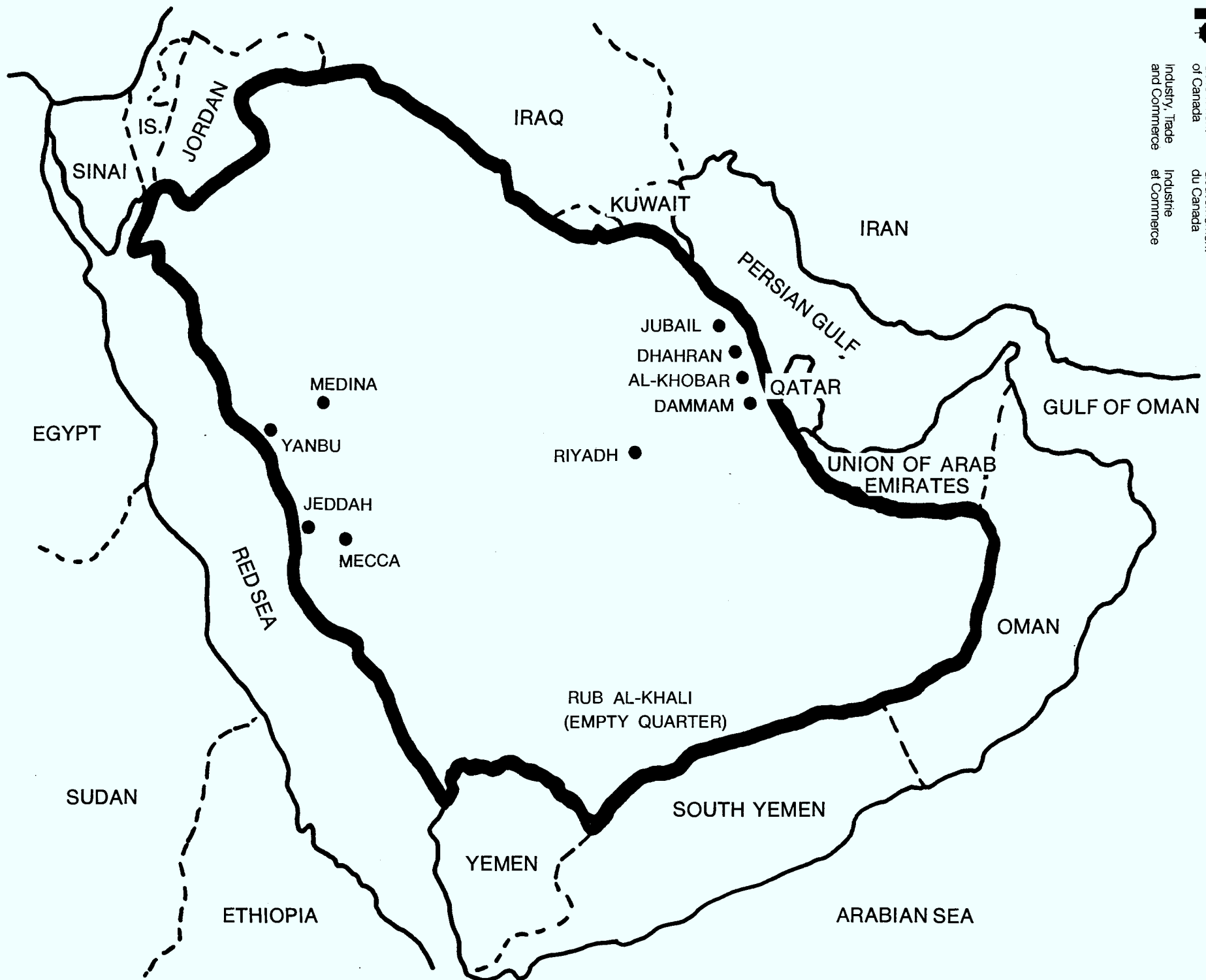


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SAUDI ARABIA



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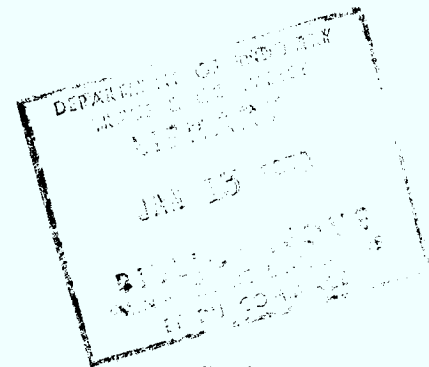
MARKETS FOR CANADIAN EXPORTERS

SAUDI ARABIA

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I. GENERAL

History

Until the turn of this century, Saudi Arabia did not actually exist as a nation state. The area now known as Saudi Arabia was populated by widely dispersed nomadic tribes principally engaged in camel herding and by clusters of settlers whose major activity was trading. Most of the major trading routes of the ancient empires had traversed at least part of modern-day Saudi Arabia bringing the influence of a wide variety of cultural and religious movements to the area.

It was only under the late King Abdul Aziz Ibn Saud that Saudi Arabia (named for the old King) achieved any degree of unity. Having unified the various tribes of the Peninsula by the early '30s, Saud embarked on a concentrated policy of closer relations with the West. At the same time he directed Saudi Arabia into the then emerging Arab League.

When Saud died, his oldest son Saud Ibn Abdul Aziz succeeded to the throne. During his reign he was instrumental in establishing the importance of economic development on a national scale. In 1958, King Saud transferred all executive power to his brother Faisal who subsequently succeeded to the throne in 1964.

King Faisal also concentrated his energies on industrial expansion and continued the process of extending Saudi Arabia's influence. He was able to achieve economic stability and began the process of utilizing oil revenues for national economic development. He is known for the cautious reforms and conservative foreign policies he introduced. In March, 1975, King Faisal was assassinated. He was succeeded by his brother Khalid, who subscribes to a continuation of Faisal's policies which were based upon Moslem solidarity and Arab unity.

Geography

The Kingdom of Saudi Arabia occupies more than 80 per cent of the Arabian Peninsula and is equivalent in size to about one-third the area of the United States (some 800,000 square miles). Excluding the territory ranged by the Bedouin tribesmen, only about one-quarter of the country is inhabited.

Saudi Arabia is divided into four provinces:

Al-Hasa, the Eastern Province, contains the onshore oilfields,

Najd, the Central Province and the largest, covers the central plateau which includes the world's largest desert, the Rub Al Khali or Empty Quarter,

Hejaz, the Northwest Province,

Asir, the Southwestern Province, embraces the bulk of the agricultural land.

The coast on the Red Sea is bordered by a narrow plain which comprises mainly marshlands and lava fields. This coastal plain is separated from the central region by a range of rugged mountains. The plains are made fertile by silt-bearing waters which pour down from the mountains during periodic cloud bursts.

In the vast barren areas in the south and southeast of the country the boundaries with the Yemens, Oman and the United Arab emirates are all poorly defined. In the east, Saudi Arabia borders on the Arabian (Persian) Gulf (interrupted briefly by Qatar), and in the north on Kuwait, Iraq and Jordan.

Climate

In summer, temperatures can range up to 50° C (122° F) in some interior regions accompanied by dry winds and continuously cloudless skies, while the coastal areas experience oppressive humidity and very high temperatures.

In winter, temperatures in the central region (Riyadh) tend to be somewhat milder than in the coastal area. Other areas, particularly in the south, routinely receive heavy winter rainstorms, and even frost and snow at higher elevations. Although rainfall averages only 10 to 20 cm (3.9 to 7.8 in.) nationally, there may be no measurable precipitation in some sections of the Kingdom for years, for instance in the southwest.

Population and Cities

Estimates of the total population range from 5 to 8 million including 1 million to 1.5 million foreigners working in the Kingdom. About half the Saudis live in urban centres, a quarter are settled cultivators and the remainder are basically nomadic people.

Riyadh, located on a high inland plateau, is the administrative centre and national capital. It has a population of about 500,000.

Jeddah, a city of approximately 400,000 people, is the largest port on the Red Sea coast, the commercial and banking centre of the Western Province and the site of the Ministry of Foreign Affairs and all foreign embassies, including Canada's.

The Western Province contains the two sacred cities of Mecca and Medina, both restricted to people of the Moslem faith. These and other holy sites in the area attract more than a million pilgrims annually, creating a substantial tourist industry in the process.

The principal towns in Saudi Arabia's oil rich Eastern Province are located within a few miles of each other: Dammam, the commercial centre, provincial capital and major Saudi seaport on the Arabian Gulf; Dhahran, Aramco's head office site; and Al Khobar, also a commercial centre.

Government

The Kingdom of Saudi Arabia is a patriarchal monarchy which has a centralized government. National law is predicated on the Koran and provisions of Islamic law. The system of government has been evolving toward ministerial rule. The present monarch, King Khalid, also holds the position of Prime Minister. Prince Fahd, the Crown Prince, is First Deputy Prime Minister. Other members of the Royal Family occupy key cabinet posts, including Interior, Defence and Foreign Affairs.

There are no political parties, or identifiable special interest groups, and no legislature. The country is firmly committed to capitalism and the free enterprise system.

The Saudi Government also contains an element of populist democracy and egalitarianism as a result of tribal traditions. Although the powers of the King are absolute in theory, he governs on the basis of a consensus of the views of the Royal Family.

The various institutions of local government are the General Municipal Councils, the District Council and the tribal and village councils. The country is divided into five administrative divisions: Najd (Central Province), Hejaz (Western Province), Asir (Southern Province), Al-Hasa (Eastern Province) and Medina (in the North).

Religion and Social Customs

The Saudi people follow the Sunni Branch of Islam which is the most orthodox sect; the public practice of any other religion is not tolerated. Accordingly, the Saudis subscribe to the traditional way of life as portrayed in the Koran and on which all national legislation is based. Pork products and alcohol, even when the latter is used as a preservative, are strictly forbidden within the country.

Western women, although not required to wear veils, should dress conservatively (slacks or dresses with sleeves and hems below the knees). Wives should not expect to accompany their husbands to business-related social functions. Women are not allowed to drive cars.

During the period of Ramadan, the Moslem month of fasting, Westerners should not smoke, drink or eat in public (except in hotels) as a courtesy to Moslem beliefs. Foreign visitors should not photograph Saudis without permission; cameras must be declared at customs.

Personal effects and tobacco products may be brought into the country but alcohol is prohibited. Books and magazines are subject to censorship.

II. ECONOMY AND FOREIGN TRADE

Economic activity in Saudi Arabia is dominated by the petroleum sector. Saudi Arabia has the largest proven oil reserves (23 per cent of known reserves outside the Communist Bloc) in the world, is the largest exporter of oil, and ranks third in oil production after the United States and the U.S.S.R. In fiscal year 1973/74, the oil sector accounted for 85 per cent of gross domestic product and about 94 per cent of government revenues.

The recent sharp acceleration in economic activity in Saudi Arabia is a direct result of the precipitate increase in oil prices that occurred in the fall of 1973. While the movement toward higher oil prices can be traced back to the late 1960s, it is only since the more than fourfold increase which began at the time of the October War that Saudi Arabia has been spared concern over its sources of funds for development needs. The nationalization of petroleum resources has also contributed to net oil revenues rising to nearly \$23 billion in 1974; 1975 revenues were approximately \$26 billion.

Second Five-Year Development Plan

As a result of the increase in revenues, Saudi Arabia's Second Five-Year Development Plan, covering the period 1976-80, projects capital development expenditures of approximately \$142 billion. The principal objectives of this plan are:

- . to expand defence capability;
- . to extend and diversify the industrial base to reduce dependence on the oil sector;
- . to increase the level of social welfare for the population, with the emphasis on urban, medical and educational facilities.

It is impossible to establish exact priorities for the plan as the Saudis appear intent on achieving all of their objectives simultaneously. Unlike several other Middle East oil producers, the shortfall in predicted oil revenues has not yet been so pronounced in Saudi Arabia as to require an urgent system of priority allocation of funds.

Traditionally, 70 per cent of all Saudi imports have been absorbed by the private sector. However, now that Aramco is virtually 100 per cent owned by the Saudi Government and semi-autonomous government organizations such as Petromin are making large-scale purchases, this proportion is changing.

Saudi Arabia has the financial resources to meet the objectives that it has set for itself, but there has been some doubt expressed that the existing infrastructure is sufficient to allow the implementation of such massive plans within five years.

The country is starting from a limited industrial base and its objectives represent an incredible degree of economic development in a very short period of time. Coincident with the limited infrastructural facilities (ports, roads, railways) is a critical shortage of adequately trained personnel. The Saudis are fully conscious of these limitations but remain committed to fully achieving the goals they have established. On the basis of their performance to date the Saudis' own predictions may prove closer to the mark than those of the experts who have predicted shortfalls on implementation of the plan.

The following is a summary of the plan:

Infrastructure

Water and Electricity -- The Saudi authorities plan to construct at least 50 dams during this period. New deep-water wells will be drilled to supply more than 200,000 cubic metres of water a day. Possible new sources of water will be investigated and desalination facilities will be expanded.

The plan calls for new generating capacity of 3,282 megawatts to bring the total in the Kingdom to about 4,500 megawatts at the end of the five-year period. Of this, it is hoped that desalination plants will contribute 825 megawatts. Installation of 3,540 km of new transmission lines will help distribute the electricity generated.

Roads, Harbours, Airports and Railways -- Funds have been allocated for the study and design of 5,074 km of main roads, 7,000 km of secondary and tertiary bitumen-surface roads, and 10,000 km of dirt-surface roads. Some 13,000 km of main, secondary and paved feeder roads, and another 10,250 km of dirt-surface roads are scheduled for completion.

The increased economic activity generated by the plan has led to severe backlogs in the ports. Consequently, development of ports on the Red Sea and the Gulf is one of the highest priorities. For the Red Sea, 20 new berths are to be constructed at Jeddah, 14 at Yanbu and two at Jizan, and five small fishing ports will be expanded and improved. On the Gulf, 16 fully equipped new berths will be added to Dammam, a modern integrated port will be established for the Jubail industrial centre, and improvements will be made to five fishing ports.

Geographic considerations and economic interdependence require an extensive network of airports. Construction of the billion dollar Jeddah International Airport will be followed by a project of similar dimensions in Riyadh. Seven new regional airports or terminals are to be built and extensions to three already in operation are planned. A number of terminals for third-level carriers will also be designed and built. The Civil Aviation Department has budgeted for significant investments in electronic hardware for air traffic control, navigational and ground aids, meteorological stations and general communications facilities. Emphasis is to be placed on firefighting, rescue and protection services.

The future of the railway system which has 579 km of track at present, is to be determined by studies currently underway. There is a possibility that rail and road services will be intermodally integrated, leading to a major expansion of the railway system.

Telecommunications and Postal Services -- The Kingdom plans to spend \$1.5 billion on telecommunications projects to provide communication facilities across 875,000 square miles of sparsely populated territory. The objective is to provide a complete system of local, intra-kingdom and international telecommunications facilities by installing half a million new telephone lines (to double the present network), thousands of miles of microwave, coaxial and submarine cable, and earth satellite stations. The possibility of a domestic or national satellite is being studied.

Postal services are to be improved. An investment of \$300 million is considered necessary to raise the current standards to those of developed countries. Modern mechanical sorting equipment will be installed in the existing postal centres and 20 new main exchange offices, and more than 100 branches and village post offices will be built.

Municipal Works -- The Department of Municipalities is considered to be a priority agency and has a budget of more than \$15 billion. Some 77 communities will be given municipality status and provided with services commensurate with that status. Nine major urban centres will expand their water distribution systems and additional water distribution networks will be designed and built in 55 other large towns.

New water drainage systems are planned to serve approximately 377,000 houses. This project will consist of complete or partial drainage systems for 18 major cities, major systems for 12 municipalities with acute flooding problems and smaller systems for 31 other municipalities.

New sewage disposal systems are to connect more than 440,000 houses. Eighteen municipalities with acute disposal problems will be given special consideration. Some 700 tanker trucks for sewage removal are to fill the gap, pending completion of the above projects. More than 500 garbage trucks will also be purchased.

A portion of the budget has been allocated for 2,337 km of street lighting and asphaltting in addition to 7,768 km of temporary asphaltting. Municipalities will be provided with asphaltting plants and street maintenance units.

Municipal offices, public warehouses, markets, cultural centres and others will be housed in a total of 1,162 new municipal buildings. Public transportation will be established in 17 cities. There will be some 70 square kilometres of green belt, 657 hectares of parks and two zoos.

Human Resources and Welfare -- The Government has budgeted \$21.8 billion for education and vocational training, \$4 billion for public health and \$5.6 billion for housing projects.

In addition to health, education and housing, Saudi Arabia also is allocating funds for social security and insurance, youth welfare, Bedouin nomads, cultural affairs, and information services. For example, more than \$800 million is to be spent on about 20 radio and TV transmission systems, expansion of existing production facilities, erection of medium-wave and rebroadcasting stations, and the introduction of colour television (SECAM system).

Health -- Preliminary studies show that 11,500 additional general hospital beds are required, as well as more than 200 community dispensaries (preventive and curative services), 40 upgraded health centres in small villages and 46 poly-clinics in urban areas. The country needs 185 specialized health facilities, including tuberculosis clinics, chest disease treatment dispensaries, mother and child welfare clinics, dental clinics, rehabilitation centres and other similar facilities. Where possible, standardized designs are to be used for these facilities.

Other clinics, particularly in remote areas, will be prefabricated structures. Turnkey contracts are being considered for major hospitals. Regional medical supply centres and a number of stores will be established to facilitate distribution. Here again, there will be as much uniformity as possible.

Education -- Social and cultural traditions dictate mainly independent facilities for male and female students at the primary, secondary, high school and university levels.

At the elementary level, nearly 1,700 new schools will be established to provide about 10,000 new classrooms. An additional 6,000 classrooms will be added to existing facilities. In the first years of the plan, some of these schools will be prefabricated to cope with the most urgent needs. Later prefabricated units may be reserved for more remote parts of the country as a standard design is approved and the local construction industry becomes better able to fulfill the requirement.

Some 364 intermediate schools for boys and girls will be built and hundreds of classrooms added to existing schools. At the secondary level, the number of classrooms will be more than doubled with the construction of an additional 1,975 rooms, most of them distributed among 68 new schools.

Special schools for the blind, deaf and retarded are planned and the same attention will be paid to religious education. Adult education and literacy centres will be built all across the country. Educational television will be introduced and audio systems for the Arabic language will be developed; 450 portable language laboratories for teaching English will be purchased. The Ministry of Education is also considering the establishment of its own centre for the development of new technology to meet the country's unique requirements.

The teachers needed for these new institutions will come mainly from neighbouring countries in the immediate future, but the Kingdom has ambitious plans to train nationals as teachers. Ten new secondary school teacher-training colleges and four specialized institutions will be established.

Considerable attention will be given to the health of students. Independent from but in consultation with the Ministry of Health, six student hospitals will be built in addition to 125 clinics for general medical treatment, dental and eye care, and other purposes. Peripheral projects also include more than 20 stadiums, 14 student hostels, 387 playgrounds and 24 scout centres.

Technical and industrial training is particularly the responsibility of the Ministry of Labour. Nevertheless, a total of 17 schools are planned by the Ministry of Education for the various industrial programs in addition to commercial training and home economics instruction.

For its part, the Vocational Training Department of the Ministry of Labour plans to expand and upgrade its six existing centres. Fifteen new centres will be built, as well as 10 small mobile centres, each with a capacity of 20 students. An instructor-training centre with a capacity of 400 will be set up in the capital.

Study and design contracts have already been awarded for the new campus of the Riyadh University and eight colleges will be built: agriculture, science, arts, pharmacy, commerce, medicine, education and engineering. Ancillary facilities such as campus housing, a mosque, a library, dining halls, an auditorium and administration building will be included.

The King Abdul Aziz University in Jeddah will complete its transition from a small private college to a comprehensive higher education institution with colleges in Jeddah and Mecca. The existing colleges of science, education and engineering will be expanded as will the colleges of arts, justice, medicine, economics and business administration.

The University of Petroleum and Minerals in Dhahran, is the newest of the Saudi higher education institutes. Its aim is to prepare professionals for the petroleum and mineral industry. Existing buildings already house the facilities of petroleum engineering, systems engineering, industrial management, geophysics, geology and related sciences.

A little more than \$300 million has been budgeted for the next five years for a proposed research institute with divisions in petroleum, geology and minerals, environment and water resources, energy, meteorology and standards research.

Approximately \$1 billion will be spent on building new teaching facilities and student residences for the Islamic University and Imam Mohammad Ibn Saud University. These are basically religious institutes specializing in the study of the Koran.

Housing -- The plan estimates that 270,000 housing units are required. The target for private sector construction is 122,100 units; the balance is to be provided by the government. In addition, the government will require contractors to construct 51,000 temporary housing units for the labour required to implement their projects.

Industry

Vertical integration of the petrochemical and energy-intensive industries, exploitation of the mineral sector and manufacturing and agricultural developments are seen as the cornerstones on which the Kingdom will build a more diversified industrial base.

The key to this ambitious industrial program is the tapping of the four billion cubic feet of natural gas which is now flared every day. Five billion dollars has been allocated to give Saudi Arabia a complete gas-gathering and liquefaction system in 1977. A new network of oil and gas pipelines across the country will feed the raw material to Yanbu on the Red Sea and Jubayl on the Gulf, where two new cities of several hundred thousand people are being designed as the centres of Saudi heavy industry.

Refineries will be built for the processing of byproducts (naphtha, aromatics, heating oil, jet fuel) to be exported; others will supply the feedstock for the petrochemical industry to cover the entire range from polyethylene to styrene, vinylchloride, ethylene, and related chemicals. Fertilizer plants and associated urea and ammonia plants are on the drawing board.

By 1979, a minimum of two million tons of methanol should be exported every year. One aluminum smelter will be in production and a three million ton gas-reduction steel mill is to supply the local market and export a substantial quantity of pellets, sponge iron and construction steel.

Agriculture

The rate of growth of this sector is lagging behind the over-all development of the country. This is a situation officials plan to correct by providing the private sector with specialized studies to solve existing problems, and by building the infrastructure to render prevailing natural conditions less hostile.

Detailed regional development studies are to be commissioned to formulate agricultural development programs. Feasibility studies and, when appropriate, detailed designs will be contracted for rainfall storage and flood retention projects, irrigation schemes, and water distribution networks. Foreign expertise will be hired for hydrological soil classification, assessment of water resources, optimum land utilization and related projects.

Emphasis will be placed on the development of livestock, dairy and poultry industries as well as certain cereals, to satisfy local demand. The government is carrying out the necessary research and giving interest-free loans, as well as subsidies, to farmers as incentives to encourage the development of a more soundly based industry.

In forestry, Saudi Arabia will rely on foreign expertise to develop a reforestation program. The goal is to increase timber production on the Red Sea ranges, and facilitate soil and wild life conservation.

Mining

Large-scale general and derived geological mapping is an important part of the mining program. Specialized studies in stratigraphy, geomorphic development and construction of analytical models will be emphasized. State-conducted mineral exploration of the Western Precambrian shield for radioactive and other metallic and non-metallic minerals will be initiated.

The mining code and other regulations governing mining operations are to be reassessed. Incentives now extended to private firms for developing known deposits are to be modified to conform to international standards.

Foreign Trade

The main suppliers of Saudi Arabian imports continue to be the United States, the EEC countries, and Japan. In 1976 the United States accounted for 23 per cent of the total, Japan about 21 per cent and major EEC suppliers about 28 per cent (Federal Republic of Germany 8.7 per cent, Britain 6.8 per cent, Italy 4.9 per cent, Benelux 4 per cent and France 3.1 per cent) -- altogether about 71 per cent of the Kingdom's total imports.

There has been no major shift in these relative shares, although the U.S., Japan, Italy and Germany have slightly increased their shares, mainly at the expense of Britain and Benelux.

Canada-Saudi Arabian Trade

Canadian exports to Saudi Arabia continued to grow in 1976, carried to new heights (\$106 million) largely by sales of prefabricated structures and motor vehicles for which Saudi demand continues. It is worth noting that in addition to almost tripling Canadian exports to this oil-rich Kingdom, Canada's trade deficit with Saudi Arabia decreased from \$711 million in 1975 to \$287 million in 1976. The drastic cut in the trade deficit is attributable both to the decrease in Canadian imports of crude and to Canada's improved export performance.

Principal Canadian Exports to Saudi Arabia

	<u>1975</u>	<u>1976</u>
Hard spring wheat flour	963,945	1,779,304
Gas turbines and parts	200,583	1,818,042
Generators, including self-contained generating sets	Nil	3,057,325
Construction machinery and equipment, n.e.s.	914,638	1,113,149
Hardtop sedans, new	1,030,815	1,405,666
Sedans, new, n.e.s.	7,855,389	22,984,730
Station wagons, new	1,475,277	1,524,215
Buses and bus chassis	1,264,909	1,124,197
Telephone apparatus, equipment and parts	1,740,058	4,415,950
Commercial telecommunication equipment, n.e.s.	2,029,783	4,118,964
Air-conditioning and refrigeration equipment and parts, n.e.s.	647,230	1,100,643
Washing machines, electric, domestic size	935,858	2,117,783
Navigation instruments, apparatus and parts	568,283	1,019,295
Prefab and ready-cut buildings and parts	5,915,765	44,671,301
TOTAL	<u>\$34,872,993</u>	<u>\$106,340,120</u>

Canada imports only petroleum from Saudi Arabia -- \$319 million in 1974 rising to \$747 million in 1975. In the first five months of 1976, petroleum imports totalled \$183 million, down from \$403 million in the same period of 1975.

III. DOING BUSINESS IN SAUDI ARABIA

Patents and Trademarks

Patent protection is not available since Saudi Arabia has no law on the subject and is not party to any international convention.

Trademarks may be registered with the Registrar of Trademarks, Department of Companies, Ministry of Commerce and Industry, Riyadh, through a Saudi lawyer. In the Saudi context a trademark may consist of any unique combination of letters, numbers, special drawings or signs. Protection lasts for 10 years and is renewable for an additional 10 years.

Government Procurement

Tenders are usually called for government supply contracts. Small projects may only be publicized locally or they may be otherwise formally restricted to Saudi companies; on these occasions a local tender agent can be a definite asset. International tenders are usually called for the major government-sponsored industrial projects.

The Ministry of Finance is responsible for establishing general guidelines to standardize the various tendering committees ratings, but each government ministry makes tender awards in its own jurisdiction and interested enterprises must register with each department separately.

Terms of Payment

Sight drafts and letters of credit are normal terms of payment, depending on the merchant's credit-worthiness. Some merchants trade on a letter of credit as a matter of course, even though they are financially sound. The trend toward extended terms is increasing. As a general rule, Saudi merchants have a high standard of commercial morality.

Weights and Measures

The metric system prevails throughout the country.

Electricity

In some areas electricity is supplied at 100 or 120 volts, 60 cycles AC, but in others the 220 volts, 50 cycles system is used. Both bayonet and screw-type lamp fittings are used and plugs are usually the continental round two-pin type.

As the electricity standards in the country vary in different regions, and as the socket outlets in the hotels do not always indicate the local voltage or frequency, visitors should not rely on being able to use small electric appliances such as electric razors.

Banking

The central banking function for Saudi Arabia is handled by the Saudi Arabian Monetary Agency (SAMA) which was created in 1952 to stabilize the value of the riyal, oversee the commercial banks and act as a banker to the government. SAMA is the government organization responsible for handling Saudi Arabia's substantial oil revenues; the foreign exchange income that is not currently spent domestically has been invested outside the country until it can be utilized productively within Saudi Arabia.

The largest of the private Saudi banks is the national Commercial Bank. Others include the Algemene Bank Nederland N.V., Arab Bank, First National City Bank of New York, the British Bank of the Middle East, the Riyadh Bank, the Al-Jeziya Bank, and the Banque de l'Indochine. There are not yet any Canadian banks operating in Saudi Arabia but all the major Canadian banks have active correspondent relationships with Saudi banks. (Bank hours are: 0800 to 1400, 1700 to 2000 hrs.)

Bid and Performance Guarantees

The bid (1 per cent) and performance (5 per cent) guarantees required by Saudi customers are typically "on call" instruments. While there is no history of wrongful call of these instruments in Saudi Arabia, their vulnerability to such action has led Canadian financial institutions to require 100 per cent security. That is, the guarantees would draw down a firm's line of credit sometimes leaving the firm too short of working capital to proceed.

The newly established Enterprise Development Program at the Department of Industry, Trade and Commerce offers relief in some cases, and insurance against wrongful call is becoming more readily available. More recently the Export Development Corporation has been investigating what role it might play in this field. Canadian exporters are advised to contact the Department of Industry, Trade and Commerce, their chartered bank, the insurance industry and EDC when faced with requirements for bid and/or performance guarantees.

Industrial Incentives

Saudi Arabia has a number of financial institutions whose principal activities are to provide financing on various "soft" terms to encourage the development of domestic industry. The Saudis have indicated a marked preference for the joint venture as an appropriate vehicle for enhancing domestic technological capabilities. Following are some of the more important institutions:

. Industrial Development Fund: supports industrial development in the private sector through medium and long-term interest free loans.

. General Investment Fund: Provides interest free, medium and long-term loans to public sector industrial projects, including joint ventures between public and private sectors.

. Agricultural Development Bank: provides short, medium and long-term loans for small and large-scale public and private agricultural projects.

. Real Estate Development Fund: (1) medium and long-term loans to individual Saudis for up to 70 per cent of cost of housing construction; (2) medium and long-term loans up to 50 per cent of cost to Saudis building income-producing properties.

. Saudi Credit Bank (Bank of People of Small Means): Grants interest free loans to amount of SR 5,000 or less to Saudi citizens with incomes under SR 12,000.

Making Contacts

A business person hoping to develop a market in Saudi Arabia should be aware from the outset that personal visits to the market are essential. Correspondence is not always followed up and, even when it is, contracts are rarely signed before personal contact is made with the customer and/or the exporter's chosen agent. The exporter should attempt to make appointments with those he hopes to meet during a visit to Saudi Arabia, especially with government officials but should be aware that such appointments are not always kept as assiduously as might be expected in North America. Marketing in Saudi Arabia can be a time-consuming process. The exporter should therefore be careful to allow sufficient time for visits to be productive.

Language

Arabic is the official language of Saudi Arabia. A basic vocabulary is most helpful in conducting business and is appreciated by the Saudis. English is widely understood in the principal centres and is acceptable in business correspondence. Many senior government officials have some degree of fluency in English, especially those involved in foreign projects, but one cannot always count on this. A visiting businessman may need either an Arab interpreter on staff (there are no commercial translation services available) or, preferably, a working knowledge of Arabic. Government ministries require that all documents submitted be translated into Arabic.

Commercial Registration

All companies conducting business in Saudi Arabia must register with the Commercial Registration Offices maintained by the Ministry of Commerce and Industry. Offices are located in the major cities.

Representation in the Market

In the first instance, the commercial officers of the Canadian Embassy in Jeddah are available to serve as agents for Canadian enterprises wishing to penetrate the Saudi market. They will make a preliminary investigation into the acceptability of a firm's products (services) and help to establish initial contacts. They will also provide information and advice on local agents and brief the exporter on local customs and travel.

Employing an agent is optional, but Saudi Arabia can be a difficult market in which to operate and there are many useful functions that an agent can perform. Besides direct marketing activities, he can arrange for entrance and exit visas through the Ministry of Foreign Affairs, make airline reservations and other local transportation arrangements, reserve accommodation, and set up appointments with government and private sector officials. The knowledge of the local scene available from a competent agent can prove invaluable.

Foreign exporters may make direct sales to Saudi Arabia. However, all commercial sales and distribution within Saudi Arabia must be handled by Saudi nationals employed by Saudi companies.

Price Quotations

Prices should be quoted on a C.I.F. Jeddah or Dammam (the port of Riyadh) basis.

Market for Consumer Products

As yet there is little data available on the market for consumer items. From the importer's point of view, delivery time is often considered crucial because of Saudi Arabia's relative inaccessibility. As demand for consumer goods is a relatively recent development, brand loyalty is not yet well established except for a few luxury items. Both prestige and relatively inexpensive items have sold successfully. There is considered to be a certain correlation of packaging and price with quality in the minds of potential purchasers. Women are making more buying decisions now, commensurate with their gradually growing social status, but their impact is not yet large.

Advertising

National advertising in Saudi Arabia is very difficult to accomplish. Utilization of the electronic media for this purpose is not allowed. Other than the use of posters and circulars, the dissemination of product information is limited to point-of-sale advertising. Leading local newspapers and periodicals include the following:

<u>Publication</u>	<u>Language</u>	<u>Frequency</u>
Jeddah Okaz	Arabic	daily
Jeddah Al Medina	Arabic	daily except Saturday
Jeddah Al Bilad	Arabic	daily except Saturday
Saudi Economic Survey	English	weekly (Wednesday)
Riyadh Al Riyadh	Arabic	daily except Friday
Alyamama	Arabic	weekly
IQRA	Arabic	weekly
Ayama News	English	daily
Arab News	English	daily
Saudi Gazette	English	daily
Saudi Business	English	weekly (Thursday)

IV. CUSTOMS AND EXCHANGE REGULATIONS

Saudi Arabian Tariff System

Because most basic raw materials are in short supply and the emphasis on the acquisition of sophisticated capital equipment, the Saudi government has adopted an open door policy toward the admission of imports. Relatively easy market access into Saudi Arabia also helps to reduce the prices of basic consumer goods which must be imported. About 50 per cent of all imports entering Saudi Arabia do so duty free, including foodstuffs, some building materials and construction machinery.

Relatively high duty rates (20 per cent on some building materials) protect those few non-related industries which have already been established, such as the fledgling construction industry. Ad valorem duties, using the Brussels Nomenclature, range from 0-15 per cent. The duty rate on many items is now as low as 3 per cent. Some specific duty rates are also applied. Canada receives the same tariff treatment as that accorded other non-Arab countries.

Import and Exchange Controls

The Saudi riyal is freely convertible and may be openly transferred into and out of the country. There are few exchange restrictions -- repatriation of profits may be delayed in certain circumstances, and there is no quantitative limitation on imports.

There are few licensing controls on incoming commercial products. Cigarettes, drugs and medical supplies may be brought into the country only by licensed importers. Imported hunting arms require licensing in advance. Other arms, ammunition and war material may be imported only by the Saudi Government.

Certain items are not allowed to be imported at all. These include pork products and alcoholic beverages.

The use of all artificial sweeteners, specifically cyclamates, is banned. However, saccharin and similar substances which are used in light beverages for diabetics and others who are on a diet of low calorie foods will be allowed in Saudi Arabia provided that this fact is mentioned in both Arabic and a foreign language on the label which also specifically states that they are calorie free.

Shipping Documents

Commercial Invoice

Invoices must include an accurate and specific description of the goods, itemizing all expenses, the name of the vessel and sailing date, and the name of the manufacturing firm. One original and one copy are required which must be certified as to the country of origin and current export market prices by a Chamber of Commerce (one copy retained). In addition to the two copies in English mentioned above, three copies must be prepared in Arabic (normally this can be done by the Saudi importer). Facsimile signatures on the invoice copies are not acceptable.

Certificate of Origin

One original and one copy are required stating the name of the manufacturer with a notarized statement that the certificate is true and correct. These must be on the general form sold by commercial stationers. These are certified by the Chamber of Commerce and then legalized by the Saudi consular authority (each retains one copy). A copy of the commercial invoice must be attached to each copy of the certificate of origin.

Packing List

This should be submitted with the bill of entry giving, accurately and in detail, the contents of each case or container, the net and gross weight (metric weight) and c.i.f. value.

Bill of Lading

One copy is required for each shipment and it should correspond in information to the commercial invoice, with the name and address of the consignee in Arabic if possible. It should be attached to the invoice.

Minimum Shipping Charge

\$27.50 plus congestion surcharge to Dammam.

\$25.00 plus congestion surcharge to Jeddah from Atlantic ports.

Marking and Labelling

Certain commodities (pharmaceuticals, confectionery, foodstuffs, beverages) are subject to special labelling regulations that are strictly enforced. As of 1976, seven consumer foodstuffs must be labelled in Arabic -- tea, coffee, oil and cooking butter, milk and milk products, cream, juice and tomato sauce. It is permissible to have the Arabic labels affixed to the standard label. Labels must state the name of the producer and full address, the name of the distributor in Saudi Arabia, the container weight and size or number, batch number, the date of packing and expiry date of the goods, and the kind and extent of any additives. All containers must be marked with gross weight and initials or name of the consignee. If there are more than two containers per shipment, they should be consecutively numbered.

Any foodstuff containing what could be considered a derivative of pork (gelatin, shortening, etc.) must be labelled specifically for true identity (beef gelatin, non pork gelatin, vegetable shortening, etc.). Failure to do so could result in a refusal of entry.

Any product labelled as being related to alcoholic beverages (e.g. wine vinegar) or containing alcohol (e.g. vanilla extract) will be denied entry into Saudi Arabia.

Special Requirements

Insurance Certificate -- Two copies must be prepared by the insurance company stating that the company is not on the Arab blacklist. Both copies go to the Saudi Consular authority in Canada, one is retained and one returned to the shipper.

Steamship Certificate -- Two copies are necessary certifying that the ship is not an Israel vessel and is not scheduled to call at an Israeli port. Both copies go to the Saudi Consular authority with the original returned to the shipper.

Plant and Foodstuff Certificates -- Imports of plants, insects, live animals and poultry must have prior approval of the Saudi health authorities and, as well, must have a certificate of health from the Canadian Department of Agriculture, Health of Animals Branch, Plant Protection Branch or from Environment Canada for fish and fish byproducts.

Meat Certificate -- This must certify that meat was slaughtered according to Moslem law. Frozen meats must be carried in specified refrigeration and Saudi authorities will require proof that this has been done.

Medical Certificate -- This certificate relates to articles made of raw hair or bristle which must be free of anthrax germs.

Artificial Sweetener Certificate -- This certificate is necessary when requested, stating that the import contains no prohibited artificial sweetener.

Steel Reinforcing Bar Certificate -- The certificate must state that the product is subject to continuous analysis; analysis results must accompany the certificate.

Pharmaceutical Certificate -- The certificate must state that the product is marketed under the same trade name and formula in the country of export. The prices of imported pharmaceutical products must appear in Arabic on each article.

Soap and Foodstuffs Certificate -- This certificate is intended to determine fitness for use.

Perfume Certificate -- An analysis by the Canadian Department of Health and Welfare is necessary.

Disinfection Certificate -- This certificate must accompany a shipment of used clothing.

Flour -- The packing date must be clearly stamped or in relief on the container.

Electrical Goods -- The invoice must show that they will operate by Saudi Arabian standards.

Commercial Samples

Prior permission to import samples must be obtained from the Director-General of Customs, Riyadh. The request should include a list of samples, unit price, date of intended arrival and period of stay. Duties, generally minimal, collected on commercial samples imported for display periods of up to six months (renewable), are returned when the samples are re-exported.

Samples of no commercial value or which are mutilated are admitted duty free. Samples containing alcohol, pork products (including leather made of pork hide) are confiscated and may bring sanctions on the owner.

Advertising material, if not for sale, is exempt from duty provided the duty paid normally does not exceed 50 riyals. Commercial films have to be censored upon arrival in the country and time-consuming delays result.

Entry and Warehousing

All imported goods are deposited at government customs warehouses as there are no private or bonded warehouses. Storage charges begin 10 days after unloading. Goods unclaimed after one year will be sold to pay storage charge.

Goods unloaded remain the responsibility of the shipper until actually received by the customs agent and become the responsibility of the importer only when they clear customs. A wharfage fee is included in the customs surcharge. Goods exempt from duty are generally exempt from wharfage charges.

Charges for off-loading a vessel will vary depending on the kind of goods to be handled.

Consular Fees

Documents sent to the Saudi consular authority for legalization must be accompanied by a stamped self-addressed envelope. The fee as of February, 1977 for legalization is Cdn.\$3.00 for two pages and Cdn. \$1.00 for local processing. For legal documents (power of attorney, etc.) the fee is Cdn.\$1.50.

V. VISITING SAUDI ARABIA

Passports and Visas

Visa applications should be made to the Saudi Arabian Embassy located in the Metropolitan Life Building in Ottawa. The telephone number is (613) 237-4100 and office hours are from 9:00 a.m. to 2:00 p.m. Allow at least one hour for visa processing.

An application for a visa should include the following:

- (a) a letter from the employer indicating the purpose of the visit, expected length of stay, firm or government agencies to be visited, and acceptance by the employer of financial responsibility for the employee during his stay in Saudi Arabia;
- (b) vaccination certificate for smallpox and cholera;
- (c) one passport photograph;
- (d) one application form (available from the Embassy);
- (e) a fee of \$6.00 in a cheque or money order.

Visa applications by mail are not accepted by the Saudi Arabian Embassy in Ottawa. Applicants or their representatives must appear in person.

It is recommended that, whenever possible, a visa be obtained before departure from Canada. Should it be necessary to apply for a visa outside of Canada (e.g. London), a letter from the local Canadian Embassy in support of the applicant may be requested by the Saudi Embassy.

The visa is valid for three months and is good for one entry only. Visas cannot be obtained at the airport.

Exit visas, obtainable at the airport, are required for all departing visitors.

Mail, Telegraph and Telephone Facilities

Businessmen are advised to use airmail for all purposes (including samples) as surface mail takes three to five months to reach its destination, both from and to the country. Reliable telex, telegraph and telephone facilities are available in main centres (Jeddah, Riyadh, East Coast), however it can be difficult to communicate with the more remote areas of the country.

Travel

Air Transport -- The easiest way to travel to, from and quite often within Saudi Arabia is by air. No Canadian airline flies into Saudi Arabia but connections can be made through any major European centre. Saudi Arabian Airlines has a 24-city domestic monopoly which features daily air services connecting Jeddah, Riyadh and Dammam with most other major centres.

Surface Transport -- There are now more than 5,000 miles of paved roads in Saudi Arabia interconnecting many of the major centres, and substantial expansion is called for in the Second Five-Year Plan. Trucking is the main mode of transport employed for shipping goods within Saudi Arabia.

A railway system connects the Ports of Dammam on the Arabian Gulf with Riyadh, a distance of approximately 576 km (360 miles). Transit time is between six and eight hours. There is daily passenger service in each direction.

Hotels

Hotel space in Saudi Arabia is scarce. Reservations should be made at least four weeks in advance, and even earlier if the visit is during the pilgrimage or holiday seasons. One can write or cable directly, use a reputable travel agency or have one's local agent make reservations. This done, there is still no guarantee that accommodation will be available on arrival. Sometimes a visitor has no choice but to accept double occupancy. Most hotels still do not accept credit cards though a few recognize American Express.

In Fall of 1976 the Saudi Government announced the classification of hotels in Riyadh, Jeddah and the Eastern Province into four categories, and regulation of prices. The categories are: deluxe, first (grades A and B), second (grades A and B), and third. The basic price for a single room for one night is SR 275-350 (\$64-\$92) for deluxe, SR 150-225 (\$42-\$64) for first grade A, SR 125-200 (\$35-\$57) for first grade B, SR 100-150 (\$21-\$35) for second grade A, and not more than SR 90 (\$14) for third category hotels. There are surcharges of 25 per cent for an extra bed in a single room, 50 per cent for a double room, 75 per cent for a three-bedroom, 100 per cent for a four-bedroom, 100 per cent for a small suite and 150 per cent for a large suite. Apartments connected with hotels are subject to different rates.

Tipping

Hotel and restaurant staff: service charge (usually 10 per cent) included in the bill; tip optional. Taxi drivers: no tip required.

Taxis

Although there are cabs available, service can be somewhat unpredictable. Although rates for fixed distances are often officially posted, actual prices should be negotiated with the driver before departure. Some inter-city transportation is feasible by taxi. Chauffeur-driven cars are available for about \$15 a day. Visitors may rent cars but an international driver's licence is required.

Prices

Taxi fares: within city limits SR 7-10, from airport (during the day) SR 10, from airport (after 10 p.m.) SR 15-25 depending on distance.

Meals: there are approximately 10 restaurants (Italian, Chinese, Pakistani, French, Turkish, Arab, American) in Jeddah. Prices are high compared with Canadian and food and services are of a lower standard. No alcoholic beverages or pork products are available in restaurants.

A meal allowance of SR 100-150 a day is recommended.

Currency

The currency of Saudi Arabia is the Saudi riyal which is denoted by the symbol SR. It is divided into 20 qirsh. The qirsh is subdivided into 5 halalah (the halalah is used for accounting purposes). The currency is denominated as follows: bills of 1, 5, 10, 50 and 100 SR; coins of 1, 2 and 4 qirsh; coins of 5, 10, 25 and 50 halalahs.

Health Regulations

Visitors from Canada must be in possession of an international certificate of vaccination against smallpox. A cholera vaccination certificate is required during the pilgrimage season, and yellow fever and cholera certificates are required for visitors from infected areas. TABT and gamaglobulin are recommended.

Clothing

Clothing should be lightweight except for the December-January period when medium weight is appropriate.

Business Hours

Banks	0800-1400 1700-2000	Daily, except Fridays
During Ramadan	1000-1330 0900-1200	In Jeddah and Riyadh In the Eastern Province
Government Departments	0730-1430	Saturday to Wednesday
During Ramadan	0930-1430	
Foreign Embassies	0800-1400	Saturday to Wednesday
Canadian Embassy	0830-1830 0830-1500	Monday Saturday, Sunday, Tuesday, Wednesday
Business offices and retail establishments	0830-1330 1630-2000	Saturday to Thursday
During Ramadan	0930-1430 2030-2330	

Major Holidays, Moslem Feasts

The Moslem calendar is based on lunar changes and is dated from the Prophet Mohammed's flight to Medina, July 15, 622 A.D. The dates of the Moslem feasts are only approximate as they depend upon the physical sightings of the moon; they fall 10 to 12 days earlier in each Christian year. The beginning of the Moslem year, 1397 on December 22, 1976. During the following public holidays all government and business offices are closed. It is advisable to avoid these holidays by several days before and after.

1977

Id al Fitr
The feast following the end of the fasting
Month of Ramadan

September 13 and 14

Id al Adha
The Feast of Sacrifice; celebrations will
also be taking place from November 12-15

November 19 to 23

VI. SERVICES FOR EXPORTERS

Export Development Corporation

Of vital importance to Canadian businessmen is the Export Development Corporation (EDC), a crown corporation that reports to Parliament through the Minister of Industry, Trade and Commerce. Its purpose is to encourage, facilitate and develop Canadian export trade by providing credit insurance, guarantees, loans and other financial assistance to enable exporters to meet international competition.

The main functions of EDC are:

1. to insure the Canadian exporter against non-payment due to credit or political risks beyond the control of either the exporter or the buyer when export sales are made on normal credit terms. Almost all export transactions are insurable, not only those involving goods or technical services, but also those involving "invisible" exports such as managerial services, advertising programs, the licensing or sale of patents, trademarks, copyrights, etc.;
2. to issue appropriate guarantees to chartered banks or to any person providing non-recourse supplier financing in respect of an export sale. Guarantees may also be issued in connection with a loan made to a foreign buyer for the purchase of Canadian goods and services;
3. to finance foreign buyers of Canadian capital goods and related services when extended credit terms are necessary and are not available from commercial lenders. Major engineering and other technical services (but not feasibility studies) may be financed, even when such sales are not related to the export of goods;
4. to insure Canadian investments abroad against non-commercial risks such as loss through confiscation, expropriation, war or revolution or the inability to repatriate capital or earnings.

For further information on EDC services contact:

HEAD OFFICE
110 O'Connor Street
Ottawa, Ontario
K1P 5T9

Tel: (613) 237-2570
Telex: 053-4136

EASTERN REGION
Lock Box 124
Tour de la Bourse
Montréal (Québec)
H4Z 1C3

Tel: (514) 866-4796

ONTARIO REGION
Suite 2011
145 King Street West
Toronto, Ontario
M5H 1J8

Tel: (416) 364-0135

WESTERN REGION
P.O. Box 49024
The Bentall Centre
Vancouver, British Columbia
V7X 1C4

Tel: (604) 688-8658

Telex: 045-4284

Federal Export Programs and Services

To further its export development objectives, the Department of Industry, Trade and Commerce administers two trade promotional programs, namely:

- a) The Promotional Projects Program (PPP) in which the department plans and implements the projects; and
- b) The Program for Export Market Development (PEMD) in which the initiative rests with Canadian companies operating either individually or collectively (for details see PEMD brochure).

Through the PPP, Canadian trade fairs abroad, trade missions and trade visits are initiated, organized and implemented by the department. The range of these activities includes participation in international trade fairs, solo shows and in-store promotions; the organizing of technical seminars and trade missions abroad; and the sponsoring of foreign visits to Canada to stimulate the sale of Canadian products in various export markets. The department also provides promotional publicity and specially designed exhibits for the trade fair participants. Missions and technical seminars vary in type depending on the objective. In general, outgoing missions are used for market investigation, evaluation and identification of technical market access problems. Incoming missions are designed to invite foreign government or company representatives, who can influence buying, to inspect the industrial capacity and technical capabilities of Canadian firms and the products and services they can supply. Technical seminars are used to acquaint potential buyers with Canadian expertise and technology in specific fields as a basis for joint ventures and/or sales of Canadian products and services. Using the trade visitors section of the PPP, the department is able to take advantage, at short notice, of export market opportunities by bringing foreign government trade representatives, buyers and export-oriented trainees to Canada.

In contrast to the PPP projects, proposals under PEMD are made by Canadian industry rather than the government. Through PEMD, the department makes repayable loans to individual companies to cover costs in developing export business which, because of the risks involved, might otherwise discourage such initiatives. There are several sections in PEMD each of which is designed to deal most effectively with a particular market in terms of the regions, products or services and marketing techniques concerned. In all sections, companies are encouraged to develop self-sustaining export markets for their products.

Section "A" deals with Canadian participation in capital projects abroad; Section "B" with the export of Canadian products and services; Section "C" with participation in trade fairs outside Canada; Section "D" with the bringing of foreign buyers to Canada; and Section "E" with the formation of export consortia.

VII. USEFUL ADDRESSES

Saudi Arabian Embassy in Canada
Suite 901, Metropolitan Life
Building
99 Bank Street
Ottawa, Ontario
K1P 6S9
Tel: (613) 237-4100/1/2/3

Canadian Trade Representative
in Saudi Arabia
Commercial Counsellor
Canadian Embassy
King Abdul Aziz Street
Queen's Building, 6th floor
P.O. Box 5050
Jeddah, Saudi Arabia
Tel: 34597/8

Department of Industry, Trade and Commerce,
Ottawa

The Task Force for Iran, Iraq and Saudi Arabia
Department of Industry, Trade and Commerce
240 Sparks Street, 11th floor
Ottawa, Ontario
K1A OH5
Tel: (613) 996-9195

Saudi Arabian Ministries

The most important responsibilities of each Ministry are listed.

Agriculture and Water (Riyadh):
agriculture, water for all cities
but Mecca and Medina, forestry,
land distribution, purchase and
storage of cattle feed, model
farms.

Commerce (Riyadh): import subsidy
program (food, cement, etc.),
committee for investigation of
commercial disputes, Chambers of
Commerce (Jeddah, Riyadh, Dammam),
domestic and foreign trade

Communications (Riyadh): all modes
of transport, ports and
lighthouses, roads and bridges

Defence and Civil Aviation
(Defence in Riyadh, Civil
Aviation in Jeddah): army, civil
aviation

Foreign Affairs (Jeddah)

Education (Riyadh): boys'
schools (primary, secondary,
commercial), girls' schools
(primary, secondary),
audiovisual program.

Finance and National Economy
(Riyadh): Institute of Public
Administration, Directorate
General of Customs, state
properties, international
economic agreements and
foreign aid, budget,
statistics, pensions, income
tax.

Health (Riyadh): hospitals
(except National Guard and
military hospitals), clinics
(except Ministry of
Education, National Guard and
military clinics), purchase
of pharmaceuticals, all
branches of Public Health.

Housing and Public Works (Riyadh): project for 200,000 new houses, government administration buildings.

Information (Riyadh): radio and television broadcasting stations, radio and TV in Riyadh and Jeddah, press and publications, public relations.

Industry and Electricity (Riyadh): industrial studies and development centre, foreign capital regulation and administration, company registration and licensing, electricity, crown corporations other than refineries and petroleum services companies.

Interior (Riyadh): Amirates (governors of provinces), public security, border and coast guards, fire brigades, criminal affairs and prisons, passports and nationality, civil defence

Justice (Riyadh)

Labour and Social Affairs (Riyadh): labour regulations, vocational training (centres and in plants)

Municipal and Rural Affairs (Riyadh): town planning, rural development, administration of municipalities and rural districts.

National Guard (Riyadh): internal defence.

Petroleum and Mineral Resources: petroleum policy (Riyadh), mineral resources (Jeddah), petroleum exploration and exploitation (Dammam), Aerial Survey Department (Riyadh)

Pilgrimage Affairs and Endowments (Riyadh)

Planning (Riyadh): Five-Year Plan preparation and monitoring of implementation.

Post, Telephone, Telegraph (Riyadh): coaxial network, microwave network, telephone switching, telex and telegraph, postal service, satellite communications, submarine cable.

Higher Education (Riyadh): all universities.

Autonomous Agencies

Such agencies differ administratively from ministries primarily by being exempt from tender regulations and related constraints which affect awarding of contracts in a ministry. This gives the agencies more flexibility on question of bid bonds, number of competitors, terms of contracts at large.

Saudi Arabian Monetary Agency (Jeddah), performs functions of central bank.

General Petroleum and Minerals Organization (Petromin) (Riyadh)

Silo and Flour Mill Organization (Riyadh), implements program for construction of silos and flour mills across country.

Saudi Desalination Office (Jeddah), runs water desalination plants and implements new water desalination projects.

Saudi Arabian Airlines (Jeddah)

Youth Welfare Organization (Riyadh), in charge of parks, stadia, Olympics, recreational activities in general.

Saudi Hotels and Tourist Company (Riyadh), mixed company in charge of hotel and resort development.

Saudi Industrial Development Fund (Riyadh), soft loans for industrial projects.

Saudi Transportation Company (Jeddah), mixed company primarily involved in providing transportation for pilgrims.

General Directorate of Meteorological Services (Jeddah)

Saudi Arabian Standards Organization (Riyadh)

Hotels

First class -- may vary somewhat from North American first class.

International -- a better hotel of reasonable Canadian standard.

AMEX -- American Express accepted.

<u>Hotel</u>	<u>Rating</u>	<u>Locale</u>	<u>AMEX</u>	<u>Comments</u>
<u>Jeddah</u>				
Kandara Palace P.O. Box 473 Tel: 23155/23365	International	Near airport	yes	
Jeddah Palace P.O. Box 473 Tel: 32387/32255	First Class	Downtown	yes	
Red Sea Palace P.O. Box 824 Tel: 28950/28555	Second Class	Downtown	yes	
Al-Attas P.O. Box 1229 Tel: 20609	First Class	Near airport	yes	

<u>Hotel</u>	<u>Rating</u>	<u>Locale</u>	<u>AMEX</u>	<u>Comments</u>
Al-Attas Oasis P.O. Box 1789 Tel: 20211/ 20400	First Class	Near airport	yes	
International Hotel P.O. Box 1700 Tel: 29412/ 29814	Second Class	Commercial centre	yes	Acceptable restaurant
Airport Hotel P.O. Box 2102 Tel: 33155/1 33261	Second Class	Commercial area		
<u>Riyadh</u>				
Al Yamama Hotel Airport Road Tel: 28200/ 27927	First Class	Near ministeries		Garden restaurant open during the summer season
Sahara Palace Hotel As-Sulaimaniah Airport Road Tel: 61500	First Class	Near airport		
Riyadh Hotel Batha Rail Street Tel: 20006	First Class	Commercial centre		
Zahrat-Al-Sharq Hotel Airport Road Tel: 26031	First Class	Near ministeries		
Saudia Hotel Nasriah Street Tel: 24051	First Class	Surburban		
Intercontinental Deluxe Hotel		Outside city		An excellent hotel by Canadian standards; good restaurant; heavily booked.
Airport Hotel Airport Road Tel: 62163	First Class	Near Ministry of Petroleum		

<u>Hotel</u>	<u>Rating</u>	<u>Locale</u>	<u>AMEX</u>	<u>Comments</u>
<u>AL-KHOBAR</u>				
Al-Khaja Hotel P.O. Box 45 Tel: 43122/ 43742	Second Class			
Al-Ghosaibi Hotel Tel: 42466	First Class			

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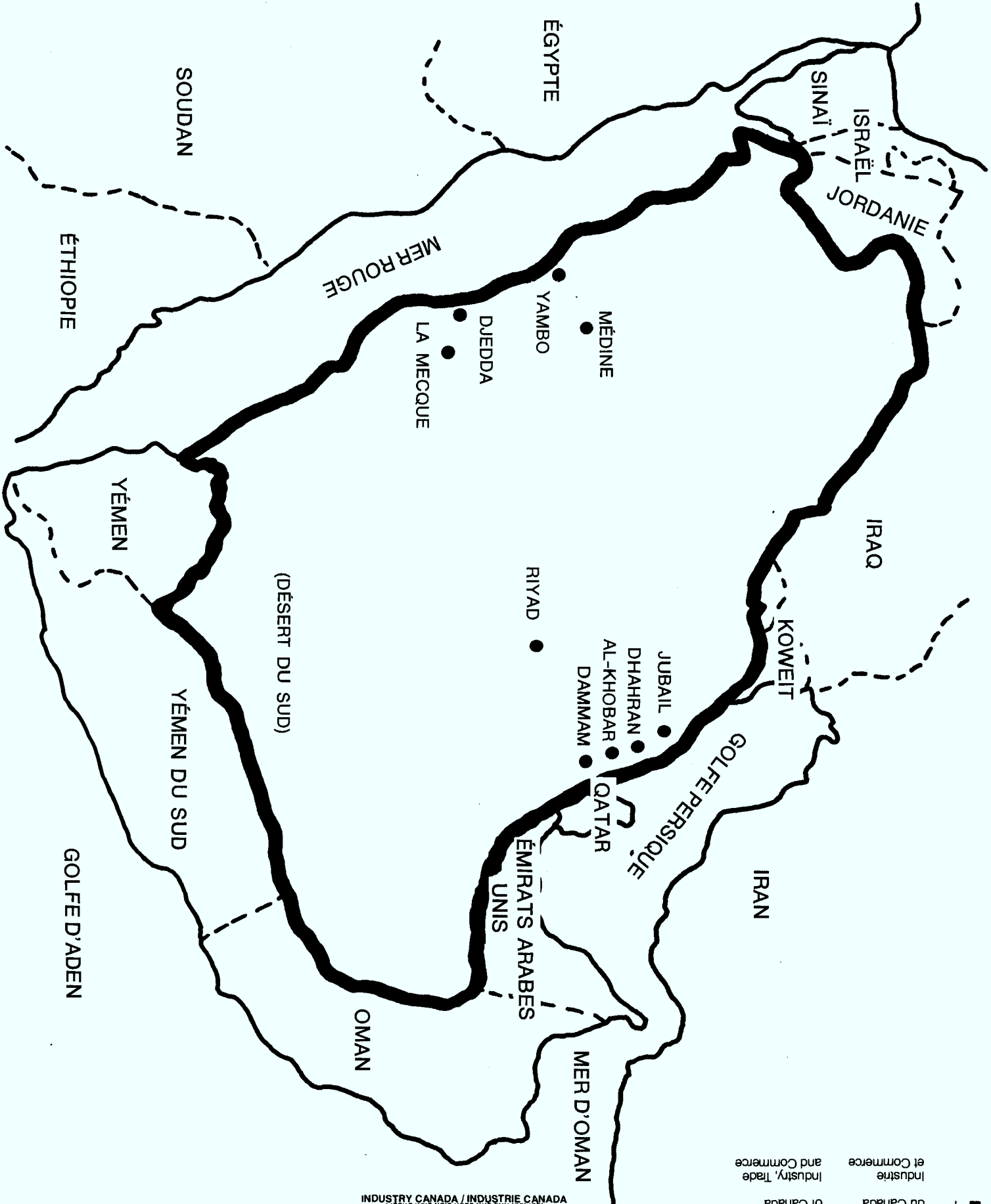
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REGIONAL OFFICES

IF YOU HAVE NOT PREVIOUSLY MARKETED ABROAD, CONTACT THE NEAREST REGIONAL OFFICE OF THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE IN YOUR AREA.

NEWFOUNDLAND LABRADOR	Director 210 Water Street St. John's, Newfoundland A1C 1A9	Tel: (709) 737-5511 Telex: 016-4749
NOVA SCOTIA	Director Suite 1124, Duke Tower 5251 Duke Street, Scotia Square Halifax, Nova Scotia B3J 1N9	Tel: (902) 426-7540 Telex: 019-21829
NEW BRUNSWICK	Director Suite 642, 440 King Street Fredericton, New Brunswick E3B 5H8	Tel: (506) 454-9707 Telex: 014-46140
PRINCE EDWARD ISLAND	Director P.O. Box 2289 Dominion Building 97 Queen Street Charlottetown, Prince Edward Island C1A 8C1	Tel: (902) 892-1211 Telex: 014-44129
QUEBEC	Le directeur Bureau 2124, Place Victoria C.P. 257, Tour de la Bourse Montréal (Québec) H4Z 1J5	Tél: (514) 283- 6254 Télex: 055-60768
	Le directeur Suite 620, 2, Place Québec Québec (Québec) G1R 2B5	Tél: (418) 694-4726 Télex: 051-3312

ONTARIO	Director Commerce Court West 51st Floor P.O. Box 325 Toronto, Ontario M5L 1G1	Tel: (416) 369-3711 Telex: 065-24378
	Regional Officer 9th Floor 240 Sparks Street Ottawa, Ontario K1A 0H5	Tel: (613) 996-1216 Telex: 053-4124
MANITOBA	Director Suite 1104 Royal Bank Building 220 Portage Avenue Winnipeg, Manitoba R3C 0A5	Tel: (204) 985-2381 Telex: 075-7624
SASKATCHEWAN	Director Room 980 2002 Victoria Avenue Regina, Saskatchewan S4P 0R7	Tel: (306) 569-5020 Telex: 071-2745
ALBERTA NORTHWEST TERRITORIES	Director 500 Macdonald Place 9939 Jasper Avenue Edmonton, Alberta T5J 2W8	Tel: (403) 425-6330 Telex: 037-2762
BRITISH COLUMBIA YUKON	Director P.O. Box 49178, Suite 2743 Bentall Centre, Tower III 595 Burrard Street Vancouver, British Columbia V7X 1K8	Tel: (604) 666-1434 Telex: 04-51191



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