

EXECUTIVE SUMMARY

Objective

The major theme of a Canadian Export Strategy for the 1980s as approved by the Cabinet Committee on Economic Development is the selectivity of markets coupled with a greater focus and co-ordination of Canada's export marketing efforts. In so doing, the government recognizes the critical role of the private sector, and invites its participation and that of the provinces in pursuing those activities that will contribute to the objective of expanding Canada's share of the Saudi market.

Saudi Arabia, with its growing demands for equipment, technology and raw material, offers interesting trade prospects for Canadian industry. Canadian trade penetration has been slight to date, considering that total imports in 1980 were worth some U.S.\$29.4 billion, an increase of 27.7 per cent over the previous year. The Kingdom's exports, mainly petroleum products, were worth U.S.\$106.7 billion in 1980. Canada/Saudi two-way trade has grown from a \$821 million in 1977 to a respective level of \$2.73 billion in 1981. No doubt this increase is a result of expanded oil imports to Canada. Indeed, Canadian exports have more than tripled since 1977 -- from \$109 million to \$456 million in 1981.

To capitalize upon the large range of unexploited market opportunities in Saudi Arabia, Canadian exporters, with the support of government assistance where available, will need to focus and co-ordinate their marketing efforts.

In order to accomplish this objective, this document is intended:

- i) to guide the action and resource allocation of the federal government in providing an effective program of assistance to exporters and in fostering an environment conducive to Canadian export development in Saudi Arabia;
- ii) to set out a marketing plan designed to take advantage of the market potential and to overcome the constraints facing Canadian exports to Saudi Arabia;
- iii) to identify opportunities for export concentration and to stimulate and assist the private sector in pursuing them; and
- iv) to provide a focal point for co-ordinating the marketing efforts of the federal and provincial governments in support of the private sector's efforts.