

# **Australia – United Arab Emirates Comprehensive Economic Partnership Agreement**

**OBPR22-01875  
Certified Impact Analysis**

**Department of Foreign Affairs and  
Trade**

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# Executive Summary

The Australia-United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA) will be Australia's first free trade agreement with the Middle East and deliver on the Australian Government's commitment to opening new opportunities that will allow us to diversify our trade.

The UAE is a dynamic and globally focused partner and a gateway into the region for Australian exporters. It is currently Australia's largest trade and investment partner in the Middle East. In 2023 our two-way trade was worth over \$9.94 billion and two-way investment worth \$20.6 billion.

Through CEPA, Australian exporters will benefit from elimination of tariffs on over 99 per cent of Australian goods exports to the UAE by value, estimated to increase Australian exports at around \$678 million per year.

Exporters will have preferential access to the UAE's growing market, with its connections to the broader region and beyond.

Australian service providers will benefit from CEPA through guaranteed access to sectors of commercial interest, including consulting, environmental, education, health and financial services.

As a modern trade agreement, CEPA includes commitments on inclusive and sustainable trade through promoting internationally recognised labour standards; supporting women's access to the full benefits and opportunities that flow from trade and investment; and ensuring high levels of environmental protection.

CEPA will also be Australia's first trade agreement with a stand-alone chapter which establishes a framework for cooperation to promote First Nations trade and investment interests. This delivers on the priority the government attaches to including First Nations people in our international trade agenda.

UAE entities are already major investors in Australia's renewables, waste-to-energy, health and aged care and resources sectors – innovative outcomes in CEPA will encourage further investment in priority sectors relevant to Australia's clean energy transition and net-zero ambitions, creating jobs and sustainable rural development.

Having now concluded the deal, Australia and the UAE are both working on formalising the legal treaty text and preparing CEPA for signature later this year. This impact analysis sets out why it is in Australia's interest to sign CEPA.

# Introduction

This Impact Analysis assesses Australia's entry into an Australia-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA).

## Background/Current setting

The United Arab Emirates (UAE) is a country comprising seven emirates - Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al-Quwain, Fujairah, and Ras Al Khaimah. Its capital city is Abu Dhabi, located in the largest and wealthiest of the seven emirates. Australia's bilateral relationship with the UAE is friendly, multi-faceted and growing rapidly, across trade and investment, defence, aviation, security and law enforcement cooperation and people-to-people links.

Since its Federation in 1971, the UAE has developed rapidly and is now known for its modern infrastructure, international events and status as a trade and transport hub underpinned by a solid legal system and pro-business environment. The UAE is now the Middle East's third largest economy, and one of the wealthiest countries in the region on a per capita basis. Its gross domestic product (GDP) in 2024 is estimated at US\$528 billion<sup>1</sup>.

While oil and gas still account for over two-thirds of its exports and the bulk of government revenue, the UAE has taken significant steps towards economic diversification, with approximately 70 per cent of GDP now generated by sectors other than oil and gas<sup>2</sup>. It has made significant investments in establishing aerospace, nuclear power, defence, information technology (micro-processing), petrochemical and clean-tech industries. The last of these is most prominently represented by the multibillion-dollar initiative of Masdar City, a zero-carbon city outside Abu Dhabi. The UAE is also investing heavily in educational institutions, cultural and sporting attractions, exhibitions, events, information and communication technology (ICT), re-export and financial sectors.

The UAE is currently Australia's largest trade and investment partner in the Middle East and a gateway into the region for Australian exporters.

Our two-way trade was worth over \$9.94 billion<sup>3</sup> in 2023, up 7.2 per cent on 2022 (\$5.21 billion in exports and \$4.73 billion in imports), with the UAE being Australia's 17th largest goods export partner<sup>4</sup>.

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<sup>1</sup> [Overview of Australia-UAE Comprehensive Economic Partnership Agreement \(CEPA\)](#) accessed on 08/11/2024

<sup>2</sup> [Department of Foreign Affairs and Trade United Arab Emirates country brief](#)

<sup>3</sup> [Department of Foreign Affairs and Trade adjusted Australian Bureau of Statistics \(ABS\), 2024, International trade in goods and services, Australia](#) (Jun-2023 data), calendar year 2023.

<sup>4</sup> Ibid

Minerals remain Australia's largest export to the UAE, with alumina the largest export commodity worth \$1.05 billion in 2023<sup>5</sup>. Australia is a leading supplier of alumina to the UAE market, with a market share of nearly 70 per cent. Other Australian exports include meat, vegetables, fruits and nuts, dairy products, barley and wheat. As a net food importer, the UAE has the potential to become a more significant export destination for Australian produce.

In the services sector, Australia exported \$526 million to the UAE while the UAE exported almost \$3.3 billion to Australia in 2023<sup>6</sup>. Top Australian services exports to the UAE include transport and travel services, other business services, telecommunications, computer and information services, and financial, insurance and pension services<sup>7</sup>.

Investment linkages between the UAE and Australia are also substantial, with UAE investment in Australia worth \$12.6 billion (2023) and Australian investment in the UAE totalling \$8.02 billion<sup>8</sup>. The UAE was the 30th largest investor in Australia in 2023 with an investment stock including direct, portfolio, financial derivative and other investments, according to Australian Bureau of Statistic data<sup>9</sup>.

There is significant scope to expand two-way investment with the UAE, given the complementarity of the Australian and UAE economies. The UAE is encouraging foreign investment related to areas where Australia has strengths, such as advanced manufacturing industries, supply chain logistics, agritech and education. The UAE has also established 40 free trade zones to attract foreign investment that grant foreign entities national treatment and provide tax benefits.

The UAE's leading Sovereign Wealth Funds (SWFs) contain an aggregate of USD\$1.4 trillion in assets under management, with five funds ranked amongst the top 20 by the Sovereign Wealth Fund Institute. UAE SWF entities hold significant investments in Australia, including in the renewable energy, agribusiness, tourism, health and aged care and resources sectors. Australia continues to seek investment from UAE SWFs, principally in sectors such as infrastructure and renewable energy, where the UAE could be a significant partner in our clean energy transition.

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<sup>5</sup> Ibid

<sup>6</sup> Ibid

<sup>7</sup> [Centre for International Economics \(CIE\) 2023, Australia-UAE free trade agreement: A feasibility analysis, Prepared for Department of Foreign Affairs and Trade](#), pp 24-28 (subsequently known throughout the report as 'the Feasibility Analysis').

<sup>8</sup> [Australian Bureau of Statistics \(ABS\), 2023, International Investment Position, Australia: Supplementary Statistics on Australia's international investment position by counterpart countries.](#)

<sup>9</sup> Ibid

## Why a CEPA?

While our economic linkages are already strong, CEPA will be critical to opening new opportunities for Australian business with the UAE and to retain our competitive positions with this valuable growing economy.

Owing to these already strong economic links with UAE and the UAE's interest in pursuing an agreement with Australia, the Department of Foreign Affairs and Trade (DFAT) commissioned an independent Feasibility Analysis (2023) by the Centre for International Economics (CIE) (known throughout this document as the 'Feasibility Analysis')<sup>10</sup>. This was a crucial first step in assessing whether a Free Trade Agreement (FTA) with UAE would provide economic benefits to Australia. The report concluded that under an FTA there were significant gains to be made for Australian exports and services, providing a welcome opportunity for diversification for exporters.<sup>11</sup>

The report demonstrated these benefits through quantitative and qualitative analysis of the outcomes from the trade in goods in other FTAs the UAE (through the Gulf Cooperation Council (GCC)) had negotiated. This included Singapore, the European Free Trade Association Union and India. The analysis found that if Australia could negotiate a similar FTA with a commensurate reduction in tariffs, the goods Australia already exports to UAE could increase 14 percent by \$490 million<sup>12</sup>. Other benefits highlighted included increases in exports of Australian professional services and education<sup>13</sup>.

The UAE's FTAs (each of which is known as a CEPA)<sup>14</sup>, like many of Australia's 18 FTAs<sup>15</sup> reduce tariffs, lowering the cost of exporting a range of items, including some of Australia's largest export commodities in the agriculture and mining sectors.

These CEPAs have also enabled improved access for service providers and suppliers creating opportunities in key sectors of commercial interest, such as education, financial and professional services.

In addition to these trade benefits, a range of other important outcomes could be achieved in a CEPA with the UAE.

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<sup>10</sup> [Centre for International Economics \(CIE\) 2023, Australia-UAE free trade agreement: A feasibility analysis, Prepared for Department of Foreign Affairs and Trade](#), (subsequently known throughout the report as 'the Feasibility Analysis').

<sup>11</sup> Ibid pp. 2-3

<sup>12</sup> Ibid pg 66

<sup>13</sup> Ibid pg 66

<sup>14</sup> [UAE's Comprehensive Economic Partnerships](#)

<sup>15</sup> [Australia's free trade agreements](#)

A CEPA would provide a framework to facilitate two-way investment between Australia and the UAE, including in sectors that underpin the energy transition, whilst protecting the government's right to regulate in the public interest.

It would establish digital trade commitments which strike a balance between facilitating modern trade across all sectors of the economy and ensuring appropriate protections in the online environment. It would also promote balanced protection and enforcement of intellectual property rights, supporting innovation and creativity.

Additionally, through a UAE CEPA, Australia could promote inclusive and sustainable trade through internationally recognised labour standards; cooperation and collaboration on women's economic empowerment; and establish high levels of commitment to environmental protection, consistent with internationally agreed principles, standards and rules.

A CEPA would promote First Nations trade cooperation and reserve Australia's right to implement policy measures that provide more favourable treatment to Australian First Nations people.

It would also establish strong legal and institutional frameworks to ensure effective implementation and provide for open and effective consultation and information sharing, including a review mechanism to ensure it remains up-to-date and relevant.

### Timeline of Negotiations

Australia and the UAE announced an intention to pursue a CEPA in a joint Ministerial statement on 17 March 2022. The start of negotiations was officially announced by the Minister for Trade and Tourism in December 2023<sup>16</sup>.

Prior to, and during the negotiation phase, DFAT conducted substantial consultation and engagement with multiple stakeholders, across a wide range of industries, organisations, businesses, unions, civil society and states and territories to ensure negotiations targeted a deal that benefited all Australians.

### Status of the Impact Analysis

DFAT submitted an Impact Analysis through Early Assessment to the Office of Impact Analysis to support consideration of the negotiating mandate in March 2023.

This formal Impact Analysis is now submitted for approval prior to the proposed signing of the CEPA Treaty intended in October 2024.

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<sup>16</sup> [Official announcement of commencing UAE CEPA negotiations by the Minister for Trade and Tourism](#)

# 1. What is the problem you are trying to solve and what data are available?

***Australia needs to strengthen and diversify our exports to support our prosperity and build national economic resilience. We also need to attract investment in order to address key national priorities such as the clean energy transition.***

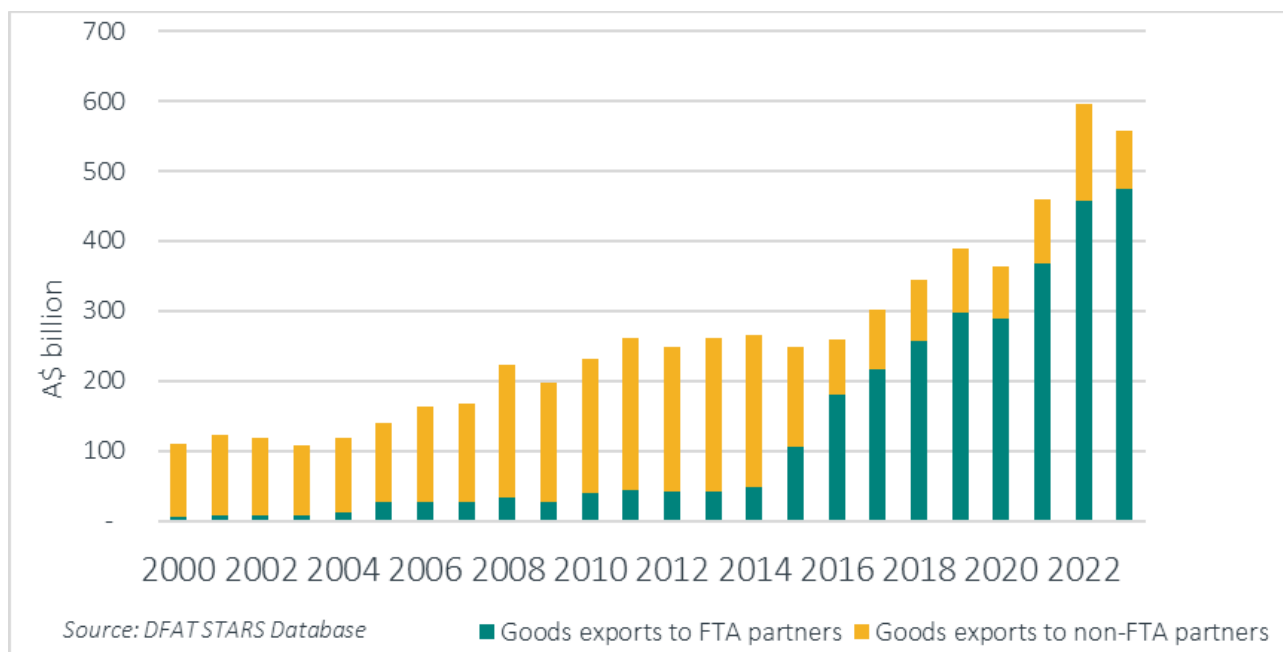
Overall, the expansion of Australia's network of bilateral and regional free trade agreements is associated with a substantial and sustained increase in merchandise exports. Compared to 2014 – when the proportion of exports covered by FTAs stood at 18 per cent – total goods exports had more than doubled by 2023. This growth was supported by an increase in the number and scope of Australia's FTAs: by 2023, about 78 per cent of trade was covered by FTAs. Estimates from DFAT's structural gravity model show, on average, a 12.6 per cent increase in exports from an FTA annually, see Figure 1.<sup>17</sup>

The liberalising effect of tariff reductions, removal of non-tariff barriers and the harmonisation of rules through bilateral and regional FTAs provides a range of benefits for supply chains, and Australia's ability to integrate into global cross-border supply chains. In addition to removing tariff barriers, and making Australian inputs more competitive, FTAs benefit supply chains by supporting resilience to shortages and shocks through diversification. Modern rules of origin in our regional FTAs also allow for cumulation – the ability for value-adding activities along a supply chain to take place across several countries while still qualifying for preferential tariff treatment. FTAs create an environment in which business can develop supply chains with a high degree of certainty, should they choose to use the opportunities created by FTAs.

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<sup>17</sup> [Department of Foreign Affairs and Trade \(2024\) submission to the Inquiry into the Understanding and Utilisation of Benefits under Free Trade Agreements.](#)





**Figure 1: Strong export growth supported by expansion in FTAs since 2003<sup>18</sup>**

Accessing and diversifying into new markets, developing and strengthening supply chains and encouraging new sources of foreign investment will be essential to Australia's economic resilience, supporting Australia's prosperity in an uncertain and contested world. Trade accounts for 27 per cent of Australia's GDP value-add, and one in four Australian jobs are trade-related. All businesses, their employees and families can benefit from the increased certainty and freer flow of goods and services provided by high quality trade agreements.

As we face an increasingly complex international outlook that includes growing protectionism, continuing to open new and diversified opportunities for trade and investment with a range of partners will support Australian jobs and prosperity and is a key economic priority for the government.

Using trade data provided by the Australian Bureau of Statistics (ABS)<sup>19</sup>, DFAT analysed the economic benefits FTAs provide. One of the latest FTAs, the Australia-UK FTA (A-UKFTA), entered into force in May 2023 with 99 per cent of UK tariffs on Australia's \$14 billion two-way merchandise trade eliminated. Since coming into force, A-UKFTA has seen a large increase in a range of Australian goods exports to the UK. For example, from June 2023 to May 2024, beef exports increased by 417 per cent; chocolate confectionary exports increased by 76 per cent; fruit exports increased by 511 per cent and medical device exports increased by 1113 per cent. The A-UKFTA also enhanced opportunities

<sup>18</sup> [Department of Foreign Affairs and Trade \(2024\) submission to the Inquiry into the Understanding and Utilisation of Benefits under Free Trade Agreements.](#)

<sup>19</sup> [Statistics about international trade in goods, on a balance of payments and international trade basis](#)

for Australian services exporters to the UK by making it easier for services professionals to do business in the UK market and increasing opportunities for young Australians to work in the UK.

A lack of access to new opportunities for two-way goods and services trade and investment with the UAE could limit opportunities for Australian businesses to establish, expand, and diversify engagement with international markets. Although Australian businesses have access to markets in the UAE, Australia's higher cost of goods and distance from many markets mean Australian exports face less favourable conditions than similar goods and services from other countries. Also, the UAE is negotiating CEPAs with many of our competitors, so there is a high likelihood current Australian exports to the UAE will decline in competitiveness, as the UAE will preferentially trade with countries with which it has agreements.

Likewise, in the absence of a CEPA, Australia will be less attractive as a destination for quality inwards investment from the UAE, stifling our pursuit of national priorities such as our energy transition, where substantial UAE investment could make a major contribution to priority projects.

In the announcement of the establishment of the Net Zero Economy Authority, it was noted that "Australia's efforts to reduce emissions will generate significant economic change in regions across the country as some industries decline and others emerge. Significant public, private as well as foreign investment is needed to develop more sustainable sources of long-term prosperity and to support communities through this change"<sup>20</sup>. FTAs are an important mechanism to promote and encourage this needed foreign investment.

#### Why would we lose our competitiveness without a CEPA?

Australia and the UAE currently have a positive economic relationship. However, our competitiveness and attractiveness as a trade and investment partner will not reach its full potential, and may even erode, particularly as the UAE implements FTAs with other countries. If other countries negotiate preferential trade agreements with the UAE, particularly those countries who provide similar goods and services to Australia, it is likely that the UAE will buy the goods and services from those countries with reduced tariff rates and other reductions in barriers.

Australia's competitors in the UAE merchandise export market are China, India, the US, Japan, Germany, the UK, Italy, Vietnam, France, Republic of Korea, Switzerland, Türkiye, Belgium, Hong Kong, China and Malaysia<sup>21</sup>. Since 2022, the UAE has entered formal

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<sup>20</sup> [Department of the Prime Minister and Cabinet \(2024\) Investing in a net zero economy, news article.](#)

<sup>21</sup> [the Feasibility Analysis](#) pp. 14-15

bilateral trade negotiations with a series of countries, including India (CEPA now in force), Israel (CEPA now in force), Indonesia (CEPA completed, but yet to enter into force), Republic of Korea, Chile (CEPA completed, but yet to enter into force), Türkiye, the Philippines, and Mercosur (South American trade bloc)<sup>22</sup>.

The UAE is also currently involved in negotiating a range of FTAs through its membership of the Gulf Cooperation Council (GCC)<sup>23</sup>. The GCC is currently either negotiating, or in preparatory talks towards Free Trade Agreements (FTAs), with China, the European Union, India, Indonesia, New Zealand, Pakistan, Republic of Korea, and the United Kingdom.

These agreements are in addition to historical FTAs the UAE already has in force with Morocco and the Pan-Arab Free-Trade Area (PAFTA), and, through its membership of the GCC, with Singapore and the European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland).

### Goods and Services

As the UAE concludes more such agreements with our competitors, Australian exporters and services suppliers will find themselves at a potential competitive disadvantage with an increasing pool of other exporters and service suppliers. Our exporters will face comparatively higher tariffs for their products, which is likely to result in lower price competitiveness in the UAE market.

For example, Table 1, extracted from the Feasibility Analysis <sup>24</sup>, is a comparison between calculated current World Trade Organization (WTO) Most Favoured Nation (MFN) tariff rates for Australia's main export commodities (weighted against Australia's exports to UAE<sup>25</sup>) and tariff rates the UAE has through its regional FTAs as part of the GCC. The FTAs with the European Free Trade Association (EFTA) and Singapore are to illustrate the outcomes Australia could expect. This comparison found Australian products face an average tariff rate of 3.6 per cent on exported goods, compared with almost zero to Europe and Singapore with an FTA in place. Based on an expectation that the UAE would negotiate preferential tariff rates under CEPAs at zero or close to zero on most of these goods similar to the outcomes in its CEPA with Singapore and EFTA, Table 1 outlines the

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<sup>22</sup> [Mercosur refers to The Southern Common Market, commonly known by Spanish abbreviation Mercosur, and Portuguese Mercosul, is a South American trade bloc established by the Treaty of Asunción in 1991 and Protocol of Ouro Preto in 1994. Its full members are Argentina, Brazil, Paraguay and Uruguay.](#)

<sup>23</sup> [Gulf Cooperation Council \(GCC\) countries \(Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates \(UAE\)\) share a significant economic relationship, encompassing trade and investment across a broad range of goods and services.](#)

<sup>24</sup> [the Feasibility Analysis](#) pp. 52-53.

<sup>25</sup> [The Harmonized System is a standardized numerical method of classifying traded products. It is used by countries around the world to uniformly identify and describe products for purposes such as assessing duties and gathering statistics.](#)

competitive disadvantage each Australian product would face, in percentage terms, against our competitors who have a CEPA with the UAE if we remain without one.

**Table 1: Comparison between Australia's current export tariff rates with the rates UAE has through the European Free Trade Association (EFTA) and Singapore FTAs tariff rates <sup>26</sup>**

	Aust export tariffs rates (weighted)	UAE European Free Trade Association FTA tariff rates.	UAE FTA Singapore tariff rates
	%	%	%
<b>Agricultural products</b>			
Animal products	1.80	0.00	0.27
Dairy products	5.00	1.64	0.00
Fruits, vegetables, plants	3.18	0.00	0.00
Coffee, tea	2.73	0.00	0.77
Cereals and preparations	0.06	0.00	0.01
Oilseeds, fats & oils	5.00	0.00	0.02
Sugars and confectionary	5.00	0.00	0.09
Beverages and tobacco	2.84	0.00	0.05
Cotton	0.00	0.00	0.00
Other agricultural products	2.52	0.00	0.02
<b>Average of agricultural products</b>	<b>2.22</b>	<b>0.09</b>	<b>0.13</b>
<b>Non Agricultural products</b>			
Fish and fish products	2.44	0.00	0.00
Minerals and metals	4.66	0.00	0.00
Petroleum	5.00	0.00	0.00
Chemicals	3.00	0.00	0.00
Wood, paper, etc.	4.74	0.00	0.00
Textiles	4.99	0.01	0.00
Clothing	5.00	0.04	0.00
Leather, footwear, etc.	4.82	0.00	0.00
Non-electrical machinery	2.23	0.00	0.00
Electrical machinery	3.10	0.00	0.00
Transport equipment	4.93	0.22	0.00
Manufactures, not elsewhere specified	0.80	0.00	0.00
<b>Average of non-agricultural products <sup>a</sup></b>	<b>4.18</b>	<b>0.02</b>	<b>0.00</b>
<b>Average of all commodities <sup>a</sup></b>	<b>3.60</b>	<b>0.04</b>	<b>0.04</b>

<sup>a</sup> Excluding Confidential items of trade (988)

Note: weighted average using Australian exports to the UAE in 2021 at 3-digit SITC tariff lines; Product groups of agricultural and non-agricultural products defined by WTO based on HS system

Source: CIE estimates

<sup>26</sup> [the Feasibility Analysis](#) Table 5.2, pp. 52-53

Current tariffs on imports from the UAE lead to higher costs for imported goods and services, purchases for inputs into Australian agricultural exports and for Australian consumers. A CEPA with the UAE would benefit exporters and consumers through improved access to the increased range of better-value goods and service imports that CEPA would bring.

For example, the UAE is an important source of fertilisers and petroleum for Australia<sup>27</sup>. Fertilisers and petroleum are indispensable to Australia's agricultural production, and therefore underpin our food security.

The UAE is also a large supplier to Australia of jewellery items, auto parts and certain iron products, all of which attract a 5 per cent tariff. Without securing mutually beneficial trade liberalisation through CEPA, these tariffs would remain, preventing a lower cost of these goods for Australian businesses and consumers.

On the export side, we would lose out on opportunities to boost our engagement with a range of potential customers and suppliers based in the UAE. These customers and suppliers are becoming increasingly valuable to global supply chains as the UAE strengthens its role as a global supply and transport hub. This is particularly the case as other supply chains come under pressure due to geopolitical tensions, the impact of climate change and natural disasters and other unforeseen global events.

Without a CEPA, Australia will be unable to benefit as much from the UAE's status as a transport, logistics and services hub. The UAE's removal of tariff and other barriers on Australian exports will help safeguard Australia's role as an important supplier of agricultural commodities and industrial inputs into UAE industry.

In addition to tariffs, without a CEPA, Australian service suppliers and professionals would not be able to claim the same flexibilities of access or certainty of locked-in rules and protections as other countries that negotiate a CEPA with the UAE.

Over time this could negatively impact our current level of business engagement and would fail to open the new opportunities which enable Australian business to grow as described above.

### Investment

Despite already strong UAE investment in Australia, there is substantial potential for this amount to expand given the value of the UAE's outward-looking sovereign wealth funds and other investors.

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<sup>27</sup> [Trade statistical pivot tables compiled by the Department for Foreign Affairs and Trade.](#)

The most notable UAE sovereign wealth funds - Abu Dhabi Investment Authority, Investment Corporation of Dubai, Mubadala and Emirates Investment Authority, were valued in 2022 at USD\$993 billion (bn), USD\$320bn, USD\$287bn and USD\$87bn respectively. UAE investors are motivated to invest primarily for commercial, rather than geostrategic reasons.

These investors are already active in Australia. However, feedback received (see list at Appendix A) from stakeholders is that outcomes to help promote and facilitate investment through a CEPA would make these investors more comfortable investing in Australia<sup>28</sup>, and they would be more likely to expand their investments, particularly in areas signaled by both governments as priorities, such as Green and Renewable Energy, Food and Agriculture, Infrastructure, Data and Artificial intelligence and Minerals.

#### Which stakeholders are most affected by this problem?

While the problem outlined above has an economy wide impact for Australia, the lack of access to new opportunities for two-way goods and services trade and investment with the UAE will particularly impact certain stakeholders.

In determining these stakeholders, DFAT conducted substantial stakeholder engagement (see under Question 5), receiving both informal feedback as well as 45 formal submissions.

In terms of goods trade, business sectors that already export significant volume to the UAE would be impacted if Australia lost competitiveness in those product lines.

The table below demonstrates Australia's top 50 exports to the UAE, including those that currently face a 5 per cent applied tariff. If competitors gained tariff advantages into the UAE market for these products, then these sectors would likely become less price competitive and could see a reduction in demand from the UAE for their products. These points were reinforced by stakeholders representing these sectors during consultations.

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<sup>28</sup> [Submissions received from interested stakeholders on a prospective CEPA with the UAE](#)

**Table 2: Australia's Top 50 Exports to the UAE in 2023 and current applied tariffs.**

Top 50 Exports to the UAE (A\$m 2023)			
Top Exports	Item	Current applied tariff (UAE)	A\$ million (2023)
1	Alumina	5%	1,049.1
2	Canola seeds	5%	741.2
3	Sheepmeat		270.4
	<i>Fresh and chilled</i>	0%	182.7
	<i>Frozen</i>	5%	87.6
4	Motor vehicle parts *	5%	203.1
5	Crude petroleum	5%	185.1
6	Beef		180.6
	<i>Fresh and chilled</i>	0%	157.8
	<i>Frozen</i>	5%	22.8
7	Lentils	5%	176.9
8	Gold	0%	176.6
9	Telephone sets **	0%	147.2
10	Wheat and meslin	0%	136.9
11	Specialised computing equipment	0%	112.1
12	Flat-rolled products of iron or non-alloy steel	5%	84.5
13	Parts and accessories of firearms	5%	72.5
14	Barley	0%	65.1
15	Chickpeas	5%	61.3
16	Worn clothing and other worn articles	5%	58.2
17	Coal	5%	57.1
18	Aircraft, spacecraft, and parts thereof	0% / 5%	45.8
19	Dairy products (mainly milk powder)	5%	42.4
20	Perfumery and cosmetics	5%	34.3
21	Medicaments	0%	31.7
22	Jewellery	5%	31.2
23	Motor vehicles	5%	30.4
24	Malt extract	0% / 5%	28.0
25	Carrots and turnips	0%	24.8
26	Gold coins	0%	24.7
27	Unwrought zinc	5%	22.0
28	Television cameras, digital cameras and video recorders	0%	18.5
29	Microphones, headphones and speakers	0% / 5% ***	18.5
30	Motor vehicle chassis with engines fitted	5%	17.4
31	Shelled almonds	5%	15.7
32	Paper and paperboard	5%	15.7
33	Surveying instruments	5%	14.7
34	Wine	Special goods (50%)	13.9
35	Pigments and preparations	5%	13.3
36	Therapeutic Respirator Equipment	5%	13.2
37	Citrus	0%	12.4
38	Emery, natural corundum, natural garnet and other natural abrasives	5%	12.3
39	Crane Lorries	5%	10.1
40	Broad beans	5%	9.5
41	Fresh grapes	0%	9.4
42	Wool	5%	8.6
43	Food supplements	5%	8.5
44	Fresh Melons (Watermelons and others)	0%	7.8
45	Frozen edible offal (of sheep & goats)	5%	7.5
46	Other textile articles	5%	6.5
47	Polypropylene plastics (sheets, film, foil and strips)	5%	6.5
48	Live sheep	0%	6.1
49	Oats	0%	5.9
50	Motorboats	5%	5.9
Subtotal of above trade (A\$ million)			4,351.1
Total goods exports (2023) (A\$ million)			4,676.0

SOURCE: DFAT \* UAE is a major destination for scrap/used auto parts; \*\* Telecoms exports are re-exports of mobile phones; \*\*\*0% tariff on the most traded lines in 8518 (851810 & 851830)

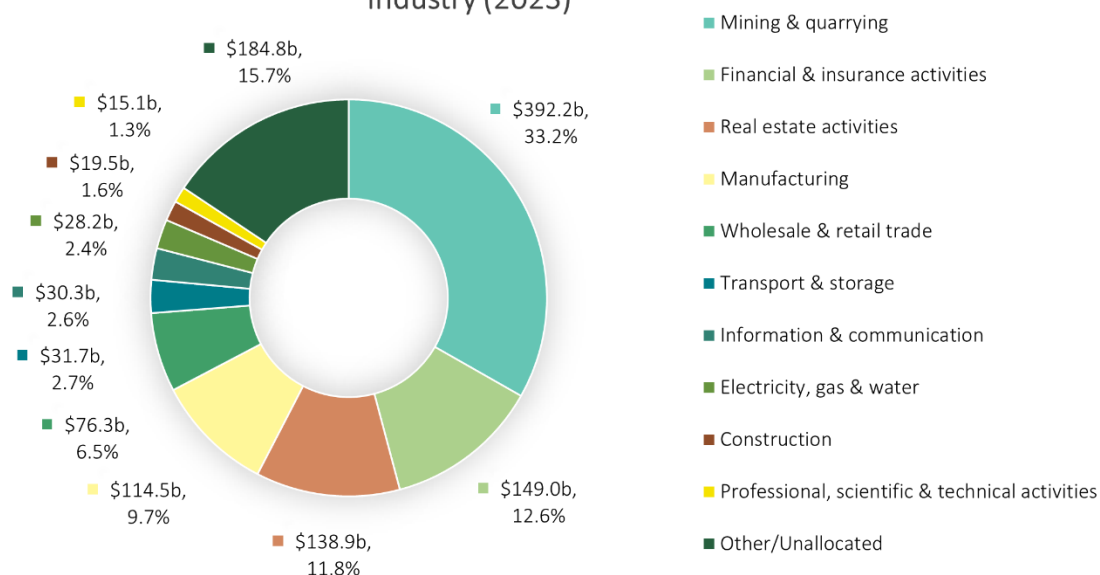


In addition to exporters, stakeholders relying on foreign investment to support major projects in Australia would also be highly adversely impacted if Australia lost competitiveness as a preferred destination source for UAE investment. These stakeholders include a wide range of Australian businesses who could partner with UAE investors, as well as local and regional communities where projects occur.

As foreign investment occurs across multiple sectors in Australia, the list of these stakeholders or the sectors they represent is not exhaustive. However, Figure 2 provides a useful indication of the major industries which attracted foreign direct investment in Australia in 2023. Additionally, as noted by the Net Zero Economy Authority above, significant foreign investment is needed to develop projects related to Australia's renewable energy and net-zero ambitions. Stakeholders in these sectors are thus particularly relevant in this context.

## WHICH AUSTRALIAN INDUSTRIES ATTRACT FOREIGN DIRECT INVESTMENT?

Foreign direct investment in Australia - levels of investment by selected industry (2023)



Based on ABS catalogue 5352.0.

**Figure 2: Foreign direct investment in Australia across selected industries<sup>29</sup>**

The wider community is also a stakeholder which benefits from projects relying on foreign investment, such as more renewable energy and lower emissions, and which would be impacted if Australia became less competitive in attracting investment from the UAE.

<sup>29</sup> [The source of Figure 2 on the Department of Foreign Affairs website](#)

While investment projects may occur across Australia, impacting many communities and stakeholders, the Western Australian government specifically noted the impact investment from the UAE would have on Western Australia<sup>30</sup>:

*Western Australia and the UAE's energy sectors are in the midst of a transition towards cleaner energy sources, with the UAE's Energy Strategy 2050 aiming to increase the contribution of clean energy in the total energy mix to 50 per cent and reduce the carbon footprint of power generation by 70 per cent, both by 2050. Partnerships are already emerging in this space, with examples such as Masdar, a UAE company who in 2020 made its first investment in Australia after acquiring a stake in the country's second utility-scale waste-to-energy facility, East Rockingham Waste to Energy.*

## 2. What are the objectives, why is government intervention needed to achieve them, and how will success be measured?

To address the problem outlined in Question 1, key objective of CEPA is to:

**Strengthen trade and investment with the UAE through preferential market access for Australian goods and service exporters, and mechanisms which facilitate two-way investment.**

This objective can be broken down using the SMART analysis as follows:

**Specific** – we need to ensure CEPA is a legally binding agreement with any associated Memorandum of Understandings (MOUs) and/or side-letters clearly defined as part of the CEPA package.

**Measurable** – we need to ensure CEPA is clear, setting out the rules, obligations and (where relevant) tariff reductions that Australia and the UAE agree to implement. The degree to which these are accurately implemented can be clearly measured after entry-into-force by comparing the terms of the agreement to the applied rules and tariffs.

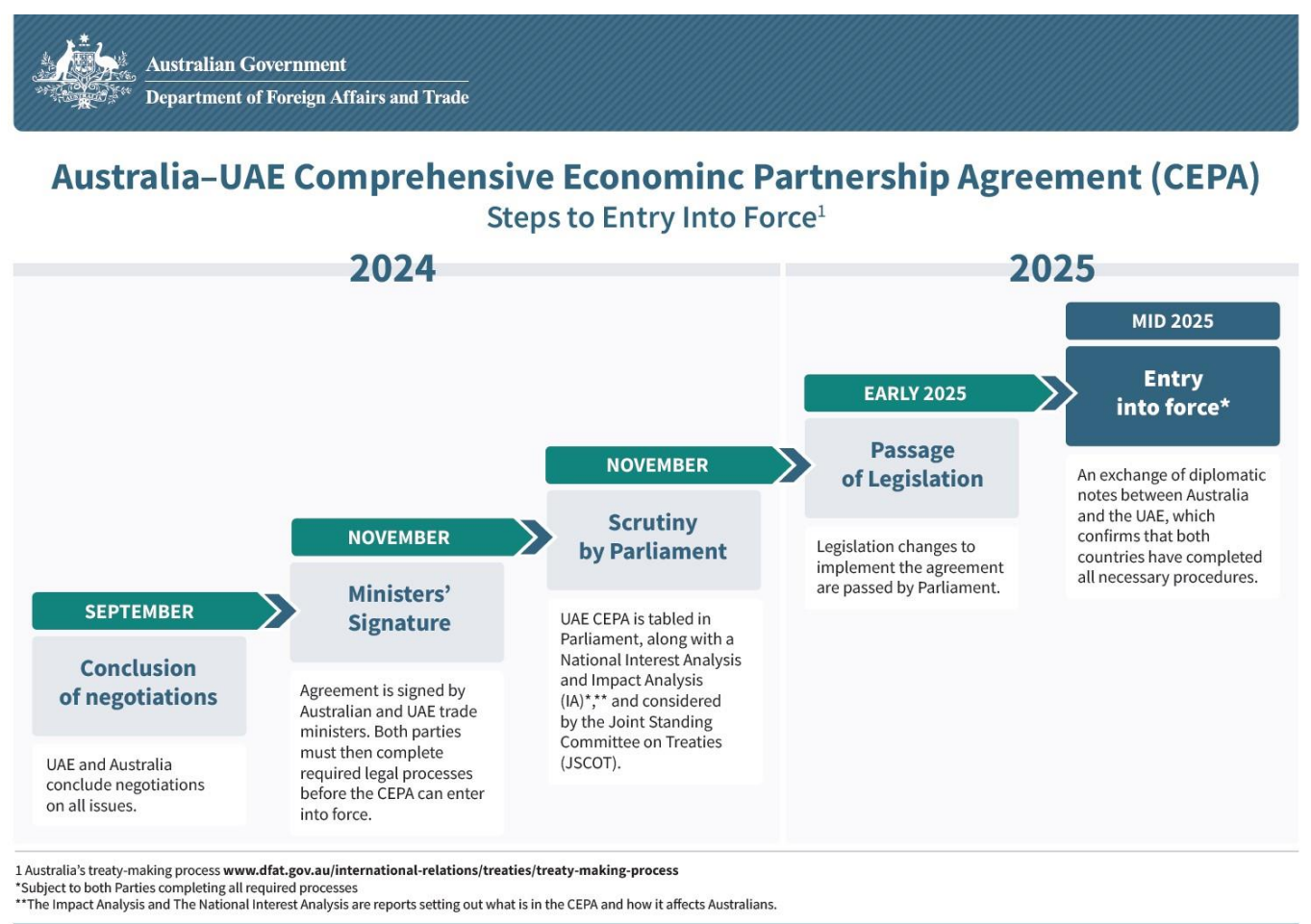
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<sup>30</sup> [Government of Western Australia UAE-CEPA FTA submission](#)

**Accountable** – we need to ensure CEPA is publicly available so that all stakeholders can see its outcomes and raise any issues with the Australian government to pursue through the dispute settlement or cooperative provisions of the agreement.

**Realistic** – we need to ensure the outcomes of CEPA are achievable and can be implemented by both parties.

**Timely** – to reach the objective in a timely manner we need to ensure that CEPA can be implemented to deliver benefits as quickly as possible, in accordance with both parties' domestic treaty making procedures. Details on Australia's estimated timelines for entry into force are set out in Figure 3.



**Figure 3: Outline of when the Australia-UAE CEPA will come into force<sup>31</sup>**

Signing an agreement that delivers on the above SMART objective requires government action. There are no other alternatives to government action that will legally ensure

<sup>31</sup> [Outline of the steps to be taken for the Australia-UAE CEPA to enter into force.](#)

Australian exporters are not at a competitive disadvantage and legally ensure we achieve improved conditions to facilitate trade and investment with the UAE.

This action must be through a treaty as WTO rules do not permit members such as Australia and the UAE to unilaterally preference each other's trade without a legitimate treaty-level trade agreement.

Under Section 61 of the Australian Constitution, only the federal government can negotiate and implement an international treaty like the CEPA. DFAT has led whole-of-government efforts in the CEPA negotiations, based on guidance from Ministers. Consistent with Australia's treaty making procedures, when negotiating an FTA, DFAT has worked closely with other Australian Government agencies.

CEPA is well aligned with government's policy to improve business conditions for Australian exporters of goods and services. Investors will benefit as will Australia's geostrategic interests in promoting transparent and rules-based approaches to prosperity and economic integration.

Government action to sign and implement CEPA will lock in freer trade on a legally binding basis and provide a gateway for business to engage and open new markets more effectively. Also, while CEPA will cover all UAE investors, many of these investors such as the UAE's sovereign wealth funds, have representatives from both government and the private sector, and prefer to focus investments in countries where the UAE has put in place a legal and institutional investment framework through government-to-government action.

More specific information on the Australia-UAE CEPA negotiating objectives is outlined on the DFAT website.<sup>32</sup>

Measuring the success of the above objective will be done on an ongoing analysis of CEPA's implementation by DFAT in consultation with regular feedback and engagement with stakeholders on the agreement. We will also assess its impacts quantitatively, through using Australian Bureau of Statistics trade data to measure changes in two-way trade between Australia and the UAE once the UAE CEPA is in force.

Current trade statistics monitor goods, services and investments between Australia and UAE. This will provide an indication of changes in trade and investment between the two countries on an overall basis and for specific sectors.

The potential barriers and constraints that may prevent this objective being realised include the need for both countries to first complete their respective constitutional

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<sup>32</sup> [Australia-UAE CEPA negotiating objectives is outlined on the DFAT website](#)

processes for signature and ratification of treaties. By signing CEPA, both countries manifest their intention to implement the treaty. However, it does not come into force until it has also been ratified. The UAE Constitution<sup>33</sup> sets out its relevant treaty making procedures. For Australia, Figure 3 sets out the legislative and executive processes after signature required before the treaty can be ratified and enter into force.

## 3. What policy options are you considering?

This Impact Analysis considers two options: to sign or not to sign the negotiated CEPA with the UAE.

### 3.1 Option 1 – Do not sign CEPA

This option would involve ending the current CEPA negotiations and reverting to the status quo. Trade negotiations entail ongoing discussions between government officials on an agreed outline of topics which will make up the trade agreement. These topics have changed over time for Australia. Issues beyond tariff reduction for goods which are hallmarks of traditional FTAs are now usually included. For example, many of the FTAs Australia has recently signed address behind-the-border barriers (including labelling requirements and organic certification) that would otherwise impede the flow of goods and services; encourage investment; and improve the rules affecting such issues as intellectual property, e-commerce and government procurement.

Reverting to the status quo means relying on any further trade liberalisation with the UAE to proceed under the auspices of the WTO rules, which is slower and not guaranteed of progress<sup>34</sup>. The WTO operates by consensus and all Members must agree before a decision can be made. In recent times this has led to very slow progress across a range of issues<sup>35</sup>. It would also mean relying on a unilateral decision by the UAE to reform domestic regulatory settings applicable to all trading partners.

### 3.2 Option 2 – Sign and implement CEPA

CEPA negotiations have shown strong progress throughout 2024. Parameters have been reached on a draft treaty which can be prepared for signature following agreement to

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<sup>33</sup> [The Constitution of the United Arab Emirates](#)

<sup>34</sup> [Outline of Australia's role and work with the World Trade Organization](#)

<sup>35</sup> [Outline of information about the WTO trade negotiation Doha Round](#)

final details and the legal scrub. A summary of these outcomes is below and are consistent with the objectives outlined under Question 2.

On **Goods**, the UAE will eliminate fully tariffs on 98.2 per cent of its schedule, covering 99.9 per cent of Australia's exports to the UAE market by value. Tariff elimination by the UAE will be either immediate on entry into force (90.6 per cent of tariffs, covering 95.4 per cent of our exports by value) or phased over three or five stages (7.5 per cent of tariffs, covering 3.7 per cent of our exports by value). Table 3 outlines the savings that will occur for selected Australian exports to the UAE.

This outcome is the most liberalising the UAE has agreed to date, exceeding its agreements with India (97.1 per cent of tariffs fully liberalised), Israel (96.3 per cent), Indonesia (92.3 per cent) and South Korea (90.0 per cent).

Australia's current conditional offer to the UAE liberalises 96.8 per cent of tariffs immediately. The remaining 3.2 per cent of tariffs on Australia's most sensitive products – including aluminium and steel – will be phased over five stages, allowing those industries additional time to adjust to any competitive pressures from UAE imports. This offer is broadly equivalent to Australia's other recent bilateral FTAs, such as the Australia-India Economic Cooperation and Trade Agreement and the Australia-UK FTA<sup>36</sup>.

Australia has also achieved other modern, flexible and trade-facilitating outcomes on rules of origin, complemented by inclusion of commitments for customs procedures.

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<sup>36</sup> [List of Australia's free trade agreements \(FTAs\)](#)

**Table 3: Australia- UAE Comprehensive Economic Partnership Agreement - Tariffs eliminated across the board on Australian exports**

Selected Australian exports to the UAE	Export value (A\$million) <sup>(1)</sup>	Timeframe for elimination	Duty-free access for Australian exports <sup>(2)</sup>					Estimated tariff saving (A\$million) <sup>(3)</sup>
			From Day 1	From Year 2	From Year 3	From Year 4	From Year 5	
Alumina	\$781	Immediate	100%	100%	100%	100%	100%	\$72
Canola seeds	\$626	Immediate	100%	100%	100%	100%	100%	\$15
Crude petroleum	\$95	Immediate	100%	100%	100%	100%	100%	\$7.8
Coal	\$44	Immediate	100%	100%	100%	100%	100%	\$4.6
Flat-rolled steel	\$55	Immediate/5 stages	12%	12%	12%	12%	100%	\$3.5
Dairy	\$55	Immediate	100%	100%	100%	100%	100%	\$2.9
Sheep meat	\$232	Immediate	100%	100%	100%	100%	100%	\$2.4
Lentils	\$111	Immediate	100%	100%	100%	100%	100%	\$2.3
Chickpeas	\$42	Immediate	100%	100%	100%	100%	100%	\$2.2
Motor vehicle parts	\$171	Immediate/3 stages	86%	86%	100%	100%	100%	\$1.8
Beef	\$170	Immediate	100%	100%	100%	100%	100%	\$1.4
Worn clothing and textiles	\$53	Immediate	100%	100%	100%	100%	100%	\$1.2
Perfumes and cosmetics	\$24	Immediate	100%	100%	100%	100%	100%	\$0.1
Gold	\$138	Duty-free locked in	100%	100%	100%	100%	100%	
Wheat and meslin	\$103	Duty-free locked in	100%	100%	100%	100%	100%	
Barley	\$103	Duty-free locked in	100%	100%	100%	100%	100%	
<b>All Australian goods exports to the UAE</b>	<b>\$4,680m</b>	<b>N/A</b>	<b>91%</b>	<b>91%</b>	<b>95%</b>	<b>95%</b>	<b>98%</b>	<b>\$160 million</b>

**Footnotes**

(1) Annual average 2021-2023 of Australian export figures reported by the Australian Bureau of Statistics

(2) Share of tariff lines

(3) On full elimination of duty, calculated on import figures reported by the UAE (annual average 2019-2022)



On **Services**, CEPA will include a comprehensive set of rules to provide Australian service suppliers with greater certainty and predictability to support their operations in the UAE. These rules will address restrictions and discrimination when accessing the UAE services market, as well as behind-the-border procedural and related domestic regulation barriers that have a negative impact on two-way trade and investment in services.

Australia's offer to the UAE is consistent with our trade in services market access commitments in the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) upgrade and the Regional Comprehensive Economic Partnership (RCEP) Agreement.<sup>37</sup>

On **Investment**, CEPA will support and promote quality two-way investment, including in key sectors relevant to Australia's clean energy transition and Future Made in Australia objectives.

An Investment Agreement will include investment protections that provide certainty to Australian and UAE investors (but will not include Investor-State Dispute Settlement). It will include modern provisions on the environment and corporate social responsibility.

Provisions will support the Government's right to regulate in the public interest and encourage meaningful engagement and dialogue between investors and First Nations peoples and local communities.

A Council on Investment will be established to facilitate continued political level exchanges on the investment relationship and five Investment Cooperation MOUs will also form part of the CEPA package in sectors of national priority including Green and Renewable Energy, Data Centres and Artificial Intelligence Projects, Food and Agriculture, Minerals and Infrastructure.

The investment outcomes, including the MOUs, will not affect existing legal or regulatory processes, nor impact the operation of Australia's Foreign Investment Review Framework.

On **Skilled Labour Mobility**, CEPA will support the flow of skilled personal and business visitors. It will guarantee temporary entry for service providers, investors, and other business visitors. It will not include new labour market testing waivers.

CEPA will have a dedicated chapter covering **trade and labour**, a first for the UAE. Australia and the UAE will affirm our obligations as members of the International Labour Organization (ILO) and our commitments under the ILO Declaration on Fundamental Principles and Rights at Work. CEPA will also promote compliance with ILO standards and enforcement of labour laws. It will establish a Dialogue on Labour to advance Labour

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<sup>37</sup> Link to [ASEAN-Australia-New Zealand Free Trade Agreement \(AANZFTA\)](#) and the [Regional Comprehensive Economic Partnership \(RCEP\) Agreement](#).



Rights, including through engaging with stakeholders. In addition, CEPA will promote cooperation on labour matters of mutual interest.

CEPA will have a dedicated chapter covering **Environment and the Transition to Net Zero**. The chapter recognises that international environmental agreements, including the Paris Agreement, play an important role in protecting the environment and that implementation of these agreements is an important and common goal. Australia and the UAE will work together to address a range of trade-related environmental challenges, including addressing climate change, promoting the circular economy, reducing plastics pollution, improving air quality, and preventing overfishing and illegal wildlife trade.

CEPA will include a standalone chapter acknowledging the importance of 'gender balance' along with **women's economic empowerment**. The chapter recognises and affirms key international instruments, such as CEDAW and the Beijing Declaration, along with commitment to cooperate on policies and initiatives to address barriers and promote the benefits of trade to all.

CEPA will include a dedicated chapter covering **First Nations trade**, the first of its kind in Australia's FTAs. The chapter will establish a framework for cooperation to promote First Nations trade and investment interests, including in arts and crafts, dance and music, tourism, food and agribusiness, biological diversity, environmental management, green economy and resources.

The CEPA will include Australia's first standalone chapter on sustainable agriculture and food systems. The chapter will recognise the role of agriculture in ensuring food security and driving climate resilience, emissions reductions and other environmental outcomes.

CEPA will include outcomes on cooperation to support **animal welfare** and to continue to improve both countries level of animal welfare protection.

The **digital trade rules** avoid impediments to data flows whilst retaining flexibility to regulate for legitimate public policy purposes. They also facilitate cooperation, typically in areas like emerging technologies, cyber security and technical assistance and capacity building to share knowledge and best-practice and support digital trade.

CEPA will promote adequate, effective and balanced protection and enforcement of **Intellectual Property (IP)** rights and also encourage innovation and creativity.

The **Micro, Small and Medium-Sized Enterprises (MSMEs)** chapter in CEPA contains articles providing for an online hub of resources for MSMEs considering trading or investing in the other country; along with pathways to cooperate on exchanging best practice in promoting MSME engagement in international trade and addressing specific barriers faced by MSMEs to trade.

CEPA contains a dedicated chapter on **competition and consumer protections**, including provisions on state-owned enterprises. The chapter demonstrates a mutual understanding of the importance of transparency and procedural fairness in our respective competition landscapes, as well as protecting the rights of consumers. It recognises the importance of a level playing field for both government and non-government businesses operating in the market.

CEPA will establish a **legal and institutional framework** that ensures its effective and efficient implementation, including through a streamlined committee structure and a robust state-to-state dispute settlement mechanism.

The CEPA will include exceptions to ensure both governments can continue to regulate in the public interest, including to protect essential security interests.

CEPA will include cross-cutting provisions that reflect existing Australian laws and practices around **transparency** in public administration. These provisions will sit alongside Australia's and the UAE's existing obligations under other international agreements, including the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

In addition to other areas of cooperation identified across chapters, CEPA will promote practical **economic cooperation** in a range of areas to support the agreement, including closer business to business engagement.

Once concluded, Australia can proceed to sign the treaty following normal domestic treaty making processes and implement its provisions to achieve entry-into-force, see Figure 3 for details.

## 4. What is the likely net benefit of each option?

There are multiple influences on international trade and investment flows, such as current economic conditions, exchange rate fluctuations, supply and demand factors, and environmental issues such as natural disasters. This has an impact on determining a 'cause and effect' relationship between CEPA and trade and investment outcomes.

Measuring what would have happened if CEPA had not entered into force is complex. Data considered in isolation may not always reveal the full picture. Comparisons between Australian and partner-country trade data can be difficult, reflecting valuation differences, transshipments through third-party countries, and timing issues. If we do not

sign the proposed CEPA, trade will likely continue, though may decrease if we become less competitive and the opportunity cost may be significant: DFAT considers that the benefits to Australia in signing CEPA, as explored in detail below, are greater than not signing.

DFAT's qualitative assessment is that signing the proposed CEPA will result in a net benefit for Australia. This is due to the likelihood of increased business activity and confidence, a greater range of competitively priced goods imported from the UAE for consumers, and improved access and competitiveness of Australian goods and services into the UAE. It will be good for Australian business and consumers.

## 4.1 Option 1 – Do not sign CEPA

There would be no benefits and a likely reduction in trade for Australia in taking this option. There would be no further direct regulatory costs involved with this option.

Not proceeding with the CEPA would be inconsistent with Australian Government's commitment to diversify and promote further trade opportunities for Australian business. Without a CEPA, while the UAE would remain a significant trading partner for Australia, we would not be able to address the problem of losing competitiveness in securing valuable opportunities to build trade and investment with a dynamic, growing and globally focused strategic partner.

If this option is taken, Australian exporters would remain disadvantaged against competitors that are already gaining preferential access to the UAE market. The size of this disadvantage would be expected to increase over time as competitors ratified further trade agreements with the UAE, either bilaterally, or via agreements with the GCC.

Under this option, Australian goods exporters would continue to face tariffs at 5.55 per cent for agricultural products and 4.5 per cent on average for non-agricultural products, with some specific commodities subject to very high duties<sup>38</sup>. See Table 2 for details.

It is impossible to calculate the exact cost of this option in monetary terms, however, a figure between the estimated export gains from CEPA and the potential decline in exports without CEPA as we lose competitiveness based on tariff differentials over time can be estimated (see Figure 4, conversion of Table 2 from Table 5.2 in the initial Feasibility Analysis compared with baseline trade projections based on ABS trade statistics)<sup>39</sup>.

Non-tariff barriers on trade in certain agricultural and food products that stakeholders have identified as concerns (such as the UAE's document attestation requirements for

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<sup>38</sup> [the Feasibility Analysis](#) pp. 37-40

<sup>39</sup> [the Feasibility Analysis](#) pp. 51-57

export consignments identified by the red meat industry) would continue, as would behind-the-border impediments to further liberalising trade in services. These barriers are outlined in the Feasibility Analysis.<sup>40</sup>

Under this option, we would need to rely on progress through the WTO for any market access liberalisation. Australia is a founding member and strongly committed to promoting and protecting the open, rules-based global trading system through the WTO. However, the WTO operates by consensus where every member's opinion carries the same weight, and all members must agree before a decision can be made. Thus, progress to reduce trade barriers can be slow, although once an agreement is reached, all members are obliged to honour it.

As the WTO Doha Round failed to make progress, there is no realistic timeframe for liberalisation through the WTO. Even if it did, the potential tariff benefits for Australia would be lower than under CEPA as many of our competitors would have had an FTA in place with UAE for a significant amount of time before any WTO outcomes would be achieved. Those competitors would have first-mover advantage in terms of establishing stronger trade, investment and people and people linkages through their FTA with the UAE. Beyond tariff liberalization, it is also highly unlikely that the broader CEPA outcomes in areas such as in investment, services and non-tariff barriers, would be addressed under WTO auspices and even less likely that binding outcomes could be achieved.

## 4.2 Option 2 – Sign and Implement CEPA

Signing CEPA would open valuable opportunities for trade and investment outcomes with a dynamic and growing globally focused strategic partner. Consistent with Australian Government policy, it would diversify trade and investment opportunities and strengthen our strategic engagement with an important partner in the Middle East Region.

### Benefits

The Feasibility Analysis examined the potential benefits of the CEPA. This study was undertaken prior to negotiations commencing, but relied on certain expectations and assumptions which have been borne out in the actual negotiation of the CEPA. As such, the study is an accurate analysis of CEPA's potential impacts.

Estimated potential financial benefits outlined in the Feasibility Analysis provided by CEPA to Australia could be as high as \$490 million per year. This equates to a 14 per cent

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<sup>40</sup> [the Feasibility Analysis](#) pp. 41-50

increase in annual Australian exports to the UAE, with an 11 per cent increase in agricultural goods and a 15 per cent increase in non-agricultural goods<sup>41</sup>.

In August 2024, DFAT commissioned the CIE to update its independent estimate on the tariff benefits of a CEPA with the UAE, based on Australia's negotiated tariff outcomes. This updated analysis indicated a greater financial benefit, with the potential increase in Australia's exports to the UAE estimated to at \$678 million per year, or equivalent to 16 per cent of the recent level of Australian exports. It represents a 37.7 per cent increase from previous estimates, due to higher base value of exports and the change in export composition since its original estimate<sup>42</sup>.

These analyses conclude that a CEPA would provide “potentially healthy gains in Australian exports for particular products and services, providing a welcome extra source of diversification for exporters”<sup>43</sup>, and could enhance the investment relationship between Australia and the UAE<sup>44</sup>.

For example, while Australia is a leading supplier of alumina to the UAE, elimination of the 5 per cent tariff under CEPA will support Australia's price competitiveness against other suppliers to the UAE aluminium smelting industry. This will ensure that Australian raw materials continue to feed into the products the UAE ultimately exports. It will also support the Future Made In Australia agenda, providing better conditions for Australia to export green aluminium and other metals to the UAE.

An important point made by the Feasibility Analysis was that behind the border barriers and restrictions currently vary between Emirates, which creates additional difficulties in seeking access for services suppliers and investors. A UAE-wide CEPA would support greater consistency and certainty for businesses.

The agreement will create new opportunities for Australia to benefit from the UAE's position as a growing global and regional transport and logistics hub. CEPA will enable rules facilitating transshipment, and efficient customs procedures providing value-add and re-export opportunities, opening further diversification of markets for our exporters.

The agreement aims to provide high levels of environmental protection, consistent with internationally agreed principles, standards and rules. Also, Australia's values on inclusive and sustainable trade through internationally recognised labour standards, cooperation and collaboration on women's economic empowerment will be promoted.

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<sup>41</sup> [the Feasibility Analysis](#) pg. 66

<sup>42</sup> [The Centre for International Economics \(CIE\) Australia-UAE free trade agreement: Feasibility analysis update, Prepared for Department of Foreign Affairs and Trade](#), 30 August 2024, pg 7.

<sup>43</sup> [the Feasibility Analysis](#), pg. 66

<sup>44</sup> *ibid*, pg. 67

CEPA will promote First Nations trade and investment and protection of the integrity of indigenous arts and cultural products. It will reserve Australia's right to implement policy measures that provide more favourable treatment to First Nations Australians.

Beyond the Feasibility Analysis, a further economic assessment of the outcomes of the CEPA is not possible prior to the treaty entering into force. This is due to the factors impacting international trade and investment as outlined at the start of this section. However, DFAT's qualitative assessment is that CEPA will deliver trade liberalising gains across the breadth of Australia's trading relationship with the UAE. It will improve access for Australian goods and services into the UAE, reduce the costs of imports for Australian consumers, and provide greater regulatory certainty for Australian and UAE businesses.

This estimation of the likely positive impact of a CEPA is supported by recent studies of the impacts of Australian FTAs. The FTA Utilisation Study<sup>45</sup> found Australia's FTAs - focusing on our FTAs with China, Japan and Korea - were being widely used and having a positive impact on business confidence, activity, strategy, expansion planning, and international investment, including in services sectors.

This research highlighted the 'head turning' effect of Australia's trade agreements with China, Japan and Korea, contributing to the positive perception of Australia as a place to invest and do business. It also noted businesses reporting increases in domestic demand for goods and services from businesses trading internationally<sup>46</sup>.

Post-implementation reviews of Australia's free trade agreements with Japan and China (conducted in 2020 and 2021 respectively) also support the benefits of concluding FTAs with chosen economic partners<sup>47</sup> and <sup>48</sup>. Both concluded that those agreements had delivered a net benefit to Australia including through reduction of trade barriers and increased value of goods and services trade.

## Costs

The main cost associated with the CEPA is expected to be a reduction in tariff revenue from UAE imports, estimated to be \$16 million in 2025-26 and increasing to \$23 million per year by 2029-30, when all tariff reductions are fully implemented. The broader economy-wide benefits of the agreement will far exceed this revenue cost.

CEPA will not impose any regulatory burden on businesses, communities or individuals. An analysis of any regulatory burden within the agreement is outlined in Appendix B.

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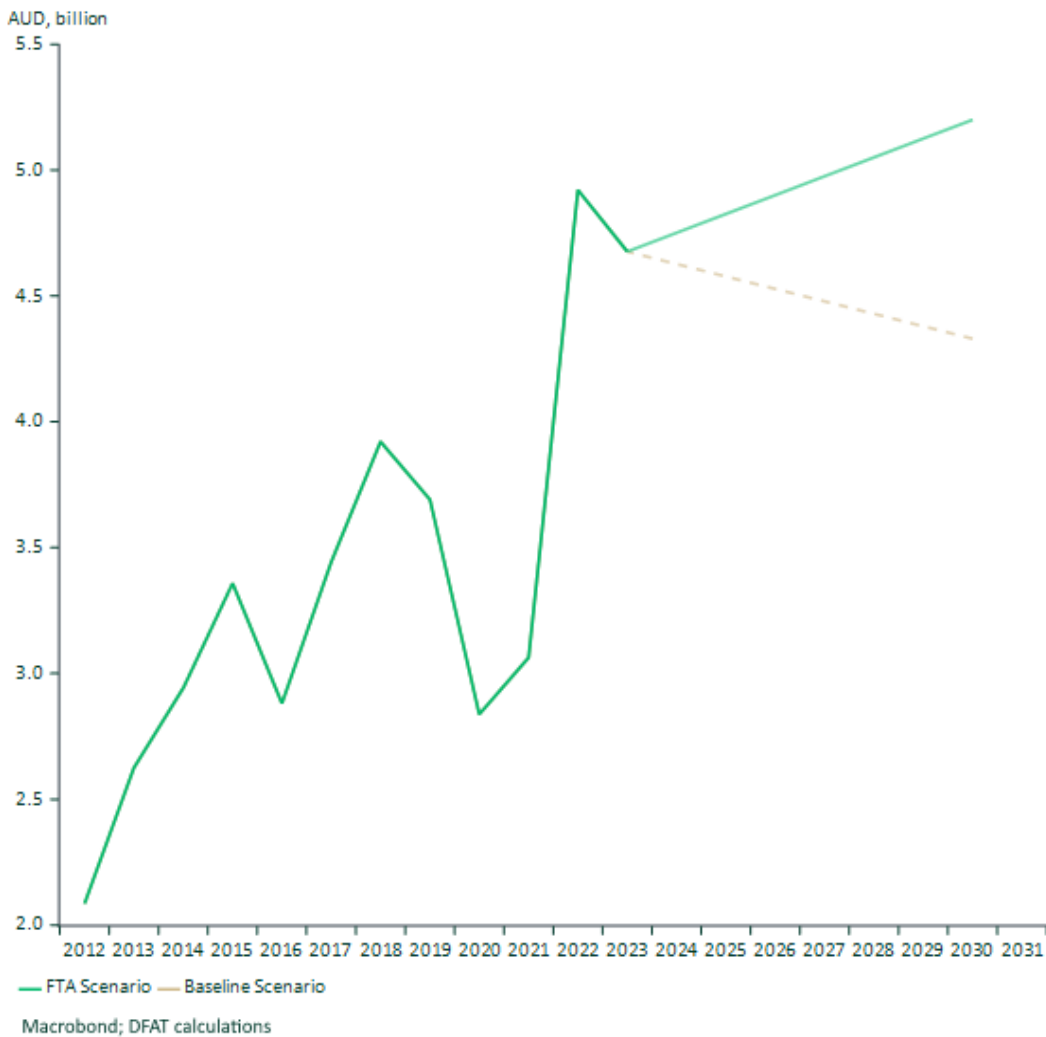
<sup>45</sup> [Price Waterhouse Cooper 2018, Free Trade Agreement Utilisation Study, commissioned by Dept Foreign Affairs and Trade](#)

<sup>46</sup> [Price Waterhouse Cooper 2018, Free Trade Agreement Utilisation Study, commissioned by Dept Foreign Affairs and Trade](#) pg. 13.

<sup>47</sup> [China-Australia Free Trade Agreement, Post-Implementation Review, December 2020.](#)

<sup>48</sup> [Japan-Australia Economic Partnership Agreement, Post-Implementation Review, December 2019](#)

### Australia, Goods exports to United Arab Emirates, AUD



**Figure 4: Comparing potential economic gains in goods exports from Australia to UAE with and without a CEPA<sup>49</sup> and <sup>50</sup>**

This is a graphical representation of Table 5.7 in the Feasibility Analysis<sup>51</sup>. The baseline scenario was developed using Australia's annual goods trade data<sup>52</sup>. The figure shows the impact of the potential UAE FTA scenario as outlined in the Feasibility Analysis

<sup>49</sup> Based on Department of Foreign Affairs and Trade adjusted Australian Bureau of Statistics (ABS), 2024, [International trade in goods and services, Australia \(Jun-2023 data\), calendar year 2023](#).

<sup>50</sup> [the Feasibility Analysis](#) pp.62-63

<sup>51</sup> Ibid pp.62-63

<sup>52</sup> Based on Department of Foreign Affairs and Trade adjusted Australian Bureau of Statistics (ABS), 2024, [International trade in goods and services, Australia \(Jun-2023 data\), calendar year 2023](#).

compared with past Australian trade data, had the agreement entered into force in 2024.

It is not anticipated lower tariffs on UAE imported products to Australia will apply any competitive pressure on domestic production as there are no industries in direct competition with imported UAE goods.

Under CEPA, Australia will cut tariffs on a selection of consumer (jewellery, perfumes, furniture) and industrial products (copper wire, glass containers, plastic) imported from the UAE. This will make them cheaper at the checkout and lower businesses input costs, with savings for consumers at around \$10 million in the first year or \$40 million a year when tariffs are fully phased out after five years. See Table 4 below.



**Table 4: Australia's Top 20 Imports from the UAE** <sup>53</sup> and <sup>54</sup>

	Australian imports from UAE - 2022	Duty applied by AU – pre CEPA	A\$ million
	Total imports		1,784.1
1	Urea	0%	442.4
2	Crude petroleum	0%	347.3
3	Combined confidential items	na	205.2
4	Copper Wire	5%	186.1
5	Jewellery (precious metals excl. silver)	5%	105.3
6	Petroleum Oils	0%	88.6
7	Bulldozers	0 - 5%	32.5
8	Black Tea (Fermented)	0%	27.6
9	Motor vehicle parts and accessories	0 - 5%	26.4
10	Carpets and other textile flooring	0 - 5%	22.6
11	Glass containers and packaging	5%	20.3
12	Plates, sheets, film, foil & strip, of polymers of ethylene	5%	19.1
13	Lead-acid type electric accumulators	5%	16.9
14	Insulated wire and cable	0 - 5%	14.8
15	Iron or Steel Structures (e.g. bridge sections, roofs etc.)	5%	12.8
16	Plastics (polyacetals)	0 - 5%	9.2
17	Motor cars and other motor vehicles	0 - 5%	7.0
18	Yachts (exceeding 24m in length)	5%	6.1
19	Perfumes (liquid, cream or solid)	5%	5.8
20	Furniture	5%	5.5

### Impacts of specific outcomes

As noted in Question 1, the positive impacts of CEPA (as further outlined in Question 3.2) will be felt across the Australian economy. The specific stakeholders mentioned in Question 1 will particularly benefit in relation to the areas below.

### Trade in Goods

Removal of the UAE's import tariffs will create commercially significant benefits for Australian exporters. Elimination of duties opens opportunities for Australian exporters to diversify into this important Middle East market and provides greater certainty on tariff treatment. Australian exporters will benefit across the board, including farmers and food

<sup>53</sup> [Based on Department of Foreign Affairs and Trade adjusted Australian Bureau of Statistics \(ABS\), 2024, International trade in goods and services, Australia](#) (Jun-2023 data), calendar year 2023.

<sup>54</sup> [World Trade Organization Consolidated Tariff Schedules Database](#)

and beverage producers, who stand to gain from preferential access to the UAE's growing market for premium food and agricultural products.

Although UAE tariffs are low (generally up to 5 per cent across most agricultural and non-agricultural products) their elimination under CEPA will nevertheless benefit Australian exporters.

In competitive sectors such as food and resources commodities, even a 5 per cent margin could result in tilting the balance in favour of Australian suppliers. Australia already exports \$946 million worth of food and agricultural products to the UAE (annual average 2019 to 2021) and has a favourable reputation for being a safe and reliable supplier. The UAE's reliance on imports (over 90 per cent of its food consumption) continues to drive demand for premium food and agricultural products. A tariff advantage will assist Australia consolidating its status as a preferred supplier.

A wide range of Australian merchandise exports will benefit from CEPA including exporters of aluminium oxide, automotive parts, frozen red meat, gold, nickel, coal, diamonds and dried legumes. First Nations businesses will benefit from preferential market access for exports in areas of interest such as bush foods, bush skincare and fashion.

Stakeholder feedback (see Question 5) noted the challenges associated with non-tariff barriers (NTBs) in the UAE market, particularly in agriculture and food trade. CEPA will include the establishment of a 'non-tariff barriers mechanism' to allow Australia to engage the UAE and resolve NTBs after entry into force of the Agreement.

These outcomes would create an environment that encourages exports and provides greater certainty to Australian business. These benefits would provide Australian exporters with an advantage in the UAE market or, at a minimum, ensure Australia is on level terms with our competitors.

### **Trade in services**

CEPA will provide greater certainty for Australian service providers, by locking in access in sectors of key commercial interest. This will not only assist exporters seeking access to, or operating in, the UAE but also provide a foothold for those service suppliers, particularly professional services firms, wanting to use the UAE to service the broader region. These regions include Africa where the establishment of a local presence poses greater risk.

The UAE has offered commitments in 124 sectors and subsectors in its market access offer to Australia. This includes commitments in line with the UAE's best offer to previous CEPA partners. The UAE's offer greatly improves upon its WTO services commitments, which were limited to 35 sectors and subsectors only.

Sectors that will benefit from these commitments include professional services (such as legal, medical, management consulting and services incidental to manufacturing), distribution, environmental, education, health and financial services.

The UAE's offer locks in 100 per cent foreign equity caps for certain financial services in the Dubai International Financial Centre free trade zone and particular health services including hospital services the Dubai Health Care City free trade zone.

CEPA will include a comprehensive set of rules to provide Australian service suppliers with greater certainty and predictability to support their operations in the UAE. Australian service suppliers are subject to limitations on foreign ownership, registration and licensing requirements, and other restrictions that local service suppliers are not subject to. These barriers can vary from emirate to emirate, creating uncertainty for Australian service suppliers. These rules will address restrictions and discrimination when accessing the UAE services market, as well as behind-the-border procedural and related domestic regulation barriers that have a negative impact on two-way trade and investment in services.

The trade in services chapter in CEPA will contain a *Domestic Regulation* article that aims to address behind-the-border protectionist measures in respect of licensing requirements and procedures, qualification requirements and procedures, and technical standards affecting trade in services. This includes obligations such as publication of requirements and procedures for authorisation, addressing ease of submitting applications for authorisation, and other such measures. This approach to addressing behind-the-border and domestic regulatory barriers to trade is in line with Australia's general approach to addressing these issues in its other FTAs, and largely builds on the WTO's Joint Initiative on Services Domestic Regulation, the benefits of which have been previously examined by Australia's Office of Impact Analysis<sup>55</sup>.

## **Investment**

CEPA's investment outcomes will facilitate more UAE investment into Australia through the Council on Investment established to facilitate continued political-level exchanges on the investment relationship and the five Investment Cooperation MOUs which will facilitate and promote two-way investment in sectors of national priority including Green and Renewable Energy, Data Centres and Artificial Intelligence Projects, Food and Agriculture, Minerals and Infrastructure.

It is impossible to accurately calculate the direct impact on investment as a result of CEPA due to the variety of factors impacting investment decisions. Nevertheless, with CEPA strengthening the Australia's attractiveness to the UAE as an investment destination

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<sup>55</sup> [WTO Services Domestic Regulation Joint Statement Initiative](#)

through various instruments and facilitation measures that are highly valued by UAE investors, it is likely that UAE's current investments of \$12.6 billion in Australia will grow significantly following CEPA's entry-into-force.

### **Other Potential Impacts & Outcomes**

Australian businesses, workers and consumers will benefit from a range of digital trade rules, ensuring that we have compatible systems across borders and making cross-border trade less burdensome and costly for our businesses. The rules provide for the acceptance of electronic trade documents; prohibiting the charging of customs duties on electronic transmissions; promoting digital trade standards; and acceptance of e-signatures on e-invoicing and e-payments and provide protections for consumers and personal data.

The Intellectual Property (IP) outcomes will facilitate trade and investment in IP, provide increased clarity for Australian businesses and innovators and balance the legitimate interests of IP rights holders, IP users and the public interest while protecting the right to regulate in important public policy areas. These outcomes will also protect the integrity of Australia's health and pharmaceuticals systems, including the Pharmaceutical Benefits Scheme, and are consistent with our existing FTA and multilateral obligations that preserve Australia's ability to regulate and pursue its public policy interests. They do not require changes to Australian law.

Micro, Small and Medium-Sized Enterprises (MSMEs) will also benefit from the provisions in CEPA which support them to take advantage of the agreement.

CEPA will provide Australian suppliers with guaranteed access to the UAE's government procurement market for the first time. Australia has secured access and commitments equivalent to other partners who have secured government procurement market access with the UAE. This will ensure Australian suppliers of goods and services of all sizes – including SMEs and Indigenous-owned businesses – are able to compete in the UAE market. Providing UAE suppliers with guaranteed access to Australia's market will stimulate competition and drive value for money in government procurement.

Australia has reciprocated the level of coverage and value offered by the UAE in key sectors of their market, notably withholding coverage of construction services until such time as the UAE offers this access to Australia. As the UAE grows their network of trade agreements, Australia has secured a commitment to revisit the market access commitments in the future if the UAE offers additional market access or coverage to another trading partner beyond what was offered to Australia.

Australia has maintained its standard exceptions in priority public policy areas, such as SME and Indigenous procurement, the protection of essential security, health and

welfare services, and other specific exceptions. These exceptions are consistent with Australia's existing trade agreements, and the commitments made will not require any substantive changes to Australia's existing government procurement policies and systems. Australia has not covered state and territory government procurement, as the UAE was unable to offer coverage of individual Emirati government procurement.

Through references across different chapters of the text, CEPA also provides pathways for promoting shared values on trade and sustainable development, environmental protection, labour standards, human rights, and gender issues in line with Australia's objectives in these areas.

The inclusion of a chapter in CEPA promoting First Nation's trade and investment cooperation and ensuring appropriate protections for First Nation's exporters is an important for First Nations stakeholders.

The chapter is based on cooperation between Australia and the UAE and recognises the important contribution that First Nations people and businesses make to global trade and investment, and the importance of empowering First Nations people and businesses to benefit from the opportunities created.

CEPA will encourage cooperation and exchange of information through joint trade and investment promotion activities relevant for First Nations businesses, including businesses that relate to or derive from traditional knowledge and traditional cultural expressions such as arts and crafts, dance and music, tourism, food and agri-business, biological diversity and environmental management, the green economy and resources. Genetic resources, traditional knowledge and traditional cultural expressions are acknowledged in the agreement including with respect to the names and uses of plants, traditional foods, language, song, stories, songlines, dance and works of art.

CEPA also includes preferential access and rules open to all Australian businesses, allowing First Nations businesses to target exports in areas of interest such as bush foods, bush skincare and fashion.

# 5. Who did you consult and how did you incorporate their feedback?

## Australia CEPA Stakeholder Consultations

In negotiating the Australia-UAE Comprehensive Economic Partnership Agreement (CEPA), DFAT has consulted extensively across business, civil society, industry and worker organisations.

Given CEPA's coverage of policy areas across government and noting that policy leads and experts on a range of topics covered in the agreement are situated within different agencies, DFAT consulted across government including with Treasury, Department of Agriculture, Forestry and Fisheries, Department of Finance, Attorney General's Department, IP Australia, Department of Health, Department of Industry Science and Resources, Austrade and Department of Home Affairs as well as others. These consultations ensured policy experts from agencies on the relevant subject matter areas were involved from the beginning as part of the negotiation process.

Prior to the commencement of CEPA negotiations in December 2023, DFAT started stakeholder consultations in Australia from March 2022 inviting both individuals and groups to consider and comment on the commercial, economic, regional, and other opportunities and impacts that could be expected to arise from a future Australia-UAE CEPA. This resulted in 45 formal written submissions – 31 of which were public submissions and have been published on the DFAT website<sup>56</sup>. Fourteen submissions were commercial-in-confidence, with only the name of the organisation published.

While details of submissions varied and some requests were commercial-in-confidence, some common themes came through across the submissions. Several stakeholders from the agricultural industry expressed their desire to achieve elimination of UAE tariffs on their exported products through CEPA, while industrial exporters expressed similar views. Several service providers, including in education and financial services, welcomed CEPA outcomes which would enhance recognition of Australian degrees taught in the UAE and support the expansion of current operations in the UAE. Other stakeholders expressed their desire for CEPA to support further investment from the UAE into Australia, including in the field of renewable energy.

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<sup>56</sup> [Link to public submissions on the Australia-UAE Comprehensive Economic Partnership Agreement \(CEPA\)](#)

Various groups expressed views on the importance of including inclusive trade outcomes in CEPA, such as provisions on animal welfare, environment, labour rights, First Nations trade and women's rights. The ACTU in its submission indicated it did not support moving forward with CEPA unless the UAE demonstrated certain preconditions to safeguard workers' and human rights. AFTINET also had a clear view that CEPA should not include Investor State Dispute Settlement (ISDS).

DFAT continued to provide stakeholders with the opportunity to provide written submissions on the CEPA via the DFAT website throughout the negotiations.

DFAT held consultations with Peak Bodies and government ahead of the Chief Negotiator visit to Dubai for the first negotiation round in January 2024. With the exception of some stakeholders' concerns on labour and human rights related issues, consistent feedback from the strong majority of stakeholders during these consultations showed broad support for CEPA. Verbal feedback provided during these consultations indicated particularly interest on progress being made furthering outcomes on certificates of origin, investment opportunities, market access (through tariff reductions), and research collaboration.

DFAT's Chief Negotiator held regular open forum virtual debriefs to provide updates for all interested stakeholders on the status of negotiations. DFAT officials also met separately with over 95 public, private and civil society stakeholders (Appendix A).

The Chief Negotiator gave a series of updates after each negotiation round to government agencies and State and Territory governments, meeting three times in the period January to August 2024.

Consultations with stakeholders used a range of channels including virtual and in-person meetings. Hybrid meetings of virtual and in-person participants involving over 100 attendees representing 63 organisations occurred in June 2024 and in August 2024.

Feedback from these consultations continued to be positive, with stakeholders welcoming progress and continuing to express their desire for CEPA to secure outcomes which would enhance market access for exports to the UAE, further UAE investment into Australia and support inclusive trade areas (environment, labour, animal welfare, First Nations and women's rights).

DFAT met with and briefed Trade Unions both prior to and immediately after the January 2024 negotiation round. Further consultations and briefings were held with Trade Unions in May and June 2024. The June 2024 Chief Negotiator stakeholder meeting was also attended by Trade Unions.



Trade Unions continued to oppose CEPA, reiterating the points outlined in the ACTU submission provided to DFAT<sup>57</sup>.

There were six consultations with the National Farmers Federation held both virtually and in-person, discussing market access interests, progressive trade issues, and non-tariff barriers. These discussions included agricultural trade with the UAE and the sensitivities around market access for wine and pork. Peak bodies for wine and spirits were consulted several times to discuss technical barriers to trade for wine, wine tariffs, excise taxes and labelling. The Chief Negotiator also held further in-person meetings in Adelaide (June 2024) with Wine Australia and Australian Grape and Wine.

The consistent feedback from these talks was the importance for Australian farmers and premium food and beverage exporters in receiving enhanced market access to the UAE for their products through CEPA. This would result in substantial commercial opportunities in a growing market.

Key stakeholders, individuals and organisations, including those who had made submissions and others DFAT had identified as having an interest in CEPA were invited to the Chief Negotiator's general stakeholder update in June 2024. Of the 96 individuals and organisations invited, 53 attended.

In August, ahead of the final round of negotiations, the Chief and Deputy Chief Negotiators held virtual meetings with Commonwealth agencies, State and Territory governments, and a broad range of stakeholders from business civil society, industry and worker organisations, to provide an update and seek input.

DFAT found that business, government and many non-government stakeholders were supportive of the Australia-CEPA negotiations and saw clear benefits for Australia in the CEPA process.

Similar to views expressed throughout the negotiations, the value for Australia in achieving enhanced market access to the UAE market for goods and services, as well as the potential for CEPA to promote significant UAE investment into priority sectors for Australia's transition to net-zero across the country, continued to be key reasons for stakeholder support. Likewise, many stakeholders welcomed the progress being made on inclusive trade outcomes in CEPA, especially the first stand-alone chapter in an Australian FTA covering First Nations Trade and Investment.

Consultations with Trade Unions showed strong opposition to CEPA, raising the UAE's issues with human and labour rights and concerns around environment, gender and

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<sup>57</sup> [Australian Council of Trade Unions \(ACTU\) submission to Australia-UAE Comprehensive Economic Partnership Agreement \(CEPA\)](#)



LGBTQI+ rights. Continuing engagement with Trade Unions has not reduced concerns, though efforts to engage with them have been appreciated. Trade unions have reiterated they would not support a CEPA with the UAE unless some fundamental changes are made to UAE labour rights<sup>58</sup>.

While not all these concerns could be addressed through CEPA, these stakeholder views were taken into account by negotiators in pursuing the best possible outcomes for Australia in this area. As a result, CEPA will have a dedicated chapter covering trade and labour, a first for the UAE. Under this chapter, Australia and the UAE will affirm our obligations as members of the ILO and our commitments under the ILO Declaration on Fundamental Principles and Rights at Work. CEPA will also promote compliance with ILO standards and enforcement of labour laws and establish a Dialogue on Labour to advance Labour Rights, including through engaging with stakeholders. In addition, it will promote cooperation on labour matters of mutual interest.

## 6. What is the best option from those you have considered and how will it be implemented?

Based on the reasoning set out above, the potential benefits of signing CEPA under Question 4 (Option 2), outweigh the costs of not proceeding with signing (Option 1). Under Question 4, the benefits for exporters, business and consumers are outlined and these are extensive. None of these benefits will be secured if we do not sign the CEPA with the UAE.

During the negotiations phase, the specific objectives for the agreement which were envisaged at the commencement of negotiations have been achieved. Through CEPA, the growing risk to Australian business of losing competitiveness in the UAE market, and potentially the broader region, will be addressed. Expanding trade and investment opportunities as outlined under Question 4, will assist Australian business across a range of goods and services sectors. The benefits from CEPA to the wider Australian economy will be an important contribution to the government's trade diversification and investment promotion objectives.

To ensure CEPA operates as intended, Australia will be able to activate the technical consultation mechanisms set up in the agreement, as necessary, to address any

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<sup>58</sup> [Australian Council of Trade Unions \(ACTU\) submission to Australia-UAE Comprehensive Economic Partnership Agreement \(CEPA\)](#)

unforeseen regulatory barriers impacting implementation. Similarly, the mechanisms set up on investment such as the Investment Council will be able to consider and discuss any issues which may be impacting CEPA's implementation as intended. This will ensure that there are no risks in implementation that could impact Australian business' ability to take advantage of the outcomes achieved under CEPA.

Following signature, CEPA will enter into force in accordance with Australia's normal domestic treaty procedures.

Changes to Australia's tariff schedules, as agreed in the treaty text, will be the only implementation steps requiring legislative changes for CEPA to enter into force, see Figure 3.

## 7. How will you evaluate your chosen option against the success metrics?

In terms of built-in measures contained in the CEPA, every five years the Parties will jointly conduct a general review with a view to updating and enhancing the Agreement. In addition, a Joint Committee will meet at Ministerial or senior officials level one year after the Agreement's entry into force, and every two years thereafter, to monitor and review the implementation and operation of the Agreement.

This formal structure will provide an avenue for any issues Australia needs to discuss with the UAE in relation to the implementation of the CEPA, including any issues which may be raised by Australian businesses and other stakeholders.

In the lead up to and following entry-into-force of CEPA, DFAT will conduct advocacy with a range of stakeholders across various fora to promote the benefits of CEPA, answer queries and provide information to encourage businesses to utilise and benefit from CEPA. DFAT's FTA portal<sup>59</sup> will be updated with official information on CEPA and the treaty text will also be published on DFAT's website. The Australian Trade and Investment Commission (Austrade) will also promote the opportunities CEPA provides to business through its mandate to grow Australia's prosperity by delivering quality trade and investment services.

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<sup>59</sup> [DFAT FTA Portal providing FTA tariffs and services market access information](#)

After entry-into-force, analysis of publicly available official trade and investment figures between Australia and the UAE will provide statistical evidence of CEPA's impact on trade and investment. DFAT monitors the utilisation of Australian FTAs, through the exchange of data on preference utilisation with partners. The factors influencing utilisation include the margin of preference available, specific rules of origin under the FTA, and integration of an FTA into business processes.

Additionally, DFAT will gather feedback from a range of stakeholders, including through diplomatic reporting, to feed into future reviews of CEPA's effectiveness and to address any concerns business may raise regarding their use of the agreement.

CEPA will also be included in the list of Australia's FTAs that DFAT will provide regular reporting and commentary on to Parliament, under the auspices of the Government's Response to the Joint Standing Committee on Trade and Investment Growth Inquiry into FTA negotiations<sup>60</sup>.

At this stage, an evaluation of the Australia-UAE CEPA is not planned. However, if this changes, consistent with Commonwealth Evaluation Policy, CEPA will need to be evaluated through the principles outlined by the Australian Centre for Evaluation and will reflect how CEPA has achieved the objective that is outlined in this Impact Analysis<sup>61</sup>.

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<sup>60</sup> [The Australian Government's approach to negotiating trade and investment agreements](#)

<sup>61</sup> [Commonwealth Evaluation Policy](#)

## Appendix A – List of stakeholders consulted through CEPA negotiations

Stakeholders	
1	ABAC Australia Secretariat, Australian APEC Study Centre
2	Aboriginal Carbon Foundation
3	Accolade Wines
4	AFTINET
5	AI Group
6	Alliance for Animals
7	AMP Energy
8	Animal Medicines Australia
9	Animals Australia
10	ANZ
11	Aspen Medical
12	Atlas Wealth Management
13	Australia Sugar Milling Council
14	Australia UAE Business Council
15	Australian Aluminium Council
16	Australian Automotive Aftermarket Association
17	Australian Chamber of Commerce and Industry
18	Australian Council of Trade Unions
19	Australian Fair Trade and Investment Network
20	Australian Fresh Produce Alliance
21	Australian Grape & Wine
22	Australian Industry Group
23	Australian Information Industry Association
24	Australian Manufacturing Workers' Union
25	Australian Marine Export Industry
26	Australian Nut Industry Council
27	Australian Organic Limited
28	Australian Pork Limited
29	Australian Seafood Industry
30	Australian Services Roundtable
31	Australian Space Agency
32	Australian Steel Institute
33	Australian Sugar Milling Council
34	Australian Superyachts
35	Australian Technology Network of Universities
36	Australian Wine Research Institute
37	Australian Wool Innovation
38	Australian Workers Union
39	Australia-UAE Business Council
40	Bank of Sydney
41	BEGA
42	Binah Group

43	BlueScope
44	BSA - The Software Alliance
45	Business Council of Australia
46	Canegrowers Ltd
47	Capral Aluminium
48	Curtin University
49	Dairy Australia
50	Electrical Trade Union
51	Emirates Airline - UAE Embassy Business Roundtable
52	EOS - UAE Embassy Business Roundtable
53	Export Council of Australia
54	Federation Asset Management
55	Fonterra Australia
56	Food and Grocery Council
57	Frosty Boy
58	Go8
59	Grain Trade Australia
60	Gravity iLabs
61	Infant Nutrition Council
62	Infrabuild
63	Jala Jala Treats
64	King & Wood Mallesons
65	Macquarie Group
66	MASDAR Tribe
67	Matific
68	Meat and Livestock Australia
69	Minerals Council of Australia
70	Murdoch University
71	National Association for Sustainable Agriculture Australia
72	National Farmers Federation
73	NSW Government - DPC and Investment NSW
74	NSW Nurses & Midwives Union
75	OBE Organic
76	Office of the Arts, Screen Australia
77	Organic Industries
78	OzDocs Australia
79	Pacific Road
80	Pegasus International Australia (Flying Cars)
81	Pernod Ricard
82	Plenary
83	Rio Tinto
84	RSPCA
85	Santos
86	Seafood Industry Australia

87	Spirits and Cocktails Australia
88	Synapse Medical
89	TAFE NSW (International)
90	Tech Council
91	Telstra
92	Trade Window Origin
93	Universities Australia
94	University of Adelaide
95	Varley Group
96	Wine Australia
97	Woods Bagot
98	Woolworths International

## Appendix B: Estimate of Regulatory Burden

The proposed CEPA provides rules for traders to access preferential tariff treatment over existing business-as-usual arrangements with the UAE. The following outlines an analysis of key chapters within the agreement to assess any regulatory burden it may impose on businesses, communities or individuals. This analysis estimates there will be no regulatory burden costs associated with the Australia-UAE CEPA coming into force.

The Chapter on **Trade in Goods** establishes the basic rules governing trade in goods between the Parties. The Chapter contains provisions covering the Parties' tariff commitments and on non-tariff measures, pursuant to the agreement's objective to liberalise and facilitate bilateral trade in goods. Its implementation will not require any changes to Australian regulations nor impose any regulatory burdens on Australian businesses.

This Chapter on **Sanitary and Phytosanitary Measures** affirms the Parties' rights and obligations under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), in regard to relevant measures to protect human, animal or plant life or health in the Parties. It preserves each Parties independent SPS regimes, while providing for recognition of equivalence and regionalisation settings by Parties where these achieve their respective appropriate levels of protection. It also incorporates trade facilitative provisions which strengthen transparency and cooperation between the Parties. Its implementation will not require any changes to Australian regulations nor impose any regulatory burden on Australian businesses.

The Chapter on **Technical Barriers** to Trade builds upon the Parties' rights and obligations under the WTO Agreement on Technical Barriers to Trade, ensuring technical barriers to trade are non-discriminatory and do not create unnecessary obstacles to bilateral trade, while preserving both Parties' ability to take measures to fulfil legitimate objectives. It includes strengthened transparency, information exchange and cooperation provisions. Its implementation will not require any changes to Australian regulations nor impose any regulatory burden on Australian businesses.

The Chapter on **Trade Remedies** affirms Australia's rights and obligations under the WTO Agreement. Additionally, it requires notification of antidumping investigations and global safeguard investigations. Its implementation will not require any changes to Australian regulations nor impose any regulatory burden on Australian businesses.

The Chapter on **Sustainable Agriculture and Food Systems** commits the Parties to promote sustainable agriculture and food systems, consistent with a set of explicit principles. The Parties recognise that sustainability approaches must be tailored according to each Party's unique national circumstances, the role of rules-based and

market-oriented trade in supporting global food security, and the importance of science-and evidence-based metrics. It also facilitates cooperation between the Parties on sustainability-related issues. Its implementation will not require any changes to Australian regulations nor impose any regulatory burden on Australian businesses.

**Regulatory Burden Estimate (RBE) Table**

Average Annual Compliance Costs (from business as usual)				
Costs (\$m)	Business	Community Organisations	Individuals	Total Cost
Total by Sector	0	0	0	0