

mean that the competitor's position is impregnable. Western Electric installed the \$400 million Microwave System starting in 1977, and maintained it until 1980, when it lost the \$80 million per year operations and maintenance contract to a subsidiary of SIRT I of Italy.

The high-profile presence of Bell Canada in the country, on the other hand, assists other Canadian companies, in that it lends credibility to the Canadian telecommunications industry as a whole. The fact that so many of the communications engineers are American-trained also assists Canadian companies, as they supply equipment to familiar standards and use common procedures.

e) The Competitors

As mentioned previously, Phillips and Ericsson won the original \$2.25 billion contract in 1977 to supply and install the equipment for the Telecommunications Expansion Project. A new \$420 million contract was signed in February, 1981 with these companies for most of the additional lines called for in the current Five-Year Plan. The total value of orders so far received by the consortium is \$4.5 billion. This includes the \$165 million for the first phase of the mobile telephone expansion noted above.

For the telex network expansion, the Beta Company [a Saudi organization] will supply additional line equipment needed, drawing largely on Siemens and its subsidiaries, while Siemens will supply the telex machines directly. Beta will also operate and maintain the system.

Since the Phillips-Ericsson joint venture won the contract to supply the first phase of the mobile telephone system (18,000), they are favoured to win the remaining portion in 1984-85. At least one Canadian manufacturer is looking into the possibility of making its system compatible so that it can realistically bid for the next phase.

A French-led consortium won the Arabsat satellite system contract and is a good contender to win the ground control station contract. Thomson-CSF and other French firms are well-established and promoting aggressively. A government-to-government agreement between the Kingdom and France, has furthered French domination of the broadcasting market exemplified by the French-designed Riyadh television complex, nearing completion under French supervision. Major American, British and Japanese