offer a solid reputation, price competitiveness and an ability to deliver on time -- all key elements in any dealings with the Kingdom. The GSFMO will be reluctant to deal with agents of the Canadian Wheat Board, unless the agents are themselves large international traders, who can assure that the elements listed above can be met.

Oilseeds and Oilseed Products

Although Canola can be partially or fully substituted for other oilseeds, traditional Saudi preferences will have to be overcome. There are no other trade or non-trade barriers against imports of rapeseed or Canola presently in place in Saudi Arabia. Transportation costs of Canadian products to Saudi Arabia would be a major factor in the price competitiveness for Canola and Canola products in the Saudi Arabian market.

It should be noted that, as with many foodstuffs, there are two separate and distinct markets in Saudi Arabia. At one extreme are the "high-priced" supermarkets which cater to Westerners and the middle and upper income Saudis, and account for only an estimated 15 per cent of food sales. At the other extreme are the small "souk" stores which supply the bulk of the Saudi and expatriate population. At the top end of the market, Canola will compete with corn oil (Mazola) products which are currently well established and enjoy brand loyalty. On the bottom end, our competition will be a whole range of "cheap" oils, i.e., palm and ghee. In this market where price is paramount and traditional preference strongest, it is difficult to envisage an immediate Canola penetration.

An additional constraint, particularly for the retail market, is the scarcity of firms with the ability to market within a region, let alone Kingdom-wide. These firms are invariably well-established Saudi trading houses with both long-standing and exclusive rights to imports and distribution of international brands, i.e. Mazola. This situation often makes it difficult, but not impossible, to introduce new and competing products. However, it will require time and aggressive marketing.

e) The Competition and Competition Activity

Cereal Grains

Canada's principal competitors in the Saudi wheat market are the U.S., E.E.C. and Australia. Market shares held during the period 1978 to 1980, were the U.S. (43 per cent), E.E.C. (43 per cent) and Australia (14 per cent). Principal suppliers of corn and sorghum, other than the U.S., are Thailand and The Sudan.