

JAN 21 2004

Trade in a 25-member European Union

David Cristallo

On 16 April 2003 the Treaty of Accession to the European Union was signed in Athens by the ten acceding countries (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia). On 1 May 2003 the European Union, which currently has 15 Member States, will become a grouping of 25 countries. The aim of this article is to provide a better understanding of the trade relations of a 25-member European Union, as if it had already been created. Naturally, the figures that are given here provide only a "static" view. They do not take into account the effects that will follow the opening of markets and they provide only some indications of the volume and structure of trade.

Statistics
 in focus

EXTERNAL TRADE

THEME 6 – 4/2003

Contents

Position in world trade reaffirmed 1

Growth of intra-Community trade 2

External trade deficit 2

Growth in relative importance of Russia 2

Position in world trade reaffirmed

As a major player in international trade, EU-15 is the source of about a quarter of all international trade flows. As the world's leading exporter, it is ahead of the United States, the dynamic Asian economies (DAEs), Japan and China. As the world's second biggest importer, it ranks behind the United States but is well ahead of the dynamic Asian economies, Japan and China (Figure 1).

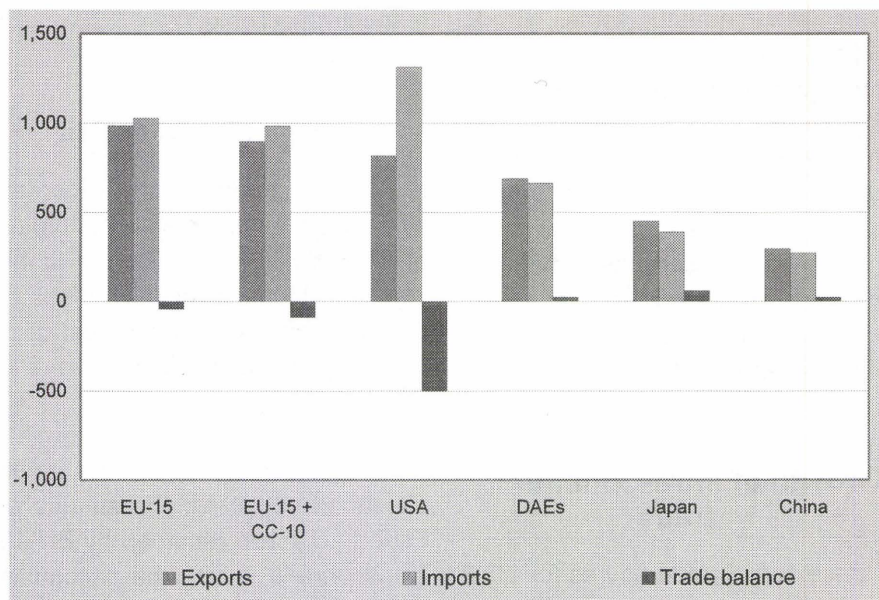


Figure 1: EU-15 and EU-25 compared with other major partners in international trade in 2001 (EUR bn)

Sources: Comext, Comtrade
 DAEs: Hong Kong, Malaysia, Singapore, South Korea and Thailand.



HC. 3000

Table 1: EU-15 and EU-25 intra- and extra-Community trade

EUR bn

	Exports					Imports				
	1995	1999	2000	2001	2002	1995	1999	2000	2001	2002
EU-15										
Intra-EU trade	1 000.3	1 339.2	1 565.5	1 581.7	1 596.5	954.5	1 273.0	1 489.8	1 489.6	1 493.8
Extra-EU trade	573.3	760.2	942.0	985.8	993.7	545.3	779.8	1 033.4	1 028.2	987.4
Ratio intra/extra	174%	176%	166%	160%	161%	175%	163%	144%	145%	151%
EU-15 + CC-10										
Intra-EU trade	1 099.7	1 510.3	1 780.9	1 820.7	1 851.1	1 050.8	1 438.2	1 695.4	1 718.2	1 734.9
Extra-EU trade	537.5	689.5	857.8	896.0	900.3	527.4	746.3	996.1	983.7	940.7
Ratio intra/extra	205%	219%	208%	203%	206%	199%	193%	170%	175%	184%

Sources : Comext, Comtrade.

Table 2: Trade balance

EUR bn

	1995	1999	2000	2001	2002
EU-15 with rest of the world	28.0	-19.6	-91.4	-42.5	6.3
EU-15 with acceding countries	10.4	19.2	19.8	17.0	17.6
EU-15 + CC-10 with rest of the world	10.1	-56.8	-138.3	-87.8	-40.4

Sources : Comext, Comtrade.

Although the extra-Community trade of EU-25 will turn out to be less than the figures recorded by EU-15, the 25-member Union will still be the world's leading exporter and second biggest importer.

That drop in external trade is explained by the simple fact that after enlargement some EU-15 extra-Community flows will become intra-Community flows in EU-25.

In view of the fact that a substantial part (more than 60%) of the 10 acceding countries' trade is with EU-15 and, to a lesser extent, between each other, this will bring about an equivalent reduction in the amount of extra-Community flows in EU-25.

Growth of intra-Community trade

If the external trade figures for 2002 are used as a basis, the changeover from 15 to 25 Member States will increase intra-Community trade by about 16%.

In the 25-member Union, therefore, the proportion of internal trade flows in relation to external flows will be even greater than in EU-15.

The intra/extra ratios will reach 206% for exports and 184% for imports, whereas for EU-15 the figures are 161% and 151% respectively (Table 1).

External trade deficit

In 2002 the trade balance recorded by EU-15 resulted in a slight surplus of EUR 6.3 billion. For the same year, the balance for a 25-member Union would have posted a deficit of EUR 40.4 billion (Table 2).

This negative trade balance for EU-25 stems from a combination of two effects. First of all, the surplus of EUR 17.6 billion recorded by EU-15 in its trade with the acceding countries would no longer appear in the EU-25 trade balance because this trade would henceforth be recorded as intra-Community trade. Secondly, the deficit of the ten

acceding countries in their trade with other non-Community partners would have a negative impact on the EU-25 trade balance.

Growth in relative importance of Russia

In 2002 the ten acceding countries recorded total trade figures (imports plus exports) of about EUR 355 billion, including EUR 41 billion between each other and EUR 223 billion with EU-15.

Next came Russia (EUR 18 billion), the United States (EUR 11.2 billion) and China (EUR 8.4 billion).

Given the structure of trade of these countries, the geographic breakdown of EU-25 external trade will be very similar to the breakdown in the case of EU-15.

Indeed, the changeover from EU-15 to EU-25 will consolidate trade relations with EU-15's main trading partners, and especially with the

Table 3: Geographic structure of EU-15 and EU-25 trade in 2002

EU-15 exports	EUR bn	%	EU-25 exports	EUR bn	%
Total	993.7	100.0	Total	900.3	100.0
USA	239.9	24.1	USA	244.7	27.2
Switzerland	70.6	7.1	Switzerland	72.6	8.1
Japan	42.3	4.3	Japan	43.0	4.8
China	34.1	3.4	China	34.8	3.9
Russia	30.4	3.1	Russia	34.2	3.8
Norway	26.5	2.7	Norway	27.9	3.1
Total for main partners	443.9	44.7	Total for main partners	457.2	50.8

EU-15 imports	EUR bn	%	EU-25 imports	EUR bn	%
Total	987.5	100.0	Total	940.7	100.0
USA	174.6	17.7	USA	181.0	19.2
China	81.8	8.3	China	89.6	9.5
Japan	68.5	6.9	Japan	73.3	7.8
Switzerland	58.8	6.0	Russia	61.9	6.6
Russia	47.7	4.8	Switzerland	61.5	6.5
Norway	45.8	4.6	Norway	47.3	5.0
Total for main partners	477.3	48.3	Total for main partners	514.5	54.7

Source : Comext.

United States, Switzerland and Russia (Table 3).

As the main partner of the acceding countries, ranked just behind EU-15, Russia will see its importance

increase in the 25-member Union. With regard to imports, Russia will overtake Switzerland to become the fourth-ranked partner in the world, while in the case of exports it will be virtually level with China, currently

ranked fourth in trade with the European Union.

► ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

Member States of EU-15:

Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom.

Ten acceding countries:

Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Aggregate EU-15 + AC-10: The figures for EU-25 trade based on the data for the 15-member European Union (EU-15) and the ten acceding countries (AC-10) are calculated as follows:

- The **intra-Community** trade figures for EU-25 are obtained by aggregating the data recorded by each of the 25 countries (15 current Member States plus 10 acceding countries) for trade with the 24 other partners.

- Similarly, the **extra-Community** trade figures are obtained by aggregating the trade of each of the 25 countries with the rest of the world, apart from EU-25 intra-Community trade.

Statistical sources:

Comext: EU-15, domain «EEC Special Trade» (1995, 1999-2002), acceding countries, domain «EU Enlargement» (1999-2002).

Comtrade: Acceding countries (1995), USA (2001), DAEs (2001), Japan (2001), China (2001).

Further information:

Databases

COMEXT, domains: EEC Special Trade, EU enlargement and Comtrade.

To obtain information or to order publications, databases and special sets of data, please contact the **Data Shop** network:

DANMARK	DEUTSCHLAND	ESPAÑA	FRANCE	ITALIA - Roma
DANMARKS STATISTIK Bibliotek og Information Eurostat Data Shop Sejrogade 11 DK-2100 KØBENHAVN Ø Tlf. (45) 39 17 30 30 Fax (45) 39 17 30 03 E-mail: bib@dst.dk URL: http://www.dst.dk/bibliotek	Statistisches Bundesamt Eurostat Data Shop Berlin Otto-Braun-Straße 70-72 (Eingang: Karl-Marx-Allee) D-10178 Berlin Tel. (49) 1888-644 94 27/28 (49) 611 75 94 27 Fax (49) 1888-644 94 30 E-Mail: datashop@destatis.de URL: http://www.eu-datashop.de/	INE Eurostat Data Shop Paseo de la Castellana, 183 Despacho 011B Entrada por Estébanez Calderón E-28046 MADRID Tel. (34) 915 839 167/ 915 839 500 Fax (34) 915 830 357 E-mail: datashop.eurostat@ine.es URL: http://www.ine.es/prodyser/datashop/index.html Member of the MIDAS Net	INSEE Info Service Eurostat Data Shop 195, rue de Bercy Tour Gamma A F-75582 PARIS CEDEX 12 Tél. (33) 1 53 17 88 44 Fax (33) 1 53 17 88 22 E-mail: datashop@insee.fr Member of the MIDAS Net	ISTAT Centro di informazione statistica Sede di Roma Eurostat Data Shop Via Cesare Balbo, 11a I-00184 Roma Tel. (39) 06 46 73 32 28 Fax (39) 06 46 73 31 01/ 07 E-mail: datashop@istat.it URL: http://www.istat.it/Prodotti-e/Allegati/Eurostatdatashop.html Member of the MIDAS Net
ITALIA - Milano	NEDERLAND	PORTUGAL	SUOMI/FINLAND	SVERIGE
ISTAT Ufficio Regionale per la Lombardia Eurostat Data Shop Via Fieno 3 I-20123 MILANO Tel. (39) 02 80 61 32 460 Fax (39) 02 80 61 32 304 E-mail: mileuro@tin.it URL: http://www.istat.it/Prodotti-e/Allegati/Eurostatdatashop.html Member of the MIDAS Net	Centraal Bureau voor de Statistiek Eurostat Data Shop - Voorburg Postbus 4000 NL-2270 JM VOORBURG Nederland Tel. (31) 70 337 49 00 Fax (31) 70 337 59 84 E-mail: datashop@cbs.nl URL: www.cbs.nl/eurodatashop	Eurostat Data Shop Lisboa INE/Serviço de Difusão Av. António José de Almeida, 2 P-1000-043 LISBOA Tel. (351) 21 842 61 00 Fax (351) 21 842 63 64 E-mail: data.shop@ine.pt	Statistics Finland Eurostat Data Shop Helsinki Tilastokirjasto PL 2B FIN-00022 Tilastokeskus Työpajakuu 13 B, 2.Kerros, Helsinki P. (358) 9 17 34 22 21 F. (358) 9 17 34 22 79 Sähköposti: datashop@stat.fi URL: http://www.tilastokeskus.fi/tk/kk/datashop/	Statistics Sweden Information service Eurostat Data Shop Karlavägen 100 - Box 24 300 S-104 51 STOCKHOLM Tfn (46) 8 50 69 48 01 Fax (46) 8 50 69 48 99 E-post: infoservice@scb.se URL: http://www.scb.se/templates/Standard___22884.asp
UNITED KINGDOM	NORGE	SCHWEIZ/SUISSE/SVIZZERA	UNITED STATES OF AMERICA	
Eurostat Data Shop Office for National Statistics Room 1.015 Cardiff Road Newport South Wales NP10 8XG United Kingdom Tel. (44) 1633 81 33 69 Fax (44) 1633 81 33 33 E-mail: eurostat.datashop@ons.gov.uk	Statistics Norway Library and Information Centre Eurostat Data Shop Kongens gate 6 Boks 8131 Dep. N-0033 OSLO Tel. (47) 21 09 46 42 / 43 Fax (47) 21 09 45 04 E-mail: Datashop@ssb.no URL: http://www.ssb.no/biblioteket/datashop/	Statistisches Amt des Kantons Zürich Eurostat Data Shop Bleicherweg 5 CH-8090 Zürich Tel. (41) 1 225 12 12 Fax (41) 1 225 12 99 E-mail: datashop@statistik.zh.ch URL: http://www.statistik.zh.ch	Harver Analytics Eurostat Data Shop 60 East 42nd Street Suite 3310 NEW YORK, NY 10165 USA Tel. (1) 212 986 93 00 Fax (1) 212 986 69 81 E-mail: eurodata@haver.com URL: http://www.haver.com/	

Media Support Eurostat (for professional journalists only):

Bech Building Office A4/017 • L-2920 Luxembourg • Tel. (352) 4301 33408 • Fax (352) 4301 35349 • e-mail: eurostat-mediasupport@cec.eu.int

For information on methodology:

Anne BERTHOMIEU, Eurostat / F2, L-2920 Luxembourg, Tel. (352) 4301 33616, Fax (352) 4301 30019,

E-mail: Anne.Berthomieu-Cristallo@cec.eu.int

ORIGINAL: French

Please visit our web site at www.europa.eu.int/comm/eurostat/ for further information!

A list of worldwide sales outlets is available at the **Office for Official Publications of the European Communities**.

2 rue Mercier - L-2985 Luxembourg
 Tel. (352) 2929 42118 Fax (352) 2929 42709
 URL: <http://publications.eu.int>
 E-mail: info-info-opoce@cec.eu.int

BELGIQUE/BELGIË - DANMARK - DEUTSCHLAND - GREECE/ELLADA - ESPAÑA - FRANCE - IRELAND - ITALIA - LUXEMBOURG - NEDERLAND - ÖSTERREICH
 PORTUGAL - SUOMI/FINLAND - SVERIGE - UNITED KINGDOM - ISLAND - NORGE - SCHWEIZ/SUISSE/SVIZZERA - BALGARIJA - CESKÁ REPUBLIKA - CYPRUS
 EESTI - HRVATSKA - MAGYARORSZÁG - MALTA - POLSKA - ROMÂNIA - RUSSIA - SLOVAKIA - SLOVENIA - TÜRKIYE - AUSTRALIA - CANADA - EGYPT - INDIA
 ISRAËL - JAPAN - MALAYSIA - PHILIPPINES - SOUTH KOREA - THAILAND - UNITED STATES OF AMERICA

Order form

I would like to subscribe to *Statistics in focus* (from 1.1.2003 to 31.12.2003):

(for the Data Shop and sales office addresses see above)

All 9 themes (approximately 200 issues)

Paper: EUR 240

Language required: DE EN FR

Statistics in focus can be downloaded (pdf file) free of charge from the Eurostat web site. You only need to register. For other solutions, contact your Data Shop.

Please send me a free copy of 'Eurostat mini-guide' (catalogue containing a selection of Eurostat products and services)

Language required: DE EN FR

I would like a free subscription to 'Statistical References', the information letter on Eurostat products and services

Language required: DE EN FR

Mr Mrs Ms

(Please use block capitals)

Surname: _____ Forename: _____

Company: _____ Department: _____

Function: _____

Address: _____

Post code: _____ Town: _____

Country: _____

Tel.: _____ Fax: _____

E-mail: _____

Payment on receipt of invoice, preferably by:

Bank transfer

Visa Eurocard

Card No: _____ Expires on: ____/____/____

Please confirm your intra-Community VAT number:

If no number is entered, VAT will be automatically applied. Subsequent reimbursement will not be possible.