

## CANADA-SAUDI ARABIA ECONOMIC RELATIONS AND TRADE

### Overview:

Despite a temporary decline in oil revenues Saudi Arabia remains the major cash market among non-industrialized countries and a potentially rewarding one for Canadian exporters. (The new Saudi five year plan calls for expenditures of some US \$274 billion by the end of 1990). Emphasis is increasingly being placed on technology transfer for local production, and on the operation and maintenance of their existing infrastructure. Particular and significant opportunities exist for Canadian sales in the defence, telecommunications, agriculture, electrical and electronic sectors as well as in the overall field of operations and maintenance.

### Trade Relations:

In 1976, Canada and Saudi Arabia established a Joint Trade and Economic Commission (JEC) wherein it was agreed that the Saudi priority sectors for economic development represented a good match to Canadian expertise and technology. Three meetings of the JEC were held in subsequent years, although more recently the Commission has been largely inactive. During a visit to Saudi Arabia in April 1986 by the Secretary of State for External Affairs, the Right Honourable Joe Clark, and His Royal Highness Prince Saud al Faisal, Saudi Minister of Foreign Affairs, agreed to revitalize the JEC. Canadian and Saudi officials are now working together on preparations for a meeting that will convene on October 5, 1987.

### Canadian Exports to Saudi Arabia

In 1986 Canadian exports of goods to Saudi Arabia totalled some \$212 million while exports of services were at slightly more than \$400 million (much of which is attributable to the on-going multi-billion dollar Bell Canada operations and maintenance contract with Saudi Telecom), making that country Canada's most important market in the Arab world. For the first six months of 1987 Canadian exports totalled \$133 million. The most important export items for this period are barley (\$68 million), insulated wire and cable (\$6.8 million), batteries (\$6 million), lumber (\$5.5 million), combine reaper threshers (\$4.8 million), card punch sort TAB computers and parts (\$3.9 million), auto parts (\$3.8 million) and corrugated container board (\$3.3 million).

### Canadian Imports from Saudi Arabia:

Canada's imports from Saudi Arabia for 1986 totalled \$186 million of which \$184 million was in crude petroleum. For the period of January to June 1987 imports stood at \$96.8 million of which \$88.9 million was in crude petroleum.