as language and science laboratory equipment and audio-visual software. Faculty exchanges and joint research projects will continue to develop important linkages with the western world.

iii) Agriculture

In the attempt to become self-sufficient in agricultural products, the Saudi market offers a unique challenge to Canadian exporters. Presently, 80 to 90 per cent of its food requirements must be imported. As a late entrant to a highly-competitive market, Canada's share should be increased on a gradual basis by companies that offer a wide range of agricultural and food products. In addition, projects in the dairy and poultry business appear to be on the increase. Twelve commercial dairy farms have been established, with another 16 under consideration. Massive loans are available to Saudi partners in joint ventures with foreign companies as the country attempts to reduce its high import bill. Wheat production is another key area; however, consistent and greater use of fertilizers and seed varieties must be undertaken, if Saudi Arabia is to increase production of cereal grains to 60,000 hectares.

iv) Light Industry

A national priority of the Saudi government is to develop private enterprise, with participation by government in large projects where necessary. The Saudi Industrial Development Fund was established in 1974 to support and promote industrial development in the Kingdom, and to this end it provides up to 50 per cent of the capital for approved projects. The loans available extend to 15 years, depending on the requirements of the project and of the projected cash flow. The only charge levied is an administrative fee intended to cover the cost of services rendered, including processing and monitoring of loans.

The rate of progress in the private sector since the Second Plan started has been remarkable, and the demands it has made on limited resources are in part responsible for the delays in the Government's plans. Nevertheless, there has already been considerable expansion of manufacturing activity, led by cement and construction materials. The Government recently issued a list of industries for which applications already received cover the total of licenses which the Government is prepared to grant. It is likely, however, that some of the applicants are still seeking foreign partners with the necessary managerial and technical expertise.

The Overall Strategy

The market development plan for Saudi Arabia outlines a variety of trade promotion instruments that will be utilized by the federal government to assist Canadian companies pursue export opportunities in