

Gulf Research Center
Knowledge for All

Australia - GCC Relations



1. Key Domestic Developments

Australia is a federal parliamentary constitutional monarchy, composed of six states and two territories: New South Wales, Queensland, South Australia, Tasmania, Victoria, Western Australia, the Northern Territory, and the Australian Capital Territory (ACT). King Charles III serves as Australia's monarch, David Hurley as the Governor-General, and Anthony Albanese as the Prime Minister. Albanese, who led the Labor Party to victory in the 2022 federal election, was appointed the 31st Prime Minister on May 21, 2022. The Labor Party's success was marked by a gain in seats from the Liberal-National Coalition, aided significantly by the "teal independents."



Under Prime Minister Albanese, the Australian government has focused on several key domestic and international issues. Domestically, the government has concentrated on addressing climate change, advancing renewable energy, and implementing social policies aimed at reducing inequality. A major domestic initiative includes a proposed referendum on an Indigenous Voice to Parliament, which has gained considerable momentum. Additionally, the Albanese administration has prioritized strengthening the healthcare system in response to the ongoing impacts of the COVID-19 pandemic. Economic policies have been directed towards post-pandemic recovery, with efforts concentrated on job creation, infrastructure investment, and support for small businesses.

Notable achievements under Albanese's leadership include submitting a stronger Nationally Determined Contribution (NDC) to the United Nations. This commitment involves reducing carbon emissions by 43% from 2005 levels by 2030, and the NDC was legislated into law in September 2022. Another major development was the increase in the minimum wage by 5.2%, as announced by the Fair Work Commission on June 15, 2022. The Prime Minister has also pledged to establish a national anti-corruption commission and has expressed strong support for Indigenous Australians and the Uluru Statement from the Heart.

Recently, Australian Prime Minister Anthony Albanese faced significant backlash following the resignation of Senator Fatima Payman, which has intensified scrutiny of the Labor Party's policy on Palestine. The ruling Labor Party has been criticized for appearing to retreat on its stance regarding Palestine. Although the party supports a ceasefire in Gaza, it has been criticized for not recognizing Palestinian statehood. This position has sparked controversy and debate, highlighting the difficulties Albanese faces in balancing domestic political pressures with international policy issues.

Key Australia Economic and Social Data

GDP: 1.693 trillion USD (2022)

GDP per capita: 65,099.85 USD (2022)

Annual Growth Rate: 4.3% annual change (2022)

Inflation: 6.61% (2022)

Population: 26.01 million (2022)

Unemployment Rate: 3.5% (2022)

Credit Rating: Standard & Poor: AAA with stable outlook. Moody: Aaa with stable outlook.

Fitch: AAA with stable outlook. DBRS: AAA with stable outlook.

In 2024, Australia's overall trade volume demonstrated a strategic pivot, with the total



trade (exports plus imports) projected to reach approximately AUD 865 billion. This figure represents an improvement compared to 2023, where the total trade volume was around AUD 840 billion. The slight increase in 2024 reflects efforts to diversify markets and enhance trade partnerships, particularly in Asia and Africa, alongside a stabilizing domestic economy. In 2022, Australia experienced a robust trade volume of about AUD 870 billion, driven by high global demand for key commodities such as iron ore, coal, and LNG, and a post-pandemic rebound in domestic consumption and investment. At 6.61%, Inflation has been a significant issue, with consumer price inflation gradually declining but still remaining high. The Reserve Bank of Australia (RBA) forecasts inflation to decline to around 3.25% by the end of 2024 and to be within the target range of 2.75% by the end of 2025. Energy prices, particularly electricity, are expected to continue adding to inflationary pressures despite government relief measures (Reserve Bank of Australia) (Australian Bureau of Statistics).

2. Australia's Foreign Policy



In 2024, Australia's foreign policy remains committed to multilateralism, regionalism, and strong bilateral ties, actively participating in organizations like the UN, G20, OECD, and APEC. Under Prime Minister Anthony Albanese, Australia has engaged proactively with global and regional partners, reaffirming strategic alliances, particularly through the Quad Security Dialogue with Japan and deepening ties with Indonesia. Efforts to mend relations with France and support Ukraine with \$100 million in aid underscore Australia's diplomatic priorities. Significant policy shifts include reversing the recognition of

Jerusalem as Israel's capital to support a two-state solution and strengthening the AUKUS pact to counter China's influence in the Indo-Pacific. In 2023, Australia faced new challenges, increasing engagement with Pacific nations like the Solomon Islands to counter China's growing presence, and mediating the Myanmar crisis through ASEAN. In 2024, Australia expanded ties with India through a Comprehensive Strategic Partnership, enhancing cooperation in defense, cyber security, and trade. Additionally, Australia took a leadership role in climate negotiations, committing to ambitious carbon reduction targets and renewable energy projects.

Australia has taken positions on various events in the Middle East. For instance, Australia deployed both ground and air forces alongside the United States in Iraq to combat ISIS. Despite the US withdrawal from the JCPOA, Australia continues to impose autonomous sanctions on Iran, complementing UNSC sanctions. Australia condemned the 2019 attacks on Saudi oil installations, with Foreign Minister Marise Payne stating that the "aggression is unacceptable, violates international law, threatens global energy security, destabilizes the global economy, and represents a real threat to regional and international stability."

Australia reversed its decision to recognize West Jerusalem as the capital of Israel in October 2022. Foreign Minister Penny Wong stated that the 2018 decision undermined peace and "put Australia out of step with the majority of the international community." Palestinian Prime Minister Mohammed Shtayyeh welcomed the decision, seeing it as demonstrating "Australia's respect and alignment with the values of truth, justice, and freedom, and the legitimate rights of the Palestinian people." The Australian government raised concerns with Israel over Finance Minister Bezalel Smotrich's remarks in March 2023, which caused an uproar. The Gulf countries, particularly Saudi Arabia, welcomed Australia's reversal and pushed for substantial international efforts to find a just settlement for Palestine.

Key Foreign Policy Initiatives in 2024

Australian Prime Minister Albanese has faced significant backlash following the resignation of Senator Fatima Payman, which intensified scrutiny of the Labor Party's policy on Palestine. The ruling Labor Party has been criticized for appearing to retreat on its stance regarding Palestine. Although the party supports a ceasefire in Gaza, it has faced criticism for not recognizing Palestinian statehood. Foreign Affairs Minister Penny Wong has indicated in April and May 2024 that Australia is open to recognizing Palestine during a peace process, "not necessarily only at the end of the peace process," while also pressing for reforms to the Palestinian Authority. In January 2024, Foreign Minister Wong traveled to the Middle East to advocate for a ceasefire in the Israel-Gaza conflict.

- In October 2022, Australia reversed its previous government's recognition of West Jerusalem as the Israeli capital.
- Amid the Ukraine Crisis, Australia pledged over \$380 million in military assistance.
- In October 2022, Australia launched a rescue mission for women and children in Syrian detention camps.
- In August 2022, Australia and the EU renewed talks on the free trade agreement.

3. Australia-GCC Fact Sheet

Australia's Trade in Goods with GCC Countries in 2023 (in \$USD)

Country	Total Trade	Export Value	Import Value
United Arab Emirates	\$3.99B	\$3.12B	\$868.11M
Bahrain	\$1.26B	\$1.10B	\$152.02M
Saudi Arabia	\$1.45B	\$805.15M	\$646.27M
Qatar	\$1.00B	\$703.85M	\$300.78M
Oman	\$524.01M	\$396.56M	\$127.45M
Kuwait	\$317.21M	\$315.88M	\$1.33M
Total	\$8.54B	\$6.45B	\$2.10B

Note: Data of 2023 is initial.

Source: Trade Map

Establishment of Diplomatic Relationship

Australia-GCC Diplomatic Relations:

- Saudi Arabia (1974)
- Kuwait (1974)
- United Arab Emirates (1975)
- Qatar (1980)
- Oman (1981)
- Bahrain (1987)

Key Australia Officials with Responsibility for the Gulf Region

- Penny Wong, Foreign Affairs
- Don Farrell, Trade and Tourism
- Pat Conroy, International Development and the Pacific
- Tim Watts, Assistant for Foreign Affairs
- Tim Ayres, Assistant for Trade
- Marc Innes-Brown, First Assistant Secretary of the Middle East Africa and Afghanistan Division

Key Research Centers and Think Tanks

- [Lowy Institute](#)
- [Australian Strategic Policy Institute](#)
- [The Australia Institute](#)
- [Centre for International Security Studies](#)
- [Australian Institute of International Affairs](#)

Key Regional Experts

- [Dr. Rodger Shanahan](#), Nonresident Fellow at the Lowy Institute.
- [Professor Sally Totman](#), Political Analyst, Australian Institute of International Affairs
- [Amin Saikal](#), Emeritus Professor, Australian National University.
- [Shahram Akbarzadeh](#), Research Professor, Deakin University



Key Recent Literature

- Study On the Prospects and Possible Benefits Of A Free Trade Agreement Between Australia and the Gulf Cooperation Council (GCC) – Australian Department of Foreign Affairs and Trade
- Challenges and Opportunities for Australian Businesses in GCC - Doren Chadee, Banjo Roxas, and Tim Rogmans

4. Key Developments in Australia-GCC Relations

Australia-GCC



- GCC GDP: \$2.250 trillion USD (2021).
- GCC GDP per capita: \$34,300 USD(2021).
- GCC Population: 56.4 million (2021).
- Australia GDP: \$1.693 trillion USD (2022).
- Australia GDP per capita: 65,099.85 USD (2022).
- Australia Population: 26.01 million (2022).
- Total two-way merchandise trade with Australia: AUD 11.1 billion (2021).
- Total two-way goods and services trade with Australia: AUD 13.1 billion (2020).

Australia-Saudi Arabia

- June 2023: President of the Australia Saudi Business Council & Forum, Sam Jamsheedi, signed an agreement with Abdel Hadi Abdullah Al-Qahtani & Sons Co. (AHQ & Sons) for Trademark Group to represent AHQ & Sons exclusively in Australia.
- June 2023: Tim Watts MP, Assistant Foreign Minister, attended the Ministerial Meeting of the Global Coalition to Defeat ISIS (D-ISIS) hosted in Riyadh, Saudi Arabia.
- February 2023: Saudi Arabia and Australia signed several agreements to promote trade and investment during the Saudi-Australian Business Forum, which was organized by the Federation of Saudi Chambers
- January 2022: Australian investment in Saudi Arabia received backing from the Vision 2030 program, including significant projects such as EV Metals Group’s planned \$3 billion investment in lithium processing.
- November 2020: Australian Ambassador to Saudi Arabia Ridwaan Jadwat congratulated Saudi Arabia on its presidency of the G20.
- September 2018: A delegation of the Saudi-Australian Friendship Committee of the Saudi Shura Council headed by the Council Member Khalid Al-Abdullatif visited Australia. The delegation was invited by the Parliament of Australia.
- September 2018: Assistant Minister for Defense Mohammed bin Abdullah AlAyash visited Adelaide to attend the exhibition Forces 2018.
- October 2017: Assistant Minister for Trade, Tourism, and Investment of Australia, Keith Pitt, visited Saudi Arabia with a business delegation.

Australia-United Arab Emirates

- In February 2024, Trade Minister Don Farrell announced that Australia and the United Arab Emirates are anticipated to finalize a free-trade agreement by the end of the year.
- December 2023: Australia and the UAE announced the commencement of negotiations for a Comprehensive Economic Partnership Agreement – a bilateral free trade agreement – that will lay the groundwork for closer economic ties.
- May 2022: General the Hon David Hurley, the Governor-General, visited the UAE.
- February 2022: The Hon Marise Payne, Minister for Foreign Affairs and Minister for Women, visited the UAE.
- January 2022: General the Hon David Hurley, the Governor-General, visited the UAE, including attending Expo 2020 Dubai.
- October 2021: The Hon Dan Tehan MP, Minister for Trade, Tourism, and Investment, visited the UAE, including attending Expo 2020 Dubai.
- December 2019: HE General the Hon David Hurley, the Governor-General, visited the UAE.
- December 2019: the Hon Peter Dutton, Minister for Home Affairs, visited the UAE.

Australia-Qatar

- July 2024: Australia's Department of Foreign Affairs received the Copy of Credentials of HE Ali bin Saad Al Hajri as Ambassador Extraordinary and Plenipotentiary of the State of Qatar to Australia.
- July 2024: HE Special Envoy of the Minister of Foreign Affairs Ambassador Faisal bin Abdullah Al Hanzab received HE Australian Special Representative on Afghanistan Amanda McGregor and HE Ambassador of Australia to the State of Qatar Shane Flanagan.

- June 2024: Qatar Airways is said to be in talks to acquire up to 20% stake in Virgin Australia.
- March 2024: Australian Ambassador applauds Qatar's mediation efforts in the ongoing Gaza conflict.
- December 2023: Visit to Qatar by the Hon. Tim Watts MP, Assistant Minister for Foreign Affairs
- August 2023: HE Minister of State for International Cooperation at the Ministry of Foreign Affairs Lolwah bint Rashid Al Khater held a virtual meeting with HE Assistant Minister for Foreign Affairs of Australia Tim Watts.
- November 2022: Visit to Qatar by Anika Wells MP, Minister for Aged Care and Sen Anne Ruston, Shadow Minister for Aged Care and Sport.
- July 2022: Visit to Qatar by Mark McGowan, Premier of Western Australia.

Australia-Oman

- March 2023: Australian investment firm Subco is offering to extend the Oman Australia Cable (OAC) undersea cable by 1,200 km to set up a new branch at Salalah in Oman. This will offer a secure route for internet connectivity between Australia, the Middle East, and Europe.
- August 2022: Visit to Australia by Oman's Foreign Minister, H.E. Sayyid Badr bin Hamad bin Hamood Albusaidi including meeting with Assistant Minister for Foreign Affairs, Tim Watts.
- December 2022: Bahrain and Australia signed an MoU to increase trade ties and business facilitations.

Australia-Kuwait

- July 2024: Commemoration of five decades of Australian-Kuwaiti diplomatic relations.
- January 2019: An Australian parliamentary Delegation visited Kuwait.



- May 2018: The Minister for Agriculture and Water Resources, the Hon. David Littleproud MP, visited Kuwait.
- February 2018: The Minister for Foreign Affairs, Julie Bishop, visited Kuwait.
- May 2016: Governor-General Sir Peter Cosgrove visited Kuwait.
- January 2016: The Minister for Tourism and International Education, Richard Colbeck, visited Kuwait.

Currently, GCC-Australia economic relations encompass trade and investment across a wide range of goods and services, primarily agricultural products like live animals, meat, dairy, vegetables, sugar, wheat, and other grains, as well as automotive and resource exports. Both Australia and the GCC countries have established trade-related organizations, such as the Australian Business Group (ABIG) in the GCC and the Australian Arab Chamber of Commerce in Australia. Trade in agricultural products has seen a significant boost due to rising food security concerns in the GCC. In 2023, Australia secured new contracts to export an additional \$1 billion worth of agricultural goods to GCC countries. The automotive sector has also grown, with an increase in exports of electric vehicles and related technologies from Australia to the GCC.

Negotiations for a Free Trade Agreement between Australia and the GCC states began in 2007. Several rounds of talks have been held without conclusion. As of mid-2023, discussions have resumed with renewed efforts to finalize the agreement by 2025. Both sides are optimistic about reaching a mutually beneficial agreement to enhance economic cooperation and reduce trade barriers.

Education is also a critical aspect of the GCC-Australia relationship. Saudi Arabia leads in students studying in Australia, followed by Kuwait, Oman, the UAE, Bahrain, and Qatar. Student enrollments declined by 7% in 2020 and by 17% in 2021 due

to the pandemic, as Australia's borders were closed to international students. However, enrollments are recovering, with student visas granted increasing by 35% in December 2021 compared to December 2020. In 2023, Australia launched several new scholarship programs aimed at GCC students, resulting in a 20% increase in enrollments from the region. These programs focus on renewable energy, healthcare, and digital technology. Virtual exchange programs have also been introduced to address challenges posed by previous travel restrictions.

In terms of politics and security, Saudi Arabia and Australia have established cooperation in countering terrorism and extremism, advocating for global peace and stability. Both countries are members of the Global Coalition to Defeat ISIS and the International Syria Support Group.

The UAE and Australia enjoy strong trade relations as well as cooperation in the education, defense, aviation, and security sectors. In April 2014, the UAE and Australia signed an agreement on Cooperation in the Peaceful Uses of Nuclear Energy, leading to Australia supplying the UAE with uranium for their civilian nuclear power program. This cooperation has expanded to renewable energy projects. In early 2024, the two countries signed an agreement to collaborate on solar energy initiatives, aiming to increase the UAE's renewable energy capacity and support Australia's clean energy exports.

Oman and Australia are members of the Indian Ocean Rim Association (IORA), promoting safety, security, sustainable growth, and balanced development in the Indian Ocean Region. Additionally, Australia and the GCC states have strengthened cooperation on cybersecurity, establishing a joint task force in 2023 to combat cyber threats and enhance digital infrastructure security. In response to ongoing geopolitical tensions, Australia has increased its diplomatic engagements with the GCC, advocating for peaceful resolutions and stability in the Middle East.

6. Supporting Documents

GRC publications and GRM workshops

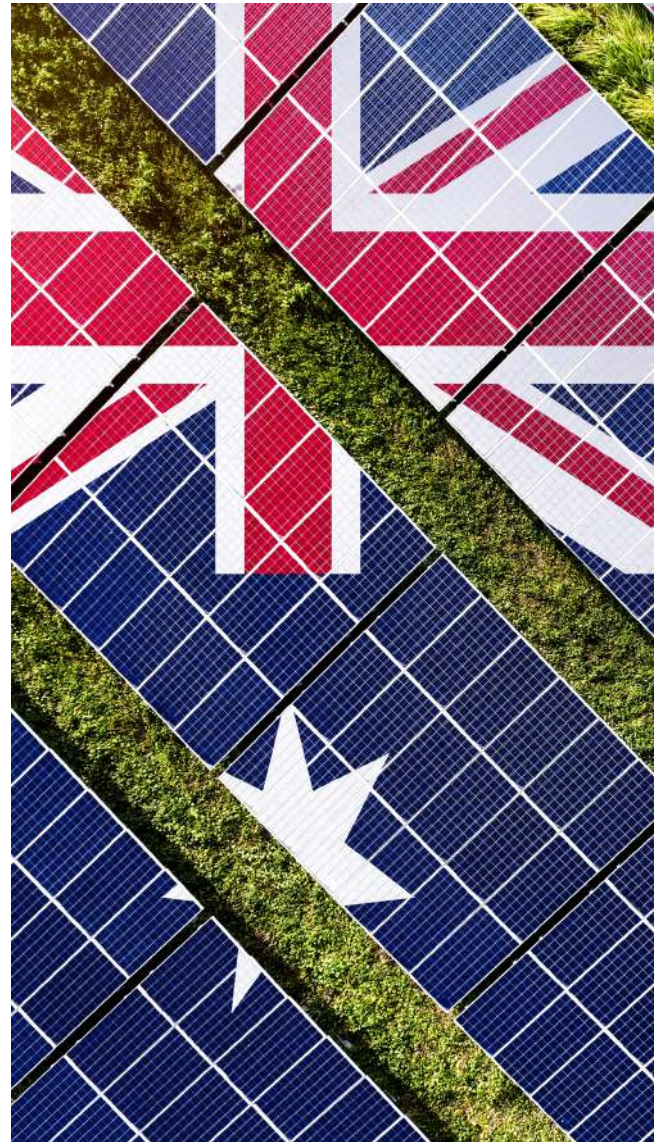
- Dubai and Australian Relationships by Patricia Berwick – Gulf Research Center – January 2009.
- Gulf Cooperation Council Relations with Australia by Patricia Berwick – Gulf Research Center – January 2009.
- Engaging Iran: Australian and Canadian Relations with the Islamic Republic by Robert J. Bookmiller – Gulf Research Center – January 2009.

Araa Publications

- Saudi Arabia and Australia: Established Convergence Tools, Similar Ambitions, and Common Challenges – September 2023
- Details of the Deal for Australia and the Effects of Announcing the New Tripartite Military Alliance – October 2023

GRC recent interviews on the issues related to Australia:

- Dr. Abdulaziz Sager, Chairman of the GRC, received the Ambassador of Australia to the Kingdom of Saudi Arabia, Mr. Mark Donovan, and his colleagues at the GRC headquarters in Riyadh, Saudi Arabia, on August 9, 2022.





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