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PRIME MINISTER

44/95

STATEMENT BY THE PRIME MINISTER, THE HON P J KEATING MP

FRAMEWORK AGREEMENT BETWEEN AUSTRALIA AND THE EUROPEAN UNION

Senator McMullan, who is leading the Australian delegation to the Australian/European Commission (EC) Ministerial Consultations in Brussels will today raise with EC Vice President Sir Leon Brittan, the development of a formal framework for future relations between Australia and the European Union.

Last month, I wrote to EC President Santer to propose that Australia and the European Union develop such an agreement in order to strengthen the already healthy ties between us.

This follows on from fruitful discussions that I held in Brussels in June last year with the then EC President Delors and some of his commissioners. An agreement would help stimulate closer cooperation on trade and investment issues, and closer dialogue on the many common economic and social policy issues that EU countries and Australia face.

The European Union is a very important partner for Australia and a major source of foreign investment. Two members - the United Kingdom and Germany - are among our top ten trading partners. During my visit to Germany and the Netherlands in March - as to the United Kingdom and France last year - I impressed on their leaders the opportunities that restructuring and growth in the Australian economy offered European companies, and Australia's value as an investor in Europe and supplier of an increasingly diverse range of exports. This was underlined by the success of Australia's participation in CeBIT, the world's largest information technology fair, at Hannover earlier this year.

Apart from the prospects for expanding bilateral economic links, I emphasised that, as a confident, competitive and technologically advanced economy closely integrated with the Asia-Pacific region, Australia was ideal as a base for European business operating in the region.

The Government's proposal of an agreement reflects our recognition of the important interests Australia has in Europe. An agreement will help us build new and dynamic relations with the European Union and its member States into the next century.

CANBERRA
15 May 1995