



GOVERNMENT OF
WESTERN AUSTRALIA

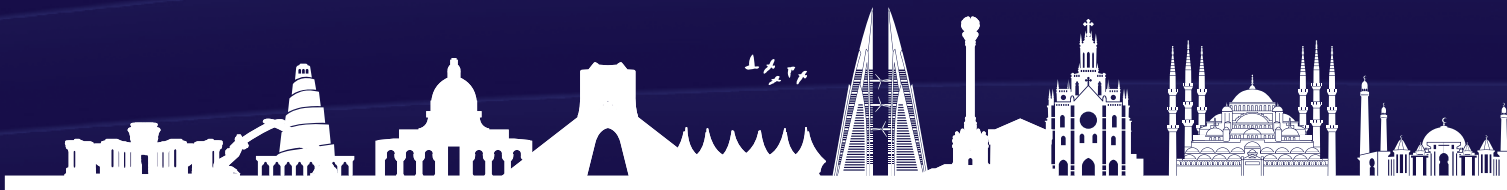
Invest & Trade
WESTERN AUSTRALIA



Gulf Region Market Outlook

2022-23

Trade and investment opportunities
for Western Australian businesses



Gulf Region market overview

Combined gross domestic product

US\$2.2 trillion

Combined population of

59 million

people (2021);
26th largest in the world

If the Gulf Cooperation Council was a single country, it would have the

8th largest

economy in the world

The Gulf Cooperation Council is a political and economic alliance of six Middle Eastern countries – Saudi Arabia, Kuwait, the United Arab Emirates (UAE), Qatar, Bahrain and Oman. Oil and gas exports have provided the foundation for economic development in these countries. More recently, major infrastructure projects and the growing tourism and financial services sectors have led to the Gulf region becoming a gateway to the Middle East, South Asia and Africa.

The strong synergies between Western Australia and the Gulf region offer a broad range of opportunities for Western Australian businesses looking for new and growing export markets, including in agribusiness and food, education and vocational training, resources and energy, innovation and digital technology, and tourism.

Western Australia's trade relationship with the Gulf Region

2002

Established the Invest and Trade WA Dubai office

\$6.4 billion

7th largest trading partner in 2021-22

\$5.2 billion

6th largest export market with Western Australia providing 54% of Australia's merchandise exports to the Gulf region in 2021-22

Western Australian merchandise exports to the Gulf region in 2021-22



58%

Alumina and bauxite



16%

Barley



9%

Canola seeds





The Western Australian Government supports local businesses pursuing opportunities with the Gulf region through Invest and Trade WA. This includes advice and assistance to Western Australian companies looking to export to the Gulf region or attract investment to grow their business.

Australian investors and exporters may receive preferential market access through free trade agreements (FTAs), once they have entered into force. Western Australian businesses looking to expand into the Gulf region could reap the benefits of these agreements.

Australia- UAE Comprehensive Economic Partnership Agreement

On 17 March 2022, Ministers from Australia and the UAE issued a joint statement announcing the intention to pursue a Comprehensive Partnership Agreement. Such an agreement has significant potential to strengthen and deepen the relationship between the two countries.

Currently, Australia's major exports include aluminium oxide, meat (beef, sheep and lamb), vehicle parts and accessories and telecom equipment and parts.

There are further opportunities for Australian business in the UAE, including in services,

agriculture, education and tourism, particularly given the UAE's position as a regional hub. Opportunities may also arise through increased investment and people-to-people links.

Australia-Gulf Cooperation Council (GCC) Free Trade Agreement negotiations

At the GCC Leader's Summit in January 2021, the GCC renewed its interests in pursuing an FTA with Australia (and other key countries) as a priority market. Subsequent discussions have occurred between Australia and the GCC at Ministerial and official level on a potential resumption of negotiations.

The GCC is an established market for a range of Australian exports, including agricultural products such as live animals, meat, dairy, vegetables, sugar, wheat and other grains, as well as automotive and resources exports.

The GCC is also a growing market for services and investment, with strong opportunities in infrastructure, education and professional services.

For further information on FTAs with Gulf countries visit: ftaportal.dfat.gov.au

Trade and investment opportunities with the Gulf Region

An outline of trade and investment opportunities with the Gulf region is provided below, categorised under Western Australia's key industry sectors.

Each section also describes the Western Australian Government's actions to support businesses pursuing these opportunities in 2022-23. The actions are a combination of initiatives to assist Western Australian businesses to develop their export capability (sector-based) and activities that specifically support trade and investment opportunities with the Gulf region (market-based).

Energy

The Gulf region includes some of the world's largest oil and gas producers and exporters. In 2020, Saudi Arabia was the world's largest exporter of crude oil.

Countries in the Gulf region are increasingly aware of the long-term need to reduce their dependence on oil and gas and diversify their energy mix as the world moves to energy sources with lower greenhouse gas emissions. For example, the UAE's Energy Strategy 2050 aims to increase the contribution of clean energy in the total energy mix to 50% and reduce the carbon footprint of power generation by 70%, both by 2050.

As this transition occurs, there will be opportunities for Western Australian businesses to seek partnerships within the Gulf region, particularly in the areas of battery minerals, renewable technologies and hydrogen.

Western Australian Government actions

- » Promote investment opportunities in energy sectors, including waste to energy, e-waste and related areas such as recycling and a circular economy.

- » Promote Western Australia as a destination for investment and offtake opportunities for hydrogen in accordance with the Western Australian Renewable Hydrogen Strategy.
- » Work with partners in the Gulf region to attract investment into downstream battery materials processing such as precursor-cathode active materials (CAM) and CAM manufacturing.
- » Facilitate engagement between Western Australian businesses and the Gulf region's remote and renewable power sectors.
- » Continue to implement Western Australia's Lead Agency Framework to facilitate major projects and proposals in Western Australia.

Tourism, events and creative industries

The Gulf region offers strong long-term potential as a tourism market for Western Australia, driven by increasing incomes and a growing interest in outbound travel among the younger generation.

Pre-COVID-19 aviation links between Western Australia and the Gulf region provided a good platform to grow tourism. Before the pandemic, there were five daily, non-stop passenger flights between Perth and the Gulf region (UAE and Qatar), with Perth serviced by Emirates, Etihad Airways and Qatar Airways.

Western Australian Government actions

- » Establish Western Australia as the most desirable destination choice for international leisure visitors through the delivery of a new world-class tourism brand.
- » Support key distribution partners in-market to promote Western Australia as a premier tourism destination.
- » Promote Western Australia as a destination for conference attendance, development and delivery.



International education

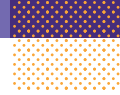
Relatively high population growth across the Gulf region over the past two decades has led to a large increase in the working-age population, many of whom will require high-quality education and training. There is potential to increase the number of students from the Gulf region studying in Western Australia as these countries look to develop a skilled workforce to support the diversification of their economies.

There are established education links between Western Australia and the Gulf region with Murdoch, Curtin and Edith Cowan universities all having a presence in the UAE. Direct aviation links between Perth and the Gulf region will help to increase the number of students studying in Western Australia.

Western Australia can also capitalise on its safe handling of the COVID-19 pandemic to market itself as an attractive destination for students from the Gulf region.

Western Australian Government actions

- » Leverage the State's offshore international education marketing campaign in-market.
- » Work with education agents in the region to elevate the profile of Western Australia's education sector and promote study programs offered by Western Australian universities and vocational education institutions.
- » Work with StudyPerth to promote Western Australia as a study destination of choice to education institutions and students in the Gulf region.
- » Gather intelligence to provide regular updates on in-market activities and trends to inform Western Australia's international education policy.
- » Collaborate with Western Australian education providers to undertake promotional activities and roadshows in the Gulf region to assist universities and pathway providers in student recruitment.



- » Promote Western Australia as a favoured education destination within the Gulf region, including by:
 - » collaborating with education agents on relevant events and programs that promote the Western Australian School Curriculum and Standards Authority (SCSA), universities, TAFE institutions and public and private schools.
 - » exploring the possibility of the SCSA offering the Western Australian pre-primary to Year 10 curriculum to select education institutions in the Gulf region.
- » Support Western Australian universities to expand their student, academic and research links in the Gulf region.

Mining and mining equipment, technology and services (METS)

Western Australia has a well-established reputation in the Gulf region as a global leader in mining and METS. The Gulf region is also a hub for METS companies servicing mining companies in Africa.

The Gulf region is a leading market for Western Australia's alumina exports, with Bahrain, the UAE and Qatar importing large quantities for aluminium production. With the population and urbanisation increasing across the region and large scale infrastructure projects expected to continue, demand for construction materials is growing. Many countries in the Gulf region are using domestic energy to support minerals processing and there is an opportunity for Western Australia to grow its exports of a number of mineral commodities.

There are opportunities for Western Australian METS businesses to support the mining and minerals processing industries in the Gulf region. There is demand for mineral processing technology and equipment and expertise to develop mineral-based manufacturing, consulting, engineering and chemical testing. There is also demand for training providers to upskill the workforce across the mining life-cycle.

Western Australian Government actions

- » Maintain key stakeholder relationships and information exchange between Western Australia and the Gulf region in the mining industry.
- » Continue to streamline approvals processes and regulatory reforms to create a more attractive investment environment for the mining industry.
- » Attract investment into critical minerals projects in Western Australia by:
 - » facilitating understanding of Western Australia's potential as a secure and reliable supplier and processor of critical minerals (including rare earth elements)
 - » developing investment attraction and trade promotion strategies for the Gulf region.
- » Facilitate long-term technology and research and development partnerships with companies in the Gulf region's resources value chain.
- » Facilitate capacity-building partnerships with technical training institutions in the mining sector.



Primary industries

With the development of agriculture and food production in many areas of the Gulf region limited by climate and with the population across the region increasing, there are a range of export opportunities for Western Australia's agrifood businesses.

The Gulf region is already a leading market for Western Australia's exports of live animals, vegetables, fruit, meat and wheat. Western Australia is regarded as a provider of high-quality food and agribusiness commodities that meet or exceed specific customer requirements.

The UAE has emerged as a major re-exporting hub and has become a significant link in the region's food chain. Western Australia's location as the closest Australian state to the Gulf region is a significant advantage to exporters of fresh produce.

There are also opportunities for agribusiness investment from the Gulf region into Western Australia as countries look to secure their own long-term food supply. The UAE's food security plan includes investing in farms and agricultural technology, and enforcing the strictest food safety standards.

Western Australian Government actions

- » Increase visibility of Western Australia's agrifood commodities and premium products in the Gulf region, including through inbound and outbound missions aligned to major events such as Gulf Food.
- » Strengthen links with retailers, hotel and restaurant operators in the Gulf region to assist Western Australian agrifood industries to access new market opportunities.
- » Further leverage Western Australia's success in exporting commodities such as live animals, vegetables, fruit, meat and wheat to the Gulf market.
- » Facilitate business-matching sessions and trade missions to promote market diversification for the Western Australian agrifood industry.
- » Support Western Australian agribusinesses to invest in new market development projects including in the food and beverage industry.

Western Australian business success with the Gulf region

Stonebarn Truffles

Western Australian commercial truffle producer, Stonebarn truffles, engaged the Invest and Trade WA Dubai office in early 2022 for assistance with identifying new market entry opportunities in the UAE and the associated regulatory requirements for exporting their products.

Stonebarn Truffles, located in Manjimup, Western Australia, is known for growing the highly sought after premium French Périgord Black Truffle, *Tuber melanosporum*.

The Dubai office worked with Stonebarn Truffles to identify suitable partners and subsequently connected the company to Fresh Express, which is a premium food and non-alcoholic beverage distributor in the Gulf region. With this assistance from the Dubai office, Stonebarn Truffles, has had further introductory meetings with potential customers and have commenced exporting their fresh truffles and shelf-stable products to the UAE via Fresh Express.

The Dubai office is continuing to assist Stonebarn Truffles to explore opportunities in the wider Gulf region.





Western Australian Mission to Oman

The Hon David Templeman MLA, Minister for International Education, led a delegation to Oman with representatives from University of Western Australia, Curtin University, Murdoch University, University of Notre Dame as well as Phoenix Academy.

The delegation met with the Oman Ministers of Education and Higher Education, Scientific Research and Innovation. The delegation also participated in a meeting with training provider,

Salikon Oman, and witnessed the signing of a memorandum of understanding between Salikon and Western Australia's Phoenix Academy. The MOU with Salikon focused on collaboration in education, training and development services, student mobility, teacher training and delivery of online products.

Following the mission, the Western Australian Government has had productive discussions with international education providers exploring the opportunities identified in Oman.



Western Australian Government support

The Invest and Trade WA Dubai office has supported Western Australian businesses seeking to access trade and investment opportunities in the Gulf region since 2002. The Dubai office has established a strong network of contacts to support Western Australian businesses in the Gulf region. This includes close working relationships with the Australian embassies and consulates in the UAE, Saudi Arabia, Qatar and Kuwait.

In 2020-21, Invest and Trade WA moved to a regional hub model. The Dubai office operates as part of the India-Gulf regional hub, providing the following services:

- » Advice on Gulf markets and specific trade and investment opportunities
- » Advice on market-entry strategies
- » Supporting in-market promotion and visits
- » Facilitating introductions to potential customers and partners.

Invest and Trade WA

Invest and Trade WA promotes Western Australia as a destination for investment, provides a 'one-stop-shop' for incoming trade and investment enquiries and assists Western Australian businesses to develop and expand their export potential.

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View Western Australia's Asian Engagement Strategy 2019-2030

www.wa.gov.au/asian-engagement-strategy



Department of
**Jobs, Tourism, Science
and Innovation**

