

## Open borders for more trade

# Schengen Enlargement

<b>27</b> members 23 EU countries 4 EFTA countries	<b>420</b> million people
<b>4 million</b> km <sup>2</sup> area	<b>50.000</b> km external border



The Schengen Agreement establishes the **world's largest free travel area** - without border controls or visa.

### Businesses benefit from open borders

The Schengen Area is one of the most emblematic achievements of the European integration. The agreement implements one of the four key principles of the EU Single Market: the freedom of movement of persons. The Schengen Area allows people to travel freely between member countries without border checks. Open borders facilitate trade of goods and the provision of services because they save time and money by eliminating stressful and costly border waiting time. Schengen promotes collaboration and exchange across borders within the European continent.

### Advantages

- » **Production:** smooth supply chains and functioning just-in-time deliveries
- » **Transport:** driving times are more predictable
- » **Tourism:** No stress at the border for tourists and business travellers. For most third-country nationals, a single visa is sufficient for the entire Schengen Area.

### Bulgaria and Romania: Important economic partners for Austria

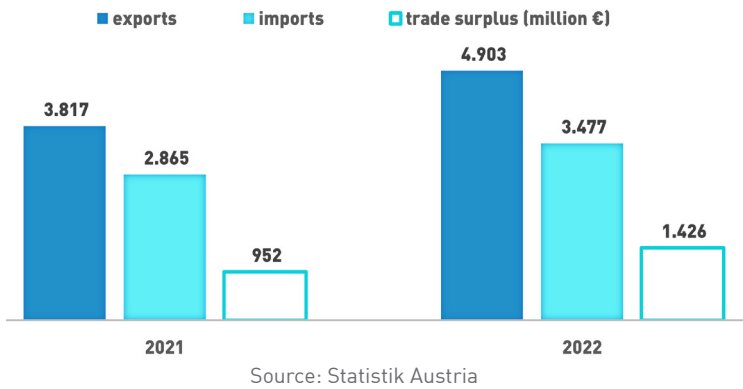
- » The Austrian economy supports the Schengen accession of Bulgaria and Romania
- » Austria is the second largest foreign investor in the region
- » High export dynamics - trade surplus – unused export potential



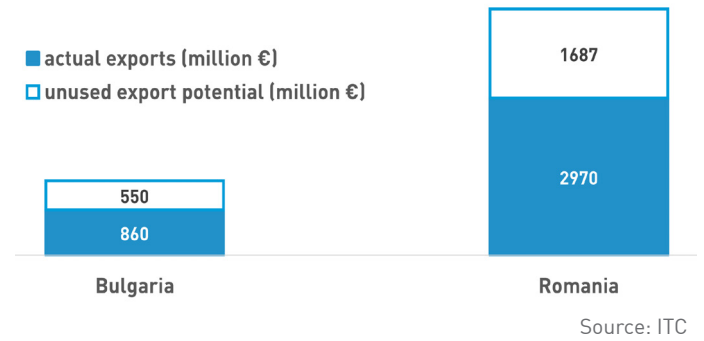
Austria's trade surplus with Bulgaria and Romania grew by 49 percent in 2022. Goods exports increased significantly by 28 percent, reaching almost 5 billion Euros. Imports grew by 22 percent, amounting to 3,5 billion Euros.

# Why is Bulgaria's and Romania's Schengen accession beneficial for Austria's economy?

## Austria's trade with Bulgaria and Romania

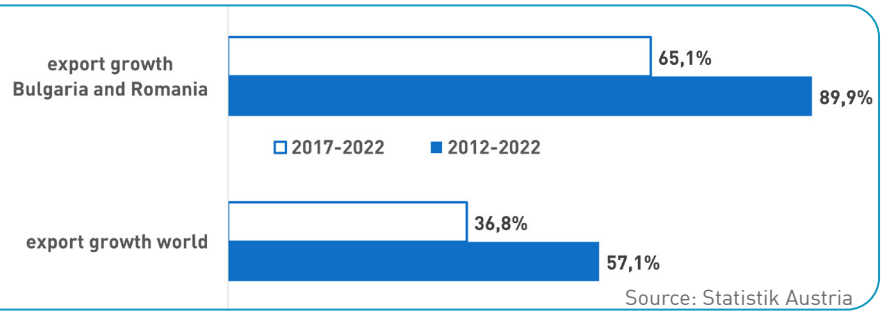


## Export potential to Bulgaria and Romania (2021)

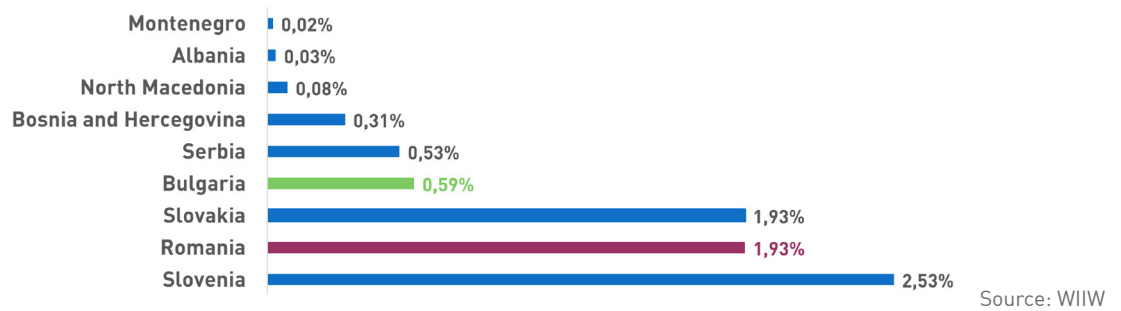
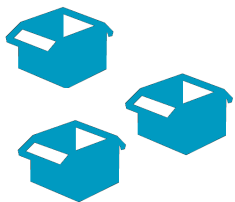


The export potential to Bulgaria and Romania is far from being fully exploited!

Austria's high export dynamic to Bulgaria and Romania (cumulated)  
 + 89,9 % since 2012  
 + 65,1 % since 2017



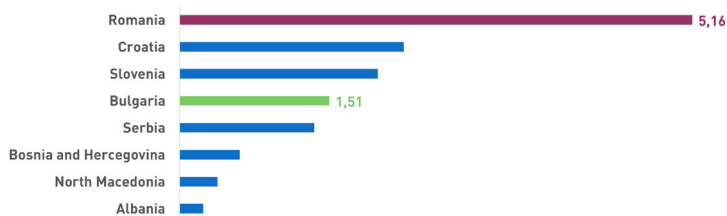
## Share of Bulgaria and Romania in Austria's worldwide exports: 2,5% Austria's goods exports to Central, Eastern and South-eastern Europe (CESEE) in 2021



- ▶ With 15,1 billion Euros in investments, Austria ranks among one of the big players in Bulgaria and Romania.
- ▶ Austria is the second-largest foreign direct investor in both countries. 20 percent of all Austrian direct investments in Central, Eastern and South-eastern Europe are made in these two countries.
- ▶ 1.850 subsidiaries of Austrian companies employ over 130.000 local staff.

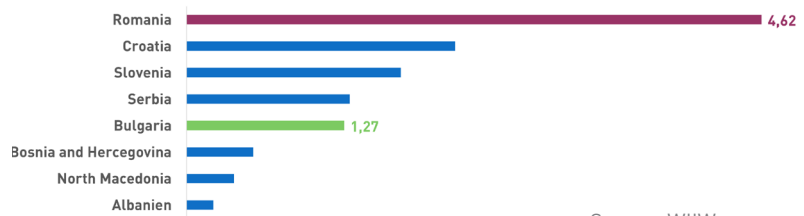
## Income from Austrian direct investments in CESEE

Percentage shares, 2021



## Austrian direct investments in CESEE

Percentage shares, 2021





### Did you know ...

Non-EU citizens benefit also from the Schengen Agreement. Third country nationals living in the EU can travel between Schengen countries without stopping at the border. Additionally, the Schengen visa allows non-EU visitors on short trips to travel to any Schengen member state and stay in the entire area for up to 90 days within six months.

## Fact Check Schengen Area

The European Commission estimates that nearly 1,7 million Europeans live in one Schengen country but work in another. Every single day around 3,5 million people cross one of the Schengen Area internal borders. The European population makes an estimated 1,25 billion trips within the Schengen Area every year.

### The Schengen Area includes 27 members: 23 EU countries and 4 non-EU countries

All EU Member States except Bulgaria, Cyprus, Ireland and Romania are members of the Schengen Agreement. Additionally, Iceland, Liechtenstein, Norway and Switzerland are associated members. EU Member States are required to join the Schengen Agreement once they fulfil all conditions. Bulgaria, Cyprus and Romania are already bound in part by the Schengen legislation, but internal border controls have not yet been lifted. Ireland has an opt-out and is not obliged to implement the common set of Schengen rules (acquis) and to remove internal border controls.

Schengen candidate countries need the capacity to effectively manage the external borders. Bulgaria and Romania have successfully completed the Schengen evaluation process and the Schengen Evaluation and Monitoring Mechanism has confirmed that both countries are ready to fully join the area. In addition to the conditions to be fulfilled, the unanimous consent of all Schengen members fully applying the Schengen acquis is required.

### Where does the term „Schengen“ come from?

Schengen is a small village in Luxembourg, located on the Mosel River at the tripoint of Germany, France and Luxembourg. In 1985, the Schengen agreement was signed there on an excursion boat.

**The Austrian economy supports the Bulgarian and Romanian Schengen accession.**

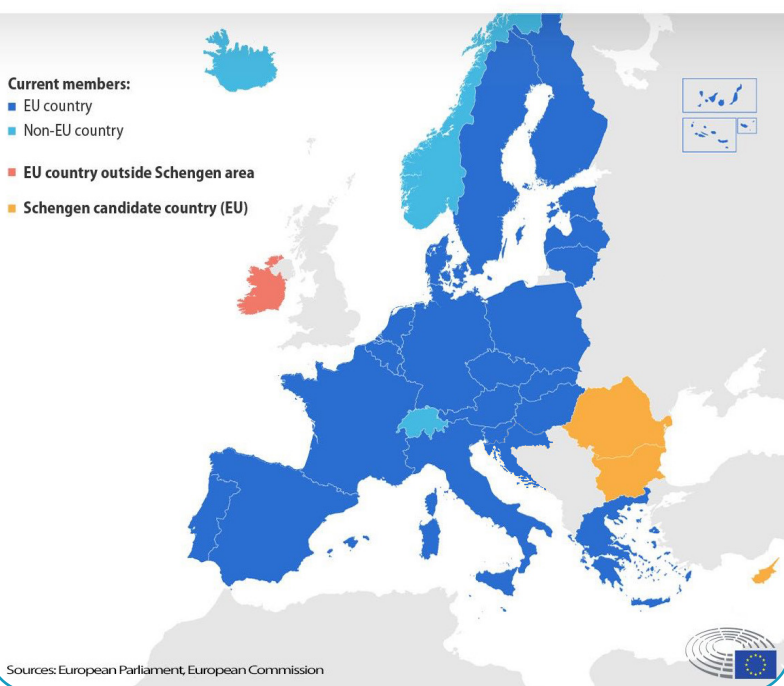
## VOICES from the Austrian economy

„We hope that Bulgaria and Romania will join Schengen soon. That would make a lot of things easier for us in everyday life.“

„Closed borders not only cost us a lot of nerves, but also a lot of money.“

„Only if border controls at Europe's internal borders are abolished we can fully take advantage of the benefits of the EU Single Market.“

# SCHENGEN AREA



- + more freedom
- + + more security
- + + + more efficiency

## The advantages of Schengen

- + Common protection of the external border
- + Harmonised administration for monitoring the external border
- + Cooperation of judicial authorities
- + Determination of responsibilities for asylum applications
- + Harmonised rules for crossing the external border and harmonised checks on persons
- + Harmonised visa requirements for short stays of third-country nationals
- + Separation of passengers of the Schengen area from others at airports and ports



### Did you know ...

Austria has been a member of the Schengen Area since December 1, 1997. However, it was only April 1998 that the three major border crossings Arnoldstein, Brenner und Walserberg lifted their border bars. Austria is thus celebrating 25 years of Schengen accession this year - traveling without passport control.

### More expertise, facts and background

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