

29 April 2022

Australia-GCC FTA Coordinator
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RE: Submission to Australia-Gulf Cooperation Council (GCC) Free Trade Agreement (FTA)

Dear Australia-GCC FTA Coordinator,

AUSVEG welcomes the opportunity to provide this submission regarding the development of the Australia-Gulf Cooperation Council (GCC) FTA.

AUSVEG is the national peak industry body for Australia’s over 3,500 vegetable and potato producers, who account for 3.83 million tonnes of vegetable production worth AUD\$4.9 billion in farmgate value and over AUD\$5 billion in retail value annually, which accounts for one third of Australia’s AUD\$15 billion horticulture industry.

The Australian vegetable industry is a key regional and rural employer, with tens of thousands of people employed in vegetable producing businesses across the country. Increasing Australian vegetable exports contributes to the long-term viability and prosperity of the sector and its ability to continue to be a significant regional employer and economic contributor.

On behalf of the Australian vegetable industry, AUSVEG would like to express support for the government’s efforts to liberalise trade, strengthen and deepen trading relationship between countries, create opportunities, and add value for exporters.

The Australian vegetable industry has been a long-term trading partner with the GCC. In 2021, Australia exported AUD\$63 million and 69,006 tonnes of fresh vegetables to the GCC, with top three export crops being onions, potatoes, and carrots (refer to Table 1 and Figure 1).

| Trade Partner | 2019 | | 2020 | | 2021 | |
|---------------------------------------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| | AUD\$ | Tonnes | AUD\$ | Tonnes | AUD\$ | Tonnes |
| Total Fresh Vegetable Exports to GCC | \$71,859,955 | 83,182 | \$73,256,323 | 77,898 | \$63,141,155 | 69,006 |
| United Arab Emirates | \$ 31,725,408 | 40,518 | \$ 33,982,716 | 35,933 | \$ 32,072,117 | 34,634 |
| Saudi Arabia | \$ 20,362,661 | 21,535 | \$ 19,281,547 | 20,986 | \$ 16,574,589 | 18,774 |
| Qatar | \$ 11,402,163 | 12,213 | \$ 12,254,458 | 12,179 | \$ 8,774,982 | 9,039 |
| Kuwait | \$ 4,705,759 | 5,062 | \$ 4,735,061 | 5,188 | \$ 3,167,898 | 3,590 |
| Bahrain | \$ 2,466,117 | 2,459 | \$ 1,930,027 | 2,326 | \$ 1,754,727 | 2,067 |
| Oman | \$ 1,197,847 | 1,394 | \$ 1,072,514 | 1,288 | \$ 796,842 | 902 |

Table 1: Australian Fresh Vegetable Exports to GCC 2019 to 2021, Source: Global Trade Atlas 2022

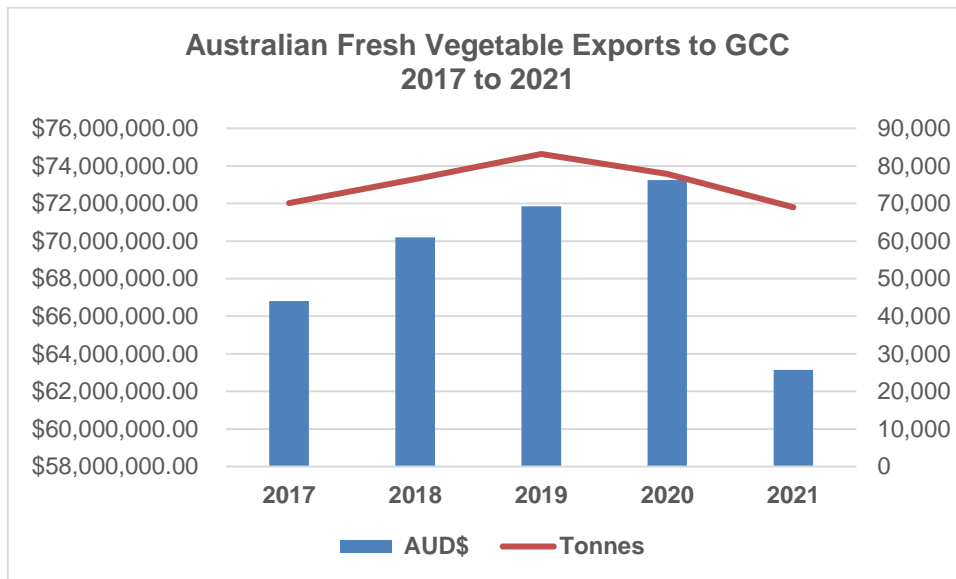


Figure 1: Australian Fresh Vegetable Exports to GCC 2019 to 2021, Source: Global Trade Atlas 2022

While the GCC market currently provides tariff-free trade in most fresh vegetables, the potential future resumption of negotiations on an FTA with the GCC will secure the free trade arrangements effectively over the longer term. The definite zero tariffs for fresh vegetable trade will underpin and strengthen the Australian vegetable industry's trade into the GCC region and increase the industry's ability to trade competitively into the GCC vegetable market.

In summary, AUSVEG supports resumption of negotiations on the Australia-Gulf Cooperation Council (GCC) FTA with the Gulf-Cooperation Council, the trade liberalisation agenda of the current government, and further attempts at expanding FTAs in the future.

For more information regarding this submission, please contact me on +61 3 9882 0277 or email Michael.coote@ausveg.com.au.

Yours sincerely

Michael Coote
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