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## Regional and Bilateral Initiatives

### Canada - European Free Trade Association (EFTA)

#### Free Trade Agreement Negotiations

On June 7, 2007, Canada and the EFTA countries announced the conclusion of free trade agreement negotiations (See the June 7, 2007 [News Release and Backgrounders](#)). For more information, see [Canada-EFTA Fast Facts](#).

[Background](#)[Contact Point](#)[Other Interesting Links](#)

The purpose of Canada's free trade agenda is to enhance its economic prosperity and provide the foundation for sustainable economic, social and cultural development. To remain internationally competitive, Canada must ensure that its exporters and investors have competitive terms of access to international markets. A free trade agreement (FTA) with the EFTA countries (Iceland, Norway, Switzerland and Liechtenstein) would further stimulate interest in doing business with Canada.

As Canada's first trans-Atlantic free trade agreement, an FTA with the EFTA countries will provide a strategic platform for expanding commercial ties with these countries in particular, and the European Union in general. It will offer advantages in key European markets ahead of competitors such as the United States, and will put Canada on an equal footing with competitors - such as Mexico, Chile, Korea and the European Union (EU) - who already have FTAs with EFTA.

The EFTA countries are developed, modern economies that offer significant potential markets for competitive Canadian exporters. If the combined EFTA nations were treated as one, this group would place as Canada's 8th largest merchandise export destination. Norway and Switzerland are ranked as Canada's 13th and 19th most important trading partners in terms of merchandise exports.

#### Background

Negotiations were launched in October 1998. Several negotiating sessions were held over two years. In 2000, negotiations were well-advanced, but negotiators were unable to find a way to bridge differences on the remaining sensitive issues, including access to Canada's market for ships. In the context of efforts by the government to conclude ongoing FTA negotiations, Canadian and EFTA officials re-engaged in 2006 and concluded negotiations in 2007.

The Government of Canada announced the launch of negotiations with the EFTA countries (Iceland, Norway, Switzerland and Liechtenstein) on October 9, 1998 (See the October 9, 1998 [News Release](#).) following extensive consultations to gauge Canadians' interests and sensitivities. A free trade agreement with EFTA was supported by a broad cross-section of

Canadian stakeholders.

The Canada-EFTA FTA is expected to be a “first-generation” agreement with an emphasis on tariff elimination. It is not expected to include substantial new obligations in areas such as services, investment, and intellectual property.

The EFTA countries are significant economic partners for Canada. In 2006, two-way merchandise trade was valued at \$10.7 billion (Canadian exports: \$3.1 billion; imports: \$7.6 billion). In addition, two-way investment stocks were roughly \$22.3 billion in 2005 (Canadian Direct Investment stocks in Switzerland, Norway, and Iceland: \$7.4 billion; Foreign Direct Investment into Canada from Switzerland, Liechtenstein and Norway: \$14.9 billion).

### Contact Point

If you have questions or comments about this initiative we would like to hear from you. Please contact Foreign Affairs and International Trade Canada at:

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### Other Interesting Links

- ✉ [CanadaEuropa](#)
- ✉ [European Free Trade Association](#)

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