5. Trade Characteristics and Balance of Payments

Imports:

Reflecting the increasing demands from the Saudi market, imports from the eighteen industrial countries rate by $3,620 million in 1980, to $23,103 million. This represents a 19 per cent increase. (See Table 3.) The United States and Japan accounted for $5,768 million, or 25 per cent and $4,882 million or 20 per cent respectively. Britain and Germany are a distant third and fourth with 11 per cent and 10 per cent, followed closely by Italy and France at 9 per cent and 6 per cent respectively. (See Tables 4 and 5 for a ranking of the top 15 trading countries with the three major commodities and a ranking of the top 50 commodities.)

It is interesting to note that the top five categories of machinery, electrical equipment, cars and other vehicles, base metals and textiles account for SR 67.5 billion ($19.7 billion) or 67.3 per cent of total imports at SR 100.4 ($29.4 billion). See Table 6 for the composition of imports.

The days of the 1978 current account deficit appears to have been left to the past, with a record current account surplus of RLs 117.0 billion, up from the 1979 surplus of RLs 34.8 billion. This turnaround stems from a steady trade surplus of RLs 57.7 billion in 1978, RLs 110.0 billion in 1979 and RLs 217.1 billion in 1980.

The current account surplus was further offset by increases in oil sector liabilities, such as taxes and royalties accrued but not yet paid, by private capital outflows and by increases in the net foreign assets of the commercial banks. Thus, the balance-of-payments surplus amounted to RLs 75.0 billion in 1980.

Canadian Trade with Saudi Arabia

Canadian exports to Saudi Arabia grew from $321 million in 1980 to $455 million in 1981. Of this total some 50 per cent was cars, trucks and parts shipped from General Motors of Canada. Notwithstanding this concentration, substantial increases in sales have been recorded for lumber, aircraft, electrical switchgear, protective equipment and other semi-manufactured products. The range of items which Canadian exporters sell to Saudi Arabia continues to expand as they begin to appreciate the substantial range of market opportunities available.

Saudi Arabia is a very large market for consulting services and expertise. Noteworthy amongst recent successes for Canada, has been the Bell Canada contract with the Saudi Arabian Ministry of