Australia secures trade deal with UAE

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Australiaâ??s Ministery for Trade and Tourism announced negotiations on the Australia-United Arab Emirates Comprehensive Economic Partnership Agreement have concluded.

The UAE is an important partner and Australia's largest trade and investment partner in the Middle East with two-way trade worth $9.9 billion in 2023.

This trade agreement provides a gateway for Australian exporters to diversify into the Middle East, a market of around 58 million consumers and a combined GDP of A$1.4 trillion.

Key Australian exports to the UAE include alumina, meat, dairy, oil seeds, seafood, steel, canola seeds, nuts, honey, coal, chickpeas, lentils and higher education.

Two-way investment between Australia and the UAE totalled $20.6 billion in 2023, and this is expected to increase significantly.

The new trade agreement is a great deal for Australian exporters. Over 99 per cent of Australian products will enter the UAE tariff-free, resulting in estimated tariff savings of $135 million in the first year, rising to $160 million per year once the agreement is fully implemented.

The agreement will deliver real benefits for Australian farmers and food producers, with estimated tariff savings of $50 million per year for our food and agriculture exports.

The negotiated package includes a framework which will encourage two-way investment, including in the sectors of the Australian economy that underpin our energy transition, such as critical minerals. The Australian mining industry will also benefit from tariff cuts on exports, including alumina valued at $1 billion in 2023.

The agreement cuts Australian import tariffs on UAE-produced furniture, copper wire, glass containers and plastic, making them cheaper at the checkout and lowering business costs for tradies. It is estimated that Australian households and businesses will save around $40 million a year.

The deal unlocks new business opportunities, creates greater certainty for Australian service providers in the UAE and makes it easier for certain skilled professionals to work temporarily in the UAE. For sectors such as education, financial services, health and research and development services, 100 per cent foreign ownership in the UAE market is guaranteed.