

ABOUT THE EU

The EU Comprises 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, the Slovak Republic and Slovenia (2004); Bulgaria and Romania (2007).



Demographics and Geography

The population of the European Union is about 504 million.

In 2011 there were 48.9 million foreign-born people living in the EU Member States (9.7 per cent of the total population), with 16.5 million born in another EU Member State and 32.4 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 that of Australia.

The EU has 23 official languages.

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

The area of the EU is just over half that of Australia



The Euro

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

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

The euro area is important to Australia:

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

The Lisbon Treaty

The 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

Other countries may accede to the European Union, beginning with Croatia who will become the 28th EU member country on 1 July 2013, subject to the ratification of the accession treaty by all EU Member States. Meanwhile, accession negotiations are in progress with Iceland and Turkey, and other countries of the Western Balkans are either candidates or potential candidate countries 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 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 bulk 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 will help Europe 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.

Education

The EU promotes education and training for all citizens. It encourages, inter alia, lifelong learning, student mobility across borders and multilingualism. Under its Erasmus Mundus 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.

Environment

Addressing environmental challenges is a 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. Despite the success, there is still work to be done. Even with a huge growth in protected areas in recent years, many of Europe's species still face an uncertain future.

Europe as a whole has seen more habitat fragmentation than any other continent, so we need to work harder to conserve species in the wider countryside. The EU continues to enact stringent environmental standards and ambitious goals in areas ranging from air quality to industrial chemicals.

THE EU IN THE WORLD

The EU is a Key Global 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.

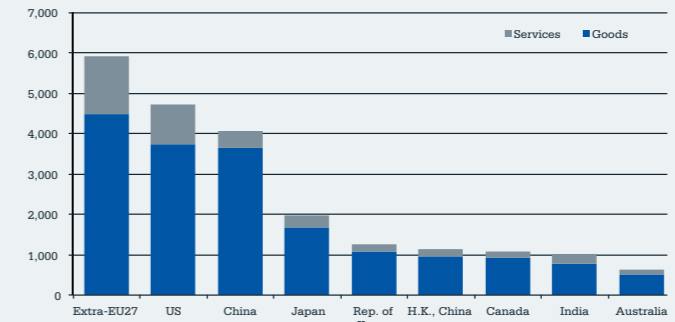
The EU is the world's biggest trader and its currency, the euro, comes second only to the US dollar in international financial markets.

In 2011, the EU economy was the largest in the world, accounting for one-quarter of global gross domestic product (GDP) at current prices, exceeding the combined GDP of China, Japan, the Republic of Korea and the ten ASEAN countries.

The EU is the world's largest trader of merchandise goods, being both the largest exporter and importer. In 2011, extra-EU two-way merchandise trade reached \$US4.5 trillion, representing 16 per cent of global merchandise trade.

The EU is also the world's biggest exporter and importer of services, with two-way trade valued at \$US1.4 trillion in 2011, accounting for 23 per cent of global services trade.

Leading exporters and importers in world trade in merchandise and services, 2011.



Based on World Trade Organization data

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.

In 2011, members of the Development Assistance Committee (DAC) of the OECD provided \$US133.5 billion of official development assistance (ODA), of which the fifteen EU Member State donors who are DAC members provided \$US72.3 billion - representing 54 per cent of total net ODA by all DAC donors. Total net ODA by all 27 EU Member States and EU institutions was \$US\$86.2 billion in 2011.

The EU is also:

- collectively the world's largest provider of Aid for Trade (€10.7 billion in 2010); and
- the largest importer of agricultural products from least-developed countries (€4.1 billion in 2011).



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 2011, over 35,000 students from the EU's 27 Member States came to Australia to study. Meanwhile, some 5,000 Australian students are studying in Europe, the main countries being the UK, Germany and France.

The EU 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.

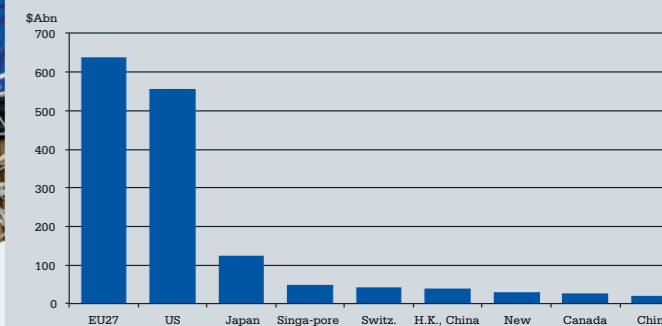
The EU's Economic Presence in Australia

The EU is Australia's leading investor with an accumulated investment of \$A637 billion at the end of 2011 – 31 per cent of total 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 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.

Level of total foreign investment in Australia by major partners, 2011.



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 \$A356 billion at the end of 2011 - 30 per cent of total Australian investment abroad.

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

- 16th 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 2011, the EU was Australia's second-largest trading partner (in goods and services) after China, with total trade worth \$A81 billion.

The EU was Australia's third-largest merchandise trading partner after China and Japan, with two-way trade totalling \$A60 billion or 12 per cent of Australia's total trade in goods.

The EU was Australia's largest partner for trade in services in 2011, when two-way trade in services between the EU and Australia was worth \$A21 billion. This represents one-fifth of Australia's total trade in services.

Merchandise Trade

Australian exports to the EU totalled \$A19.6 billion in 2011 (7 per cent of total exports), up 6 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 2011, 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 2011; the second-largest source of wine, nickel, niobium and related ores, and lead ores; and the third-largest supplier of coal, barley and olive oil.

The EU is Australia's second-largest source of imports after China, which were valued at \$A40.4 billion in 2011 (17 per cent of total imports), up 5 per cent on the previous year.

In 2011, Australia's main import items from the EU were medicaments (including veterinary), passenger motor vehicles and aircraft and related equipment.

Services Trade

The EU is the largest market for Australian services exports, which totalled \$A8.3 billion in 2011 (16 per cent of total exports). Similarly, the EU is the largest source of services imports by Australia, worth \$A13.1 billion in 2011 (22 per cent 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 2011, personal travel (excluding education) services were ranked Australia's third-largest export to the EU, after gold and coal, valued at \$A3.7 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

2012 Marks 50th Anniversary of Formal Relations

Australia first established its diplomatic relations with the EU in 1962 when its envoy at The Hague, Sir Edwin McCarthy, was accredited to Brussels. The EU officially opened its mission in Canberra in 1982. In marking the 50th anniversary, the EU Delegation and the Europe Centres at the ANU, Monash and RMIT universities have a run a series of monthly conversations where EU envoys and Australian interlocutors spoke of their country's interaction within the EU, relations with Australia and the common challenges facing the two partners today and tomorrow. The series were recorded by ANU Centre for European Studies and most were broadcast by ABC's Big Ideas and Sky's A-PAC channel. Podcasts of the series can be downloaded from: www.abc.net.au/radionational/programs/bigideas/features/eu-series.

Political Relations

In 2008, the European Union - Australia Partnership Framework set out a new, enhanced and dynamic framework for 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. This new agreement is currently under negotiation.

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 Doha negotiations which offer the best opportunity for multilateral trade liberalisation. On a bilateral basis, 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 also cooperate on global economic and financial issues through the G20 and bilaterally.

Environment

Cooperation between the EU and Australia on the environment is strong, especially on global issues such as climate change. For example, there are plans to fully link the Australian Carbon Price Mechanism to the EU's Emissions Trading Scheme by 2018. The EU and Australia will continue to identify opportunities for cooperation in climate change, renewable energies, carbon capture and storage, fisheries, illegal logging, biodiversity conservation, pollution control and more.

Education

In 2009, an annual EU-Australia Policy Dialogue on diverse education issues was established. The EU and Australia also support annual short-term mobility projects built around a common module.

The EU, together with a number of Australian universities, has created a network of Europe centres throughout Australia to promote EU Studies, undertake research and encourage knowledge of the EU-Australia bilateral relationship.

The centres comprise the ANU Centre for European Studies in Canberra, while in Melbourne there are the MEEUC at Monash University and the EU Centre at RMIT University.

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 2012, the EU and Australia agreed to define a new Australia-EU Research and Innovation Agenda cooperation Roadmap. A new Bilateral Program entitled CAESIE (Connecting Australian and European Science & Innovation Excellence) has been established to promote synergies between the programs of the EU, the Member States of the EU and Australia.



The EU is Australia's largest scientific partner



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Celebrating 50 Years of
European Union – Australia
Relations (1962 – 2012)

EUROPEAN UNION
AND AUSTRALIA
KEY FACTS