

Although Canadian merchandise exports to Saudi Arabia have dropped since the high in 1981 of \$455 million, Canada's overall market share has remained relatively constant at some one per cent of Saudi imports. This decline in exports is reflective of the general slow down in the Saudi economy due to falling oil revenues. Moreover, Saudi infrastructure is now basically in place and, with the exception of some pipeline construction, the era of the large mega-project has passed. Emphasis increasingly is being placed on upgrading, operating and maintaining the facilities that are now in place and in developing a secondary or light manufacturing industry through various technology transfer mechanisms.

This shift in the traditional Saudi approach may contain some advantages for Canada. In particular the 'downsizing' of contract requirements could well be more suitable to the scale of Canadian enterprises which are accustomed to operating without the large economies of scale of many of the more traditional suppliers. Sectors in which greater Canadian participation might be possible include telecommunications, electricity generation and distribution and specialized aspects of operations and maintenance.

Canadian Imports from Saudi Arabia:

Canada's imports from Saudi Arabia for 1987 totalled \$175 million of which \$150 million was in crude petroleum.