million in 1976 to about $100 million in 1980. Indications are that this growth pattern will continue. Invisibles, which include consulting fees and salaries of an estimated 2,500 individually-employed technical personnel, are estimated at $30 million in 1980.

At this stage, there are a number of operating joint ventures in the distribution field and several manufacturing and service joint ventures under negotiation.

e) Market Impediments and Advantages

Historically speaking, Saudi Arabia's petroleum-related activities have been a closed shop controlled by large multi-national oil companies, mostly U.S., and dominated by ARAMCO, which tended to deal with other U.S. enterprises. Recently, the situation has changed with the arrival of large consortia from Japan on the scene. These new organizations have had a requirement for long-term supplies of oil or petrochemical products, and have been able to bargain with equity participation and technological transfer for additional oil supplies. Japanese companies, in particular, have also had resources to undertake large turnkey contracts for refineries or parts of petrochemical plants which are then totally supplied from their own consortia. While this situation is likely to prevail through Saudi's first wave of refinery and petrochemical plant development, it is evident that the Saudis are taking steps to enforce world-wide quotes. Nevertheless, the scale of many projects, the equity required, and the cost of Canadian labour and equipment has been a major stumbling block to our participation.

Quite apart from the above factors, the absence of any significant Canadian "beach-head" or sustained presence in the Saudi oil and petrochemical sector, has meant that opportunities are missed simply because Canada has had no one on the ground to pursue them. By the time that projects are publicly announced, very often the contracts are already let and suppliers chosen.

Even firms which are interested in concentrating on selling to ARAMCO often need full-time or, at miminum, regular visits by technical/sales personnel to seek out opportunities, push their product or service and provide technical follow-up and after-sales service. The suppliers who are making major inroads in the market invariably have staff located alongside their Saudi agent. It is usually folly, in this market, to rely on an agent for active product promotion, as the successful agents normally have 30 to 100 or more agencies, limited