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External Affairs and
International Trade Canada

Petroleum Boom in Saudi Arabia A Potential Bonanza for Canada

Saudi Arabia's national petroleum company, ARAMCO, is accelerating its US\$25 billion expansion program.

Spending on major capital projects will continue for at least the next two years as ARAMCO pushes forward to expand its current barrels per day production.

The ARAMCO expansion program and related projects in the petrochemical sector make Saudi Arabia, and its eastern province in par-

ticular, an attractive market for Canadian exporters of goods, services and technology.

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The eastern province of Saudi Arabia is undergoing an economic boom driven primarily by massive project spending by Saudi ARAMCO. The crown corporation, Saudi Arabian Basic Industries Corporation, or SABIC, also has ambitious expansion plans in the petrochemical field.

The Saudi ARAMCO plan remains the mainstay of the expansion in the eastern province. The Government of Saudi Arabia has set as a goal a production level of 10 million bpd. In 1990, production was approximately 6.3 million bpd and current production is 8 million bpd.

While it is difficult to obtain exact budget figures, it can be reasonably expected that Saudi ARAMCO will spend US\$25 billion on its expansion program by the end of this century. This estimate would have to change, of course, if Saudi Arabia found itself obliged to change its strategy and restrict production in response to significantly decreased demand.

Expenditures on exploration, production facilities, refinery refitting and transportation facilities will total at least US \$6.8 billion for 1992.

Major upcoming projects with their estimated costs include:

- South Safaniya tie-in platform expansion/replacement -

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New U.S. Food Labelling Laws Largely Good News for Canada

Canadian food exporters to the United States will have to reprint their product labels on all packaged and processed food being sold to the United States.

This undertaking is necessary to conform to the new U.S. food packaging regulations being mandated by the U.S. Food and Drug Administration (FDA).

The good news is that the introduction of the new labelling requirements will create market opportunities for Canadian exporters.

That's because U.S. printers do not have the capacity or capability to meet the demand that the production of such volume entails.

The FDA estimates that the new regulations will affect the products distributed by 17,000 food processors, supermarkets, wholesalers, restaurants and other food outlets. Labels for 257,000 different prod-

ucts will be affected, meaning that billions of individual labels, boxes, shrink-wrapping and other packaging will be required.

To help potential Canadian suppliers that have the capability to fill this demand, External Affairs and International Trade Canada can provide a list of food organizations in the U.S. and Canada that represent food processors. They will have the new packaging specifications.

Canadian printers should then contact these organizations to obtain their membership of those affected by the regulations or to find out how they are approaching this issue.

For a list of the associations, contact Ted Weinstein, U.S. Trade and Tourism Division (UTO), External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa K1A 0G2. Fax: (613) 991-9479.

VENEZUELA

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