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The Parliament of the Commonwealth of Australia

# Expanding Australia's Trade and Investment Relations with North Africa

Joint Standing Committee on Foreign Affairs, Defence and Trade

May 2006  
Canberra

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## Chair's foreword

In addition to holding public hearings and receiving submissions in pursuit of the committee's reference on trade with North Africa, the Trade Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade visited five North African countries; Algeria, Egypt, Libya, Morocco and Tunisia, to review trade and investment opportunities for Australian countries in person.

The committee also looked to see if there were any impediments to trade in this region, and what could be done to capitalise on the opportunities.

The visit to Tunis was by two of the members to attend the World Summit on the Information Society. The visits to the other countries consisted of a considerable number of appointments with senior Government figures, the Parliaments, importers, and Government agencies and departments, as summarised in Appendix C.

The contacts included meeting with the Prime Minister of Morocco and several senior ministers in each of the cities visited. In Morocco, Algeria and Libya there was considerable television and media coverage of our visit.

The response to the committee's visit was positive and very encouraging. GDP growth is strong in all five countries and with the resource rich countries of Libya and Algeria, further strong growth based on escalating oil prices can be expected. Each of the countries is going through some degree of market's liberalisation and reductions in taxes, tariffs, and the privatisation of companies could be seen across the board.

Major infrastructure projects for roads, ports, electricity, water supply, airports and agriculture represent opportunities for Australian companies.

Increased consumer demand also means further market potential for Australia, with the best being:

- Wheat and agricultural products;
- Livestock and meat products (particularly lamb);
- Mining and agricultural equipment;
- Consultancy in a wide range of areas;

- Tourism training; and
- Education – particularly post-graduate students to Australia.

Of course the biggest potential remains in the oil and gas fields, especially those of Algeria and Libya.. Australia's biggest oil explorers continue to bid for major projects in these countries, with BHP Billiton being successful in Algeria, and Woodside in Libya.

Iron ore production as well as aluminium smelting is also possible in Libya, with BHP Billiton interests and an Australian manganese smelter is being assessed as to its possibility in Egypt.

In summary the potential for Australia in North Africa is significant, both in terms of resources, but also because of the GDP growth rates of the big countries and the export potential to Europe where trade conventions with the EU exist.

In short, Australia should ensure that appropriate resources are allocated to these markets to ensure Australia's access and export growth.

Hon Bruce Baird, MP  
Chair

Trade Sub-Committee



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# Membership of the Committee

Chair            Senator A B Ferguson

Deputy Chair   Hon G J Edwards, MP

Members        Senator the Hon N Bolkus - from 01/12/04  
to 30/06/05

Senator C M Moore – from 23/06/05

Senator A Bartlett - from 9/12/05

Senator M A Payne

Senator G Campbell– from 23/06/05 to  
28/11/05

Senator N Scullion – from 17/08/05

Senator P M Crossin - from 01 to 06/12/04  
then from 28/11/05

Senator N Stott Despoja

Senator the Hon P Cook – from 06/12/04 to  
30/06/05

Senator R S Webber - from 23/06/05

Senator A Eggleston

Hon B G Baird, MP

Senator B Harradine - from 01/12/04 to  
30/06/05

Mr R C Baldwin, MP - from 01/12/04 to 26/05/05

Senator S Hutchins

Mr P A Barresi, MP

Senator D Johnston

Hon K C Beazley, MP - from 01/12/04 to  
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Senator L J Kirk

Mr M Danby, MP

Senator K Lundy - from 01/12/04 to 23/06/05

Mrs P Draper, MP

Senator J A L Macdonald - from 01/12/04 to  
23/06/05

Mrs J Gash, MP

Mr S W Gibbons, MP

Mr B W Haase, MP

Mr M J Hatton, MP - from 08/02/05

Hon D F Jull, MP

Hon J E Moylan, MP

Hon G D Prosser, MP

Hon B C Scott, MP

Mr R C G Sercombe, MP

Hon W E Snowdon, MP

Dr A J Southcott, MP - from 9/02/06


Mr C P Thompson, MP - from 26/05/05

Mr M B Turnbull, MP - to 9/2/06

Ms M Vamvakinou, MP

Mr B H Wakelin, MP

Mr K W Wilkie, MP



## Membership of the Trade Sub-Committee

Chair Hon B G Baird, MP

Deputy Chair Hon W E Snowdon, MP

Members	Senator the Hon N Bolkus - to 30/6/05	Hon G J Edwards, MP ( <i>ex officio</i> )
	Senator A Bartlett - from 9/12/05	Mr S W Gibbons, MP -to 10/05
	Senator the Hon P Cook -to 30/6/05	Mr B W Haase, MP
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	Mr P A Barresi, MP	Ms M Vamvakinou, MP
	Mrs T Draper, MP	Mr B H Wakelin, MP
		Mr K W Wilkie, MP

## Sub-Committee secretariat

Secretary	Dr Margot Kerley
Secretary to the Sub-Committee	Dr Kate Burton (to 4 November 2005)
	Ms Sara Edson (from 7 November 2005)
	Dr Stephen Dyer (from 5 December 2005)
Administrative Officer	Mrs Jessica Butler



## Terms of reference

The Joint Standing Committee on Foreign Affairs, Defence and Trade will examine and report on expanding Australia's trade and investment relations with the countries of North Africa (Algeria, Egypt, Libya, Morocco and Tunisia), with particular reference to:

- the nature of Australia's existing trade and investment relations with the region;
- likely future trends in these relations; and
- the role of government, particularly DFAT and Austrade, in identifying and assisting Australian companies to maximise opportunities in North Africa as they emerge.

Referred by the Minister for Trade on 23 May 2005.



## List of abbreviations

AACCI	Australia Arab Chamber of Commerce & Industry Ltd
Austrade	Australian Trade Commission
DAFF	Department of Agriculture, Fisheries and Forestry
DFAT	Department of Foreign Affairs and Trade
DIMIA	Department of Immigration and Multicultural and indigenous Affairs
EU	European Union
FTA	Free Trade Agreement
GDP	Gross Domestic Product
IMF	International Monetary Fund
JSCFADT	Joint Standing Committee on Foreign Affairs, Defence and Trade
MFN	Most Favoured Nation
MOU	Memorandum of Understanding
OECD	Organisation for Economic Co-operation and Development
TIFA	Trade and Investment Framework Agreement



# List of recommendations

## 5 Trade with North Africa: barriers and opportunities

### Recommendation 1

The committee recommends that the Australian Government should seek to improve access for Australian exports through negotiating lower tariffs on a bilateral basis, particularly in agribusiness.

### Recommendation 2

The committee recommends that the Australian Government initiate or continue ministerial discussions with North African trading partners to address technical access issues, particularly harmonising customs and standards requirements.

### Recommendation 3

The committee recommends that there should be closer focus given to expediting visa processing requirements for North African countries and that DIMIA:

- review its visa processing arrangements for North Africa as a priority, and
- consider reviewing the assessment processes for North Africa students sponsored by their governments.

### Recommendation 4

The committee recommends that Austrade reconsider its organisational and representational arrangements for North Africa

### Recommendation 5

The committee recommends that high priority be given to the establishment of a Trade Commissioner and Consul-General in Algiers.





