

EUROPEAN UNION & AUSTRALIA

Key Facts
2016 Edition



Message from the Ambassador



2016 will be another busy year for broadening and deepening the EU's partnership with Australia. This partnership is firmly rooted in common interests, values and heritage.

The EU is working to push forward a range of important initiatives in the areas of trade, innovation and people-to-people links in foreign aid and security.

These initiatives include signing and implementing the EU-Australia Framework Agreement. The agreement is an important step forward in the EU-Australia

relationship. The bilateral treaty is a legal document that brings together a range of policy areas in which the EU and Australia cooperate including in foreign and security policy, economic relations, climate and environment.

The EU and Australia have also signed off on a "Framework Participation Agreement on Crisis Management". This agreement allows peacekeepers from Australia to participate in an EU-led crisis management mission.

2016 promises important economic developments. The EU and Australia have agreed to commence working towards the launch of negotiations for a Free Trade Agreement. This agreement would boost economic growth and fuel investment. The establishment of the EU-Australia Leadership Forum will also feature prominently in 2016 and will bring together European and Australian leaders from the fields of business, politics, civil society and the media.

Finally, these are exciting times for the EU-Australian relationship in research and innovation across a wide array of disciplines including the transformative technological opportunities triggered by the successful climate conference in Paris last December. The EU is a world leader in research and innovation and we are determined to broaden our collaboration in this field, particularly through the EU's \$A120 billion Horizon 2020 program that is open to Australia's best and brightest researchers and academics.

I trust you will find useful this 2016 edition of key facts about the EU and its relations with Australia.

Sem Fabrizi
EU Ambassador to Australia



About the EU



Credit © European Union, 2016

The EU comprises 28 Member States:

The EU comprises 28 Member States: Belgium, France, Germany, Italy, Luxembourg, The Netherlands (founding members in 1957); Denmark, Ireland, United Kingdom (1973); Greece (1981); Portugal, Spain (1986); Austria, Finland, Sweden (1995); Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic, Slovenia (2004); Bulgaria, Romania (2007); and Croatia (2013).

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 EU membership.



Demographics and Geography

On 1 January 2015, the population of the EU-28 was estimated at 508.2 million, 1.3 million more than the year before. The increase during 2014 was smaller than that during 2013 when the population of the EU-28 increased by 1.7 million.

The median age of the EU-28's population was 42.2 years on 1 January 2014.

Young people (0 to 14 years old) made up 15.6 per cent of the EU-28's population, while persons considered to be of working age (15 to 64 years old) accounted for 65.8 per cent of the population. Older persons (aged 65 or over) had an 18.5 per cent share (an increase of 0.3 per cent compared with the previous year).

In 2013, 1.7 million people previously residing in one EU Member State migrated to another Member State.

The land area of the EU (over four million square km) is just over half that of Australia (around 7.6 million square km) or slightly larger than the area of Western Australia and the Northern Territory combined, yet the coastline length of the EU exceeds Australia's.

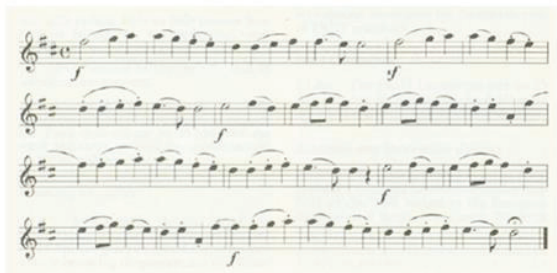


The symbols of the EU

The European flag symbolises both the European Union and, more broadly, the identity and unity of Europe. It features a circle of 12 gold stars on a blue background. They stand for the ideals of unity, solidarity and harmony among the peoples of Europe. The number of stars has nothing to do with the number of member countries, though the circle is a symbol of unity. The flag was adopted in 1955 and last year was its 60th anniversary!



The European anthem used to symbolise the EU comes from the Ninth Symphony composed in 1823 by Ludwig Van Beethoven, when he set music to the "Ode to Joy", Friedrich von Schiller's lyrical verse from 1785. The anthem symbolises not only the European Union but also Europe in a wider sense. The poem "Ode to Joy" expresses Schiller's idealistic vision of the human race becoming brothers - a vision Beethoven shared.





The EU motto, "United in diversity", first came into use in 2000. It signifies how Europeans have come together; in the form of the EU, to work for peace and prosperity, while at the same time being enriched by the continent's many different cultures, traditions and languages.

This coming together is also reflected by the border-free Schengen Area that guarantees free movement to more than 400 million EU citizens, as well as to many non-EU nationals, businessmen, tourists or other persons legally present on the EU territory.

The single currency, the euro, is shared by 19 of the European Union's Member States, which together make up the euro area. The introduction of the euro in 1999 was a major step in European integration. It has also been one of its major successes: more than 337.5 million EU citizens in 19 countries now use it as their currency and enjoy its benefits.

The EU has 24 official languages.

The EU's birthday is celebrated each year on 9 May marking the famous declaration of then French foreign minister Robert Schuman in 1950.

The EU Leadership

The current leadership group took office in 2014. Former Polish Prime Minister Donald Tusk was elected as President of the European Council. The European Council is where the 28 Heads of State and Government of the EU meet regularly.

Jean-Claude Juncker, the former Luxembourg Prime Minister, was elected President of the European Commission. The European Commission is the Executive of the European Union and its tasks include proposing legislation and enforcing laws.

Federica Mogherini was Italian Foreign Minister before she took over as the High Representative for Foreign and Security Policy and Vice President of the Commission.



Jean-Claude Juncker



Donald Tusk



Federica Mogherini

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 was awarded to the EU in 2012 in recognition of its efforts in promoting peace and security in Europe and worldwide.

Freedom and Security

EU countries are working together to tackle cross-border threats such as terrorism and organised crime, particularly through measures targeting the trafficking of drugs, illicit firearms and human beings, and the sexual exploitation of children. This is done through increasing harmonisation of relevant legislation in Europe, closer cooperation of law enforcement agencies and EU-wide campaigns, for example to counter violent extremism in our communities.



The Single Market

The Single Market refers to the EU as one territory without any internal borders or other regulatory obstacles to the free movement of goods and services. A functioning Single Market stimulates competition and trade, improves efficiency, raises quality and helps cut prices. The European Single Market is one of the EU's greatest achievements. It has fuelled

Environment

The EU is a leading voice in addressing climate and environmental challenges. Europeans enjoy some of the world's highest environmental standards as the EU strives to minimise environment-related health risks and to respect the planet's ecological limits. For example, the Natura 2000 network of protected areas contains over 26,000 terrestrial and marine sites, covering almost one fifth of the EU land area.

The EU is on track to meet its 2020 emissions reduction, renewable and energy efficiency targets and has also recently committed to reducing domestic greenhouse gases emissions by at least 40 percent by 2030 from 1990.



Education

The EU promotes education and training for all citizens. It encourages lifelong learning, student mobility across borders and multilingualism. The EU's Erasmus+ programme 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. Since 2004, 128 Erasmus scholarships have been awarded to Australian Students.





Creativity and Innovation

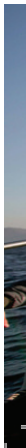
The Europe 2020 strategy for smart, sustainable and inclusive growth places knowledge and innovation among its main priorities. Promoting investment in research and innovation is essential to facilitate sustainable economic recovery and smart growth. As part of the Europe 2020 strategy, a review of EU Innovation policy recommends that we explore the feasibility of 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.



Migration

The plight of hundreds of thousands of migrants putting their lives in peril to come to Europe has shocked. The EU's external borders have increasingly been the scene of human tragedies to which the EU, together with its Member States, must respond with immediate action. It is clear that no EU country can or should be left alone to address huge migratory pressures. The European Commission has set out a European response that combines internal and external policies, making best use of EU agencies and tools, and involving all actors: EU countries and institutions, international organisations, civil society, local authorities and national partners outside the EU.

The EU has developed the "European Agenda on Migration" that is built on four pillars that include; 1) Reducing the incentives for irregular migration; 2) Saving lives and securing the external borders; 3) Strengthening the common asylum policy and 4) Developing a new policy on legal migration.



The EU in the World

The EU as a security provider

In recent years the EU has increasingly acted as security provider in its neighbourhood and beyond on the basis of its Common Foreign, Security and Defence policy. The EU is currently running 16 military and civilian missions around the world with a total of 7000 personnel. The EU is for example leading a successful naval counter piracy operation (EUNAVFOR ATALANTA) off the coast of Somalia. The EU has authorised EUNAVFOR Med, also known as Operation Sophia, to tackle the root causes of the human emergency in the Mediterranean - in cooperation with the countries of origin and transit - and fight human smugglers and traffickers.

At a political level the EU's High Representative Federica Mogherini led the successful international negotiations (E3+3) with Iran regarding its nuclear program and is deeply engaged in the implementation of the agreement with Iran. The EU's role in the Iran talks has also helped create the diplomatic environment for Iran to become more involved in helping to resolve the crisis in Syria. 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, assist development in poorer regions and promote peaceful cooperation within its frontiers, helping to bring to 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 2014, the EU economy was the largest in the world, accounting for almost a 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 2014, 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 \$US1.7 trillion in 2014, accounting for 24 per cent of global services trade.

The EU is a key actor in the G20 process and in other international organisations such as the WTO and the UN.





Development Assistance

More than 50 percent of global Overseas Development Assistance (ODA) comes from the EU, making it the largest donor in the world. EU institutions and Member States are committed to achieving 0.7 per cent target of ODA compared to Gross National Income (GNI). EU collective ODA represented 0.42 per cent of EU GNI in 2014.

The EU is also the second largest donor in the Pacific (next to Australia), the world's largest provider of Aid for Trade (11.7 billion euros in 2013) and the largest importer of agricultural products from least-developed countries (4.1 billion euros in 2014).

The EU is determined to fully implement the UN's 2030 Agenda which includes 17 sustainable development goals. The agenda is the new global framework to help eradicate poverty and achieve sustainable development by 2030. The EU has pledged to align its own policies and actions to the agenda's objectives. In doing so, the EU remains committed to global solidarity and will support the implementation efforts in countries most in need.

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The EU and Australia

People-to-people links

The 2011 Australian Census found that more than a 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, more than 39,000 students from the EU's 28 Member States came to Australia to study. More than 1000 students have taken part in the EU-Australia bilateral mobility projects and more than 200 participated in Erasmus Mundus.

These people-to-people links will be boosted by the EU-Australia Leadership Forum which will be held for the first time in 2016. This will bring together selected European and Australian senior and emerging leaders, from the realms of policy, business, media and academia.



The Honourable Prime Minister
Malcom Turnbull with His
Excellency Sem Fabrizi



Governor-General, His Excellency
General the Honourable
Sir Peter Cosgrove AK MC (Retd)
with EU Ambassador,
His Excellency Sem Fabrizi

Political Relations

EU–Australia diplomatic relations date back to 1962 when Australian Ambassador based at The Hague, Sir Edwin McCarthy, was accredited to Brussels. Over the last few years, the relationship has grown wider and deeper:

The EU and Australia have negotiated a framework agreement that opens up a range of new opportunities. The framework is a legally-enforceable document that covers policy areas such as national security and development and also opens the way for other agreements on topics such as trade. The framework brings together the various EU-Australia agreements struck over the years. It is expected to be signed in 2016.

The European Commission has now agreed to seek a mandate from the EU Council to start FTA negotiations with Australia, as early as 2017.

The European Union is a world leader in research and innovation. The EU's total joint investment in projects involving at least one Australian partner over the period 2007-2013 was more than 1.4 billion euros or \$A2.1 billion.

Foreign and Security Policy

As like-minded international partners, the EU and Australia work together on foreign and security policy issues. Cooperation is particularly strong in the Asia-Pacific region, on the Middle East and – most recently – Eastern Europe. In-depth cooperation is also going on in areas such as counter-terrorism, asylum-seekers, organised crime prevention, development and humanitarian aid. The EU and Australia have finalised a dedicated bilateral

agreement on cooperation in crisis management and Australia contributed for the first time in 2014 to an EU led crisis management mission – EUCAP NESTOR, a maritime capacity building mission in the Horn of Africa. The EU and Australia conduct regular ministerial consultations, and a number of formalised dialogues between senior officials dedicated to Foreign and Security Policy issues. The EU works closely with Australia to promote human rights, democracy and the rule of law worldwide.



Trade and Investment

The EU is Australia's leading investor with an accumulated investment of A\$959 billion at the end of 2014 – 34 per cent of total foreign investment in Australia. Conversely, the EU is the second major destination for Australian foreign investment after the United States, reaching A\$529 billion at the end of 2014 – 28 per cent of total Australian investment abroad.



In 2014, the EU was Australia's second-largest trading partner (in goods and services) after China, with total trade worth A\$84 billion.

The EU was Australia's third-largest merchandise trading partner in 2015, after China and Japan, with two-way trade totalling A\$59 billion or 11 per cent of Australia's total trade in goods.

Australian merchandise exports to the EU totalled A\$12.8 billion in 2015 (five per cent of total exports), up five per cent on the previous year.

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

In 2014, three of Australia's main export items to the EU were coal, gold and oilseeds.

Viewed from an EU perspective, Australia was the EU's leading external supplier of oilseeds, zinc ores, unwrought lead and wool in 2014; the second-largest source of wine and sheep meat; and the third-largest supplier of olive oil, lead ores and titanium ores.

The EU is Australia's second-largest source of merchandise imports after China. In 2015, imports were valued at A\$46.0 billion (17 per cent of total imports), up three per cent on the previous year.

In 2014, Australia's main import items from the EU were passenger motor vehicles, medicaments (including veterinary), and pharmaceutical products.

The EU was Australia's largest partner for trade in services in 2014, when two-way trade in services between the EU and Australia was worth A\$26 billion. This represents almost one-fifth of Australia's total trade in services.





Services Trade

The EU is the largest market for Australian services exports, which totalled \$A9.9 billion in 2014 (16 per cent of total exports). Similarly, the EU is the largest source of services imports by Australia, worth \$A16.1 billion in 2014 (23 per cent of total imports). Services comprise 31 per cent 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 2014, personal travel services (excluding education) were ranked Australia's largest export to the EU, valued at \$A5.2billion, followed by coal and gold. Two-way trade in education-related travel services totalled \$A1.4 billion, placing the EU as Australia's third-largest trading partner in education-related services after China and India.

The EU is the second major destination for Australian foreign investment after the United States, reaching \$A529 billion at the end of 2014 – 28 per cent of total Australian investment abroad.

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

- 21st largest partner in two-way goods trade;
- Ninth largest partner in two-way services trade, and
- Eighth largest foreign direct investment partner.

\$A12.4 billion
coal
gold
oilseeds
zinc
lead
wool
wine
sheep
olive oil
lead
titanium





Climate and Environment

The EU and Australia cooperate across a variety of multilateral environmental agreements on themes as diverse as whaling, climate change, biodiversity and illegal wildlife trafficking. Bilaterally, we hold a high-level dialogue dedicated to environmental issues and thrive to exchange information, technical expertise and environmental best practises across a wide range of environmental issues.

The European Union played a key role in brokering the historic December 2015 agreement in Paris, where 195 countries adopted a new universal, legally binding global climate deal. The EU will now focus on delivering on its commitments and continue to lead the global low-carbon transition. In doing so the EU will seek to work together with all partners, developing and developed countries - like Australia - but also regions, cities, businesses and civil society at large.

Education

In 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 Erasmus+ programme aims to boost skills and employability, as well as modernising education, training and youth work. The seven-year programme will have a budget of 14.7 billion euros. Erasmus+ will provide opportunities for more than four million Europeans to study, train, gain work experience and volunteer abroad. It also provides opportunities for foreign students, including Australians, to study in Europe.

Science and Innovation

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, its 80 billion euros research and innovation programme which runs for seven years with a focus on societal challenges. Horizon 2020 is open to researchers from around the world and so far 27 large collaborative research and innovation projects between the EU and Australia have been signed or are being prepared for submission. The projects involve a total research investment of 173 (\$A270) million euros.

Space collaboration between the European Union and Australia has also taken an important step forward with the launch of the latest of Europe's Sentinel satellites. This satellite will provide new information to support management of iconic environmental sites such as the Great Barrier Reef, improve agricultural productivity and reduce risks from natural hazards such as bushfires. The successful launch of Sentinel-2A marked a critical milestone in the implementation of Europe's global Copernicus Earth observation programme that will provide crucial data for Australia scientists and government departments.



EU Centres



The EU has invested €4.6 million (A\$6.6 million) to establish five EU Centres in Australia and one in New Zealand for the 2014-2016 period. The EU Centres, co-funded by their host universities, include a wide variety of partners from all sectors of the community. This is the largest public diplomacy program for the EU in Australia and New Zealand and is part of a global strategy to promote a better understanding of the EU.

The following five EU Centres in Australia address key bilateral, regional and global challenges:



Hawke EU Centre
for Mobilities, Migrations and
Cultural Transformations



The Hawke EU Centre for Mobilities, Migrations and Cultural Transformations at the University of South Australia focuses on the global challenges caused by the increasing displacement of people and communities in the 21st century.



The EU Centre for Global Affairs at the University of Adelaide focuses on enhanced international trade and regional cooperation in the Asia and Pacific regions, promoting the multilateral rules-based trading system, and the bilateral trade and investment relationship between the EU, Australia and Asia.

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The University of Melbourne
EU Centre on Shared Complex
Challenges focuses on strengthening
EU-Australia and international
collaboration on challenges such as
climate change, regional governance
and business innovation through
engagement across political, scientific
and economic dimensions.



**European Union Centre on
Shared Complex Challenges**

The EU Centre at RMIT in Melbourne
builds on its success of the last four
years with a focus on governance
and the Single Market, developing
stronger science, technology, business
and governmental partnerships and
comparative regional policy.



The Australian National University
Centre for European Studies
(ANUCES) was the first EU
Centre in Australia set up in
2001 and continues to focus on
inter-government relations, policy
development and capacity building.



**Australian
National
University**

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