcohol and promoting temperance.

200. The Norwegian Medicinal Depot was established to rationalize the wholesale trade of pharmaceutical products and drugs, and of substances used for drug production. One aim is also to ensure sufficient supply of such products at all times. In addition the Norwegian Medicinal Depot should contribute to a stabilization of pharmaceutical prices to consumers.

j. Countertrade

201. Norwegian authorities consider countertrade practices to be contrary to the general principles governing free trade. Countertrade tends to distort and make less transparent both prices and competitive positions. Norwegian authorities therefore as a general rule do not enter into countertrade arrangements and do not encourage such practices by private firms.

k. Government assistance

202. Norway maintains a relatively high level of support to industry. Much of the support is, however, an integrated part of industrial and regional policy, which aims at offsetting the extra cost of economic activity in geographically and infrastructurally disadvantaged regions.

Table 8
Government support to Norwegian industry
 (NOK Million, 1987 Prices)

	1987	1988	1989	1990
Agriculture, forestry and fishing	11,083	10,748	11,457	12,379
Agriculture	9,601	9,539	10,059	10,538
Fishing	1,005	794	1,003	1,437
Other	477	415	395	401
Manufacturing, mining and quarrying	4,690	4,907	3,766	4,564
Ship building	979	989	890	856 ⁸
State enterprises	1,031	1,040	636	1,140
Other industry	2,680	2,878	2,240	2,568
Other	352	770	1,027	1,099
Total	16,125	16,425	16,250	18,042

Source: Revised National Budget 1991

The table above shows the government support to industry (including agriculture, forestry and fisheries) in recent years, calculated by the net cost method. The figures include support paid to intermediaries, municipalities, etc., and are therefore higher than net support paid to recipients of government aids.

203. The Government is engaged in a critical review of transfers to industry, and has announced its intention to further reduce support in the coming years. An aim is also to make support programs in the future to a larger extent generally available instead of directed towards certain types of production.

⁷Some of the figures for 1990 are tentative. The support figures also include large calculated costs through credit support schemes.

⁸Includes the writing off of a loan to Norsk Jern Holding A/S.

1. Foreign exchange regulations

204. New foreign exchange regulations entered into force on 1 July 1990 abolishing the mandatory licensing of foreign exchange transactions. Strict reporting obligations are however maintained. Central to the new regulations is the principle that all transactions are permitted unless explicitly prohibited, while the previous regulations were based on the opposite principle that all transactions not explicitly permitted were prohibited.

205. The new regulations stipulate that only Norwegian stock brokers can act as intermediaries for residents intending to sell and purchase foreign securities. Furthermore, residents are not allowed to take out insurance other than non-life insurance with non-resident companies. In general, municipal foreign currency borrowing is prohibited.

3. Prospective changes in trade policies and practices

206. The major changes foreseen in Norwegian trade policies and practices are those that may result from a successful conclusion of the Uruguay Round. Given agreement on a comprehensive balanced package, these will include, inter alia, a 33 per cent reduction of tariffs, a transformation of the Norwegian import régime for agricultural products, increased discipline in international services trade, improved protection for international property rights, phasing out of bilateral restraint agreements on textiles and clothing, strengthened rules in the subsidies, countervailing, safeguards and anti-dumping area.

207. Independently of the Uruguay Round changes may come about in the Norwegian import régime for agricultural products and textiles in light of the internal debate on future policies in these two sectors.

208. The implementation of an agreement on a European Economic Area between the EFTA countries and the EC may also lead to a number of changes in Norwegian policies and practices. These changes will be of a trade creating nature and will most likely emerge in areas such as government support, investment policies, capital and services, government procurement, fisheries and agricultural products.

209. The ongoing negotiations with Eastern and Central Europe may also lead to improved market access for these countries.

II. RELEVANT BACKGROUND AGAINST WHICH THE ASSESSMENT OF TRADE POLICIES WILL BE CARRIED OUT: WIDER ECONOMIC AND DEVELOPMENTAL NEEDS, EXTERNAL ENVIRONMENT

A. WIDER ECONOMIC AND DEVELOPMENTAL NEEDS, POLICIES AND OBJECTIVES OF THE CONTRACTING PARTY CONCERNED

210. The main aim of Norwegian economic policy is to lay the foundations for increased employment, and to strengthen economic growth in the Mainland economy. An important measure proposed by the Government in the Revised National Budget 1991, is a critical review of transfer schemes, with a view to financing infrastructural development and other activities which will create jobs.

211. An important objective is to improve industry's cost competitiveness. The wage level in Norway is currently 25 per cent higher than in our major trading partners. This is hampering the establishment of new enterprises in sectors of the economy without special competitive advantages.

212. Norway experienced very strong growth in the period 1983 to 1986. The expansion was initiated by renewed growth in the exports of traditional goods from late 1982 and increased investments in the oil sector and export oriented manufacturing. The principle factor was, however, the extraordinarily strong growth in demand from the Mainland economy, supplemented by the deregulation of credit markets. Private consumption increased by on average 6 per cent a year, and fixed investments in Mainland enterprises by 14.5 per cent a year.

213. The merchandise trade balance (excluding oil, ships and oil rigs) deteriorated sharply in the period, and imports of traditional goods increased by on average 13.5 per cent a year in volume terms compared to an export growth of 2.4 per cent.

214. The expansion in domestic demand in the mid-1980s together with the drop in oil prices during the winter of 1985-86 resulted in a difficult economic situation. A tightening of economic policy was called for, which together with self-regulating mechanisms in the economy resulted in a marked decrease in domestic demand. Production in the Mainland economy subsequently fell both in 1988 and 1989, and the level of unemployment increased.

⁹Excluding shipping, oil drilling, oil production and pipeline transport.

215. Preventing the Norwegian foreign balance from significantly increasing its dependence on petroleum revenues is important to securing permanent employment. Exports of oil and gas in 1990 amounted to NOK 88 billion, some 30 per cent of total exports. The heavy dependence on petroleum revenues has also been aggravated by the long period of stagnation and loss of market shares undergone by Norwegian industry. It will therefore be a main task to strengthen the exposed sectors of the Norwegian economy.

216. Since mid-1990, private consumption has again increased moderately. Together with a strong growth in exports this has led to an increase of 0.7 per cent in the GDP for the Mainland economy from 1989 to 1990. The most important factors contributing to this growth in domestic demand was the increase in both public and private consumption. Simultaneously the decline in net investments in the Mainland economy was slowed down.

217. The upturn in the Norwegian economy has, however, been weak and has not been conducive to a reduction of unemployment. The continued lower growth internationally from mid-1990 has also contributed to reduced growth in Norwegian traditional exports. Increased uncertainty concerning developments in international markets has also contributed to reduced investments in industry.

218. The rate of price inflation since March 1989 has been lower than the average among our trading partners. From 1989 to 1990 consumer price inflation was 4.1 per cent. In April 1991 the price inflation was 3.8 per cent. After the suspension of government involvement in wage formation, wage levels have increased somewhat, from 1989 to 1990 hourly wages rose by approximately 5 per cent.

219. The Government has proposed a major tax reform which will constitute an important element in general structural reform policy. The Norwegian system of income taxation of business, capital and individuals will be transformed in line with the international trend in tax reforms: A broadening of the tax base combined with considerable cuts in marginal tax rates, in order to create a tax system that is more geared towards efficiency, horizontal equity, and simplicity than the present system. Thus, the economic distortions of taxation will be substantially reduced by a closer connection between rates of return before tax and rates of return to the investor after tax.

B. THE EXTERNAL ECONOMIC ENVIRONMENT

1. Major trends in imports and exports¹⁰

220. Norway's overall trade pattern has been relatively stable over the past twenty years both in terms of commodity composition and major trading partners. Norway's most important trading partners have been and remain the EC and EFTA countries, accounting for nearly 75 per cent of Norway's foreign commodity trade in 1990. Trade with the OECD countries as a group accounts for nearly 90 per cent, while trade with the developing countries and trade with Eastern Europe and the Soviet Union amounts to approximately 10 per cent and 2 per cent respectively of Norway's commodity trade.

Table 9
Norwegian exports by main regions
 (Per cent of commodity exports, value)

	1970	1980	1985	1989	1990
Nordic Countries	26.2	15.5	14.6	19.7	19.5
EFTA	46.5	12.7	12.4	16.2	15.7
EC	29.7	71.1	68.8	65.2	64.9
OECD Countries	87.2	89.5	89.3	93.2	92.1
Eastern Europe/USSR	2.5	1.4	0.9	1.2	1.2
Developing Countries	8.5	9.6	9.5	5.7	6.9

Source: NOS External Trade.

¹⁰The tables in this section are based on trade figures according to customs declarations. These figures are not wholly comparable with the National Accounts figures for trade in traditional goods, as they do not include exports which are not registered at the customs offices, e.g. exports of fuel and spare parts for foreign aircraft. Moreover, reporting routines were changed 1 January 1988, resulting in trade figures according to customs based figures for December 1987 being NOK 2 - 2.5 billion higher than normal, and figures for January 1988 accordingly lower. The National Accounts figures are adjusted for this change in reporting routines, while figures referred to in this section are not.

Table 10
Norwegian imports by main region
 (Per cent of all commodity imports, value)

	1970	1980	1985	1989	1990
Nordic Countries	28.8	26.8	28.8	25.1	25.7
EFTA	44.5	24.1	25.4	20.7	21.5
EC	24.9	47.8	47.3	43.0	46.3
OECD Countries	87.0	87.5	89.7	77.7	83.1
Eastern Europe/USSR	2.2	2.2	2.8	2.5	2.5
Developing Countries	9.7	7.7	7.4	19.6	14.3

Source: NOS External Trade

221. The most striking factor in Norwegian trade statistics is the stability in the individual regions' relative share of exports and imports. There was, however, a fairly dramatic increase in Norwegian imports from the developing countries in 1989 and 1990. This increase is to a large extent a reflection of the return of a large number of Norwegian ships to the Norwegian flag after the establishment of the Norwegian International Ship-register in 1987. Imports of ships from the developing countries in 1989 accounted for approximately 64 per cent of all imports from these countries.

222. Sweden and Germany account for the largest individual import shares with 15.8 per cent and 14.0 per cent respectively in 1990. Norway's most important export market has traditionally been and remains the United Kingdom which received 26.0 per cent of all Norwegian exports in 1990.

223. Crude oil and natural gas constitute Norway's most important export products and accounted for 42 per cent (in value terms) of Norwegian commodity exports in 1990. The corresponding figures for 1985 and 1988 were 50.0 per cent and 33.2 per cent respectively. This variation is not a reflection of changes in export volumes but reflect the fluctuations in oil prices.

224. Apart from petroleum products, exports of manufactures as well as of machinery and transport equipment are important. Their respective export shares were 17.9 per cent and 13.9 per cent in 1990.

Table 11
Norwegian exports by main commodities (SITC)
 (Per cent of total value)

	1970	1980	1985	1989	1990
0 Food	11.5	5.9	5.2	6.5	6.7
1 Beverages and tobacco	0.2	0.9	0.1	0.1	0.1
2 Raw materials	10.0	4.4	3.1	4.2	3.5
3 Mineral fuels	2.2	48.6	53.8	42.7	47.8
4 Oils and fats	1.8	0.6	0.4	0.2	0.2
5 Chemicals	7.6	6.3	5.9	7.1	6.6
6 Manufactured goods	39.5	19.1	15.5	22.6	17.9
7 Machinery/transport equipment	23.2	12.1	13.6	13.4	13.9
8 Finished goods	3.7	2.6	2.1	3.2	3.2
9 Miscellaneous	0.3	0.3	0.3	0.0	0.0

Source: NOS External Trade.

225. Norway imports a wide range of products, the most important ones being machinery, manufactures and finished goods. The large increase in imports of transport equipment in 1989 and 1990 in Table 12 can be attributed to the return of Norwegian ships to the Norwegian flag.

Table 12
Norwegian imports by main commodities (SITC)
 (Per cent of total value)

	1970	1980	1985	1989	1990
0 Food	6.6	6.0	4.7	5.0	4.8
1 Beverages and tobacco	0.8	0.6	0.6	0.6	0.6
2 Raw materials	10.9	8.7	7.1	7.9	8.1
3 Mineral fuels	7.7	17.2	8.8	3.9	4.4
4 Oils and fats	0.4	0.2	0.2	0.2	0.2
5 Chemicals	8.3	6.8	6.9	8.1	8.3
6 Manufactured goods	20.1	18.5	17.8	16.4	16.8
7 Machinery/transport equipment	35.5	28.7	38.1	42.7	41.0
8 Finished goods	9.4	12.9	15.4	15.0	15.8
9 Miscellaneous	0.4	0.4	0.4	0.1	0.1

Source: NOS External Trade.

226. When excluding ships, oil platforms and exports of crude oil and natural gas, Norway has had an export deficit during the whole period from 1985. This adjusted deficit was as large as NOK 76.6 billion in 1986, but was reduced to NOK 40.1 billion in 1990, mainly as a result of higher exports to the EC and the EFTA countries.

Table 13
Traditional Norwegian exports and imports, excluding ships, oil platforms, crude oil and natural gas
 (Million NOK)

	Imports	Exports	Export surplus
1970	23 468.0	15 503.0	-7 965.0
1980	82 281.0	47 194.0	-35 087.0
1985	127 966.4	74 018.7	-53 947.6
1986	146 012.4	69 370.9	-76 641.5
1987	146 777.1	80 833.5	-65 943.6
1988	136 734.5	91 949.1	-44 785.4
1989	137 627.1	107 182.4	-30 444.7
1990	152 611.0	112 486.0	-40 125.0

Source: NOS External Trade.

2. Developments in terms of trade and commodity prices

227. Norwegian export market shares for raw materials, including timber, forestry products, chemicals and primary metals, declined by 25 per cent in the period 1980-1989. The export market shares for finished goods fell somewhat less - 15 per cent. Exports of traditional goods have been expanding approximately in line with trading partners' imports in the period 1986-1990, largely due to increased exports of oil products and fish.

228. Norwegian export prices for traditional goods have been reduced since 1989 mainly as a result of the significant decline in metal prices. On a yearly basis the decline in export prices for 1990 has been estimated at 3.7 per cent.

229. The wage level in Norwegian manufacturing is about 25 per cent higher than in the countries Norway competes with. In addition, productivity in Norwegian manufacturing industry is not sufficient to counter the effects of the high wage costs.

230. From 1983 to 1986 Norwegian producers experienced a reduction of domestic market shares. These losses can basically be attributed to changes in the composition of domestic demand towards products with a high import content, bottlenecks due to the strong growth in domestic demand,

stockpiling of imported goods, and strong growth in Norwegian unit labour costs.

231. Between 1986 and 1989 domestic market shares for manufacturing products as a whole were unchanged, but with improved domestic shares for beverages, wood products and refined petroleum products. From 1989 to 1990 market shares for manufacturing products declined by about 5 per cent.

232. Export prices are estimated to increase by 2.7 per cent per year from 1991 to 1993. This more or less corresponds to the estimated developments in import prices, and the terms of trade for traditional goods is expected to worsen by a total of 1.5 per cent from 1990 to 1993.

3. Important trends in the balance of payments, reserves, debt and exchange and interest rates, and other such issues

233. Norway experienced a substantial improvement in the balance of payments as a result of the upturn in the international economy from the beginning of 1987, as well as from the drop in domestic demand in the same year. After three years of considerable deficits, 1989 showed a surplus of NOK 1.4 billion. The balance of payments in 1990 showed a surplus of NOK 22.6 billion. The dramatic improvement from 1989 to 1990 was to a large extent, due to the increased export value of oil and gas, but also due to a reduction in imports of ships. The current account surplus is estimated at NOK 20 billion for 1991. The export value of oil and gas is estimated to remain unchanged from 1990 to 1991, and a further decline in imports of ships is expected. The deficit for Mainland-Norway is expected to increase from NOK 62 billion in 1990 to NOK 67 billion in 1991.

234. The differential between Norwegian and foreign interest rates has been substantially reduced over the last three years. While most interest rates abroad have tended to rise since 1988, Norwegian interest rates have decreased. The aim of monetary policy is to maintain a stable exchange rate. With virtually free capital movements this implies that interest rates must ensure balance in the foreign exchange market. Interest rate policy is thus kept under constant review in light of domestic developments.

235. There are no special pressures confronting the exchange rate. Norway has a comfortable surplus on the current account and inflation is in line with the EC countries and lower than our trading partners.

236. On 22 October 1990 the Norwegian krone was unilaterally linked to the ECU, with a fixed parity of NOK 7.9940 per ECU, which reflected the market value of the Norwegian krone on the day of the announcement. Thus, the change took place without any appreciation or depreciation of the Norwegian

krone. The change in the Norwegian currency system was undertaken to further underline the importance of a fixed exchange-rate system relative to the EC countries and the interest of Norway in contributing to extending the European zone of monetary and economic stability.

237. Norway has pursued a stable exchange rate policy since 1986. Minor disturbances in the foreign exchange market are usually met by interventions and if imbalances persist interest rates are adjusted.

4. International macroeconomic situation affecting the external sector of the contracting party concerned

238. Norway's export market growth is strongly correlated with the GDP-growth in our major trading partners. Over the last ten years the GDP-growth in these countries has been around 1/2 percentage point lower than the average for the OECD-area. This differential is expected to be reduced somewhat in 1991 but widen again in the medium-term.

239. There is a definite downward trend in the OECD economies, creating significant uncertainty about short term developments. Yet medium term prospects for renewed growth appear to be good.

240. The Mainland economy will be affected by less-favourable international developments, with the prices of imports generally rising and demand among our trading partners falling off. If markets among our trading partners grow more slowly, so will the volume of Norwegian exports excluding crude oil and natural gas. The growth by volume in domestic demand could also be somewhat reduced because higher costs and lower activity contribute to reducing real incomes in the Mainland economy.

C. PROBLEMS IN EXTERNAL MARKETS

241. The greater portion of Norwegian exports are, as has been indicated, directed towards the European markets. Given the existence of the free trade agreements with the EC and EFTA, Norwegian exports generally do not have problems of access in external markets, with some notable exceptions.

242. Problems in external markets experienced by Norwegian exporters can be classified under the following four broad categories:

- problems of access for products not covered by the FTAs
- high tariffs or quantitative restrictions
- problems of access resulting from anti-dumping actions
- problems of access resulting from third-country dumping or subsidization
- problems of access related to government procurement policies
- problems related to intellectual property rights protection

243. Trade in fish and fish products has not been covered by the European Free Trade Agreement and the FTAs with the EC. A continuing problem for Norwegian exporters has been the tariff escalation for fish products especially within the EC, but also to some extent within EFTA, which has tended to hamper development of the fish processing industry in Norway. The quantitative limits on imports of specific fish species and products in the EC have also tended to cement the composition of fish exports to the Communities.

244. The implementation of the EFTA-agreement on free trade in fish and fish products which entered into force 1 July 1989 will improve the market outlook to some extent, but of fundamental importance to the Norwegian fish processing industry will be what sort of trade régime can be achieved for fish and fish products within the European Economic Area.

245. Norwegian fish exports have also met barriers in the form of high tariffs or quantitative restrictions in markets outside of the FTAs, particularly in the Far East. Fish is a major export product to these markets accounting for between 25 and 30 per cent of Norwegian exports to the region. In 1990, approximately half of Norwegian fish exports to Japan were subject to quantitative restrictions. The Uruguay Round will hopefully result in improved market access for fish and fish products.

246. The susceptibility of Norwegian exports to cyclical price fluctuations have led to problems of market access for a number of natural resource-based products. In periods of price decline, allegations of dumping have been frequent, and investigations into, for example, normal value have been based on prices attained in the market when the general price level was higher.

247. Despite the free trade agreement with the EC, Norwegian exporters have met access problems in the EC for such products in the form of anti-dumping actions/investigations.

248. Price undertakings and imposition of minimum prices have been the result for the following products since the agreement came into force:

- fishing nets
- wallboard
- ferro silicon
- silicon carbide
- ferro alloys

249. These access problems have been compounded by third-country dumping or subsidization of exports to markets where Norwegian exporters compete.

250. In addition, a number of anti-dumping investigations into Norwegian exports have been initiated without having led to minimum price agreements or duties. These investigations have nevertheless had a harassing effect on Norwegian exports.

251. The most recent examples of natural resource-based exports being submitted to allegations of dumping are the investigations by the European Communities and the United States into Norwegian exports of fresh and chilled salmon. The investigations were initiated after a period of expanding production of farmed salmon and increased catches of wild salmon worldwide, which resulted in reduced prices in all markets.

252. The European Community initiated an anti-dumping investigation into imports of Norwegian fresh and chilled Atlantic salmon in February 1990. Taking into consideration that nearly 80 per cent of Norwegian salmon is exported to the European Communities, the initiation of the investigation led to broad concern in Norway. The fish farming industry had, however, on its own initiated a series of measures aimed at increasing discipline in the market in January of the same year, which contributed to increased prices for all exporters. The EC proceedings were terminated, without the imposition of trade protection measures in March 1991.

253. On 28 February 1990, the United States initiated investigations into the imports of Norwegian fresh and chilled Atlantic salmon, which the complainants alleged were subsidized and sold in the United States at less than fair value. Provisional duties were imposed, and following the final determinations from the United States Department of Commerce dated 19 February 1991 and The International Trade Commission an average duty of 26.5 per cent has been imposed since 9 April this year. This has resulted in a virtual halt of Norwegian exports of salmon to the United States.

254. The Norwegian Government has consistently questioned the legitimacy of the investigations and has disputed the final findings. Bilateral GATT consultations with the United States were held on 15 March and 16 April this year.

255. Other problems of market access experienced by Norwegian exporters relate to Government Procurement policies in export markets. A number of countries restrict public procurement in areas where Norwegian export potential exist.

256. Non-compliance with intellectual property rights protection in many countries, or difficulties and costs involved in obtaining redress for such non-compliance, have also created difficulties for Norwegian exports in a number of markets. Pirate copies of Norwegian furniture, tooth brushes and wrought-iron stoves are notable examples of such problems.

III. APPENDIX: STATISTICAL AND TABULAR INFORMATION

Norwegian imports of traditional goods (SITC)
(Million NOK)

	1989	1990	
0	Food, live animals	8 224.6	8 042.5
00	Live animals	33.0	26.8
01	Meat and meat products	107.6	101.8
02	Dairy products and eggs	97.3	124.0
03	Fish and fish products	824.9	1 233.5
04	Grains and grain products	1 192.7	1 054.6
05	Fruits and vegetables	2 290.4	2 327.9
06	Sugar, honey	712.5	800.9
07	Coffee, tea, spices	1 440.9	1 187.0
08	Feeds	1 008.8	735.5
09	Other food	516.5	452.6
1	Drinks and tobacco	947.3	1 030.8
11	Drinks	496.0	570.3
12	Tobacco and tobacco products.	451.3	460.5
2	Raw materials, non-edible	12 944.1	13 615.0
21	Hides and skins	189.3	124.2
22	Oil seeds, oil products	629.3	553.2
23	Raw rubber, synthetic	106.1	97.0
24	Lumber, cork	1 766.6	1 764.7
25	Pulp and	457.1	374.4
26	Textile fibres	148.9	145.3
27	Raw fertilizer	1 114.1	1 084.9
28	Metals	7 896.0	8 813.5
29	Crude animal and vegetable materials	636.7	657.9
3	Fuels	6 368.9	7 516.4
32	Coal, coke	987.3	958.6
33	Petroleum, petr. products.	4 801.9	5 891.0
34	Gas 542.7 626.5		
35	Electricity	37.0	40.2
4	Oils and fats	333.9	266.5
41	Animal fats and oils	223.9	146.8
42	Plant oils and fats	77.0	76.7
43	Processed oils and fats	33.0	43.1
5	Chemical products	13 233.7	13 908.1
51	Organic chemical products.	1 836.1	1 825.6
52	Inorganic chemical products.	1 571.9	1 248.0
53	Dyeing, tanning and colouring materials	1 117.4	1 225.1

(cont'd)

Norwegian imports of traditional goods (SITC) (cont'd)
(Million NOK)

	1989	1990	
54	Medicinal and pharmaceutical products	1 975.3	2 274.6
55	Essential oils and perfumes	1 251.4	1 564.0
56	Fertilizers, manufactured	584.4	612.1
57	Plastics in primary forms	1 864.8	1 952.0
58	Plastics, in non-primary forms	1 299.5	1 389.0
59	Chemical products	1 732.9	1 817.5
6	Manufactured goods	26 858.8	28 141.7
61	Leather, leather manuf.	234.0	240.5
62	Rubber manufactures	1 359.6	1 510.5
63	Cork and wood products	1 194.7	1 217.4
64	Paper, paperboard, products	3 961.2	4 335.2
65	Textiles	3 276.2	3 460.0
66	Non-metal products	2 379.3	2 355.5
67	Iron and steel	5 956.1	6 757.7
68	Metals excl. iron and steel	3 452.3	2 716.5
69	Metal products	5 045.3	5 548.3
7	Machines and transport equipment	44 047.1	53 525.7
71	Power generating machinery and equipment	2 570.8	2 762.0
72	Specialized machinery	5 696.6	6 245.3
73	Metal working machinery	632.7	761.5
74	Industrial machinery	6 922.1	8 313.3
75	Office machinery	6 196.2	6 535.6
76	Telecommunications and sound recording equipment	3 518.1	3 585.5
77	Electrical machinery	7 382.1	8 131.2
78	Motor vehicles	7 227.3	9 571.0
79	Other transport equipment	3 901.2	7 620.3
8	Finished products	24 575.8	26 489.1
81	Prefabricated buildings	985.6	1 005.6
82	Furniture and parts	2 839.8	3 015.4
83	Travel goods, handbags etc.	315.7	386.5
84	Clothes and accessories	7 086.3	7 690.0
85	Footwear	1 411.9	1 544.1
87	Professional, scientific and controlling instruments	2 678.1	2 819.8
88	Photographic and optic articles	1 403.0	1 448.4
89	Other finished goods	7 855.6	8 579.2
9	Other goods	92.8	225.4
Total imports of traditional goods		137 627.1	152 761.2

Norwegian exports of traditional goods (SITC)
(Million NOK)

		1989	1990
0	Food, live animals	12 093.8	14 213.6
00	Live animals	10.7	10.2
01	Meat and meat products	76.2	99.8
02	Dairy products and eggs	539.9	606.2
03	Fish and fish products	10 500.2	12 597.7
04	Grains and grain products	126.6	137.3
05	Fruits and vegetables	49.7	62.6
06	Sugar, honey	60.6	56.3
07	Coffee, tea, spices	95.2	110.2
08	Feeds	485.7	391.4
09	Other food	148.9	141.9
1	Drinks and tobacco	117.4	141.2
11	Drinks	51.0	64.9
12	Tobacco and tobacco prodcts.	66.4	76.3
2	Raw materials, non-edible	7 878.4	7 397.1
21	Hides and skins	695.9	441.8
22	Oil seeds, oil products	1.6	0.6
23	Raw rubber, synthetic	3.2	2.9
24	Lumber, cork	1 352.8	1 365.7
25	Pulp and	2 970.7	2 489.9
26	Textile fibres	70.2	49.2
27	Raw fertilizer	1 059.2	1 363.9
28	Metals	1 622.9	1 608.1
29	Crude animal and vegetable materials	101.7	75.0
3	Fuels	6 425.3	12 511.3
32	Coal, coke	108.0	145.4
33	Petroleum, petr. prodcts.	4 620.7	10 057.9
34	Gas	820.8	1 318.4
35	Electricity	875.8	989.6
4	Oils and fats	423.3	341.4
41	Animal fats and oils	129.6	111.8
42	Plant oils and fats	24.2	14.0
43	Processed oils and fats	269.6	215.6
5	Chemical products	13 281.9	14 032.2
51	Organic chemical prodcts.	2 066.0	2 361.8
52	Inorganic chemical prodcts.	2 213.1	2 044.2
53	Dyeing, tanning and colouring materials	740.2	709.6
54	Medicinal and pharmaceutical products	716.2	837.5
55	Essential oils and perfumes	331.7	381.4
56	Fertilizers, manufactured	2 271.1	2 393.7
57	Plastics in primary forms	3 277.8	3 504.5

(cont'd)

Norwegian exports of traditional goods (SITC) (cont'd)

	1989	1990	
58	Plastics, in non-primary forms	637.0	711.5
59	Chemical products	1 028.9	1 088.0
6	Manufactured goods	42 205.2	37 999.9
61	Leather, leather manuf.	158.3	176.3
62	Rubber manufactures	473.6	502.7
63	Cork and wood products	828.1	1 091.2
64	Paper, paperboard, products	6 623.6	6 721.4
65	Textiles	895.8	1 012.4
66	Non-metal products	1 052.5	1 284.1
67	Iron and steel	6 817.8	6 161.1
68	Metals excl. iron and steel	22 887.1	18 449.1
69	Metal products	2 468.4	2 601.5
7	Machines and transport equipment	18 618.2	19 000.2
71	Power generating machinery and equipment	1 299.0	1 458.0
72	Specialized machinery	3 299.4	3 101.8
73	Metal working machinery	162.8	210.3
74	Industrial machinery	2 983.4	3 367.1
75	Office machinery	2 139.2	2 176.1
76	Telecommunications and sound recording equipment	1 754.7	1 831.0
77	Electrical machinery	2 896.8	2 719.3
78	Motor vehicles	2 321.1	2 280.9
79	Other transport equipment	1 261.9	1 855.7
8	Finished products	6 075.0	6 835.8
81	Prefabricated buildings	734.1	1 103.6
82	Furniture and parts	957.6	1 044.9
83	Travel goods, handbags etc.	17.0	19.2
84	Clothes and accessories	407.1	402.0
85	Footwear	71.4	85.2
87	Professional, scientific and controlling instruments	1 281.7	1 472.1
88	Photographic and optic articles	100.2	105.7
89	Other finished goods	2 505.9	2 603.2
9	Other goods	63.9	78.6
Total exports of traditional goods		107 182.4	112 551.3

Commodity Agreements

Norway is a member of the following agreements:

The International Coffee Agreement
The International Wheat Agreement
The International Cocoa Agreement
The International Cotton Advisory Committee
The International Natural Rubber Agreement
The International Wool Study Group
The International Jute Agreement
The International Tropical Timber Agreement
The International Nickel Study Group
The International Lead and Zinc Study Group
The Common Fund for Commodities.

and participates as an observer in the International Olive Oil Council.

Bilateral restraint agreements on textiles

Norway has MFA agreements (or MFA-type) agreements with the following 19 countries:

Philippines
Hong Kong
India
Indonesia
Yugoslavia
China
Macao
Malaysia
Malta
North Korea
Pakistan
Poland
Romania
Singapore
Sri Lanka
The Republic of Korea
Thailand
Czechoslovakia
Hungary

Industrial products subject to import licensing

Harmonized System category

	61.03	Mens' or boys' suits, ensembles, jackets etc.
	61.04	Women's or girls' suits, ensembles, jackets, dresses etc.
	61.05	Mens' and boys' shirts
	61.06	Womens' or girls' blouses, shirts and shirt-blouses
	61.07	Men's or boys' undergarments, nightwear,...
	61.08	Womens' or girls' undergarments, nightwear,...
	61.09	T-shirts, singlets and other vests...
	61.10	Jerseys, pullovers, cardigans etc.
ex	61.12	Track suits, ski suits and swimwear, knitted or crocheted
ex	61.15	Panty hose, tights, stockings, socks etc.
	62.01	Men's or boys' overcoats, car coats, capes, etc.
	62.02	Women's or girls' overcoats, carcoats etc.
ex	62.03	Men's or boys' suits, ensembles, jackets etc.
ex	62.04	Women's or girls' suits, ensembles etc.
	62.05	Men's or boys' shirts
	62.06	Women's or girls' blouses, shirts and shirt-blouses
ex	62.10	Garments impregnated or coated with rubber, plastics or the like
ex	62.11	Track suits, ski suits etc.
ex	63.02	Bed linen

Additional products subject to import licensing when originating in China, Mongolia, North Korea, Vietnam, Albania, Bulgaria, Poland, Romania, USSR, Czechoslovakia, Hungary and Taiwan

ex 63.07 Cleaning cloths

Additional products subject to import licensing when originating in Taiwan

56.07 Twine, cordage, rope and cables

56.08 Knotted netting of twine, cordage or rope

Chapter 64. Footwear

Agricultural products subject to import licensing

- A. Live horses, bovine animals, swine, sheep, goats, fowl and reindeer
- B. Meat and edible offal from horses, bovine animals, swine, sheep and other domestic animals.
- C. Meat and edible offal from poultry
- D. Meat and edible offal from reindeer, deer, elk and other wildlife.
- E. Meat and edible offal products, including preserved meat, meat extracts or meat essences.
- F. Bacon and lard
- G. Milk and cream (fresh, preserved, concentrated or sweetened)
- H. Eggs and egg yolks
- I. Natural honey
- J. Potatoes
- K. Vegetables, fresh or chilled:
 - 1. Cucumbers
 - a. Snake cucumbers from 10.3 to 31.10
 - b. Other cucumbers
 - 2. Beans
 - 3. Peas
 - 4. Carrots
 - 5. Cabbage
 - a. White cabbage, red cabbage and conical cabbages from 1.10 to 31.7
 - b. Cauliflower 1.6 to 14.10
 - c. Brussels sprouts 21.9 to 30.5
 - d. Other cabbage
 - 6. Jerusalem artichokes
 - 7. Onions and shallots
 - 8. Swedish turnips
 - 9. Pastinakk
 - 10. Horse-radish
 - 11. Parsley, curled parsley and turnip-rooted parsley
 - 12. Leeks

13. Radishes
 14. Beetroot
 15. Lettuce
 - a. Cabbage lettuce from 1.3 to 20.11
 - b. other lettuce
 16. Celery, turnip rooter and stalk celery
 17. Scorzonera
 18. Spinach 1.5 to 30.9
 19. Tomatoes 10.5 to 14.10
- L. Fruit and berries, fresh:
1. Apples 1.5 to 30.11
 2. Pears 11.8 to 30.11
 3. Plums 21.8 to 10.10
 4. Cherries, including morello cherries
 5. Black currants
 6. Raspberries
 7. Gooseberries
 8. Red currants
 9. Cultivated strawberries 9.6 to 31.3
- M. Preserved potatoes, vegetables, fruit and berries, preserved turnips, blueberries, blackberries, cowberries and cloudberry, except for frozen cloudberry in packages of 1 kg or less.
- N. Plants and parts of plants, live excluding the following:
- Tubers and tuberous roots, dormant
 - Crowns and rhizomes
 - Rhododendrons
 - Dracaenas
 - Camellias
 - Araucarias
 - Laurels
 - Magnolias
 - Palms
 - Aucubas
 - Box
 - Holly
 - Hammamelis
 - Kalmias
 - Pieris
 - Pyracantha
 - Stranvaesia
 - Roots and slips
 - Ornamental plants in the period 15.12 to 30.4
- Cut fresh flowers excluded from import licensing:

with earth or other
growth medium

Lilacs, mimosas, genista, orchids, anemones and ranunculus

Roses from 1.11 to 31.3

Carnations from 1.11 to 15.5

Freesias from 1.12 to 31.3

Chrysanthemums:

a. Daisies from 1.11 to 30.4

b. others from 15.12 to 15.3

Other cut flowers:

Dried, coloured, bleached, dyed, impregnated or otherwise prepared
Foliage, branches and other parts of plants, other than maidenhead
ferns and asparagus-ferns, from 1.6 to 31.10.

- O. Flour, meals and flakes of potato, flour and meal of sago, manioc, arrowroot and salep, and potato starch, gluten and gluten flour
- P. Glucose and glucose syrup
- Q. Coarse fodder

Norwegian self-sufficiency ratios in agricultural production¹¹
(Per cent)

	1980	1985	1987
Wheat	17	42	52
Barley	97	90	68
Oats	101	94	114
Rye	7	8	3
Potatoes	97	95	86
Vegetables ¹²	94	93	91
Butter	96	139	137
Cheese	137	133	134
Skimmed milk powder	100	100	100
Beef and veal	88	103	100
Pigmeat	94	111	100
Sheepmeat	83	96	96
Poultrymeat	92	92	92
Eggs	98	104	99

Note: Self-sufficiency is domestic production expressed as a percentage of indigenous utilisation.

Source: OECD: "National Policies and Agricultural Trade - Country Study Norway", Paris 1990.

¹¹Covers only those products where there is domestic production. Sugar and rice, for example, are excluded.

¹²Excluding tomatoes.

International standardization schemes and conventions which Norway participates in:

The Pressure Vessels Scheme

The Gas Appliances Scheme

The Agricultural Machines and Tractors Scheme

The Liquid Fuel Heating Equipment Scheme

The Lifting Appliances Scheme

The Ships Equipment Scheme

The Pharmaceutical Evaluation Reports Scheme

The Convention on Pharmaceutical Inspection

The Hallmarking Convention

The EFTA Agreement on Mutual Recognition of Tests and Proofs of Conformity

Bilateral Trade Arrangements

ASIA

India

Memorandum of understanding on economic, industrial and technological cooperation (1987)

Malaysia

Agreement on economic and technical cooperation (1982)

The Republic of Korea

Agreement on economic and technical cooperation (1982)

Singapore

Agreement on economic, industrial and technical-scientific cooperation (1980)

Thailand

Agreement on economic, maritime, industrial and technical cooperation and trade (1985)

LATIN AMERICA

Brazil

Agreement on trade, economic, industrial and technical cooperation (1978)

Ecuador

Memorandum of understanding on trade and economic, maritime, industrial and technical-scientific cooperation (1987)

Guyana

Memorandum of understanding (1981)

Jamaica

Agreement on trade, economic, industrial and technical cooperation (1977)

Mexico

Establishment of an Intergovernmental Joint Commission for economic cooperation (1976)

Trinidad and Tobago

Memorandum of understanding

MIDDLE EAST AND NORTH AFRICA

Egypt

Agreement on trade, economic, industrial and technical cooperation (1978)

Iran

Establishment of a Ministerial Commission for economic and technical cooperation (1976)

Iraq

Agreement on trade, economic, industrial and technical cooperation (1979)

Israel

Agreement on trade and payments (1961)

Turkey

Agreement on trade, economic, industrial and technical cooperation (1978)

CENTRAL AND EASTERN EUROPE

USSR

Long-term trade agreement (1971) extended in 1990 to 1995

Agreement on economic, industrial and technical-scientific cooperation (1972)

Long-term program for extending economic and industrial cooperation (1974)

Agreement on maritime cooperation (1974)

Agreement on dual taxation (1982)

Agreement on investment protection (under negotiation)

Agreement on export credits (under negotiation)

Czechoslovakia

Long-term trade agreement (1973, renegotiated in 1985)

Agreement on economic, industrial and technical-scientific cooperation (1980)

MFA-based textile agreement (1987)

Agreement on export financing (1972)

Agreement on dual taxation (1979)

Poland

Agreement on economic, industrial and technical-scientific cooperation (1972)

Long-term trade agreement (1981)

Agreement on investment protection (1990)

Agreement on dual taxation

Agreement on export credits (under negotiation)

Hungary

Agreement on economic, industrial and technical cooperation (1970)

Long-term trade agreement (1984)

Bilateral textile agreement (1987) (renewed 1991)

Agreement on export credits (1973)

Agreement on investment protection

Agreement on dual taxation

Yugoslavia

Agreement on trade (1953)

Agreement on payments (1959)

Agreement on economic, industrial and technical-scientific cooperation (1968)

Agreement on dual taxation (1961)

Bilateral textiles agreement (1988, renewed 1990)

Agreement on investment protection (under negotiation)

Agreement on export credits (1972)

Romania

Long-term trade agreement (1970, renewed in 1981 until 1986, will be automatically extended one year at a time)

Agreement on economic, industrial and technical-scientific cooperation (1981, renewed 1991)

Bilateral textile agreement (1989)

Agreement on investment protection (under negotiation)

Agreement on dual taxation

Bulgaria

Agreement on economic, industrial and technical cooperation (1972)

Long-term trade agreement (1974)

Agreement on tourism (1981)

Agreement on maritime transport (1982)

Agreement on export credits (1986) not renewed in 1989

Agreement on dual taxation (1988)

Agreement on investment protection (under negotiation)