

weakness in the earlier period. It seems likely (though this would need to be confirmed by checking the trade figures) that the competition in these sectors was coming mainly from the NICs rather than the EEC. A hypothesis which might be tested is that the development of North Sea Oil, through its effect on wage rates and allocation of resources, aggravated the problems of industries which were already having some difficulty surviving.

AUSTRIA

- While the Austrian situation has not been looked at in detail, the following gives some indication of the country's economic performance since it concluded a free trade agreement with the EEC.

- Austria's real GDP increased at an average of 2.9 per cent from 1973 to 1979 and 1.5 per cent from 1979 to 1983. In both periods was significantly better than the EEC's performance.

- Real value added in manufacturing grew at a considerably faster rate in Austria than in the EEC over the decade beginning in 1973. Also, Austria performed better in manufacturing productivity (as measured by the increase in real value added in manufacturing per person employed).

In order to establish what, if any, connection there is between these developments and the removal of trade barriers between Austria and the EEC, a thorough study of the trade figures and of structural changes in Austrian industry would need to be carried out.

STATISTICS

Selection of years for statistical comparisons in this study has been governed to a considerable extent by availability of data and time constraints. In some cases it may be open to criticism on such grounds as the unrepresentative nature of one of the years chosen (because of substantial year to year fluctuations) or the fact that one of the years reflected a different phase of the business cycle than the other. However such problems are not likely to have had a significant effect on the general conclusions reached.

SOURCES