

# 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 EU 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.

# About the EU

## THE EURO

16 of the EU's Member States are part of the euro area: Austria, Belgium, 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 USA.

The euro area is important to Australia:

Approximately 45% of the Reserve Bank of Australia's international reserves is 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 Japanese yen and Chinese renminbi.



## NEW REFORM TREATY

The new Reform Treaty (Treaty of Lisbon) was signed by the EU Member States in December 2007. The Treaty strengthens the institutions of the EU and acts as an instrument to deliver policies for the 21st century. All Member States have now ratified the treaty. The Treaty came into force on 1 December 2009.

## ENLARGEMENT

The future may well see other countries accede to the European Union. Accession negotiations have started with Croatia, the Former Yugoslav Republic of Macedonia and Turkey, and a number of Balkan nations are also working towards the goal of EU membership. In July 2009, Iceland applied to join the European Union.

## 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.

# EU Priorities

## 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

# 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.

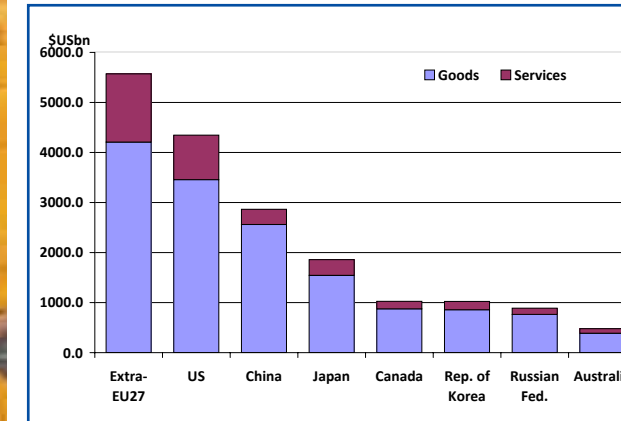
The EU is the world's biggest trader and its currency, the euro, comes second only to the US dollar in international financial markets.

In 2008, the EU economy was the largest in the world, accounting for roughly 30% of global gross domestic product (GDP) at current prices and 22% of world GDP in terms of purchasing power parity (PPP). On both measures, this is considerably larger than 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 \$US4.2 trillion in total merchandise trade in 2008.

The EU is also the world's biggest exporter and importer of services, accounting for 25% of global services trade in 2008.

## LEADING EXPORTERS AND IMPORTERS IN WORLD TRADE IN MERCHANDISE AND SERVICES, 2008



# Europe: World Partner

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

Global official development assistance in 2008 was almost \$US120 billion divided among 151 ODA aid recipients. Currently the EU is providing more than \$US70billion in ODA - approximately 60% of all world aid.

The EU is:

- the world's largest provider of Overseas Development Assistance (ODA);
- the largest provider of trade related assistance (TRA) to developing countries; and
- the largest trading partner with developing countries.

The EU is the world's largest importer of agricultural goods. It is also the largest importer of agricultural goods from least developed countries (LDCs), absorbing around 34% of all agricultural exports from LDCs in 2007, and importing more than the United States, Canada, Australia, India, China and Japan 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, almost half of the nearly one million Australians living and working abroad are in Europe and thousands of Europeans visit Australia each year.

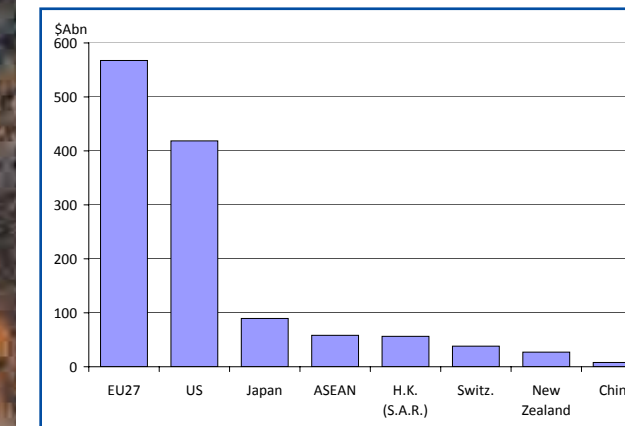
In 2008 over 35,000 European students came to Australia to study. Students from the EU comprised about 85% of the total for Europe. Around 4,000 Australians went to Europe, the main countries being the UK, France, Germany and the Netherlands. The EC and Australia are working towards increasing student mobility between the two regions through the flagship Erasmus Mundus project and a series of bilateral exchange programs.

# The EU and Australia

## 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 \$A567bn at the end of 2008 – 33% of all foreign investment in Australia.
- A 2009 update of an earlier survey on EU investment in Australia carried out in 2006 by the Delegation of the European Commission to Australia, in cooperation with EU diplomatic missions, found that:
  - there are nearly 2,400 EU companies with a presence in Australia, with a total estimated turnover of almost \$A270bn 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 MAJOR PARTNERS, 2008



# The EU and Australia

## AUSTRALIA IN THE EU

The EU is the second major destination for Australian foreign investment, reaching \$A304bn at the end of 2008 - 30% of total Australian investment abroad.

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

- nineteenth largest partner in two-way goods trade;
- tenth largest partner in two way services trade; and
- seventh largest source of foreign direct investment.



## EU AUSTRALIA TRADE

In 2008, the EU was Australia's largest merchandise trading partner with two-way trade totalling \$A71bn or 16% of Australia's total two-way trade in goods.

The EU was Australia's largest partner for trade in services in 2008. Two-way trade in services between the EU and Australia was worth \$A20bn in 2008. This is 19% of Australia's total trade in services.

# Merchandise Trade

## EXPORTS

Australian exports to the EU totalled \$A23.5bn in 2008 (11% of total exports).

This makes the EU the third largest market for Australian exports.

In 2008, three of Australia's largest export items to the EU were coal, alcoholic beverages (mainly wine) and nickel ores.

Viewed from an EU perspective, Australia was the EU's leading external supplier of wine, nickel ores, lead and wool; and the second largest source of coal, nickel, zinc ores, rapeseed and sheep meat in 2008.

## IMPORTS

The EU is Australia's second largest source of imports (after the ASEAN economies), which were valued at \$A47.5bn in 2008 (21% of total imports).

In 2008, Australia's main import items from the EU were:

- Medicaments (including veterinary);
- Passenger motor vehicles, and
- Goods vehicles.



# Services Trade

The EU is the largest market for Australian services exports, which totalled \$A9.0bn in 2008 (17% of total exports). Similarly, the EU is the largest source of services imports by Australia, worth \$A11.3bn in 2008 (21% of total imports). Services comprise almost 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 2008, personal travel (excluding education) services were ranked Australia's third-largest export to the EU, after coal and gold.

# 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 Asian and Pacific regions; seek opportunities to cooperate on climate change, environment, energy security, fisheries and forestry; and to strengthen cooperation in science and technology, education and culture. As the Partnership Framework is a living document, it has been further enhanced in 2009 in response to the changing economic climate, to new actions in the Pacific and with developments in climate change negotiations.



# EU-Australia Cooperation

## 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

## ENVIRONMENT

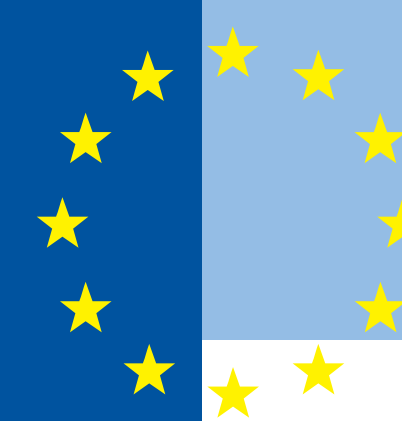
Cooperation between the EU and Australia on the environment is strong, especially on global issues such as climate change. The Australian government and the EU are both committed to securing the best possible outcome for a post-2012 climate change agreement. The EU and Australia will continue to identify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

## EDUCATION

In 2007, the EC and Australia signed a Declaration of Intent to strengthen cooperation in education and training. This resulted in the establishment of an annual EU-Australia Policy Dialogue on Higher Education. The EU, with a number of Australian universities, supports a network of centres of excellence throughout Australia to promote European integration studies, research and EU-Australia bilateral relations. The centres comprise the National Europe Centre at ANU, the MEEUC at Monash University and a centre at the RMIT, also in Melbourne. The European Commission, together with 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 2007, the European Commission and Australia agreed to a Joint Roadmap with concrete objectives including a workshop on Nanotechnology and a Conference on Healthy Ageing. The EC and Australia support 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 2010 Key Facts



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