

55% of GDP¹. Inflation was virtually non-existent. Education and health care systems had not yet been fully completed.

During the mid 1980s, Saudi Arabia was acting as a swing producer and oil revenues were greatly reduced as oil production dipped to as low as 2.2 mb/d. In 1988, the Saudi government decided to increase production, resulting in the price of oil dropping below \$10 (US) per barrel. Over-production and the consequent drop in revenues resulted in renewed awareness by OPEC producers of the fragility of the oil market. The economy has shown a moderate but sound recovery during the past couple of years.

Fifth Plan 1990-1995

Recent economic growth data, together with the release of the Saudi Arabian five year plan and annual budget on December 31, suggest more buoyant economic times as the nation moves into the decade of the 1990s. These developments potentially mean increased market opportunities for Canadian businesses.

The just announced Fifth Development Plan commits more than U.S. \$500 billion to economic expansion in the Kingdom between 1990 and 1995. Some U.S. \$95.5 billion will be spent on development projects, and an additional U.S. \$10 billion in development loans will be made by the Saudi Industrial Development Fund and other specialized credit agencies. With this substantial capital infusion, the plan projects a 3.2% annual growth in gross domes-

*1 Ministry of Finance and National Economy,
Non-oil private sector share of GDP.*