

Joint Standing Committee on Treaties - Questions on Notice

Australia-United Arab Emirates Comprehensive Economic Partnership Agreement

4 February 2025

Please find responses below to Senator Dorinda Cox's questions on notice:

- Do you think Trump's tariffs could have an indirect effect on Australia's exports to the UAE or other countries - either positive or negative?
- Could you expand on your desire to see Australia agree to an FTA with the Gulf Cooperation Council (GCC)?
- Your submission mentions that the Agreement includes the 'first-ever standalone chapter on sustainable agriculture' in an Australian FTA. What is the significance of this chapter in your view?

Australian Dairy Industry Council and Dairy Australia response:

1. The Trump administration's threat to and enforcement of tariffs on other countries will increase market volatility and will disrupt global supply chains. Exactly how this will impact Australia's dairy exports to the UAE, or other countries remains uncertain at this stage. Mexico, Canada and China are the US' largest dairy export markets and if US dairy products face considerable tariffs on entering these markets it is probable there will be a redirection of some of these exports to other markets.
2. As highlighted by the dairy industry at the recent hearing and in our submission:
 - Including all GCC countries in a more comprehensive and substantial FTA would unlock greater market access, reduce trade barriers, and ensure Australian dairy exporters can compete on a level playing field with other major dairy-producing nations such as New Zealand.
 - The six-member GCC bloc—comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE—accounts for a rapidly growing demand for high-quality dairy products, driven by population growth, urbanisation, and increasing consumer preferences for premium goods.
 - The GCC is an emerging market for Australian dairy exports, representing substantial opportunities for growth and diversification. In 2023/24, the volume of Australia's dairy exports to the GCC was 29,610 tonnes, valued at over \$148 million.
 - New Zealand has recently concluded an FTA with the GCC and once ratified will result in New Zealand dairy having a notable competitive advantage in the GCC region compared to Australian product.

3. The inclusion of a standalone chapter on Sustainable Agriculture is significant, due to:

- Sustainability is critical to the Australian dairy industry. Established in 2012 the Australian Dairy Sustainability Framework (ADSF) has seen the industry commit and deliver on improved outcomes across animal welfare, nutrition, emission reductions and natural resource management.
- The Chapter highlights the importance of promoting sustainability in a manner which isn't trade distortive and reinforces key principles which the dairy industry strongly supports, including the objective to "*ensure measures relating to sustainable agriculture and food systems are science and evidence based and do not create unnecessary barriers to trade.*"
- Its inclusion is prudent at a time where Australian Agriculture's sustainability credentials were not well understood and even undermined by some trading partners in previous FTA negotiations.
- While industry supports the inclusion of the Chapter, industry remains concerned that there was not adequate consultation regarding the intent and language of the chapter prior to the FTA being finalised. In future industry would urge Government to engage earlier in the process on issues which could have direct consequences for industry.