

Canadians that we are highly regarded, but also to the business establishment in Saudi Arabia that the Government embraces us as strong and vital interlocutors.

While an important element of the trade mission was our response to reconstruction activity in Kuwait in the aftermath of the war, we learned that there are significant opportunities in the Middle East in addition to contributing to the rebuilding of that war-stricken nation. I think our prospects can be divided into two areas. The main impact of the war has obviously been felt in Kuwait and there are special requirements there. However, the potential business that is available in Saudi Arabia and the UAE is more of an on-going nature than strictly war-related business.

Clearly, the Middle East is a market region that requires substantial strategic planning to fully realize its assets. There are no quick sales that can be accomplished by fax or telephone. These are nations that depend on the values of long-established relationships and mutual respect. One is able to do business only through personal contact that has been determined through repeated visits and extensive dialogue. Yet the efforts are rewarding, and business confidence in dealing with the region appears to be rapidly returning after the turmoil of the 1980s and the recent invasion of Kuwait.

Despite the Iran-Iraq conflict that lasted through most of 1980 to 1988, Canadian exports to the Middle East more than doubled from 1985 to 1990 to reach \$1.6 billion. Our leading markets include Saudi Arabia, Iran and Israel, although the Gulf countries, including Kuwait and the UAE, represent important on-going markets valued at just under \$100 million in exports and, importantly, are significant sources of actual and potential investment in Canada. Over the last 18 months we have seen a growing interest from the Middle East in investment in Canada through joint ventures and technology transfer. These are two themes which I will expand upon later as they must become key elements of our Middle East trade strategy if we are to be competitive.

One of our highest priority markets in the Middle East is Saudi Arabia, which was Canada's largest market for goods and services in 1990 -- \$473 million. Saudi Arabia offers a wide range of opportunities for exporters, from barley and lumber through oil and gas equipment to highly advanced telecommunications technology and a variety of education and training services. Currently, there are some 50 project opportunities being pursued, with an estimated value to Canadian exporters of \$4 billion. Later this year the Canada-Saudi Arabia Joint Economic Commission, which is meeting in Ottawa, will give business representatives of both countries the opportunity to again meet and follow up on these particular initiatives and to explore new avenues for enhanced bilateral trade.