

## CANADA-SAUDI ARABIA BILATERAL RELATIONS

Canada's relationship with Saudi Arabia, though it does not have deep historical roots, offers considerable potential especially in the trade and economic spheres. The decision to appoint a resident ambassador to the Kingdom in 1974 reflected:

- the growing importance of Saudi Arabia's increased influence and wealth including its key role within OPEC in the wake of the oil boom;
- our desire to promote trade.

Since 1974 trade has dominated the relationship and substantial successes have been achieved:

- exports of goods and services have reached annual figures of up to \$800 million;
- through Bell Canada International's multi-billion dollar management contracts, Canadian expertise in the telecommunications field has become known throughout the Kingdom;
- Canadian firms such as SNC, Hydro-Quebec and Cansult have become involved in a range of activities including electric power distribution, rural electrification, housing construction and agricultural projects;
- some 4,000 Canadians are currently in the Kingdom working for Canadian, other foreign or Saudi firms.

A number of projects are now being pursued which could provide significant new business. These include:

- an extension to Bell Canada's contract;
- Riyadh Airport operations and maintenance (Lavalin and Transport Canada).

Canadian exports to the Kingdom have been negatively affected as have those of other Western countries by recent sharp declines in oil earnings. However, this is probably a short term development. Oil, with prices expected to stabilize in the US \$15-20 per barrel range, will bring the country a substantial and growing income into the foreseeable future. Canada's competitive position is likely to improve as: