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**Australia and the EU**

Australia has strong political, economic and cultural ties with the European Union, working closely to meet shared global responsibilities such as promoting sustainable development and tackling climate change.

**Political relations**

The European Union and Australia enjoy a strong, dynamic and continuously evolving partnership, the foundations of which were laid in the 1960s. The relationship is currently based on the 2008 European Union - Australia Partnership Framework, a comprehensive statement of shared values and close historical, political, economic and cultural ties. As our relationship evolved, the EU and Australia have moved to upgrade bilateral ties. To this end on 7 August 2017 in Manila the EU's High Representative for Foreign Affairs and Security Policy Federica Mogherini and Australia's Minister for Foreign Affairs Julie Bishop signed the EU Australia Framework Agreement, marking the beginning of a new era of strategic cooperation. Ratification procedures are underway in Australia, the EU and its Member States.

The Framework Agreement will build on an existing solid cooperation basis and will enable the further promotion and expansion of relations between the EU, its Member States and Australia across a broad range of areas of mutual interest, such as:

- Foreign Policy & Security Issues, at global and regional level
- International Trade
- Development and Humanitarian Aid
- Migration & Asylum
- Research & Innovation
- Environment and Climate Change
- Education & Culture
- Energy & Transport

A number of mechanisms are already in place to foster cooperation, in particular a series of formal bilateral dialogues (currently over 20 including Foreign and Security Policy, Counter Terrorism, Pacific Issues, Trade Policy, Migration & Asylum, Environment, Fisheries, Customs, Human Rights, Development and Consular issues) as well as several sectoral agreements, including:

- The 1994 Agreement Relating to Scientific and Technical Cooperation between the European Community and Australia (entered into force on 25 July 1994);
The 1998 Agreement on Mutual Recognition in relation to Conformity Assessment, Certificates and Markings between the European Community and Australia (entered into force on 1 January 1999), amended in 2012;

The 2008 Agreement between the European Community and Australia on trade in wine (entered into force on 1 September 2010);

The 2010 Agreement between the European Union and Australia on the Security of Classified Information (entered into force on 1 July 2011);

The 2012 Agreement between the European Union and Australia on the processing and transfer of Passenger Name Record (PNR) data by air carriers to the Australian Customs and Border Protection Service (entered into force on 1 June 2012);

The 2011 Euratom-Australia Agreement for cooperation in the peaceful uses of nuclear energy (entered into force on 1 January 2012);

The 2015 Agreement between the European Union and Australia establishing a framework for the participation of Australia in EU crisis management operations (entered into force on 1 October 2015).

The European Parliament and Australian Parliament also have ongoing and productive cooperation. In 1979 the European Parliament established a Delegation for Relations with Australia and New Zealand (DANZ) which engages in regular "inter-parliamentary meetings" with Australia's federal Parliament and discusses issues of common interest.

In addition to formal dialogues and agreements, the EU and Australia can rely on each other through a more informal cooperation track, the EU-Australia Leadership Forum. This is a unique platform (funded by the EU) to enable European and Australian leaders in politics, business, media and civil society to meet and discuss new ideas for the relationship. The first Emerging and Senior Leaders Forums were held in Sydney in June 2017. The next Emerging and Senior Leaders Forums will be held in Brussels in November 2018.

**Foreign and Security Policy**

The EU and Australia are already likeminded partners on the international stage and work together to find solutions to global challenges, both bilaterally and multilaterally. Strategic cooperation is ongoing in areas such as counter-terrorism, migration and asylum seekers, non-proliferation of weapons of mass destruction, organised crime prevention, development and humanitarian aid, promotion and defence of human rights as well as supporting the international rule of law both globally and regionally.

Regular ministerial consultations and formal dialogues between senior officials underpin this cooperation, together with other forms of collaboration. For example, in 2014/2015 Australia contributed to an EU-led crisis management mission – EUCAP NESTOR, a maritime capacity building mission in the Horn of Africa and Western Indian Ocean. A specific bilateral agreement on Cooperation in Crisis Management enables Australia and the EU to agree on Australian participation in other EU-led crisis management missions.

**Economic relations**

Despite having only 7% of the world’s population, the EU accounts for 16.6% of world GDP, and its imports and exports with non-EU states accounts for 7.86% of global trade. This makes the EU the
second-biggest trade player in the world (after China). It is simultaneously the world's biggest investor; the source of 30% of the world's foreign direct investment (FDI), as well as the top investment destination, receiving 34% of world FDI.

The EU's trade policy safeguards growth and jobs in Europe. The European Commission together with EU countries and business ensures that negotiated trade deals result in market access for EU exporters. Globally the EU has over 200 Free Trade Agreements in place, covering a third of global trade.

The EU and Australia share a strong economic relationship. The EU is Australia's second-largest trading partner after China and its most significant trading partner in services. It is also the second-largest source of FDI into Australia (after the United States), and the second-most popular destination for Australian FDI abroad.

The EU as a key trade partner for Australia

In 2017, the EU was Australia's second-biggest merchandise trading partner (DFAT Composition of Trade 2017), accounting for AUD 67.4 billion (or 11%) of Australia's total goods trade. 17.4% of Australia's merchandise imports originated in the EU (second-biggest source after China), while 5.8% of Australia's exports are destined for the EU; making it the fourth-biggest market for Australian goods.

The EU continues to be Australia's largest services trading partner, with AUD 33.2 billion worth of services traded in 2017 (19.2% of total two-way services trade). It was Australia's largest services supplier, representing 24.4% of Australia's services imports (worth AUD 21.6 billion), while the EU was the second-biggest client of Australian services, purchasing 13.7% of Australian service exports (worth AUD 11.6 billion).

The EU was the source of 33.3% (or AUD 1 087.9 billion) of total foreign investment in Australia in 2017 making it the largest foreign investor (though 82% of this consisted of portfolio investment rather than foreign direct investment or FDI). The EU is Australia's biggest two-way investment partner, accounting for 30.6% (or AUD 1 700 billion) of bilateral investment stocks, just ahead of the US which has 28.2% (or AUD 1 561 billion). The US is also the biggest direct investor representing 22.4% of FDI in Australia.

The EU-Australia Free Trade Agreement Negotiations

In November 2015 PM Turnbull, the President of the European Council Donald Tusk and the President of the European Commission Jean-Claude Juncker agreed to start the process towards the launch of negotiations for an ambitious Free Trade Agreement. In September 2017 President Juncker, in his State of the Union address to the European Parliament, proposed to open trade negotiations with Australia and signalled the ambition that it be finalised by end 2019. In May 2018 the Council of the EU authorised the Commission to open trade negotiations with Australia and adopted the relevant negotiating directives. The talks were formally launched by Commissioner Malmström, Australian Prime Minister Turnbull and Trade Minister Ciobo on 18 June in Canberra. A first round of FTA talks was held in Brussels in early July.

For more information on the EU-Australia FTA see here.
**International Development Cooperation**

The EU and its Member States together are the largest provider of Official Development Assistance - over EUR 75 billion in 2017 - and making up over 50% of all contributions at global level. The [European Consensus on Development](#) is a policy statement by 3 key EU institutions (Commission, Parliament and Council) and and the EU Member States that commits the EU to eradicating poverty and building a fairer and more stable world. It identifies shared values, goals, principles and commitments which guide the EU and its Member States in their pursuit of sustainable development.

With its Member States, the EU is the third largest donor to the region, after Australia and Japan. Effective cooperation among donors and recipients, as outlined in the [Paris Declaration on Aid Effectiveness and the Accra Agenda for Action](#), is vital to achieving development gains.

For this reason the EU and Australia are committed to implementing the [Cairns Compact on Strengthening Development Coordination](#) in the Pacific and to making aid to the region more effective by reducing uncoordinated efforts and too much bureaucracy while increasing the use of country partner systems, pooled funding arrangements and delegated cooperation. An example of EU-Australia cooperation in the Pacific is our co-financing, together with UN Women, of a program to tackle the root causes of gender inequality and violence against women and girls. Outside of the Pacific, we are cooperating inter alia, on education in Laos through delegated funding arrangements and the EU has agreed with Australia to continue to investigate new modalities for direct collaboration.

**Environment, Climate and Energy**

The EU has established a comprehensive system of environmental protection and, as one of the key brokers of the [Paris agreement (COP21)](#) in December 2015, is a leader in global efforts to tackle climate change. It addresses concerns through broad-based, targeted policies and activities ranging from the world's largest and most comprehensive [emissions trading scheme](#) to energy efficiency labelling for appliances. It also continues to set stringent [environmental standards and ambitious climate action goals](#), having already achieved its binding greenhouse gases [emissions reduction and renewable energy targets for 2020](#) while working to agree on legislation to deliver its ambitious [targets for 2030](#) of reducing emissions by at least 40% compared to 1990 levels.

The EU and Australia cooperate across a wide variety of international environmental agreements and hold high level dialogues dedicated to environmental issues. The EU and Australia have been working together on global issues such as combating the practice of illegal logging and the issue of whaling.

**Research and Innovation**

The EU and Australia recognise the importance of research, science and innovation to succeed in creating the jobs and investment that underpin inclusive, smart and sustainable growth. In 1994, the EU and Australia signed the first [Scientific and Technical Agreement](#) between the EU and a non-EU country. Strong cooperation is ongoing: every year there are on average close to 30 000 publications involving EU and Australian authors.

The EU makes significant investments through its [Horizon 2020 Framework Programme for Research](#)
and Innovation. Over the period 2014-2020 there will be close to EUR 77 (AUD 115) billion invested into fundamental research, innovation and providing support to bring new ideas to market through SMEs, public-private partnerships and research infrastructures, as well as connecting with scientists worldwide through researcher mobility programs.

The Horizon 2020 Framework Programme promotes three pillars of activity: Excellent Science; Industrial Leadership; and Societal Challenges. Australian universities, companies and researchers are already actively involved in Horizon 2020 through a wide range of projects. Australian entities and individuals who want to participate in this programme can find more information at the Horizon 2020 Participants Portal.

Among the activities supported by Horizon 2020, the Marie Skłodowska-Curie actions provide grants for all stages of researchers' careers from doctoral candidates to highly experienced researchers and encourage transnational, inter-sectoral and interdisciplinary mobility. Over 590 Australians researchers have been involved in these actions since 2007.

Horizon 2020 also supports the European Research Council (ERC) which is a funding organisation for frontier research. The ERC aims to stimulate scientific excellence in Europe by funding the very best, creative researchers of any nationality and age and supporting their innovative ideas. Researchers from anywhere in the world can apply for ERC grants provided the research they undertake is carried out in an EU Member State or Associated Country. Research projects funded by the ERC can last up to five years and can cover frontier research in any scientific domain including social sciences, humanities and interdisciplinary studies. The grants may help both emerging research leaders and already well-established and recognised scientists. More information is available here.

The EU is currently looking at the design and content of its next Multiannual Framework Programme in the area of research which will succeed Horizon 2020 and will be implemented in 2021-2027. More information on the Commission's proposal for this future programme can be found here.

Education

Erasmus+ is the European Union Programme for education, training, youth and sport for the period 2014-2020, and replaces the previous programme Erasmus Mundus. Erasmus+ funds various projects for institutions and scholarships for individuals worldwide including Australia.

Erasmus+: student and staff mobility

This type of short-term mobility for students, researchers, and staff allows students to study in a foreign university for 3-12 months and obtain credits which are then recognised at their home institution as part of their degree. A grant for staff mobility is also possible for 5-60 days. This is possible for staff and students of Australian universities which have signed a bilateral agreement with a European university as part of an Erasmus+ mobility project.

Each year new projects are selected, and EU funding is available for projects with Australia as part of the wider Asia-Pacific region. Australia is a popular partner for European universities and 25% of their mobility with the region is with Australia. New projects have been selected in 2017 with 73 projects involving Australian institutions entailing 225 Australian students and academics coming to Europe and 195 European students and academics coming to Australia.

Erasmus Mundus Joint Master Degrees
Erasmus Mundus Joint Master Degrees (EMJD) award full-degree scholarships to Master students from around the world covering tuition, travel, and a living allowance. These are joint programmes, offered by a consortium of universities. Students study in at least two different European countries during their one to two year programme. Upon graduation, they are awarded a joint, double or multiple degree.

Australian higher education institutions can take part in these programmes: in 2017 there were 6 EMJDs involving Australian universities with 6 scholarships being awarded to Australian students.

Jean Monnet activities

Jean Monnet activities aim to develop EU studies worldwide. For over 25 years they have been supporting Modules, Chairs and Centres of Excellence to promote excellence in teaching and research on the European integration process at higher education level. In 2017 there were 14 projects awarded to Australia.

Broader Social Interaction

People-to-people links between Europe and Australia are deep and longstanding. Nearly 70% per cent of Australians have European ancestry forming an integral part of Australia's rich multicultural landscape. Data from 2016 indicated that 28% of Australians were born overseas, with several EU Member States being among the top 10 countries of birth by number for Australians.

Many EU Member States citizens live and work in Australia and Australians do the same in the EU: at the end of 2016 there were approx. 97 500 Australians with valid residence permits (for at least 3 months) issued by EU Member States. Bilateral tourist flows are considerable with average annual numbers of reciprocal visitors estimated to be in the millions.

See also

EU Australia Fact Sheet - July 2018
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