

who is registered with ARAMCO to represent them. In the case of SCECO, all purchases are made through Saudi companies.

b) The Canadian Industry

As seen from the above, the Saudi oil, gas and petroleum-based industrialization programs require a large and varied range of products and services that tends to parallel existing and forecasted projects in Canada, or to some extent, those which Canadians have been supplying in the U.S. Canada has a multiplicity of smaller industries which should be a good match for the type of joint ventures that Saudi state agencies are promoting.

c) Canadian Marketing Activity

As indicated, Saudi Arabia's crude oil production system had matured with mainly U.S.-established suppliers before Canadians developed their off-shore capabilities. However, in recent years Canadians have made some penetration, especially during periods of change where new systems were being introduced.

There has been little Canadian participation in the first wave of refineries and petrochemical plants or other primary industries such as steel production or steel production plants. In retrospect, this has mainly been due to an inability by Canadian firms to "joint venture" at the state/agency level or to undertake turnkey construction contracts. On the other hand, some Canadians are pursuing petrochemical plant equipment and services.

The Middle East Division of the Bureau of African and Middle Eastern Affairs is proceeding with an investigation of Canadian capability for participation in the downstream and support industries being planned by all the Arab Gulf countries, including a watching brief on possible reconstruction programs in Iraq and Iran, if they reach a peaceful settlement.

It is significant that Canada has just begun to mount a drive aimed at the petroleum and petrochemical sector in the Gulf area such as it is now doing in Mexico and Australia.

d) Canadian Success Stories

Since Canadian activities have not been tied to any major drive or leading project, our successes are limited to increasing sales of equipment for construction and operations in the petroleum sector -- from about \$12