

sales staff, and usually an even more limited technical staff, to explain the merits of the particular product or service being offered. These factors are often cited as arguments for engaging a smaller, well-established agent who is ready to "push and promote" a new product. In the case of petrochemical projects, it is even more important that management and technical personnel be available to follow-up with the firms which have the prime contracts to determine opportunities for sub-contracting, equipment and related services and parts. Often the only way to have access to these opportunities is to repeatedly visit contractors, SABIC, the Royal Commission, Bechtel, ARAMCO and others. The time constraints on Embassy personnel and the absence of Canadian businessmen, has been a major impediment to Canada obtaining even a small share of the multi-billion dollar opportunities that exist.

Other constraints include social problems mainly affecting dependents and the high costs of doing business and living in the Kingdom. Canadians are also at a disadvantage on shipping, customs, etc., because of the relatively small volume of trade. By contrast, other countries ship most of their commodities under longer-term, contracted shipping arrangements which their government took a part in setting up. Most companies doing business in Saudi also have, at one time or another, experienced late payments. While the situation has improved, it has to be considered on a case-by-case basis.

On the positive side, Canada is not without advantages in this market. The overwhelming preference for American products, technology, and standards of quality, work to Canada's advantage. Saudis usually do not distinguish between Canada and the U.S. and assume that Canadian products meet U.S. standards.

In addition, many of those in the position to recommend suppliers are American and have, in many cases, a preference for North American goods and services, as opposed to competing European and Far Eastern products.

Last, but by no means least, is the reputation of Canada as a neutral country in terms of Middle East politics -- a factor which, if nothing else, gives Canadians a sympathetic hearing by senior Saudis and top government officials. The warm reception by the Prime Minister and the recent visit by the Energy Minister attest to the high degree of friendship and respect that exist in the minds of the highest echelons of Saudi society.