Inquiry into Australia's trade and investment relationships with countries of the Middle East Submission 2



## The Hon Bruce Scott MP

Chair, Trade Sub-Committee, Australian Parliament Canberra-Australia

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SUBJECT: Submission to the 'Inquiry into Australia's trade and investment relationships with countries of the Middle East' - undertaken by, the Australian parliament's Trade Sub-Committee

I welcome this opportunity to make this submission to this timely inquiry into Australia's relationships with the Middle East. I note that this relationship is qualified as being 'trade and investment', a point that in my opinion mirrors current and past limitations to broadening the horizons for Australia's engagement with the countries of the region.

Back in 2006, I edited the first academic book on Australia's relationship with the Middle East (*Australia and the Middle East: A Front-line Relationship*). To the best of my knowledge, that publication remains the only one of its type focussing as it is on the changing and increasingly multi-faceted relationship that connects Australia to the diverse countries of the Middle East. Sadly, this lacunae reflects the lack of educational and cultural interest in the Middle East and will continue to undermine efforts to grow and diversify the overall relationship.

I note that in your invitation, it is stated that 'Australia's commercial links with many countries of the Middle East are strong, with total merchandise trade totalling over \$14.7 billion in 2013'. And that 'Beyond the exports of Australian wheat, meat and other produce, and imports of crude petroleum, some investors from Middle Eastern countries are pouring millions into various infrastructure and agricultural projects around Australia too. Australia is also proving a popular destination for tourism, and students seeking higher education'. Furthermore, it is correctly pointed out that booming 'development projects in the Middle East are feeding a growing demand for Australian engineers, architects, nurses, and other professions'.



I deliberately highlight these facts because they are revealing on two fronts: firstly, the undeniable fact that the Middle East is indeed a region that has a growing potential for Australian products, businesses, exporters and outbound skilled labour; secondly, to reaffirm the glaring absence of a genuine attempt to incorporate a more socio-cultural dimension to this growing trade and investment relationship.

As noted in the 2006 publication, Australia's historical engagement with the Middle East has its origins in its role in the imperial defence system led by the British forces during both World Wars. Little has changed in recent years, with Australian troops deployed in both Iraq and Afghanistan this time as part of international forces led by the US army.

Yet despite a current boom in cultural exchanges led by growing numbers of Arab students and an equally growing community of Australian expatriates living and working in the Middle East, few if any initiatives are indeed focused on one of the stated objectives of this inquiry: namely 'opportunities for deepening existing commercial and cultural links, and developing new ones, with the countries of the Middle East'.

Australia's relationships with the countries of the Middle East are most certainly commercial and financial *par excellence*. But, they are also increasingly cultural and educational and will become even more so with a growing highly educated youth segment of the populations of the Middle East region. This call for a more nuanced approach that reflect an in-principled approach to this relationship through a set of initiatives that can be summarised succinctly as follow:

1- A **Middle Eastern Literacy approach**: Invest and support dedicated education/research centres that provide cutting edge knowledge and professional development on the Middle East. The teaching of Middle Eastern studies, Arabic language and other regional languages must be supported within the few universities where they still exist.

This can also be achieved through a serious approach to the teaching of Middle Eastern history and culture as part of school curricula. Australian students are not very familiar with the region (to the same extent they are with Europe or even Asia) and this will continue to represent a major challenge in terms of improved intercultural understanding.



- 2- An **Australian higher education destination** for students from the Middle East: this is already happening and is largely driven by demand from the Middle East. Australia must work hard to build on this demand by becoming a destination of choice and NOT as a result of an avoidance strategy as the US in particular remains a less attractive option for Middle Eastern families. Much more educational, cultural, spiritual and social support schemes must be embraced so that visiting students are able to optimise their educational and as well as social experiences whilst in Australia. This will have a flow on effect both in the short term (through positive feedback to fellow students) as well as medium to long term as these young graduates assume leadership roles in their respective countries.
- 3- An appreciation of the diversity of the Middle East and North Africa: this is perhaps one of the most enduring problems associated with how the wider Middle Eastern region (including North Africa) is perceived and (mis)understood by Australia (even more so than other European and Western countries).

Here the challenge is not only to support and to sustain current trade and investment relationships with a few Gulf countries, but to look beyond that for significant opportunities in other parts of the region most notably North Africa. And these opportunities encompass all fields of this relationship: trade; investment; education; and services.

In short, Australia is ideally placed to strengthen its current relationships with the Middle East to even higher levels. The existence of a vibrant Australia-Arab community is a significant asset that is not often tapped into in the most optimal manner. The social, political and economic transformations currently shaping the region present significant challenges to policy makers. But they also offer unique opportunities as the structural reforms sought and delivered will require both local and international knowhow. Australia's experience and expertise in building educational, financial, judiciary and even security capabilities should provide with an even more prominent role in this transitional phase.

But finally and perhaps more compellingly, Australia is a multicultural society that must engage with diversity in its foreign relations as it embraces it domestically. The Middle East with its own cultural and religious diversity must embraced as a respected strategic partner and not just as a destination market for Australian goods and services.

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I thank you f	for the	kind	invitation	to	make	this	submission,	and	will	be	happy	to
elaborate if n	eed.											

Yours sincerely

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