

29th April 2022

Australia-UAE CEPA Coordinator
Middle East FTAs Branch
Regional Trade Agreements Division
Department of Foreign Affairs and Trade

Email: UAECEPA@dfat.gov.au

**RE: Possible Comprehensive Economic Partnership
Agreement (CEPA) with United Arab Emirates**

Dear Sir/Madam

The Australian Nut Industry welcomes the opportunity to make this submission to the Department of Foreign Affairs and Trade on a potential Comprehensive Economic Partnership Agreement (CEPA) with United Arab Emirates **ANIC fully supports a CEPA with the UAE. This would provide further opportunities for the expanding Australian tree nut production.**

The Australian Nut Industry Council (ANIC) is the federation of the seven Australian tree nut growing industries including almonds, chestnuts, hazelnuts, macadamias, pecans, pistachios, and walnuts.

Nut orchards in Australia continue to rapidly expand.

- Farm gate value (FGV) in FY 2021 was \$A 1.2 billion.
- Trees already planted but not yet bearing will increase FGV to \$A2.2billion by FY 2030. Nut exports in FY 2021 were close to \$A 1 billion.
- Nut exports are projected to rise to about \$2billion per annum by FY 2030.

This expanding production needs the improved market opportunities from the free trade agreements that the government has successfully negotiated.

The UAE has a small population and is presently a small market for Australian nuts, typically \$A5-\$25 million per annum. However, it is a valuable market, as they purchase the high-grade tree nuts which Australia produces. Additionally, the UAE is an important trading portal for other GCC members but other middle east countries as well and will increase sales will increase exposure for other markets.

There is zero local production of tree nuts in the UAE or other GCC countries. The climate conditions are not suitable for the temperate climate nuts grown in Australia as a result the Australian tree nuts are not competitor in any of the GCC countries.

There is a 5% import tariff on all Australian nuts and a 9% import tariff on almond meal. The removal of these tariffs would improve the competitiveness for Australian exports into the UAE. The UAE has some import requirements particularly with labelling. None of these are particularly onerous and are not unusual in the world trade of nuts and would not be regarded as a significant hinderance to trade.

Appended are details of recent Australian tree nut exports to the GCC.

Most nuts are exported under the Chapter 8 of the HS Code. However, some nuts are classified as processed (Chapter 20) or meals (Chapter 11, item 110630). It is important that these HS codes are also covered by any Agreement. There are no processing industries in the GCC that do this value adding. A full list of the relevant HS codes is appended.

ANIC will be pleased to provide any further information and support for the negotiations ahead with the GCC and the UAE.

Yours faithfully

Brendan Sidhu
Chair
Australian Nut Industry Council



Australian exports of tree nuts to Gulf Cooperation Council

	2017	2018	2019	2020	2021	6 months Dec 2022
	AUD	AUD	AUD	AUD	AUD	AUD
Kuwait	3,353,156	3,968,975	2,825,216	1,254,013	1,679,507	1,262,384
Qatar	8,998	1,800,553	1,514,716	2,462,656	2,996,013	1,617,323
Saudi Arabia	<u>3,720,268</u>	<u>5,780,928</u>	<u>4,465,871</u>	<u>3,083,443</u>	<u>4,675,520</u>	<u>674,845</u>
	7,082,422	11,550,456	8,805,803	6,800,112	9,351,040	3,554,552
UAE	<u>18,116,309</u>	<u>24,733,726</u>	<u>5,780,835</u>	<u>3,717,237</u>	<u>22,894,096</u>	<u>13,357,282</u>
Total GCC	25,198,731	36,284,182	14,586,638	10,517,349	32,245,136	16,911,834

Table 1. Recent exports of Australian tree nuts to GCC counties in Australian dollars

The major Australian nuts exported to GCC are almonds and macadamias. There are very small quantities of chestnuts. There is potential for pistachios and walnuts as production of these nuts expand in Australia.

HS Codes for Australian Nut Exports

Commodity	HS Code
Almonds in shell	8021100
Almond Shelled	8021200
Almonds P/P	20081993
Hazel in shell	8022100
Hazel shelled	8022200
Macadamia in shell	8026100
Macadamia shelled	8026200
Macadamia P/P	20081909
Pecan inshell & shelled	8029090
Pecan P/P	20081909
Pistachio in shell	8025100
Pistachio shelled	8025200
Pistachio P/P	20081909
Walnut in shell	8023100
Walnut shelled	8023200
Nut meals & flour	110630