

About the EU

THE EU CONSISTS OF 27 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, Slovakia and Slovenia (2004), Bulgaria and Romania (2007).



DEMOGRAPHICS AND GEOGRAPHY

The population of the European Union is about 500 million.

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.

The EU has 23 official languages.

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

THE EURO

Seventeen of the EU's Member States are part of the euro area: Austria, Belgium, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Slovenia, Malta, Cyprus and Slovakia.

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

The euro area is important to Australia:

Approximately 45% of the Reserve Bank of Australia's international reserves are held in euro (the same proportion as for the US dollar).

It is very important for two-way trade, with the euro now ranked third on the Reserve Bank of Australia's Trade-Weighted Index, behind the Chinese renminbi and Japanese yen.



NEW REFORM TREATY

The new Reform Treaty (Treaty of Lisbon) was signed by the EU Member States in December 2007 and came into force on 1 December 2009. The Treaty 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.

ENLARGEMENT

The future may well see other countries accede to the European Union. Accession negotiations have started with Croatia, Iceland, the Former Yugoslav Republic of Macedonia and Turkey, and a number of Balkan nations are also working towards the goal of EU membership.

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 prosperity, democracy and human rights around the world.

FREEDOM AND SECURITY

The EU is a family of democratic countries with shared values such as democracy, freedom and social justice. EU countries are working together to tackle international terrorism and to prevent the cross-border trafficking of drugs and people.

THE SINGLE MARKET

The bulk of the single market was completed in 1993. With old barriers gone, people, goods, services and capital move around Europe as freely as within one country.

GROWTH AND COMPETITIVENESS

The EU's strategy for growth and jobs has been revitalised and complemented by the European Economic Recovery Plan agreed in December 2008 to address the financial and economic crisis.

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

ENVIRONMENT

Tackling environmental issues is a priority for the EU. For example, December 2008 saw the formal adoption of the historic climate change and energy package, whereby the EU is committed to reducing its greenhouse gas emissions 20% by 2020 from 1990, or 30% if a successful agreement is reached at the all-important UNFCCC conference in Copenhagen. The EU has enacted stringent environmental standards and ambitious goals in areas ranging from biodiversity conservation to industrial chemicals.

EDUCATION

The European Commission promotes education and training for all citizens. It encourages lifelong learning, student mobility across borders, multilingualism, and provides for technological education and training. Under its Erasmus Mundus programme, the EC 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 renewed strategy for growth and jobs puts innovation and entrepreneurship at the centre of the action. Prioritising investment in research and innovation is essential to enable sustainable economic recovery and growth. The Commission has recently produced a review of Community Innovation policy which recommends that we explore the feasibility of proposing a European Innovation Act encompassing all the conditions for sustainable development which would form an integral and crucial part of the future European reform agenda.

The EU in the World

The European Union is a key global player. It 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.

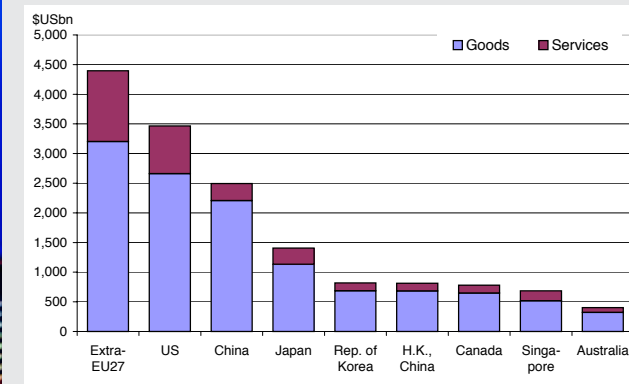
The EU is the world's biggest trader and its currency, the euro, comes second only to the US dollar in international financial markets.

In 2009, the EU economy was the largest in the world, accounting for roughly 28% of global gross domestic product (GDP) at current prices and 21% of world GDP in terms of purchasing power parity (PPP). On both measures, this exceeds the GDP of the next largest economy – the United States.

The EU is the world's largest two-way trader of merchandise goods, being both the largest exporter and importer, reaching \$US3.2 trillion in total (extra-EU) merchandise trade in 2009. This represents 17% of global merchandise trade.

The EU is also the world's biggest exporter and importer of services, with two-way trade valued at \$US1.2 trillion in 2009, accounting for 25% of global services trade.

Leading exporters and importers in world trade in merchandise and services, 2009



Development Assistance

The EU gives more aid to developing countries than any other donor. It works beyond its borders, playing a lead role in promoting peace and democracy and on international security issues such as terrorism and organised crime.

Global official development assistance (ODA) in 2009 was almost \$US120 billion, of which the EU provided more than \$US67 billion - approximately 56% of world development aid.

The EU is also:

- the world's largest donor of trade-related assistance (TRA);
- the largest trading partner with developing countries, and
- the largest importer of agricultural products from developing countries, at €53 billion per year on average (2006-08). This is more than the United States, Japan, Canada, Australia and New Zealand combined.

The EU and Australia

PEOPLE-TO-PEOPLE LINKS

The most recent Australian Census found that over 40% of the 5.1 million Australians born overseas were born in the European Union – more than 2.1 million people.

- Today, around half of the nearly one million Australians living and working abroad are in Europe and around 1.3 million Europeans visit Australia each year.

In 2009, over 34,000 students from the EU's 27 Member States came to Australia to study. Meanwhile, around 4,000 Australian students are studying in Europe, the main countries being the UK, France, Germany and the Netherlands. The European Commission and Australia are working towards increasing student mobility between the two regions through the flagship Erasmus Mundus project and a series of bilateral exchange programs.



THE EU'S ECONOMIC PRESENCE IN AUSTRALIA

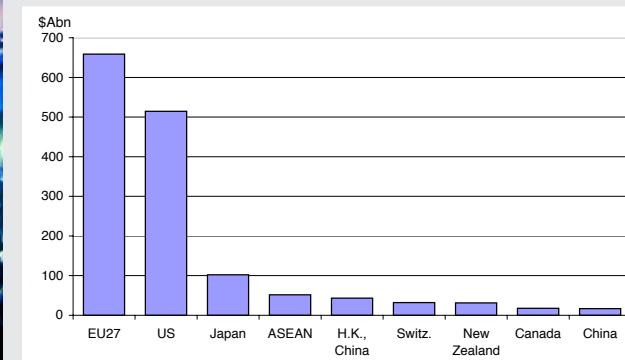
The EU has been Australia's largest economic partner for more than 25 years.

The EU is Australia's leading investor with an accumulated investment of \$A658 billion at the end of 2009 – 35% of all foreign investment in Australia.

A 2009 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% of total sales in Australia.
- 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 or just over 12% of the Australian workforce.

Level of total foreign investment in Australia by selected major partners, 2009



AUSTRALIA'S ECONOMIC PRESENCE IN THE EU

The EU is the second major destination for Australian foreign investment, reaching \$A346 billion at the end of 2009 - 31% of total Australian investment abroad.

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

- 6th largest partner in two-way goods trade;
- 10th largest partner in two-way services trade, and
- 7th largest source of foreign direct investment.

EU AUSTRALIA TRADE

In 2009, the EU was Australia's third-largest merchandise trading partner after China and the ASEAN economies with two-way trade totalling more than \$A56 billion or 14% of Australia's total two-way trade in goods.

The EU was Australia's largest partner for trade in services in 2009, when two-way trade in services between the EU and Australia was worth \$A20 billion. This is 19% of Australia's total trade in services.

Merchandise Trade

EXPORTS

Australian exports to the EU totalled \$A17.4 billion in 2009 (9% of total exports).

This makes the EU the fourth largest market for Australian exports after China, Japan and the ASEAN economies.

In 2009, three of Australia's largest export items to the EU were coal, alcoholic beverages (mainly wine) and medicaments.

Viewed from an EU perspective, Australia was the EU's leading external supplier of wine, nickel ores, lead ores, lead and wool in 2009; the second largest source of rapeseed and sheep meat, and the third largest supplier of coal, butter, nickel and breathing appliances.

IMPORTS

The EU is Australia's largest source of imports, which were valued at \$A39.5 billion in 2009 (20% of total imports).

In 2009, Australia's main import items from the EU were:

- Medicaments (including veterinary);
- Passenger motor vehicles, and
- Organo-inorganic compounds.



Services Trade

The EU is the largest market for Australian services exports, which totalled \$A8.6 billion in 2009 (16% of total exports). Similarly, the EU is the largest source of services imports by Australia, worth \$A11.7 billion in 2009 (22% of total imports). Services comprise more than one 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 2009, personal travel (excluding education) services were ranked Australia's third-largest export to the EU, after gold and coal.

EU-Australia Cooperation

POLITICAL RELATIONS

In 2008, the European Union - Australia Partnership Framework set out a new, enhanced and dynamic framework for future cooperation between the EU and Australia. Highlights of the Partnership Framework include collaboration to strengthen dialogue and cooperation in shared foreign policy and security interests; to promote trade interests; enhance our cooperation in relation to the Asia and the Pacific region; seek opportunities to cooperate on climate change, environment, energy security, fisheries and forestry; and to strengthen cooperation in science and technology, education and culture.

The Partnership Framework is a living document, being regularly reviewed and enhanced in response to the changing global challenges and the political and economic climate. During her visit to Brussels in October 2010 for Australia's inaugural attendance at the Asia-Europe Meeting, Australian Prime Minister Julia Gillard proposed to elevate the bilateral relationship by negotiating a treaty-level framework agreement, to further strengthen and deepen engagement with the EU, 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, and development and humanitarian aid.

TRADE AND ECONOMICS

A new agreement on trade in wine came into force on 1 September 2010 and is considered a win-win for both parties. The EU and Australia work closely in the WTO Doha negotiations which offer the best opportunity for multilateral trade liberalisation. Both parties also cooperate on global economic and financial issues through the G20.

ENVIRONMENT

Cooperation between the EU and Australia on the environment is strong, especially on global issues such as climate change. The Australian government and the EU are both committed to securing the best possible outcome for a post-2012 climate change agreement. The EU and Australia will continue to identify opportunities for cooperation in climate change, renewable energies, emissions trading, carbon capture and storage, fisheries, biodiversity conservation and more.

EDUCATION

In 2007, the European Commission and the Australian government signed a Declaration of Intent to strengthen cooperation in education and training. This resulted in the establishment of an annual EC-Australia Policy Dialogue on various education issues. The European Commission, together with a number of Australian universities, has created a network of centres of excellence throughout Australia to promote European integration studies, research and EU-Australia bilateral relations.

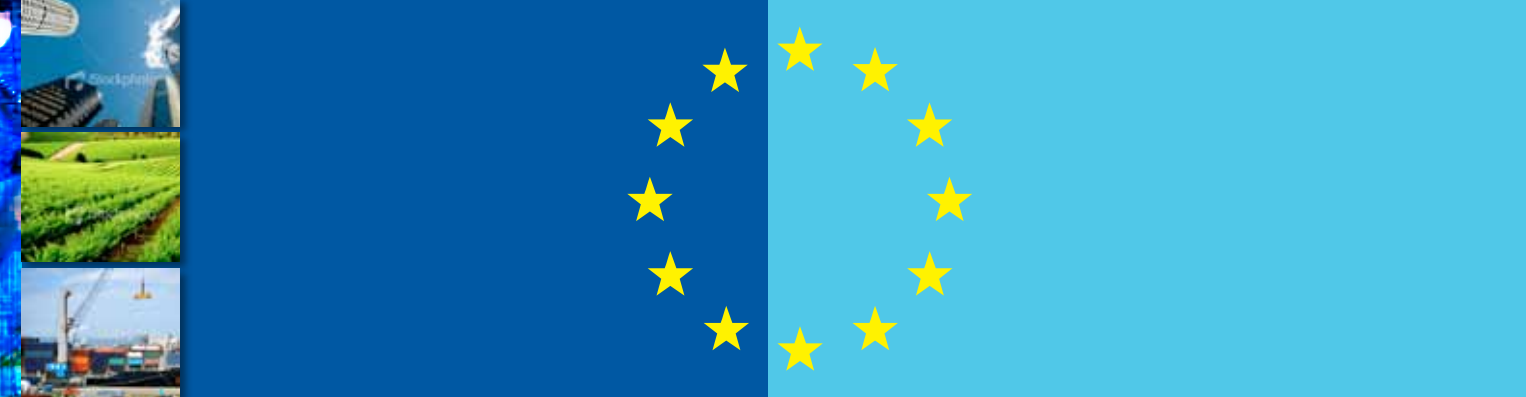
The centres comprise the ANU Centre for European Studies in Canberra, and the MEEUC at Monash University and the EU Centre at RMIT University, both in Melbourne. The European Commission and Australia also fund an annual call for bilateral mobility exchanges in higher education and Vocational Education and Training.



SCIENCE AND TECHNOLOGY

The EU is Australia's largest scientific partner. In 1999, Australia became the first non-European country to sign a Science & Technology Agreement with the European Union. Collaboration is enhanced through FEAST (Forum for European - Australian Science and Technology co-operation) established in 2002 with funding from the EU and Australia.

In 2009, the European Commission and Australia updated a Joint Roadmap with concrete objectives including collaboration on knowledge based bio-economy (KBBE) and joint calls on health. The European Commission and Australia also provide funding for the International Research Staff Exchange Scheme (IRSES) and the European Cooperation in the field of Scientific and Technical research (COST) program.



EUROPEAN UNION & AUSTRALIA

January 2011 Key Facts



Delegation of the European Union
18 Arkana Street
Yarralumla ACT 2600

Telephone: + 61 2 6271 2777

Email: delegation-australia@ec.europa.eu

www.delau.ec.europa.eu

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