



SUBMISSION TO THE JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE,

INQUIRY INTO STRENGTHENING AUSTRALIA'S TRADE AND INVESTMENT RELATIONSHIP WITH AFRICAN NATIONS

About KCNSW

The Kenyan Community in New South Wales is one of the largest and most structured Kenyan diaspora organizations in Australia. It represents a broad network of professionals, students, entrepreneurs, cultural groups and community leaders. KCNSW works to strengthen community cohesion, advance diaspora economic participation, promote mental health and wellbeing, and support positive engagement between Australia and Kenya.

As a community organization, KCNSW draws from extensive grassroots experience, professional expertise and on-the-ground understanding of the opportunities and challenges facing diaspora communities in Australia.

Our members contribute across a wide range of sectors including healthcare, education, engineering, ICT, finance, logistics, social services, academia, creative industries and small business.

Purpose of This Submission

KCNSW welcomes the opportunity to contribute to this inquiry. Our submission offers:

- Evidence-based insights drawn from the lived experiences of diaspora communities
- Perspectives on economic participation, trade barriers and emerging opportunities
- Analysis of how diaspora networks can support Australia's strategic engagement with Africa
- Recommendations to strengthen trade and investment ties with African nations

Together, these insights reflect not only the aspirations of the Kenyan community but also our commitment to contributing constructively to Australia's evolving relationship with the African continent.

KCNSW stands ready to engage further with the Committee, provide additional evidence where required and support policy development that strengthens economic cooperation, deepens diplomatic ties and creates mutually beneficial pathways for both Australia and Africa.

Mathew Gitau

Chairperson

KENYA COMMUNITY NSW 2025



SUBMISSION TO THE JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE- INQUIRY INTO STRENGTHENING AUSTRALIA'S TRADE AND INVESTMENT RELATIONSHIP WITH AFRICAN NATIONS

Policy & Trade Update: Australia–Africa Economic Inquiry

The Australian Parliament has initiated a historic Inquiry into Strengthening Trade and Investment with African Nations, which is one of the most recent changes in the foreign economic agenda of Australia over the past years. This question is also timely when Africa is experiencing a big economic and institutional change. It is an opportunity to raise the level of diaspora knowledge and networks into official trade policy practices, especially to the African diaspora communities in Australia, and especially the Kenyan professionals, investors, and entrepreneurs.

The question will investigate trade structures, the issue of investments, and opportunities, as well as how the future trade strategy of Australia can fit with the African Continental Free Trade Area (AfCFTA). The move is an indicator of increasing Australian interest in matching economic activities with the expanding markets in Africa, the industrialization agenda, and regional integration (Joint Standing Committee on Foreign Affairs, Defence and Trade, 2025).

Current Landscape of Australia–Africa Trade and Investment Relations

Mining and extractives have been the main economic presence in Africa since time immemorial. Over 150 ASX-listed companies are based in Africa, and most are interested in mineral exploration, oil and gas, and major infrastructure associated with extractives. According to one of the earlier Senate investigations, the mining activity is significant, but the non-mining trade in Australia is still very small and dispersed (Senate Foreign Affairs, Defence and Trade References Committee, 2018).

Trade flows remain modest. Exports of Australian goods to Africa have had a long history of exporting commodities like wheat, aluminum ores, engineering equipment, and agricultural products. Meanwhile, export sales in Africa to Australia are mainly manufactured goods, fertilizers, car parts, and textile exports. Regardless of such exchanges, Africa comprises less than 1 percent of Australia's overall trade portfolio. According to analysts, diversification has been held back by structural barriers, risk perception, and a lack of knowledge about African markets (Senate Foreign Affairs, Defence and Trade References Committee, 2018).

This question offers an opportunity to rebrand the engagement story - focusing on the contemporary industries, including digital technology, agribusiness, renewable energy, and services.

Barriers to Engagement, particularly for SMEs and Diaspora-Led Businesses

A report published by the Senate in 2018 lists a variety of long-standing issues that prevent more intensive business interaction between Australia and Africa, which include the complexity of the legislative system, imbalanced governance, poor transport infrastructure, and a strongly rooted belief in the political or commercial risk (Senate Foreign Affairs, Defence and Trade References Committee, 2018). The lack of market knowledge, access to export financing and risk management facilities, uncertainty in the regulations, and complex logistics are the most common problems in the case of Australian SMEs. New exporters are further demoralized by the reduction of institutional familiarity and mobility, such as visa problems. These issues are worsened by the fact that the relatively few diplomatic and trade-promotion entities established in Africa by Australia make it hard to have the institutional knowledge and practical support due to the absence of any embassies, trade offices, and advisory services (TRALAC Trade Law Centre, 2025).

Other structural barriers are associated with the businesses that the diaspora heads run. They may possess culturally fluent contacts, on-the-ground knowledge, but they are often unable to get detailed funding and

export assistance, and even diaspora-focused resources, even though they are fluent. In parliamentary reviews, the diaspora expertise is an underutilized resource to reduce risk and improve strategies to enter the market (Senate Foreign Affairs, Defence and Trade References Committee, 2018).

Opportunities for Diversifying Australian Exports to African Markets

Critical Minerals and Renewable Energy

The continent of Africa hosts large reserves of global strategic minerals: cobalt, lithium, rare earths, and manganese that the IEA determines as the foundation of renewable-energy systems. In the meantime, African nations are establishing renewable-energy infrastructure by establishing geothermal (ex, Kenya), gigawatt solar (South Africa and Morocco), and green-hydrogen (Namibia and South Africa) projects. Australia, with its mining services, hydrogen development, and renewable-energy engineering leadership in the globe, can join forces with African nations on sustainable mining, value addition, and clean-energy infrastructure, which can form part of the net-zero transition of both continents (IEA 2025).

Vocational Training, Education Services, and EdTech

The young population of Africans is projected to surpass a billion individuals by 2050 (World Bank), and the need for technical skills, professional education, and digital education systems is growing. The good TVET and tertiary education systems, including TAFE and EdTech in Australia, can help African governments to reform their workforce-development strategies in manufacturing, ICT, renewable energy, and agribusiness. Cooperation in the design of curricula, the issuance of digital credentials, and the training of teachers would assist in narrowing the gap in skills gap in Africa and allow Australian institutions to enter an already developing education market, with positive experience in Asia.

Digital Transformation, Mobile Money, and Cybersecurity

The continent of Africa is the most innovative in mobile money, almost 70 percent of all mobile money transactions worldwide (GSMA). With the growing adoption of fintech ecosystems in digital identity, e-commerce, and government services, there is a growing demand to have reliable cybersecurity frameworks. The Australian capabilities of cyber-regulation, digital-payments governance, and training in ICT are well-adapted to aid in the safe digital transformation. Collaboration with fintech hubs in Kenya, Rwanda, Ghana, and Nigeria would both enhance data protection and digital-trust systems and would also provide markets to Australian ICT companies.

Healthcare, Infrastructure, and Cold-Chain Logistics

The healthcare industry in Africa, which is expected to amount to USD 259 billion in 2030, will need more diagnostics, domestic pharmaceutical production, and supply chain resilience (AfDB). Telemedicine, diagnostics innovation, and quality assurance can be made through the contribution of Australian med-tech companies. In the same way, the annual infrastructure requirements of Africa, USD 130-170 billion (African Union), open opportunities in the transport engineering, construction services, and logistics industries, in which Australia has a good track record. Cold-chain leakages have been a major issue, and UNEP estimates as high as 40 percent wastage of perishables in certain areas. The high level of cold-storage and agrifood logistics in Australia would help to minimize losses, increase trade in the region, and enhance food safety on the continent. With Australia being strong in these areas, there is no speculation that mutually beneficial partnerships are a possibility; rather, it is most likely to happen. The current trend of economic diversification of African economies is in line with the expansion into emerging markets and the development of new investment channels that Australia requires (Joint Standing Committee on Foreign Affairs, Defence and Trade, 2025).

Role of the African Continental Free Trade Area (AfCFTA)

The AfCFTA has been the most ambitious economic integration in African history, where a single market incorporates over 1.4 billion people. Initial projections indicate that there would be more than 50 percent growth in intra-African trade with full implementation, industrialization, and more value chains in the region (World Bank, 2020).

Australia has already indicated that it is interested in AfCFTA implementation. The Australian Government signed a Memorandum of Understanding with the AfCFTA Secretariat in June 2025 to collaborate in trade facilitation, capacity building, and regulatory harmonization (Department of Foreign Affairs and Trade, 2025). This framework places AfCFTA as a potential entry point to Australia to become involved not only with particular countries but also with integrated regional blocs. Conformity to AfCFTA may enable Australian exporters to enjoy reduced standards, harmonized customs procedures, and regulatory harmonization across the continent. This would greatly reduce the barriers to entry by SMEs and first-time exporters.

Government's Role in Facilitating Access and Supporting Diaspora Engagement

The leadership of the government will be critical to exploit the opportunities created by the transformation of Africa. Past reports on parliamentarism have suggested the expansion of diplomatic presence, enhancing the presence of Austrade, intensifying risk-mitigation strategies, upgrading trade agreements, and enhancing the parliamentary interaction (Senate Foreign Affairs, Defence and Trade References Committee, 2018)

Several strategic interventions would be especially effective:

- i. Setting up new embassies or trade offices in the major African centers.
- ii. Developing Africa-specific export preparation among SMEs.
- iii. Formulating diaspora-sensitive investment facilitation programs.
- iv. Increasing the coverage of Africa-aligned projects by Export Finance Australia.
- v. Funding ministerial and trade missions in joint design with diaspora organizations.
- vi. Improving bilateral investment treaties to lessen regulatory salience.
- vii. Enhancing supply-chain collaborations in agribusiness, healthcare, digital services, and green energy.

Notably, diaspora communities are reputable sources of networks to lower the transaction cost, offer due diligence services, and also form culturally sensitive alliances. In future policy environments, it will be important to perceive the diaspora entrepreneurs as key players, as opposed to peripheral players (TRALAC Trade Law Centre, 2025).

Australia Has Done This Successfully Before: Lessons from Asia

Sceptics might be concerned about whether Australia can succeed in establishing strong business relationships with the emerging regions. History demonstrates that this is not only possible, but this has been done successfully.

The relationship between Australia and Southeast Asia over the last four decades is an interesting example. Australia was heavily involved in assisting economies such as Vietnam and Indonesia into global supply chains through development cooperation, the implementation of technical assistance projects, and trade facilitation projects. In the current times, both nations have been the top trading partners of Australia and Vietnam alone, which has turned out to be a A25 billion two-way trade relationship on the basis of trust and long-term involvement (Australian Department of Foreign Affairs and Trade, 2024).

What has been successful in Asia, partnership, technical cooperation, and slow development of trade, can be duplicated in Africa with the same long-term payoffs. In numerous ways, Africa is in a similar position as Southeast Asia was in the 1990s: fast industrialization, opening up trade structures, and drawing in new money. The previous experience of Australia shows that the long-term activity related to the developing regions results

in providing significant economic returns.



References

- Department of Foreign Affairs and Trade. (2025). Memorandum of Understanding with the African Continental Free Trade Area Secretariat and the Government of Australia on the Support Towards the Implementation of the African Continental Free Trade Area. Australian Government Department of Foreign Affairs and Trade. <https://www.dfat.gov.au/countries-economies-and-regions/memorandum-understanding-african-continental-free-trade-area-secretariat-and-government-australia-support-towards-implementation-african-continental-free-trade-area>
- IEA. (2025). Global Critical Minerals Outlook 2025. <https://iea.blob.core.windows.net/assets/ef5e9b70-3374-4caa-ba9d-19c72253bfc4/GlobalCriticalMineralsOutlook2025.pdf>
- Joint Standing Committee on Foreign Affairs, Defence and Trade. (2025). Strengthening Australia's trade and investment relations with Africa. Aph.gov.au. <https://www.aph.gov.au/About Parliament/House of Representatives/About the House News/Media Releases/Strengthening Australias trade and investment relations with Africa?>
- McKinsey Global Institute. (2022). Reimagining economic growth in Africa | McKinsey. Wwww.mckinsey.com. <https://www.mckinsey.com/mgi/our-research/reimagining-economic-growth-in-africa-turning-diversity-into-opportunity>
- Parliament of Australia. (2025). Strengthening Australia's trade and investment relations with Africa. Aph.gov.au. <https://www.aph.gov.au/About Parliament/House of Representatives/About the House News/Media Releases/Strengthening Australias trade and investment relations with Africa?>
- Parliament of Australia, Senate Foreign Affairs, Defence and Trade References Committee. (2018). The Senate Foreign Affairs, Defence and Trade References Committee, Australia's trade and investment relationships with the countries of Africa. https://www.aph.gov.au/-/media/Committees/fadt_ctte/TradeinvestmentAfrica/report.pdf
- TRALAC Trade Law Centre. (2025). Australia's trade and investment relationships with the countries of Africa: Inquiry report - TRALAC Trade Law Centre. Tralac.org. <https://www.tralac.org/news/article/13206-australia-s-trade-and-investment-relationships-with-the-countries-of-africa-inquiry-report.html>
- World Bank. (2020). The African Continental Free Trade Area. World Bank. <https://www.worldbank.org/en/topic/trade/publication/the-african-continental-free-trade-area>