i) Canada is perceived as a stable, relatively neutral country with sophisticated, high technology capabilities;

ii) Canada's record, led by Bell Canada's performance, is considered to be good;

iii) Canadian manufacturers' standards are equivalent to those of the U.S., and Saudi purchasers are insistent on U.S. standards; and

iv) the Saudis are anxious to diversify sources of supply.

In addition, industrialization incentives for joint ventures (usually 50 per cent supplied by the Saudi government) are generous and could be applied to reduce Canadian risks and front-end costs.

Opportunities can be classified into involvement in the primary, secondary and tertiary, and associated industries. Development is heavily concentrated in the Jubail and Yanbu industrial cities.

In the case of primary industries, these are beyond the capability of the Saudi private sector and are being established through state agencies, such as the Saudi Basic Industries Corporation (Sabic) and foreign consortia or large foreign companies including Mobil, Shell and Dow. Under these arrangements, the foreign partner may obtain long-term crude oil rights as part of their incentive. Primary or basic industries include the large-scale petrochemical, fertilizer and metallurgical industries, whose output will be either exported directly or used as feedstock for further downstream secondary and tertiary industries.

Among primary projects are the following:

Petromin/Shell oil refinery (250,000 bbl/day)

Petromin/Texaco/Chevron lube and oil plant (12,000 bbl/day)

SABIC/Shell ethylene refinery (656,000 tonnes/year)

SABIC/Mitsubishi ethylene glycol refinery (300,000 tonnes/year)

Al-Jubail Fertilizer Project (SABIC/Taiwan Fertilizer Company) (500,000 tonnes/year of urea)