

Post, Telephone and Telegraph for management services that hopefully will continue for some years into the future. There is a substantial requirement for consultancy associated with Saudi Arabia's massive electrification program but, to date, only SNC of Montréal has had substantial success with its \$1 billion rural electrification project in the Qassim region. Direct consulting or joint-venture consulting potential exists in all ranges of expertise available from Canada but Canadian firms will need to devote greater attention and repeated visits if they are to develop the right mix of sponsorship, joint-venture arrangement, and pricing, to secure a greater range of contracts.

Some Canadian manufacturers are developing joint-venture manufacturing or assembly arrangements with Saudi partners to their prospective mutual benefit. Most Saudi contracts require or give preference to bids from Saudi joint ventures and manufacturing capabilities; and it is anticipated that, in the future, Canadian manufacturers will enter into an expanding number of such agreements.

Canadian exporters have not, in any way, exhausted opportunities for direct sales to the Kingdom. With gross imports, not including defense equipment, of U.S.\$30 billion in 1981, Canadian sales of \$455 million are miniscule. It is hoped that in the future, Canadian exporters of traditional raw materials and semi-manufactures will obtain better access to the market through more frequent visits and tighter pricing. Opportunities for such routine items as office furniture, carpets, paper products, fisheries and wheat are unexploited. Saudi importers welcome and encourage visits of Canadian suppliers and are happy to meet Canadian who are prepared to give attention and continued follow-up to the market.

CANADIAN IMPORTS FROM SAUDI ARABIA

(\$'000)

<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
481,614	712,281	749,411	1,241,973	2,445,804	2,728,196

Trade Policy Considerations

Canadian relations with Saudi Arabia have been built on the mutuality of economic interests. Canada has for many years been a substantial purchaser of petroleum products from Saudi Arabia, primarily through the partners in ARAMCO, which is now being "Saudi-ized". The Saudis are sensitive to Canada's Middle East