ANNEX TO THE WORLDWIDE FISHERIES MARKETING STUDY: PROSPECTS TO 1985

SAUDI ARABIA

Government of Canada / Gouvernement du Canada
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Canada. Dept. of Fisheries and Oceans. Fisheries Economic Development + Marketing. Marketing Services Branch.

D R A F T

Annex to the

Worldwide Fisheries Marketing Study:

Prospects to 1985

SAUDI ARABIA

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The views expressed in this Study, however, are ours alone and reflect the Canadian perception of worldwide markets.

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E. Wong
November, 1980

FOREWORD

As a consequence of global extension of fisheries jurisdictions, a radical shift has taken place in the pattern of worldwide fish supply and demand. This change is still going on and will continue for many years before a new dynamic equilibrium situation is reached. However, in the midst of this re-adjustment, a new trade pattern is emerging -- some net exporting countries are now importing and vice versa. In the longer term, some countries will experience shortages of supply and others will have a surplus. Fortunately, Canada is amongst the latter group.

The implications for the marketing of Canadian fisheries products arising from the worldwide introduction of the 200-mile limit are extensive. With our vastly improved supply position relative to world demand, government and industry are understandably concerned about ensuring that the bright promise of increased market opportunities are real and can be fulfilled. One of the steps in this process is the publication of the Worldwide Fisheries Marketing Study which assesses the global potential on a country and species basis.

Specifically, the purpose of the Study is to identify the longer term market opportunities for selected traditional and non-traditional species in existing and prospective markets and to identify factors which may hinder or help Canadian fisheries trade in world markets. To date, over 40 country markets and 8 species groups have been analyzed. It should be noted that while the information contained in the Reports was up-to-date when collected, some information may now be dated given the speed with which changes are occurring in the marketplace. In this same vein, the market projections should be viewed with caution given the present and still evolving re-alignment in the pattern of international fisheries trade, keeping in mind the variability of key factors such as foreign exchange rates, energy costs, bilateral fisheries arrangements and GATT agreements which have a direct effect on trade flows.

Notwithstanding, the findings contained in these Reports represent an important consolidation of knowledge regarding market potential and implications for improvements in our existing marketing and production practices. The results of the Study should, therefore, usefully serve as a basis for planning fisheries development and marketing activities by both government and industry in order to capitalize on the identified market opportunities.

This draft report is published for discussion purposes and as such we invite your critical comments.

Ed Wong

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Department of Fisheries and Oceans
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Ottawa

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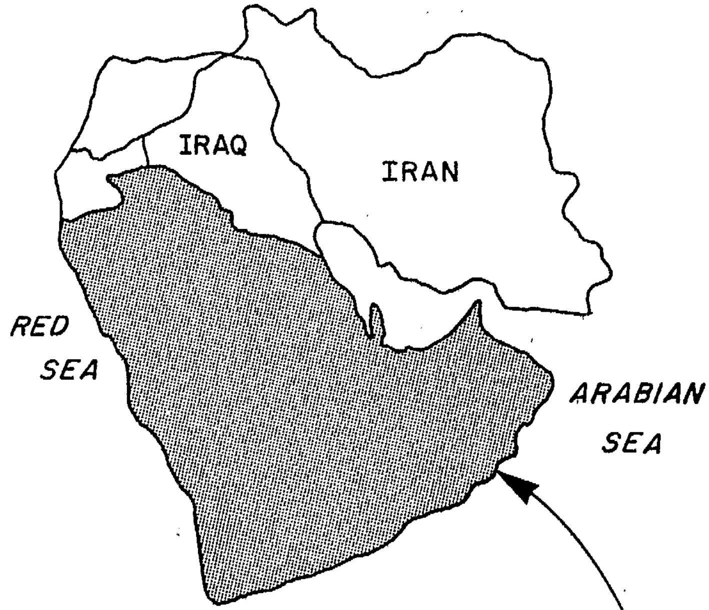

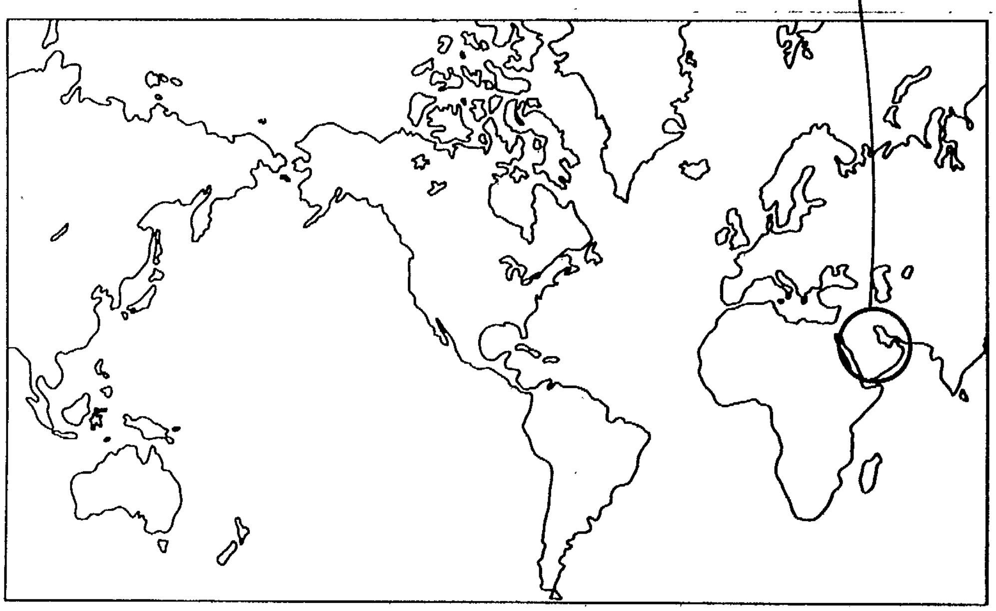

A. INTRODUCTION

The Kingdom of Saudi Arabia occupies a land area of approximately 2 million square kilometres in the Arabian Peninsula. Some of the inhabitants are nomadic and the infrastructure in the interior is still relatively under-developed, leading to distribution problems for fresh and frozen foodstuffs.

The population, estimated at 6.5 million, is thought to be growing at 2.8% per annum. As a major OPEC nation, Saudi Arabia has one of the healthiest balance-of-payments positions of any nation and its economy is growing rapidly (see Table 1). There are definite moves to distribute oil wealth more widely to Saudi citizens and the government has set up a Supply Corporation to provide consumer commodities - mainly imports - at cost. As a result, the cost of living actually decreased between 1977 and 1978 (see Table 2).

A general problem throughout the Arabian Peninsula region has been that demand for all food has outstripped production and the shortage will likely increase along with growing populations and rising incomes. With limited arable land of only 775 000 hectares, or 0.36% of the total area of Saudi Arabia, it is inevitable that the major part of their expanding food requirements will have to be met by increasing imports, in spite of government attempts to increase domestic food production.

There is still some fishing activity in Saudi Arabia, although the industry has been in serious decline as a result of over-fishing and pollution. The widespread shortage of labour has resulted in high wages paid in other employment sectors, and these wages make fishing relatively unattractive as an employment opportunity.

TABLE 1

Saudi Arabia: Gross Domestic Product

	1975	1977	1978	1979	1980	1985	
	16.8	22.4	25.9	30.9*	35.6*	55.0*	Riyals billions
GDP	42.3	56.7	65.3	78.0*	90.0*	138.9*	US$ billions
Annual growth rate (%)	9.6	19.4	19.4	15.4	9.3	8.5	

Source: Worldcasts 1979 edition. * estimated

TABLE 2

Saudi Arabia: Cost of Living Index (1970 = 100)

Year	Food	Housing	Clothing	Misc.	General Index
1970	100.00	100.00	100.00	100.00	100.00
1971	102.74	111.46	107.05	100.68	104.86
1972	104.44	121.55	117.55	102.89	109.32
1973	121.06	136.18	134.96	128.78	127.00
1974	142.72	189.22	152.73	138.08	154.19
1975	170.94	332.81	155.10	154.84	207.54
1976	210.28	499.80	192.51	191.03	273.02
1977	254.83	490.67	210.94	215.38	304.17
1978	248.68	460.39	237.34	241.32	299.40
1979*	256.14*				308.82*
1980*	265.10*				318.07*
1985*	330.37*				

* estimated

Source: Kingdom of Saudi Arabia; Statistical Yearbook, 1978.

Note: 1C$ = 2.89 Saudi Arabian Riyals (16 June 1980)
1US$ = C$1.1482

B. DEMAND

1. Present Consumption of Fish

Consumption of fishery products in Saudi Arabia has increased significantly along with the consumption of all animal protein since 1973. By 1985 protein consumption is expected to be comparable with that of most of the developed nations.

Chicken and meat products currently represent about 87 percent of protein consumption in Saudi Arabia with fish making up the remaining 13 percent. In 1979 Saudi consumption of fish totalled 36 650 tonnes, comprising 19 050 tonnes fresh, 13 000 tonnes canned and 4 600 tonnes frozen or processed fish items.

The domestic catch has traditionally been sold in fresh form at markets within a few miles of the coast while imports of canned and frozen products are now being distributed throughout the Kingdom, making fish available to all areas. There is a marked preference for fresh fish over canned or frozen and the local population are willing to pay a premium for fresh fish. The supply of fresh product is not sufficient for local demand however, and a broad variety of imported products are currently enjoying a degree of popularity among the Saudis. The value of imported protein sources has increased by some 3500 percent since 1970 (see Table 3).

TABLE 3

Saudi Arabia:
Value of Frozen, Semi-Frozen and Fresh Fish, Meat and Poultry Imports

('000 Saudi Riyals)

	All Products	*Fishery Products
1970	27 538	985
1971	27 551	986
1972	32 776	1 173
1973	35 113	1 256
1974	80 029	2 864
1975	159 570	5 710
1976	345 455	12 361
1977	584 590	20 918
1978	730 748	26 148
1979	898 808*	32 162

Source: The Statistical Indicator: Kingdom of Saudi Arabia, Ministry of Finance and National Economy, Central Department of Statistics.

* estimated

2. Trends in Consumption of Fish Products to 1985

Per capita consumption stood at 5.14 kilograms per year in 1979 and was expected to increase to an estimated 5.29 kilograms by 1985. This will bring the total annual requirement for fresh and frozen fish to about 44 000 tonnes. It now appears, however, that there is a potential for greater increase in per capita consumption if the products are available at reasonable prices to the Saudis. The total demand for all animal proteins is rising in Saudi Arabia as a consequence of higher income and indigenous population growth, supplemented by a massive influx of foreign workers. The market is, as a result, reasonably elastic. Saudis are, however, extremely price conscious and likely to seek the lowest price product without too much concern for factors such as quality and presentation. It is of first importance, therefore, that any imported products be competitive with prices of possible substitutes.

Increasing amounts of all animal proteins and fishery products have been imported into Saudi Arabia over the last five years. Nevertheless, the demand for alternate sources of protein remains very strong and prices for various types of imported meats, poultry and fish are comparable (see Table 4).

TABLE 4

Saudi Arabia:
Retail Prices for Frozen Products, 1980

Fish Products (frozen imported)	C$ per kilogram	Saudi Riyals per kilogram
Cod fish fingers	10.12	29.24
Cod fillets	10.20	29.47
Haddock fillets	9.75	28.17
Lemon sole fillets	13.30	38.43
Smoked mackerel (frozen)	9.10	26.29
Saithe fillets	8.57	24.76
Danish flounder	10.65	30.77
Crab meat (Canadian)	39.90	115.31
Beef Products (frozen imported)		
Prime cuts	12.00	34.68
Medium cuts	10.00	28.90
Low grade cuts	8.00	23.12
Chicken (frozen imported)	6.50	18.78
Mutton (frozen imported)	7.10	20.51

C. SUPPLY

Current and Expected Supply Picture to 1985

1. Domestic Harvest

Fishing activity in Saudi Arabia is declining. The commercial shrimp fleet which operated in the 1960's and early 1970's has ceased fishing due to a fall in catch rates to below what is considered a commercially viable level. Coupled with the rapid rise in labour and maintenance costs since 1974, these factors have made Saudi shrimp harvesting uneconomical.

The domestic catch in Saudi Arabia is now supplied by an artisanal fishery. The great majority of its catch is sold fresh in market places very near the landing areas. Fish are most often sold whole and ungutted. Near the larger markets, there are fish cutters who will prepare fish to the customers' requirements. The quality of fish in these markets is often poor. A combination of extreme heat, sun exposure, poor facilities and handling techniques, as well as a general shortage of ice, causes the quality of fish to decline very quickly.

It is impossible to determine with any degree of accuracy the current total landings from the Saudi Arabian artisanal fishery. It is believed that total domestic fish production currently stands at about 17 000 tonnes per annum with some 10 000 tonnes coming from the Red Sea and the remainder from the Arabian Gulf. The Saudi government is undertaking a program of fishery development (see Appendix I, Sections b and c) which they hope will increase domestic production to 25 000 tonnes by 1985. This projection, however, appears fairly optimistic. A more accurate forecast would be 20 000 tonnes, providing that the Saudi authorities are successful in the introduction of new vessels and gear, and the creation of a viable offshore fishery in the Red Sea region (see Table 5). To achieve these objectives will require a reversal of the downward trend in production that has persisted since 1973.

Among the major species of fish available in commercial quantities in Saudi Arabia are: red snapper, spanish mackerel and rock cod (for a complete list see Table A-1, Appendix 1). However, there are a large number of fish species

TABLE 5

Saudi Arabia:

Domestic Landings (TONNES)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1985
Marine Fishes (all types)	18 100	18 700	20 300	20 300	20 000	18 500	16 800	16 800*	16 000*	16 000*	18 000*
Shrimps and prawns	11 800	5 100	6 100	3 300	3 000	4 800	1 600	1 600*	1 000*	1 000*	2 000*
Total	29 900	23 800	26 400	23 600	23 000	23 300	18 400	17 000	17 000	17 000	20 000

* estimate

Sources: FAO Yearbook of Fishery Statistics; and unpublished estimates of the Ministry of Agriculture and Water Resources, Kingdom of Saudi Arabia, 1980.

available in the Red Sea and the Arabian Gulf. It is estimated that some sixty different species are regularly marketed in varying quantities at the Jeddah fish market. In addition to fin fish there are also shrimp and prawns taken mainly from the Gulf fishery.

Small amounts of the domestic fisheries production are dried, salted or, in rare instances, smoked. But these processes account for negligible proportions of the catch. They are intended principally for distribution inland where fresh fish cannot be marketed. As channels of distribution and facilities for fish freezing and preservation are improving, dried and salted product sales are gradually diminishing in favour of the preferred and more profitable fresh or frozen products.

2. Imports

The volume of imports into Saudi Arabia of all types of fishery products has increased substantially since 1972. These increases reflect the Saudi taste for fish products and the dramatic growth in demand for all sources of protein. The greatest proportion of imports are canned products, mostly mackerel, tuna and a variety of inexpensive products from Korea, India and Japan. Canned mackerel is popular in Saudi Arabia because of its relatively low cost and the ease with which it can be handled and stored even in the more remote and isolated parts of the Kingdom.

Approximately 13 000 tonnes of canned fishery products are currently imported annually (see Table 6, line 4) and this can be expected to grow marginally to 1985. A greater increase is expected in the imports of fresh, chilled and frozen products (see Table, 6, line 1). Fresh fish imports into Saudi Arabia stand currently at approximately 2 050 tonnes annually. The majority of these fresh products come from neighbouring Oman, with large amounts also coming from India and the United Arab Emirates (UAE).

Imports of chilled or frozen fish products presently stand at an estimated 4 600 tonnes, with the largest share coming from India, Argentina, the U.K. and Denmark. A large part of this market is made up of frozen whole pomfrets and jack from India, and whiting from Argentina. At present, the preference among Saudis is for whole frozen fish of species similar to those indigenous to Saudi waters. Nevertheless, frozen prepared and pre-packaged products of other species are gaining in popularity. Imports of frozen fillets and battered fish fingers and sticks appear to be climbing, their popularity and acceptance widening, and sales are expected to continue increasing. These prepared products are imported mainly from the U.K., Denmark and the U.S. (see Table 7).

TABLE 6

Saudi Arabia: Fisheries Imports
(tonnes, product weight)

Commodity Group	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1985
1. Fish, Fresh, Chilled or Frozen	-	-	-	-	100	296	570	2 677	5 710*	6 650*	8 800*
2. Fish, Dried, Salted or Smoked	100	100	0	100	100	276	538	561	600*	600*	650*
3. Crustaceans & Molluscs, Fresh, Dried, Salted, etc.	-	-	100	-	-	101	298	155	100*	150*	150*
4. Fish Products and Preparations whether or in airtight cont.	1 200	1 200	1 500	5 100	4 000	4 990	7 788	12 827	12 827*	13 000*	14 000*
5. Crustacean and Mollusc Products and Preparations, airtight or not	-	-	100	-	200	40	71	224	224*	300*	400*
6. Oils and Fats, Crude or Refined, of aquatic animal origin	-	-	-	300	100	-	-	-	-	-	-
7. Meals, Solubles, & similar animal feeds of aquatic origin	-	-	-	-	-	97	42	-	-	-	-
GRAND TOTAL	1 300	1 300	1 700	5 500	4 500	5 800	9 307	16 444	19 461	20 700*	24 000*

Source: FAO, Yearbook of Fishery Statistics, Fishery commodities, Vol. 45, and the unpublished document of Ministry of Agriculture and Water Resources, Kingdom of Saudi Arabia

* whole weight

TABLE 7

Saudi Arabia: Fisheries Imports

by Commodity and Country, 1978

Country	Net Weight kg	Value in S.A. Riyals
Fresh Fish:		
Jordan	95 014	443 790
Oman - Muscat	625 963	2 375 144
U.A.E.	182 333	726 511
India	318 679	1 215 456
Malaysia	17 000	45 270
China	50 094	250 340
Taiwan	16 413	52 472
Australia	38 206	126 437
French Samoa	18 500	75 511
U S A	27 762	83 376
Uruguay	59 676	207 014
Denmark	24 676	87 226
Holland	54 676	243 439
France	9 208	30 268
Bulgaria	15 551	38 914
Not defined	24 253	96 495
Other countries	61 232	179 997
Total:	1 639 236	6 281 660
Chilled or frozen fish:		
Lebanon	4 987	30 925
Jordan	95 700	249 453
Kuwait	92 589	312 474
Oman-Muscat	36 700	114 209
U.A.E.	81 600	228 701
Pakistan	29 592	151 939
Bangladesh	2 873	41 762

(cont'd)

Chilled or frozen fish (cont'd)

	Net Weight kg	Value in S.A. Riyals
India	1 031 337	4 321 726
Singapore	12 740	43 793
China	12 806	42 959
Taiwan	55 038	161 036
North Korea	8 853	68 324
Mozambique	52 000	172 483
Australia	130 613	960 558
New Zealand	92 414	320 147
U.S.A.	129 371	842 009
Brazil	19 771	120 123
Paraguay	55 076	179 351
Uruguay	65 986	204 429
Argentina	1 081 063	3 778 482
Norway	23 397	78 587
Denmark	260 601	2 931 796
West Germany	63 946	208 968
Holland	15 423	64 409
U.K.	323 858	3 069 934
France	81 599	323 468
Italy	28 471	152 821
Spain	18 972	62 832
Hungary	27 149	95 805
Bulgaria	37 520	173 487
Not defined	64 351	234 947
Other countries	34 896	125 040
Total	4 071 292	19 866 977

"Other Countries" is the total amount of countries from which imports were less than SR 30 000 each.

Source: Saudi Economic Survey, March 5, 1980.

D. DEMAND-SUPPLY BALANCE

It can be seen from the above analysis that demand for most types of fishery products has increased rather quickly in recent years and can be expected to continue to increase, albeit at a reduced rate. At the same time, domestic production has decreased steadily, opening the market for various imported products. It is expected that the shortfall in terms of supply will continue to increase marginally reaching approximately 24 000 tonnes whole weight by 1985.

E. POTENTIAL TRADE

1. Market Potential for Canadian Exports

Several countries have made concerted efforts to introduce their fishery products into the Saudi market. The most valuable shares of the market are held by India, Argentina, U.K., Denmark, and countries near Saudi Arabia such as Oman and the U.A.E., which can provide a product that is similar to that produced by Saudi artisanal fisheries. Given Canadian species mix and transport costs, it is extremely unlikely that Canadian products can compete with these imports either in terms of price or in providing the type of fish preferred by the Saudis.

There is, however, a very small market of perhaps 3 000 tonnes for frozen products which are currently popular among the expatriate population in Saudi Arabia, and which are also gaining in popularity among the Saudis. These products, mainly European in origin, tend to be very expensive and of mixed quality. There is a possibility that Canadian products could capture a share of this specialized product market. This share would, however, be fairly small and unlikely to grow appreciably in the next few years. It should be noted, however, that the Saudi market is slowly becoming more western in nature and that such factors as the proliferation of western style supermarkets and fast-food outlets can be expected to provide new markets for western fish products.

2. Market Entry Requirements and Barriers

Because most basic raw materials are in short supply and the emphasis is on the acquisition of sophisticated capital equipment, the Saudi government has adopted an open door policy toward the admission of imports. Tariff rates have accordingly been set at modest levels. Relatively easy market access into Saudi Arabia is also intended to stimulate competative international supply to reduce the prices of basic consumer goods which must be imported. About 50% of all imports entering Saudi Arabia do so duty free. These commodities include foodstuffs, some building materials and construction machinery.

Relatively high duty rates (20% 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%. The duty rate on many items is now as low as 3%. Some specific duty rates are also applied. Canada receives the same tariff treatment as that accorded other non-Arab countries. However, the key point is that fisheries products from Canada should, in most instances, be able to enter the Saudi domestic market duty free.

In 1976, a government company known as the Supply Corporation was established by the authorities to supply Saudi Arabia with consumer commodities at cost. The company deals in imports and exports, but concentrates mainly on the import of food commodities and other consumer items. The Supply Corporation is by no means the only way for prospective suppliers to enter the Saudi Arabian foodstuffs market. A list of Saudi importers of canned and frozen foodstuffs is given in Appendix III. Prospective Canadian suppliers are advised to send brochures, f.o.b. and c.i.f. Jeddah price lists to several agents for comparative trading terms. Saudi Arabian standards for the labelling of packaged goods are given in Appendix II. Sellers should note the Arabic original text is the authorized code for such standards.

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

CONCLUSIONS

1) Demand for fishery products in Saudi Arabia is increasing as a result of a number of factors; one being a rapid population increase with an annual rate of 2.8%. Much of this growth is due to an influx of foreign workers who bring new tastes and consumption habits with them. Many workers are from areas where a lot of fish is eaten and they have to a degree introduced their habits to the Saudis. It should be emphasized, however, that the strict adherence to Islam and a marked distrust of most things foreign will slow the introduction of new consumption habits.

2) There is a rapidly increasing demand (25% annually) for animal protein in Saudi Arabia, combined with a lack of food oriented productive capacity within the country.

3) Current consumption of fishery products is about 32 000 tonnes per year with a projection of 45 000 tonnes by 1985.

4) The fishing industry in Saudi Arabia has been seriously declining for several years due to over-fishing and pollution. Commercial fishing has virtually ceased and the remaining artisanal fishery produces only about 17 000 tonnes annually.

5) Domestic landings are sold fresh in markets near the coast. The products deteriorate quickly and are often of poor quality due to the poor transportation facilities and the hot, dry climate.

6) About 19 650 tonnes of fishery products are imported annually. The import projection for 1985 is 25 000 tonnes. Most imports at present come from India, Argentina, U.K., Denmark and neighbouring Oman and U.A.E., with other countries providing small amounts.

7) The Saudi government is introducing a number of programs to regenerate and rationalize the fishery. However, it is not anticipated that these initiatives will significantly affect production before 1985.

8) Canned products, including mackerel, tuna and a variety of inexpensive products from India, Korea and Japan, form the greatest proportion of imports. It appears that Canadian products could not effectively compete with these imports for the Saudi market.

9) Only about 3 000 tonnes of imports out of a total 19 650 tonnes are comparable to Canadian fishery products. These are frozen products such as battered and breaded fish fingers and fillets which have been introduced by the expatriate community and are slowly gaining popularity among the Saudis. Major exporters of these frozen products to Saudi Arabia are Denmark, Norway and the United Kingdom.

10) The aforementioned frozen imports tend to be expensive and of mixed quality. It is felt that Canadian products of a similar type could compete very favorably in terms of price and quality. However the market for these products is currently very small and not expected to grow appreciably in the next few years.

APPENDIX I
THE FISHING INDUSTRY AND FISHERIES POLICIES

a. Fish Production

Fishing off the coasts of Saudi Arabia has been practiced since ancient times and historically most of the coastal communities owed their continued livelihood to fishing activity. In the larger centres, fishermen have operated all year round, but in smaller communities most of the fishermen continue to alternate their activities (i.e. fishing during the dry season and farming or herding during the rainy season).

Nowadays the fishing industry is almost completely comprised of small traditional craft. On the Red Sea coast the most common boat is the Katera measuring between 5 and 7 metres in length and 1½ metres in breadth. It is often powered by a combination of sail and outboard motor. It carries crew of two or three men who generally engage in trolling or handlining. They rarely carry ice and consequently seldom stay at sea for more than one day. Other common vessels are 14 metre Sambuks, 10 metre Zerogs and unmechanized 6 metre Houris.

In the Gulf coast the fleet consists of some 200 mechanized "dhows" ranging from 6 to 18 metres in length. A relatively productive shrimp fleet operated until the mid-1970's but has ceased production as a result of declining catch rates and rising costs.

Along the Red Sea coast the principal method of fishing is hand lining with gill netting in second place. The main fishing effort is concentrated in the Gizan-Farasan bank area in the south and the main species caught there is king mackerel. From Lith north the fishery is less intensive and a more varied catch is taken. The catch is dominated by coral reef fish, such as snapper, grouper, and jack. The estimated total catch from the Red Sea area is about 10 000 tonnes per year.

TABLE A-1

Major Species of Fish Available in Commercial Quantities in Saudi Arabia

"Samak, Hamrah" (Lutjanus Sanguineus)	- red snapper
"Derak, Canad" (Scomberomorus commerson)	- spanish mackerel
"Agaam, Edwailmy" (Sphyraena Jello)	- banded barracuda
"Sha'oor, Sheiry" (Lethunus lentjan)	- redspot emperor
"Ma'ayub, Tabun" (Ethynnus offinis)	- little tuna
"Sheim" (Mylio latus)	- yellowfin sea bream
"Bayad, Hamam" (Corax egnoblis)	- yellowfin jack
"Naajl" (Plectropomus maculatus)	- saddleback grouper
"Kushr" (Epinephelus sp)	- rock cod

On the Gulf Coast the principal method of fishing is also gill netting for king mackerel. This fishery is seasonal since the mackerel migrate from the coastal waters between November and April. A large number of dhows fish for shrimp during the season, August to April, and the annual catch of shrimp was approximately 6 000 tonnes in 1973, but this has diminished to about 1 000 tonnes in 1979. Another effective method is "potting" by using large beehive pots some 2 metres in diameter for fishing for grouper and snapper.

b. Fish Marketing

Distribution of fresh fish from the points of landing to consumer markets is restricted due to difficult road communications, inefficient methods of preservation and the relatively long distances between areas of urban settlement. This means that fresh fish is only marketed in coastal regions and in those inland communities which can be easily reached by road from the landing points before excessive spoilage can occur.

"Deficiencies in the distribution of fish from catcher to consumer have been identified as a major factor restricting development of the fishing industry in Saudi Arabia."* The National Plan proposed broader distribution of

*Saudi Arabia Fisheries Development Program, Annual Report, 1978, Ministry of Agriculture and Water Resources, Kingdom of Saudi Arabia.

fresh fish to a wider market through improvements in handling and distribution. These would include "...an increase in boxing and in the use of ice, coupled with the setting up of an improved system of markets and depots linked by a network of refrigerated transport."* Work has already begun on improvements to major market facilities in Jeddah, Qatif, Gizan and Jubail and to the clipots at Ryadh, Jeddah and Al Dunfidah.

c. Fisheries Policies

A National Plan for Saudi Arabian fisheries has been developed as part of the third five year plan. "The major aim of the National Plan is to reduce Saudi Arabia's dependence on imported fish by increasing domestic production from the present annual total of about 16 000 tonnes to 25 000 tonnes by the year A.H. 1405 (1985)"*. The plan includes a variety of programs designed to increase production and distribution of fish products. These include development of better fishing methods and equipment, training fishermen, improving channels of distribution and methods of handling and, also research into aquaculture and development of fishing harbours.

"The plan calls not only for a series of Government actions but also provides opportunities for commercial interests to become involved in the development of fisheries. Many of the proposals could be undertaken by the new Saudi National Fishing Company which could influence the future of the fisheries at an early stage. However, an essential feature will be the expansion of the present government fishery service and the creation of a Department of Fisheries to provide the necessary support for the proposed development."*

Current employment in the coastal fishery is estimated to be about 3 300. Under the National Plan this would increase by only 6% indicating an emphasis on more productive methods and increased efficiency. It is believed that the planned introduction of new vessels and fishing methods could increase production per man year by about 30%. It is also proposed that Saudi based boats would engage in the offshore fishery in the central Arabian Gulf. This fishery is currently exploited by fishermen from the Arab States bordering Saudi Arabia.

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*Ibid.

APPENDIX II

LABELLING OF PREPACKAGED FOODS

Kingdom of Saudi Arabia S.S.....1394 H/1974

SAUDI STANDARDS

1A/1393

SAUDI ARABIAN STANDARDS ORGANIZATION

The Saudi Arabian Standards Organization's Board of Directors has approved this mandatory Saudi Standard for "Labelling of Prepackaged Foods", to be enforced as of the day following the elapse of six months on its publication in the Official Gazette, except for item 4/8 concerning the use of the Arabic language, to be enforced as of the day following the elapse of two years on its publication.

The Saudi Standard has already been published in the Official Gazette in 30.1.1394 H.

The official text is the Arabic text.

1 - SCOPE

This standard is concerned with the labels of all prepackaged foods, imported or locally produced, in addition to any other requirements related to labels or labelling which might have been defined by Saudi Standards for any of these foods.

2 - DEFINITIONS

2/1	LABEL	any statement, brand, mark, pictorial or other descriptive matter, photographed, written, printed, or impressed on and attached to a container of food.
2/2	LABELLING	includes the label or any written, printed or graphic matter relating to and accompanying the food.
2/3	CONTAINER	any form of packaging of food for sale as a single item, including the wrappers.
2/4	PREPACKAGED	packaged or made up in advance, in its final form, in a container.
2/5	INGREDIENT	any substance, including food additives, used in the manufacture or preparation of a food and present in the final product.
2/6	COMPONENT	any substance which forms a part of an "ingredient".

3 - GENERAL REQUIREMENTS

3/1 The information required to appear on the label of the prepackaged food should be clear, prominent and readily legible by the consumer under normal conditions of purchase or use. It should be presented in a colour distinguished from that of the background. The letters in the name of the food should be in a size reasonably related to the most prominent printed matter on the label. No information should be obscured by any other written, printed or graphic matter.

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3/2 The labels must provide the consumer with sufficient information about the contents of the container. Where the container is covered by a wrapper, the wrapper must carry the necessary information, or the label on the container should be readily legible through the outer wrapper and not obscured by it. In general, the items from 4/1 to 4/8 must appear on the label normally intended to be presented to the consumer at the time of sale.

3/3 Prepackaged food should not be described or presented on any label or in any labelling in a manner that is deceptive, misleading or false, or is likely to create an erroneous impression regarding its nature or character in any respect.

3/4 Prepackaged food should not be described or presented on any label or in any labelling by words, or any manner that is suggestive, either directly or indirectly, of any other food product, or leads to confusion with any other food products. In case the product is artificial, the word "artificial" should be written in an apparent place on the container.

3/5 In case the product contains any animal fats or meat or their products, the kind of the animal from which it is taken should be declared, or a statement such as (free from swine products) should be written, or a certificate proving that it is free from swine products be accompanied.

3/6 In case there are special requirements for a certain food, which are provided in a Saudi Standard, such requirements should be declared on the label.

4 - SPECIFICATIONS

The labels of all prepackaged foods must bear the following information:

4/1 The name of the prepackaged food:

4/1/1 The name must indicate the true nature of the food and preferably be specific and not generic.

4/1/2 Where a name or names for a locally produced food have been established in a Saudi Standard, at least one of these names should be used. In the case of imported foods, the name indicated in the international standards should be used. In other cases, the common or usual name shall be used if one exists.

4/1/3 Where no common name exists, an appropriate descriptive name may be used.

4/1/4 A "coined" or "fanciful" name, however, may be used provided it is not misleading and is accompanied by an appropriately descriptive term.

4/2 A complete list of ingredients should be declared on the label in descending order or proportion, without any obligation for declaring the proportions, except:

4/2/1/1 as otherwise provided in a Saudi Standard;

4/2/1/2 in the case of dehydrated foods which are intended to be reconstituted by the addition of water, the ingredients may be listed in descending order of proportion in the reconstituted product provided that the list of ingredients is headed by the words "ingredients when reconstituted";

4/2/1/3 in the case of foods in respect of which the national legislations do not require a complete declaration of ingredients, provided that such exemptions have been granted because the food is of well known composition, and the absence of a declaration of ingredients is not prejudicial to the consumer, and the information provided on the label enables the consumer to understand the nature of the food.

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4/2/2 Where an ingredient of a food has more than one component, the names of the components should be included in the list of ingredients, except where such an ingredient is a food for which a Saudi Standard has been established and such standard does not require a complete list of ingredients.

4/2/3 Where water is added, it should be declared in the list of ingredients if such a declaration would result in a better understanding of the product's composition, except when the water forms part of an ingredient such as brine, syrup, broth or any other ingredient used in compound foods.

4/2/4 If the food contains additives permitted for use according to Saudi or International Standards and legislations such as preservatives, bleaching agents, flavouring agents, colouring matters, artificial sweetners, maturing agents, stabilizers, thickening agents, antioxidants, antibiotics, anticaking agents, vegetable gums, spices, herbs or starches (except modified starches), such additives should be declared on the label.

4/3 Net Contents:

4/3/1 The net contents should be declared in metric units in the following manner:

4/3/1/1 for liquid foods, by volume;

4/3/1/2 for solid foods, by weight except that when such foods are usually sold by number a declaration by count should be made;

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4/3/1/3 for semi-solid or viscous foods, either by weight or volume.

4/3/2 Foods packed in a liquid medium normally discarded before consumption must carry a declaration of the drained weight of the food.

4/4 Name, Address and Date:
The name and address of the manufacturer, packer or importer of the food as well as the date of production or code number should be declared.

4/5 Country of Origin:

4/5/1 The country of origin of a prepackaged food should be declared.

4/5/2 When a food undergoes processing in another country which changes its nature, the country in which the last stages of processing are performed should be considered to be the country of origin for the purposes of labelling.

4/6 Additional Requirements for Specific Foods:
When foods are prepared to be used for special purposes such as certain diets, and also foods which are described as containing vitamins, minerals or any other materials, the necessary information indicating its conformity with such description should be declared on the label. Foods which have been treated with ionizing radiation should be so designated, with the dose clearly stated.

4/7 Additional Labelling:
Any information or pictorial device may be displayed in labelling provided that it is not in conflict with what has been indicated in this Standard. Quality grade of the prepackaged food should be declared (if any exists).

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4/8 Language:

The Arabic language must be one of the languages used for the declaration on any label or in any labelling of the foods as for the following items:

4/8/1 The name of the prepackaged food (accompanied with the declaration as to whether it is artificial).

4/8/2 Net contents.

4/8/3 List of ingredients.

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