



Austria

Austria assumed the presidency of the European Union (EU) Council on 1 January 2006. In its term, the government intends to focus efforts on strengthening relations between the EU and the Western Balkans. Attention is also likely to be directed at introducing measures to boost Austrian support for the EU (which currently is among the lowest in all 25 member states)¹.

Austria's 2006 Action Plans for its role as the President of the EU Council include a brief mention of Africa. This reference concentrates predominantly on North Africa and the European Neighbourhood Partnership (ENP). Its plans also include the intention to support African-owned institutions, such as the African Union (AU), the African Peace Facility and the Action Plan for ESCP Support for Peace and Security in Africa. Other items on the agenda are to work towards implementing the new EU Africa Strategy (adopted by the European Council in December 2005); to encourage the second EU/AU Summit to be held as soon as possible; to monitor the implementation of the Millennium Development Goals (MDGs) commitments made by EU member states; and to fulfill the pledges of the amount and quality of development assistance made to Africa when the EU presidential chain was held by Tony Blair of the UK.²

The history of Austria's diplomatic relations with African countries

Austria's presence in Africa was initially limited to the establishment of a consulate in Khartoum, Sudan (1850), followed by the opening of honorary consulates in Cape Town, South Africa (1852) and Freetown, Sierra Leone (1858). After 1900 the Austro-Hungarian Empire expanded its modest presence in Africa by adding honorary consulates in Zanzibar, Mombasa (Kenya) and Laurencio Marques (Maputo,

¹ www.economist.com. Country Briefings: Austria.

² Austria and Finland's 2006 Action Plan for the EU Presidency

Mozambique), and, during the years of the First Republic (1918–1938), others in Addis Ababa, Lagos, Johannesburg and Cape Town. The need for more consulates was mainly based on Austria's commercial interests at the time.

Because Austria had few historical ties with sub-Saharan Africa, the first embassy established in this region was in Lagos, Nigeria in 1962, followed in 1964 by Addis Ababa and Dakar. Austria is currently represented by seven embassies in sub-Saharan Africa. The remaining four are in Accra, Nairobi, Harare and Pretoria.

Austria's bilateral relations with the countries of North Africa (Egypt, Algeria, Libya, Morocco and Tunisia) are much better than those with its counterparts in the South of Africa. Austria is represented at ambassadorial level in all five North African countries, while all of these countries have embassies in Vienna. Austrian diplomats have paid numerous visits to North Africa in recent years.

North Africa is mentioned briefly in Austria's 2006 Action Plan for the EU Presidency, which makes a commitment to continue its financing of the European Neighbourhood Policy (ENP) as a tool for regional stability and security towards certain North African and Mediterranean countries. In 2006 the EU Council will be required to carry out a mid-term review of the ENP Action Plans for the first group of neighbourhood countries. This will include those undertaken by the ENP in Tunisia and Morocco.³ The Council is also expected to adopt the Action Plans for Egypt in 2006. Within the framework of the Barcelona Process, the VIII Euro-Mediterranean Conference of Foreign Ministers is scheduled to take place in Finland in the second half of 2006. Austria and Finland will need to collaborate their efforts to ensure a successful outcome of this Conference. The Council intends to implement the Association Agreement with Algeria, as well as consider including Libya (who has had observer status since 1999), in some activities of the Euromed-Partnership, depending on Libya's attitude towards the Barcelona Process.

Trade and investment

³ Austria and Finland's 2006 Action Plan for the EU Presidency

Austria's international trade is predominantly with EU countries. The 25 member states accounted for 71.8% of Austria's exports in 2004, and 77.1% of its imports in the same period.⁴ In 2004 Germany was Austria's main trading partner (with imports representing 32.1% of the total, while exports to Germany amounted to 42.6% of the total).⁵ Owing to Austria's historical ties with countries in Central Eastern Europe (CEE), their low labour costs and geographical proximity, Austrian companies have recently concentrated their investment efforts there. The major recipients are the Czech Republic, Croatia, Slovenia and Hungary. By the end of 2004, Austrian FDI had increased to €5.2 billion. More than half was invested in CEE.

In 2004 Africa accounted for only 1.1% of Austrian exports and imports. Although Austria has a high volume of trade with oil-producing African countries (such as Nigeria and Algeria), South Africa is its most important African trading partner, representing 30.3% of Austria's total foreign trade with the continent. In 2003, South Africa's imports from Austria had a value of R2,734.25 million, whereas exports were worth R 824.06 million.⁶ South African exports to Austria include food products (especially fresh and dried fruits), wine, pulp, paper, iron, steel and coal. South Africa's imports consist mainly of telecommunications equipment, paper and board products, and machinery.⁷

Austrian development assistance to Africa

Since 2004, the implementation of projects and programmes under the Austrian Development Co-operation (Ministry of Foreign Affairs) has been carried out by the Austrian Development Agency (ADA). The Ministry has identified key regions in Africa on which to focus, East Africa being the region chosen for Austrian development assistance. Ethiopia, Rwanda and Uganda are considered 'priority countries', whereas Burundi, Kenya and Tanzania are classified by the Ministry as 'co-operation countries'.⁸ Development programmes in Ethiopia focus on food security and health care, whereas assistance to south-west Uganda prioritises access to

⁴ www.dfa.gov.za

⁵ www.economist.com. Country Briefings: Austria.

⁶ Sidiropoulos, E. 2004. 'South Africa's Foreign Policy 1994-2004: Apartheid Past, Renaissance Future'. The South African Institute of International Affairs.

⁷ www.dfa.gov.za

⁸ The Austrian Foreign Ministry. www.bmaa.gv

drinkable water and sanitation. Projects aimed at the decentralisation and reform of public administration and the support for human rights organisations are also emphasised.

Mozambique is considered Austria's top priority in Southern Africa. The country aims to strengthen Mozambique's rural districts and support its small farmers, particularly in Sofala, its poorest province. Namibia, Zimbabwe and South Africa are considered 'co-operation countries' in Southern Africa.

In 2003 Sub-Saharan Africa received \$113 million in ODA from Austria. However, Poland was the country to which Austria allocated the largest amount of funding. It received more than twice the amount given to any other country. Only three African states feature in the list of the countries that receive most aid from Austria. The majority are Balkan states.⁹

Austria's relations with South Africa

Diplomatic relations between South Africa and Austria were established in 1949¹⁰ and in March 1991 a Finnish embassy was established in Pretoria. The South African Department of Public Enterprises visited Austria in February 2005, while the South African Chief Justice, Pius Langa, went to Austria in October 2005. As a result of these and other exchanges, numerous bilateral agreements have been signed.

The Austrian Development Co-operation has identified South Africa as an important partner country in Southern Africa. Austria's ODA to South Africa in 2004 was €1.21 million. This was used predominantly for the establishment of democratic systems, which were to be implemented through multilateral organisations, government bodies and South African and Austrian NGOs.

Approximately 400 Austrian companies are commercially engaged in South Africa. Thirteen of them have direct investments in South Africa (mainly in the sectors of machinery, gaming, textiles and electrical equipment).

⁹ www.oecd.org/dac

¹⁰ www.dfa.gov.za

South Africa is the only African country with any substantial direct investment in Austria. Mondi, for example, has considerable interests in the Austrian paper and pulp industry through the Frantschach group.

Since 1990, Austria and South Africa have experienced a phenomenal increase of 124% in tourism. In 2004 alone, 20 602 Austrian tourists visited South Africa. There is a large Austrian community (some 20 000 people) in South Africa, which also attracts a number of visitors from that country.

Working Paper