



The Australian Industry Group  
51 Walker Street  
North Sydney NSW 2060  
PO Box 289  
North Sydney NSW 2059  
Australia  
ABN 76 369 958 788

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Committee Secretary  
Joint Standing Committee on Treaties  
PO Box 6021  
Parliament House  
Canberra ACT 2600

## **Response to the Comprehensive Economic Partnership Agreement between Australia and the United Arab Emirates**

The Australian Industry Group (Ai Group) welcomes the opportunity to provide the feedback of the Comprehensive Economic Partnership Agreement (CEPA) between Australia and the United Arab Emirates (UAE).

Ai Group is a peak national employer association representing and connecting thousands of businesses in a variety of industries and sectors across Australia. Our membership and affiliates include private sector employers large and small from more than 60,000 businesses employing over 1 million staff.

The recent establishment of the Comprehensive Economic Partnership Agreement (CEPA) with the UAE, Australia's most significant trading partner in the Middle East, is set to bring substantial benefits to both markets. The agreement is expected to facilitate smoother and more cost-effective trade processes.

In 2023, the two-way trade with the UAE was valued at \$9.94 billion, with two-way investment reaching \$20.6 billion<sup>1</sup>. The UAE's purchases included Australian goods such as alumina, meat, and oil seeds. This is particularly beneficial for Australian agriculture, mining, and supporting industries. The UAE is a fast-growing and diversifying economy; its influence is increasing both regionally and globally. This new trade agreement offers great potential to enhance Australia's historically underdeveloped trade connections in the Middle East.

We would like to note our appreciation for the implementation of a Country of Origin scheme that aligns seamlessly with other Free Trade Agreements. This alignment, along with the acceptance of digital signatures, will significantly reduce complexity and administrative burdens for all parties involved. As this agreement includes digital advancements, we are optimistic this progressive move will set a precedent, encouraging other countries in the region to adopt similar practices. This digital transformation streamlines trade facilitation processes, and enhances efficiency and fosters greater economic collaboration across the region.

The reduction in paperwork and facilitation costs is expected to have a significant impact in increasing trade. By streamlining these processes, businesses can operate more efficiently and reduce costs,

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<sup>1</sup> [\\$678 million boost for Australian exports to UAE | Minister for Trade and Tourism](#)

leading to greater overall benefits than tariff reductions alone. This change reduces administrative burdens, speeds up transactions, and ultimately lowers the cost of doing business across borders.

CEPA with the UAE removes tariffs on more than 99% of Australian exports, either immediately or in the near future. This is particularly advantageous for industries such as mining, with alumina exports alone valued at \$1 billion in 2023<sup>2</sup>. This tariff elimination positions CEPA as the most liberalizing free trade agreement the UAE has implemented.

Another significant aspect of CEPA is aligning regulatory standards between markets, which simplifies trade and reduces operational hurdles for businesses. By addressing technical trade barriers, CEPA encourages Australian businesses seeking global expansion. It also streamlines customs procedures, cutting down on the time and costs of cross-border trade.

The agreement supports mutual recognition of conformity assessments, allowing Australian products to enter the UAE market without redundant testing, thus saving exporters significant time and expense. CEPA fosters regulatory cooperation between Australian and UAE authorities, covering areas including financial services, telecommunication services, and e-commerce. This cooperation prevents unexpected business hurdles due to regulatory changes in either country.

This FTA is Australia's first in the Middle East, and it is expected to boost confidence among many companies to explore this market. This agreement opens new avenues for economic collaboration and signals optimism in trade relations.

Should you wish to discuss the matters raised in this submission, please feel free to contact me at

[Redacted contact information]

Sincerely yours,

[Redacted signature]

Louise McGrath  
Head of Industry Development and Policy

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<sup>2</sup> [Trade statistical pivot tables | Australian Government Department of Foreign Affairs and Trade](#)