

- Service exports form a significant portion of Canadian exports to the Middle East, estimated to be in excess of \$500 million plus per year. Consulting and engineering services in the oil and gas and power generation sectors have traditionally formed the bulk of these exports. New trends have seen service exports being added in diverse sectors such as environmental technologies, dairy genetics and livestock management, architectural services, education and training, geomatics, financial services, and even yogurt shop franchising!

#### MARKET POTENTIAL (BY COUNTRY)

##### Iran

- According to Statistics Canada figures, Iran has become Canada's largest market for goods and services in the Middle East over the course of the last two years: Canadian exports totalled more than \$358 million in 1992, with prospects for dramatic increases in the next few years. The sheer number of projects in the pipeline that Canadian firms are chasing (\$1.2 billion signed / \$1 billion being finalized) guarantees that this market will be of continuing significance for Canadian exporters. Exporters have informed EDC of over \$10 billion in projects that are of interest to Canadians.
- Canada has been selected as one of Iran's five partners in reconstruction and is viewed as a preferred trading partner due to its North American technology, its lack of political baggage and its demonstrated expertise. With the absence of direct American competition in Iran, there remains a strong window of opportunity for Canadian exporters dedicated to the long-term pursuit of this market.

##### Israel

- Canadian exports totalled more than \$116 million worth of goods and services to Israel in 1992, with a full range of exports from resource commodities and manufactured goods, to advanced technology items.
- Construction and building products have become our largest export items to Israel, reflecting the surge in construction and infrastructure development resulting from increased immigration from Eastern Europe.
- Other areas of interest to Canadian exporters are: telecommunications, where solid plans in television, broadcasting and cellular telephone expansion are in place; environmental technologies; transportation; biotechnology; and power generation.
- Israel has a highly developed and advanced scientific and industrial R&D capability. It is a country Canada looks to, to acquire advanced technologies to bring to Canada. Opportunities exist for greater joint venture cooperation in industrial R&D.
- As a result of the April 1992 Joint Economic Commission, commitments were given for a telecommunications sector mission and the establishment of a telecommunications working group, an environmental sector mission, and the examination of the possible establishment of a bi-national scientific/industrial R&D fund to support joint venture cooperation. An agreement on the R&D fund was reached in April 1993.
- The Fifth Canada Israel Joint Economic Commission (JEC) is tentatively scheduled for early 1994 in Israel where questions of market access, tariff barriers, bilateral trade and investment, and Israel's request for a bilateral FTA will be discussed.

##### Jordan

- Trade with Jordan, while modest, increased four-fold in 1991 over 1990, from \$5.5 million to over \$20 million in exports. Unfortunately it returned to traditional levels in 1992 to \$6 million.
- The country, while still struggling with adjustments in the aftermath of the Gulf War, the return of over 300,000 refugees, and the loss of financial support from traditional Arab supporters, is following a well-defined restructuring programme. The Jordanian market experienced rapid growth due to an injection of over one billion dollars by hundreds of thousands of returnees from Kuwait.