



The Department of Industry, Science and Resources has suggested more trade missions to the Middle East, such as the one recently led by Trade Minister Mark Vaile (pictured left). Photograph courtesy of Austrade.

# Opportunity knocks in the Middle East

Trade is the key to strengthening Australia's relations with the Middle East, Parliament's Foreign Affairs Committee has been told. But the Committee has also heard that trade cannot be considered in isolation from political and cultural issues.

The Committee's review of Australia's relations with the Middle East already has attracted more than 70 submissions. Many have highlighted the opportunities that exist for Australia to increase its trading links with Middle East countries.

Austrade has told the Foreign Affairs Committee that the Middle East is fast becoming a natural market for Australian business. Australian companies are looking for alternative markets as a result of the Asian financial crisis and are recognising that Middle Eastern countries are increasingly seeking high quality goods and services.

"Increasing demand for sophisticated goods and services, direct air links and recognition that culture is not necessarily a barrier are

indicators that point towards the successful and on-going development of a positive and strong trade focus for Australian companies in the Middle East," Austrade said.

*'The Middle East is fast becoming a natural market for Australian business.'*

According to Austrade, various products and services that can be provided by Australia are in current demand including:

- oilfield and pipeline equipment in the United Arab Emirates;
- technology know-how and equipment in Saudi Arabia;
- goods and services supporting infrastructure development in Iran;
- agricultural, food and beverage products in Kuwait;
- telecommunications and health equipment in Egypt; and
- high quality technology based goods and services in Israel.

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To capitalise on potential business opportunities, the Commonwealth Department of Industry, Science and Resources suggests more trade missions to the Middle East, involving government and business representatives. The Department says that both the United Arab Emirates and Kuwait have shown a keen interest in having trade missions from Australia.

Support for trade missions to the Middle East has also come from the Australia-Israel Chamber of Commerce. The Chamber has called for an Australian business delegation to visit Israel, the Palestinian administered areas and Jordan to explore export opportunities in this "growing common market".

While many submissions to the Foreign Affairs Committee have acknowledged the opportunities that exist for expanding trade links, other submissions have noted difficulties with the existing trading relationship and impediments to increasing trade.

The Australia Arab Chamber of Commerce and Industry is concerned that the widening balance of trade in favour of Australia has the potential to rebound on Australia. It has called for trading partnerships to be facilitated between Australia and the Middle East.

## *'Each country needs to be understood in its own right.'*

Other submissions to the inquiry have suggested that trade should not be the only focus for strengthening Australia's relations with the Middle East. Many submissions, including the submission from the Department of Foreign Affairs and Trade, have argued that Australia needs to develop a better understanding of the culture, the traditions and the politics of the Middle East if it is to build stronger relations with the region.

The Foreign Affairs Department emphasises that the Middle East region consists of a wide variety of economies, politics and cultures. The Department has told the Committee that each country "needs to be understood in its own right if we are to appreciate the nature of the region as a whole, one with which we are increasingly becoming involved".

Professor Amin Saikal, from the Centre for Arab and Islamic Studies at the Australian National University, suggests that there remains a lack of awareness about the Middle East within Australia, despite the presence of sizeable Middle Eastern communities in Australia. He is particularly concerned that "stereotyping of Arabs and Iranians, based on traditional and often fabricated images, is still widespread in Australia, and no official systematic campaign has been undertaken to counter it".

Many submissions have argued that Australia can maintain its positive image in the Middle East by continuing to support the peace process. The Executive Council of Australian Jewry has called on Australia to encourage forces of modernisation, democratisation and liberalisation in the Middle East.

Other submissions have been critical of the role played by the United Nations, particularly in relation to the weapons inspection program and the imposition of sanctions on Iraq. Some have called for Australia to adjust its policy positions in relation to these matters.

Public hearings on the inquiry, which commenced in June, will enable the Foreign Affairs Committee to explore in more detail the opportunities for and impediments to building stronger relations between Australia and the Middle East. The Committee is seeking further information on the scope for developing more effective social and cultural links with the region and the future prospects for a stronger defence relationship. People with views on these matters should contact the Inquiry Secretary, Cliff Lawson, call (02) 6277 4306 or email: [jscfadt@aph.gov.au](mailto:jscfadt@aph.gov.au)

**You can get copies of the submissions to the inquiry, a background information booklet and the transcripts from the public hearings.**

Call: (02) 6277 4306

Email: [jscfadt@aph.gov.au](mailto:jscfadt@aph.gov.au)

Visit: [www.aph.gov.au/house/committee/jfadt](http://www.aph.gov.au/house/committee/jfadt)

## You said it

*"Because of its 'good image' in the Middle East and the Gulf region, Australia should have good commercial prospects with these regions. Remoteness, both geographically and culturally, which constitute an impediment to trade relations, should be overcome through keen communication, sincere intentions and active promotional campaigns."*

**Dr Maya Kayali**

Chapman, Australian Capital Territory

*"The overwhelming problem with regard to Australia's relationship with countries in the Middle East is overwhelming ignorance of the complexities of the region, their history, religious traditions, culture and differences."*

**Peter D Jones**

Lenah Valley, Tasmania

*"From my experiences, it is imperative that in doing business in the region, we must be serious, prepared and most importantly beware."*

**Ronald Hayes**

Melbourne, Victoria

*"It will be worth our while to invest more resources in broadening our links, and in developing a wider network of relationships. We need more expertise in Australia on the culture and thought processes of Middle East elites."*

**Philip Peters**

Garran, Australian Capital Territory