



EUROPEAN UNION & AUSTRALIA

Key Facts





Message from the Ambassador

2014 is an important year for EU-Australia relations. There will be an unprecedented stream of high level visitors from the EU institutions that will help to advance cooperation in key areas such as foreign and security policy, economic relations and cooperation on science and technology etc. The G20 Summit in Brisbane in November will also bring European Union leaders to Australia.

Australia's seat on the United Nations' Security Council will mean greater engagement with the EU on global issues such as non-proliferation, counter-terrorism, maritime security and counter piracy, and will bring the EU and Australia together on the world stage, dealing with issues both in Australia's neighbourhood and in the wider world.

This year also marks the 100th anniversary of WWI with a number of significant commemorations over this and the coming few years in which the EU and EU Member States will participate.

Hereunder you will find some Key Facts about the EU and its relations with Australia. I trust you will find this useful.

Sem Fabrizi
Ambassador and Head of the EU Delegation to Australia

About the EU



The EU Comprises 28 Member States:

Belgium, France, Germany, Italy, Luxembourg and the Netherlands (founding members – 1957); Denmark, Ireland and the United Kingdom (1973); Greece (1981); Portugal and Spain (1986); Austria, Finland and Sweden (1995); Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia (2004); Bulgaria and Romania (2007); and Croatia (2013).

Demographics and geography

507
50.2
1/2
24
9/5

As of January 2013 the population of the European Union was around 507 million.

In 2012 there were 50.2 million foreign-born people living in the EU Member States (10 per cent of the total population), with 17.2 million born in another EU Member State and 33.0 million born in a country outside the EU.

The area of the EU is just over half that of Australia (or slightly larger than the area of Western Australia and the Northern Territory combined), yet the coastline length of the EU exceeds Australia's.

The EU has 24 official languages.

*The EU's birthday
is celebrated
each year
on 9 May*

*marking the famous declaration
of then French FM Robert Schuman in 1950.*





The Euro

Eighteen of the EU's Member States are part of the euro area: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia (which joined on 1 January 2014), Luxembourg, Malta, the Netherlands, Portugal, the Slovak Republic, Slovenia and Spain.

The euro area represents the second-largest financial market after the USA.

The euro area is important to Australia:

- Approximately 35 per cent of the Reserve Bank of Australia's international reserves are held in euro (behind only the US dollar's 55 per cent benchmark allocation).
- Reflecting two-way trade, the euro is ranked third on the Reserve Bank of Australia's Trade-Weighted Index, behind the Chinese renminbi and Japanese yen.

Enlargement

More countries may accede to the European Union. Accession negotiations are in progress with Iceland, Montenegro, Serbia and Turkey. Other countries of the Western Balkans are also working towards the goal of EU membership.

The Lisbon Treaty

The Treaty of Lisbon is the basic legal document of the European Union. It was signed by the EU Member States in December 2007 and came into force on 1 December 2009. Compared to earlier treaties, the Treaty of Lisbon provides for more efficiency in the EU's decision-making process; more democracy through a greater role for the European Parliament and national parliaments; and increased coherence externally.

EU Priorities

Peace and Stability

The EU today faces major challenges and responsibilities. This requires a strong EU, able to protect its interests and to promote its core values of human dignity, freedom, democracy, equality, the rule of law and respect for human rights. The Nobel Peace Prize awarded to the EU in 2012 is a great recognition of decades of efforts in these areas.

Freedom and Security

EU countries are working together to tackle international terrorism and organised crime, particularly through measures targeting the trafficking of drugs, illicit firearms and human beings, and the sexual exploitation of children.

The Single Market

The EU Single Market is an economic space within which people, goods, services and capital move around Europe as freely as within one country. The large part of the Single Market was completed in 1993, with remaining isolated gaps being progressively abolished.



Growth and competitiveness

The EU's strategy for a smart, sustainable and inclusive economy has been revitalised with the on-going implementation of its economic reform package, *Europe 2020*. This is helping Europe to recover from the global financial crisis and emerge stronger, by boosting competitiveness, productivity, growth potential, social cohesion and economic convergence. In parallel, the EU is also reforming its financial and economic architecture to ensure a better functioning of the Economic and Monetary Union.



To reinforce Europe's underlying competitiveness and enable the European economy to take advantage of the opportunities of globalisation, the EU remains focused on investing in people, innovation and research, infrastructure and energy, and creating the right climate for firms to reach new markets and create new jobs

Environment

Addressing environmental challenges is a key priority for the EU. For example, the Natura 2000 network of protected areas now covers almost one-fifth of the EU's land area and more than 217,000 km² (approximately 4 per cent) of its seas. The EU continues to enact stringent environmental standards and to set itself ambitious goals in areas such as air quality and industrial chemicals. Regarding climate change, the EU not only has existing binding emissions reduction and renewable energy targets for 2020, but we are already working on our targets for 2030. Furthermore, the EU is addressing climate change through a suite of broad-based and more targeted policies, ranging from a comprehensive emissions trading scheme, to vehicle emissions standards and energy efficiency labelling for appliances.



Education

The EU promotes education and training for all citizens. It encourages, inter alia, lifelong learning, student mobility across borders, and multilingualism. Under its recently launched Erasmus+ programme, the EU promotes European higher education to third countries and seeks partnerships with non-EU institutions as well as providing scholarships for students and academics to study in Europe.



Creativity and Innovation

The *Europe 2020* strategy for smart, sustainable and inclusive growth places knowledge and innovation among its main priorities. Promoting investment in research and innovation is essential to facilitate a sustainable economic recovery and smart growth. As part of the *Europe 2020* strategy, a review of EU Innovation policy recommends that we explore the feasibility of proposing a European Innovation Act. This will encompass all the conditions necessary for sustainable development which would form an integral and crucial part of the future European reform agenda.



The EU in the World

The EU as a security provider

Over the recent years the EU has increasingly acted as security provider in its neighborhood and beyond on the basis of its Common Security and Defence policy. It has deployed 23 EU military or civilian crisis management missions to address security challenges. The EU is for example leading a successful naval counter piracy operation (EUNAVFOR ATALANTA) off the coast of Somalia.

The EU's High Representative Baroness Catherine Ashton leads the international negotiations with Iran (E3+3) regarding the nuclear program. The EU is part of the so called Middle East Quartet (with the US, Russia and the UN) which seeks to advance the Middle East Peace Process and is a key contributor to peace efforts in Africa.



The EU as a global economic player

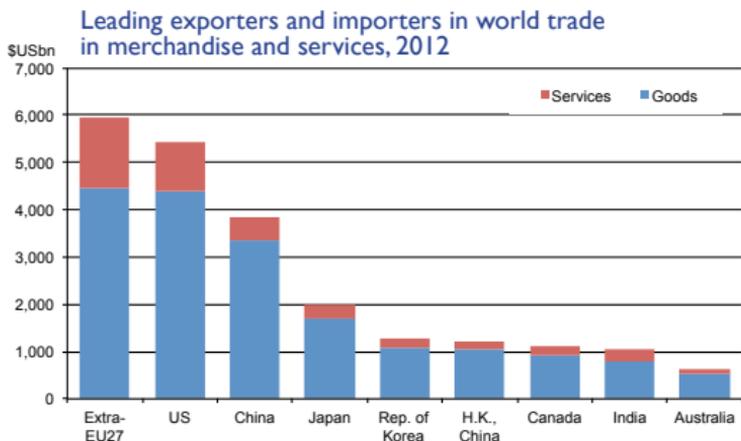
The EU works within the international community to remove trade barriers, develop poorer regions and promote peaceful cooperation within its frontiers, helping to bring everyone the benefits of open markets, economic growth and stability.

The EU is the world's biggest trader and its currency, the euro, comes second only to the US dollar in international financial markets.

In 2012, the EU economy was the largest in the world, accounting for almost one-quarter of global gross domestic product (GDP) at current prices, exceeding the combined GDP of China, Japan, and the Republic of Korea

The EU is the world's largest trader of merchandise goods. In 2012, (latest figures available) extra-EU two-way merchandise trade reached \$US4.5 trillion, representing 15 per cent of global merchandise trade.

The EU is the world's biggest exporter and importer of services, with two-way trade valued at \$US1.5 trillion in 2012, accounting for 22.5 per cent of global services trade.



Based on
World Trade
Organization
data



Development Assistance

55% of global Overseas Development Assistance comes from the EU making it the largest donor in the world. The EU is also the 2nd largest donor in the Pacific next to Australia, collectively the world's largest provider of Aid for Trade (€9.5 billion in 2011); and the largest importer of agricultural products from least-developed countries (€3.7 billion in 2012).



The EU is:

a key actor in the G20 process, and in other international fora such as the WTO and the UN.

The EU and Australia

People-to-People links

The 2011 Australian Census found that more than one-third of the 5.3 million Australian residents born overseas were born in the European Union – some 1.9 million people.

Today, around half of the nearly one million Australians living and working abroad are in Europe and around 1.2 million Europeans visit Australia each year. In 2013, over 39,000 students from the EU's 28 Member States came to Australia to study. More than 1000 students take part in the EU-Australia bilateral mobility projects and more than 200 have taken part in Erasmus Mundus.

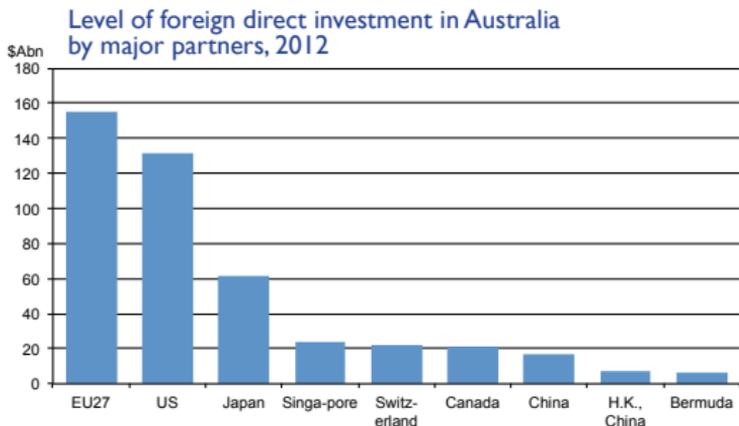


The EU's economic presence in Australia

The EU is Australia's leading investor with an accumulated investment of \$A647 billion at the end of 2012 – 31 per cent of total foreign investment in Australia.

A 2011 update of a survey on EU investment in Australia conducted by the Delegation of the European Union to Australia, in cooperation with EU Member State diplomatic missions, found that:

- there are nearly 2,400 EU companies with a presence in Australia, with a total estimated turnover of almost \$A270 billion or just over 14 per cent of total sales in Australia; and
- these companies directly created close to an estimated 500,000 jobs in Australia, and allowing for the flow-on (multiplier) effects, were responsible for generating more than 1.4 million jobs, directly and indirectly, or just over 12 per cent of the Australian workforce.



Based on
Australian
Bureau of
Statistics
data

Australia's economic presence in the EU

The EU is the second major destination for Australian foreign investment after the United States, reaching \$A392 billion at the end of 2012 - 30 per cent of total Australian investment abroad.

From an EU perspective, Australia is the EU's:

- 15th largest partner in two-way goods trade;
- 10th largest partner in two-way services trade, and
- 9th largest foreign direct investment partner.



EU – Australia Trade

In 2012, the EU was Australia's second-largest trading partner (in goods and services) after China, with total trade worth \$A82 billion.



The EU was Australia's third-largest merchandise trading partner after China and Japan, with two-way trade totalling \$A59.7 billion or 12 per cent of Australia's total trade in goods.

The EU was Australia's largest partner for trade in services in 2012, when two-way trade in services between the EU and Australia was worth \$A22 billion. This represents one-fifth of Australia's total trade in services.



\$A82 billion
\$A59.7 billion
12 per cent
\$A22 billion
one-fifth





Merchandise trade

Australian exports to the EU totalled \$A17.1 billion in 2012 (6.9 per cent of total exports), down 13 per cent on the previous year.

This makes the EU the fourth-largest market for Australian exports after China, Japan and the Republic of Korea.

In 2012, three of Australia's main export items to the EU were coal, gold and alcoholic beverages (mainly wine).

Viewed from an EU perspective, Australia was the EU's leading external supplier of rapeseed, lead, zinc ores and wool in 2012; the second-largest source of wine, titanium ores and sheep/goat meat; and the third-largest supplier of unwrought nickel.

The EU is Australia's second-largest source of imports after China, which were valued at \$A42.7 billion in 2012 (18 per cent of total imports), up 6 per cent on the previous year.

In 2012, Australia's main import items from the EU were medicaments (including veterinary), passenger motor vehicles and civil engineering equipment and parts.



Services trade

The EU is the largest market for Australian services exports, which totalled \$A8.4 billion in 2012 (17 per cent of total exports). Similarly, the EU is the largest source of services imports by Australia, worth \$A13.5 billion in 2012 (22 per cent of total imports). Services comprise more than a quarter of total two-way trade between the EU and Australia.

The main trade in services between the EU and Australia is in travel and transportation. In 2012, personal travel (excluding education) services was ranked Australia's largest export to the EU, followed by gold and coal, valued at \$A4.1 billion. Two-way trade in education-related travel services totalled \$A1 billion, placing the EU as Australia's third-largest trading partner in education-related services after China and India.



EU-Australia Cooperation

Political Relations

While EU - Australia diplomatic relations date back to 1962 when Australian Ambassador based at The Hague, Sir Edwin McCarthy, was accredited to Brussels, a Partnership Framework, signed in 2008, set out a new, enhanced and dynamic framework for cooperation. The Partnership Framework includes collaboration to strengthen dialogue and cooperation in shared foreign policy and security interests; promote trade and investment; enhance our bilateral cooperation in the Asia-Pacific region; seek opportunities to cooperate on the environment, energy security, fisheries and forestry; and to strengthen cooperation in science and technology, education and culture.

The Partnership Framework is a living document, regularly reviewed and enhanced in response to the changing global challenges and the political and economic climate. The two sides are in the process of negotiating a treaty-level framework agreement proposed in 2010 by then PM Julia Gillard. The aim is to further strengthen and deepen engagement between the EU and Australia consistent with both sides' like-mindedness on many issues.





Foreign and security policy

As world partners, the EU and Australia work together on foreign and security policy issues. Cooperation is particularly strong in the Asia-Pacific region in areas such as counter-terrorism, asylum, organised crime prevention, development and humanitarian aid. The EU and Australia conduct regular ministerial consultations, and talks between senior officials over the range of topics.

Trade and economics

The EU and Australia work closely in the WTO which offers the best opportunity for multilateral trade liberalisation, with the 2013 Bali WTO Ministerial Meeting giving new impetus to the Doha Round. On a bilateral basis, a new agreement on trade in wine came into force on 1 September 2010, considered to be a win-win for both parties. The EU and Australia also cooperate on global economic and financial issues through the G20 and bilaterally.

Environment

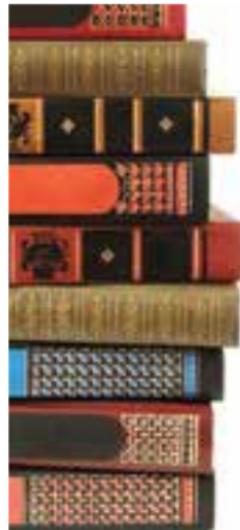
The EU and Australia cooperate across a wide variety of multilateral environmental agreements. Bilaterally, we hold high level dialogue dedicated to environmental issues. An emerging important area where Australia and the EU have been working in concert to address a global problem is in the scourge of illegal logging. Both the EU and Australia have new legislation prohibiting the importation of illegally logged timber into their respective markets.





Education

Since 2009, an EU-Australia Policy Dialogue on diverse education issues was established which continues on an annual basis alternately in Europe and in Australia. The EU and Australia also support annual short term mobility projects built around a common module as well as a Joint/Double degree program. The EU, together with a number of Australian universities, has created a network of Europe Centres in Australia to promote EU Studies, undertake research and encourage knowledge of the bilateral relationship.



Science and Technology

The EU is Australia's largest scientific partner. In 1999, Australia became the first non-European country to sign a Science and Technology Agreement with the European Union. In 2014 the EU launched Horizon 2020, the new €77bn research and innovation programme which runs for 7 years with a focus on societal challenges. Horizon 2020 provides abundant opportunities for new bilateral research and innovation cooperation for the benefit of society.



