

## 'The very, very large market' from L'Express (31 October 1991)

**Caption:** On 31 October 1991, the French weekly magazine L'Express looks into the implications of the agreement signed the previous week by the Twelve and the seven members of the European Free Trade Association (EFTA) with a view to establishing a European Economic Area (EEA).

**Source:** Les Cahiers de l'Express. 1985-1995: 10 ans d'Europe. De l'Acte unique à l'Union des Quinze: la décennie Delors. dir. de publ. SAMPERMANS, Françoise. Février 1995, n° 31. Paris: Groupe Express. "Le très très grand marché", auteur:Louyot, Alain , p. 56.

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## The very, very large market

**The seven members of the European Free Trade Association (EFTA) are drawing closer to the twelve in the Community. The creation of the European Economic Area (EEA), which accounts for nearly 40 % of world trade, is one stage on the road towards membership.**

It is a sign of the times. The European Economic Area (EEA) has barely issued its birth certificate, and already it looks obsolete to many of those who were among the most keen to witness its arrival. It was originally conceived as an alternative to EEC membership, but now this non-political reception centre for members of the European Free Trade Association (EFTA) is regarded by most of them as merely a stage on the road towards the Community.

Yet the agreement reached last week between the Twelve and the EFTA Seven (Austria, Switzerland, Finland, Norway, Iceland, Sweden and Liechtenstein) was far from being a consolation prize. As a result of this agreement, the external boundaries of the single European market have now been pushed back in a spectacular way to the Arctic Circle, and as of January 1993 it can claim to have a total population of 380 million and to account for 40 % of global trade! A further trump card is that the seven new arrivals are among the wealthiest nations in Western Europe.

It was in January 1989 that Jacques Delors put forward the idea of enhancing the links between EFTA members and the EEC by going beyond their bilateral free-trade agreements. Set up more than thirty years earlier as a response to the EEC, EFTA originally included Great Britain and Denmark, who were fiercely hostile to the political dimension of the Community. But little by little EFTA shrank with the successive departure of the British, Danes and Portuguese, who could not resist the call of the Common Market. Now, as of 1 January 1993, following almost two years of bitter negotiations, the two major trade blocs, the EEC and EFTA, will allow the free movement of persons, capital, goods and services. For this to happen, almost 1 500 rules and regulations currently in effect in the seven EFTA member countries will have to be amended. With respect to transport, for example, talks were stalled until the eleventh hour over whether heavy goods vehicles from one of the EEC countries should be allowed to use the Swiss and Austrian motorway network without such a concession jeopardising local rules that are particularly strict as far as pollution is concerned.

Coming within a context of economic globalisation, the announcement of the forthcoming creation of the European Economic Area was welcomed in international business circles. American and Japanese business leaders hope that this new large European market 'will be a magnet for foreign capital'. Others, looking even further ahead, can foresee a day when the EEA will expand so as to encompass all the countries of Eastern and Central Europe ...

Although the signatories to the EEC-EFTA Treaty ascribe the success of the talks to a 'strong political will', there should be no illusions. There is no question of the newcomers becoming fully-fledged members of the EEC, which is in the process of becoming a political union. They will, of course, be consulted during the recasting of the Treaty of Rome, but they will not be allowed to oppose decisions taken by the Twelve, even those relating to economic policy. Hence the concern of certain countries, such as Austria, Switzerland or Sweden, to make it clear, on the very day that the Treaty was signed, that they see the EEA as a mere first step towards eventual accession.

For them, the EEA constitutes a sort of purgatory that will allow them to adjust their economies in the hope that one day they will be allowed to enter the Twelve's paradise.

Alain Louyot