



4 May 2023

FTA Coordination Section
Free Trade Agreements and Stakeholder Engagement
Department of Foreign Affairs and Trade
RG Casey Building
John McEwen Crescent
Barton ACT 0221
via email: UAECEPA@dfat.gov.au

Re: Support for an Australia-UAE Comprehensive Economic Partnership Agreement

The Australia UAE Business Council (the Business Council) is pleased to make this submission to the Department of Foreign Affairs and Trade in strong support of a prospective Comprehensive Economic Partnership Agreement (CEPA) between Australia and the United Arab Emirates (UAE).

Established in 2020, the Business Council's aim is to deepen bilateral trade and investment, expand opportunities for Australian and Emirati businesses, and strengthen the relationship between the two nations. The Business Council achieves this by assisting member companies and organisations in Australia and the UAE to connect with their counterparts; promoting Australian and Emirati businesses and fostering opportunities and enterprise; and building and developing stronger ties and understanding between Australia and the UAE.

Australia and the UAE have enjoyed stable and positive diplomatic and trade relationships for many years, notably in resources, agriculture, services, and investment. Australia is also provider of food and other critical inputs in the UAE economy, with exports to the UAE exceeding \$4.1 billion annually and investment in the UAE is over \$6 billion. Conversely, UAE's exports to Australia cover \$3.1 billion annually, while the UAE's investment in Australia exceeds \$14 billion dollars to date.

These figures indicate the significant opportunities for both Australian and Emirati businesses to better balance and further build on investment, services, and other trade in each country. In supporting this aim, Australia has been selected as one of ten key countries under the UAE's 10x10 program, which aims to increase exports to priority countries by 10 per cent in 10 key markets. The Business Council recognises that the implementation of a CEPA is an important step in achieving this growth, offering Australia a unique opportunity to capitalise on these benefits.

The UAE has a demonstrated record of actively supporting economic activity with bilateral trading partners with which it has ratified economic partnership agreements, both in terms of trade and foreign direct investment (FDI). For instance, in the 12 months following the signing of a CEPA between the UAE and India, bilateral trade between the two countries increased by 27%. In terms of FDI, the UAE last year

committed to investing US\$10 billion of sovereign wealth toward urban development in Indonesia, a nation with which a CEPA has also recently been ratified. Likewise, as part of UAE-UK Sovereign Investment Partnership, the UAE committed £10 billion toward investment in technology, infrastructure and energy transition sectors in the United Kingdom. These examples are indicative of the UAE Government's enthusiastic ambition to build global enterprises through increased economic engagement with their partners, highlighting the significant benefits that Australia might enjoy through such an agreement with the UAE.

In fact, both nations have a shared interest in further connecting their respective business communities. The Business Council is of the view that a CEPA would serve to deepen mutually beneficial economic relations and support increased economic activity in pursuit of both countries' strategic visions. The mechanisms of a CEPA which would support this include:

- enhanced market access,
- tariff liberalisation,
- simplification of customs procedures,
- clarified regulatory frameworks, and
- rules-based competition.

Given the potential enhancement of bilateral trade and investment and deeper economic ties, the Business Council is pleased to note the progress following the 2022 joint statement from both the Australian and the UAE governments on their intent to pursue a Comprehensive Economic Partnership Agreement.

Through its activities, the Business Council is committed to working with our members and partners to facilitate Australian companies' objectives in conducting business in the UAE. With over 300 Australian companies currently operating in the UAE, a CEPA will considerably support the mobility of Australian companies as they seek to establish and expand their presence in the UAE and the MENA region by extension. Although the matter of avoiding double taxation with the UAE remains outside the scope of DFAT's consultation, [the Business Council likewise remains supportive](#) of the Australian Government taking other such measures to address limitations on economic cooperation between the two nations.

As a leading advocate for increased economic activity between the two countries, we appreciate the opportunity to make a submission on a prospective Australia-UAE CEPA. The Australia UAE Business Council remains willing to provide support to the governments of both nations in hopes of achieving a mutually beneficial outcome. If you should wish to discuss this submission further, please contact Aaron Waters-Marsh, Executive Director, at awm@ausuaebc.com or on +61 498 999 772.

Yours sincerely

The Hon. Christopher Pyne
Australia Co-Chair

His Excellency Badr Al-Olama
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(unsigned for electronic submission)