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INDUSTRIAL DEVELOPMENT SUPPORT SERVICES PROJECT

DP/SAU/89/022
DP/SAU/86/004

Technical report: Industrial Development Support Services Project
in Saudi Arabia

Prepared for the Government of Saudi Arabia
by the United Nations Industrial Development Organization,
acting as executing agency for the United Nations Development Programme

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INTRODUCTION

This is the Final Report which the Expert prepared at the end of his assignment setting out the findings of the mission and recommendations to the Ministry of Industry and Electricity on further action which might be taken. This report includes four main chapters:

The First Chapter contains a description of the project and its concept, design and objectives. It also reviews the functions of both Export the Dept. and International Relations Dept. as mentioned in the Project Document. It also contains the Job Description for the Industrial Trade Policy and Promotion Expert and his assignments.

The Second Chapter explains the economic and trade situation in the Kingdom, and concentrates on foreign trade, the export system, export incentives and industrial policy and their effects on foreign trade. It deals also with national and foreign investment policy and subsidy policy. It deals with trade agreements and preferential arrangements beside the multilateral economic cooperation.

The Third Chapter deals with the Expert's performance and achievements and is divided into four stages:

- * The First stage during the previous project SAU/86/004 from October 1989 to June 1990.
- * The Second stage with the start of present project SAU/89/022 in July 1990 and ending in September 1991, when the first Tripartite Review Meeting was held on 30.09.1991.
- * The Third stage starting in October 1991 and ending in November 1992. The Second Tripartite Meeting was held on 14 December 1992.
- * The Fourth and the final stage starting from December 1992 and ending in August 1994. During this stage the in-depth evaluation was carried out in October 1993, also the Terminal Tripartite Meeting was held on 31 January 1994. This chapter ends with conclusions for all the four stages.

The report ends with the Fourth Chapter which include Findings and Recommendations in Export Policy, in Export Institutions and Export Promotion programmes and suggests options in institutions and programmes and proposes elements of future programmes.

Lastly comes the Report Annexes which the Expert prefers to divide into two parts in order not to disturb the reader so that the reader could refer to it whenever he likes.

CHAPTER ONE

- * The project - Brief description,
Concept and Objectives**
- * Duties of Export and International
Relations Departments**
- * Job-description of the Trade Policy
and Promotion Expert**

CHAPTER ONE

Project and Job Description

It would be useful to start this chapter by giving a summary about the project in which the Expert worked and to point out its 'conception, design and objectives,' and then explain the functions of the Export Department and the International Relations Department in order to point out the outputs which are mentioned in the project document and in the Expert's job-description.

Brief Description of the Project SAU/89/022:

1. This project is a follow-up of SAU/89/004, Industrial Advisory Services to MIE and to assist the MIE in: investment project identification and promotion; industrial policy analysis; development and operation of computerised industrial information system (DOIIS) and industrial trade and export promotion. The project will focus on both direct support and institution building.
2. The design of the technical assistance programme that looks out into the Fifth Plan period has taken into account the structural adjustment that the Saudi economy is undergoing and will probably continue to undergo in the next five years. The needs for industry would be to raise its managerial efficiency, reduce the unit costs, improve its marketing ability, and open up export markets in order to utilize its idle capacity and lighten its financial burden.

Training of staff should be a continuous process. Besides training on the job, bright candidates among the Export and International Relations Departments had the opportunity to go on short-term fellowships abroad to attend training programme.

3. Growth of manufacturing is considered essential for the achievement of Saudi Arabia's strategic economic objectives of diversifications and transfer of technology. The strategy of the Fifth Plan is to implement structural change through encouraging higher growth rates in industry. The plan designates the high priority growth sectors as petrochemicals, manufacturing and oil refining. The government strategy for development of the manufacturing sector is to promote and encourage the private sector both local and foreign, to invest in industry by providing a package of attractive incentives which include: soft loans; tax exemptions on profits; duty exemptions on imports of machinery and on raw materials; land and utilities in well developed industrial estates at concessional rates.

Private manufacturing sectors are facing new challenges to improve their operational efficiency to seek export markets. This require new approaches and policy initiatives from the government.

Development Objectives

4. The overall development objective of the Kingdom is to accelerate the structural change and diversification of the economy by the development and growth of the non-oil producing sectors mainly industry, so as to lessen its dependence on oil.

The development plan has also highlighted the expansion of industrial exports, the increase in private sector investments and the improvement in operational efficiency of the investments, already made in the manufacturing sector. The project's immediate objectives are related to the attainment of the above mentioned objectives.

Project Objectives

There are two immediate objectives:

1. To strengthen the capacity of the Industrial Affairs Agency (IAA) of the Ministry of Industry and Electricity.
2. Direct support of advisory services to senior officials of IAA; so as to enable the IAA to effectively discharge its functions and to enhance its central role in carrying out the industrial development programmes and policies of the Kingdom.

The project, while upgrading the capacity of the Departments of the IAA, will also provide direct advisory services to the Export and International Relations Departments of the IAA for the activities mentioned below.

However, with time, as more skills are being acquired by counterparts, the need for direct support will diminish and more emphasis will be on institution building than in the past.

5. The Industrial Affairs Agency (IAA) is the focal point of the MIE which co-ordinates and administers the industrial development policies and programmes, and creates the necessary framework for development. The active and important departments related to the assignment of the Expert are as follows:

- * Export Department
- * International Relations Department
- * Investment Promotion Unit
- * Industrial Planning Committee

The Expert had participated with modest effort in upgrading the efficiency of these departments as indicated in the following Table:

6. The following table indicates the functions and tasks of both the Export and International Relations Departments and their capacity in the specific tasks at the beginning of the project compared to their capacity at the end of expert's assignment.

Functions/Tasks	Organizational Capacity to Specific Tasks	
	At the beginning of the Project	At the end of the Project
1. Monitor export performance of non-oil sector and develop a system of analysis and interpreting trade data	Have some capacity, needs improvement	Have good capacity to do the job
2. Review present export promotion measures and formulate export promotion policy and strategy	Limited capacity	Now have reasonable capacity
3. Review bi-lateral trade agreements and participate in government negotiations	Have some capacity, needs improvement	Now have capacity to do their tasks
4. Review and negotiate participation in GSTP. Trade preferences among Islamic Countries, accession to GATT membership, and other work relating to international trade promotion organization as ITC.	Very limited capacity	Have suitable capacity for this job
5. Provide necessary technical support for Ministry's participation in GCC-EEC negotiations and other GCC trade negotiations	Limited capacity	Now have good capacity
6. Identification of potential markets for promotion of Saudi export development and relevant information of such markets.*	very limited capacity	Now have reasonable capacity but need improvement

* The expert advised the Export Dept. to get the software programme SMART and TRAINS from UNCTAD or from MFA

7. According to the project document, the direct objectives one and two include the output No. 7 and 8 and output No. 6 from objective two and the activities related to them are within Expert's domain.

Immediate Objective (I)

8. Institution Building: to enable the national staff to carry out the following functions independently at the end of the project for the Export and the International Relations Departments.
 - * Developing a system of analysis and interpretation of trade data to monitor export performance.
 - * Reviewing bi-lateral trade agreements and related negotiations.
 - * Reviewing and negotiating for the participation in GSTP, trade preferences among Islamic countries and accession to GATT membership.

Output (7)

9. Regular reports on industrial export performance and review reports on the main bi-lateral trade agreements entered into by the Kingdom with necessary recommendations.

Activities completed during 1990-92.

- * Activity 1 - Collect, process and interpret the trade data on the Kingdom's industrial sector and prepare regular reports.
- * Activity 2 - Review prevailing trade agreements.

Output (8)

10. Review reports on negotiations for the participation in G.S.T.P, trade preferences among Islamic Countries and accession to GATT.

- * Activity 1 - Review the framework of the GSTP, agreement on trade preferences among Islamic Countries and GATT.
- * Activity 2 - Analyse the advantages and disadvantages of participation in the multi-lateral agreements and assist government's participation in such negotiations.

Immediate Objective (II)

11. Direct support: advisory services to senior officials to enable them to decide on policy matters and development of a framework for an effective trade policy along with the required regulations and incentives to promote industrial export.

Output (6)

12. Proposed framework for Export Policy and Export Regulations and other related measures to promote the exports of Saudi manufactured products. Activities to be completed during the project period:

- * Activity 1 - Review and advice on the export promotional measures being developed by Saudi Export Development Center of the Council of the Saudi Chambers of Commerce and Industry and the Ministry of Commerce.
- * Activity 2 - Identify potential markets for specific Saudi products taking into account the prevailing tariff and non-tariff measures in these countries.
- * Activity 3 - Conduct regular meetings with major exporting companies to ascertain obstacles and problems encountered in export activity.

Situation at the beginning of the Project

13. The main shortcoming in the IAA of the MIE to effectively perform its central role of promoting industrial development programmes and policies was the limitation in institutional capacity in relation to some of the important tasks of the IAA as trade policy analysis and promotion of industrial exports.

The present situation

14. The Expert was able to strengthen most of the capacity limitations of the IAA and meet other shortcomings described in the table above in foreign trade (Export) sector and the International Relations Sector.

Through the achievement of the outputs of immediate objective one, in Institution Building which includes training of the counterparts, the other Saudi personnel were able to strengthen most of the capacity limitations in the Export and International Relations Departments. This strengthened and upgraded the capacity of these two departments in the important work areas specially, in reviewing trade agreements and promoting industrial exports and in preparing a comprehensive framework for development of trade policy and for promotion of industrial exports.

Job-Description of Trade Policy and Promotion Expert

15. The attached annex indicates the Job-description of the Trade Policy and Promotion Expert in both projects i.e SAU/86/004 and SAU/89/022. (please see pages 2,3,4,5,6 and 7 of Annex 1.).

CHAPTER TWO

Economic and Trade Situation in Saudi Arabia

- Introduction
- The Present Economic Situation
- Foreign Trade
 - * Export Systems and Regulations
 - * Export Incentives
 - * Industrial Policy Effecting Foreign Trade
 - * National and Foreign Investment Policy
 - * Subsidy Policy
 - * Trade Agreements and Preferential Arrangements
 - * Multilateral Economic Cooperation

CHAPTER TWO

Economic and Trade Situation in Saudi Arabia

Introduction

16. Over the last twenty five years, the Kingdom of Saudi Arabia has transformed itself to a modern state at a rate unmatched almost anywhere in the world. Islamic values have been stressed, as reflected in the government's preference for a free market economy and the support for private sector participation in the development process. At the same time government initiatives have been utilized to influence economic activity when necessary, in order to protect the interest of the individual and society.
17. The economic development of the Kingdom has largely depended on the utilization of its large oil and gas reserves. Saudi Arabia is currently the largest producer of oil in the world and one of the world's largest producers of natural gas. The availability of these resources has given rise to an economy typical of oil-rich developing countries. It is characterized by a major concentration of exports on a single product and a high propensity to import. However, the Kingdom is aware that dependency on a depleting resource can be unhealthy and has made a strong effort to prepare for the future by encouraging diversification of its economy.
18. Since 1971, Saudi Arabia has adopted a system of comprehensive planning for economic and social development, based on Islamic values and principles to guide development in a coordinated and balanced direction. The First and Second Five Year Plans stressed the construction of a modern infrastructure, the improvement of government services, and the development of human resources. The Third and Fourth Five Year Plans emphasized the diversification of the economy and improvement in health, education, training and other social services. The achievements of the past two decades have been impressive. Non-oil GDP has increased five-folds. Infant mortality rates have dropped by over 75 percent and the ratio of physicians per person has improved by more than 90 percent.
19. Saudi Arabia has also made great strides in its trade with other nations of the world. Among the developing countries, it ranks sixth in the world in the value of traded goods, although a large proportion is accounted for by petroleum exports. Of the top forty trading countries in the world Saudi Arabia ranked sixth in the growth of trade during the period 1977-1992.
20. The Kingdom maintains one of the least restrictive exchange and trade systems in the world. It maintains no exchange restrictions and does not impose trade restrictions for balance of payments reasons. Trade restrictions are limited to religious, health and security reasons.

21. The country is the world's largest producer and exporter of oil. Production of crude oil in Saudi Arabia has averaged about eight million barrels per day over the past few years, compared to a world total of about 67 million barrels per day. The Kingdom holds over 250 billion barrels of recoverable reserves of oil, roughly one quarter of the world total.
22. Saudi Arabia is heavily dependent on oil exports for its economic well-being. Thus it is similar to many other developing countries whose economies depend primarily on economic conditions in export markets, particularly in the markets of the industrialized countries. As is the case in most developing countries, Saudi Arabia has attempted to promote growth in its industrial sector but it still remains a small part of the economy, at 4.5 percent of GDP in 1991.

Since 1970, the Kingdom of Saudi Arabia has adopted a series of five year plans to guide the economic and social development of the country. These plans integrate the development actions of the government with the dynamism of the private sector, in a free market economy, under the umbrella of Islamic values. Each plan has been designed in accordance with the respective capabilities of the government and of the private sector, and the evolving maturity of the economy.

23. In addition to the underlying objectives of the preservation of Islamic values and the provision of natural security, there are a number of other broad goals that the five-year plans aspire to achieve. These include diversifications of the economy, improvement of living standards, regional development within the Kingdom strengthening the role of the private sector, broadening the linkages between the Kingdom and other nations, development and sustenance of the physical infrastructure, and development of human resources. The main focus of the current, or Fifth Five Year Plan is the acceleration of the process of economic diversification with the ultimate goal of having a fully developed economy. While oil will continue to be a vital part of the Saudi economy for a long time the goal is to use petroleum as a resource for diversified industrial growth and reducing the country's dependence on the world oil market. The rapid growth of the Saudi population also necessitates the establishment of a diversified economy capable of sustaining a relatively high standard of living for a population which is projected to more than double in the next twenty years.

Saudi Arabia believes that diversification of its economy can only be achieved through much broader private sector participation in the economy. The private sector has already begun to pursue a wide range of business opportunities unrelated to government expenditures and this trend is expected to accelerate production and marketing capabilities, thus further strengthening the competitive atmosphere. Institutional support for private sector-led growth and diversification will be provided by the government, through rapid development of the Kingdom's banking and financial

sectors, financial markets, as well as by providing a wide range of business services.

(A) Current Economic Situation

24. Saudi Arabia's gross domestic product is estimated to have increased by 2.9 percent in 1992 to a total of about \$119 billion, and GDP per capita was roughly US \$7,100. The oil and non-oil sectors registered increase of 4.4 percent and 2.2 percent, respectively. Within the non-oil sector the private sector rose by 2.1 percent and the government sector by 2.2 percent. The oil sector continues to play a central role in Saudi Arabia's economy. In current prices, it accounted for almost 38 percent of the country's economic output in 1990. Furthermore, during the period of 1986-1990, the value of crude oil and petroleum product exports accounted for an average of 68 percent and 19 percent of the total value of exports, respectively.
25. Saudi Arabia saw a large increase in oil output in 1990 and 1991 due to the need to compensate for the loss of Iraqi and Kuwaiti oil in world markets. As a result, real economic growth jumped to 10.7 percent in 1991. Economic growth tapered off to 2.9% in 1992 with the gross domestic product totalling about \$119 billion.
26. The national budget for 1994 projects revenues and expenditures at SR160 billion, or about \$43 billion. Spending will be cut by 20 percent from the 1993 budgeted levels due to the impact of falling oil prices on the Kingdom's revenues. In 1993 the budget set spending at SR196.95 billion and revenues at 169.15 billion, leaving a deficit of SR27.8 billion.

(For further information please refer to Annexes).

(B) Foreign Trade

27. Foreign trade plays a central role in the Saudi Arabian economy. During the period 1981-1991, exports averaged approximately 44 percent of GDP. In addition, receipts derived from oil exports represent over 80 percent of total government receipts during the 1981-1991 period.
28. Exports largely consist of crude oil and its derivatives. In 1992, total exports amounted to \$47 billion while oil (crude and product except for bunker) exports totalled \$43 billion. Of the non-oil exports, petrochemicals generally hold two-thirds share. The other one-third is composed of base metals, agricultural products, and miscellaneous products.
29. Industrialized nations are the most important markets for Saudi Arabia's exports. In 1991, the United States purchased the largest share of Saudi exports, 23 percent, and Japan the second largest, 16 percent. The newly industrialized countries of East Asia are becoming an increasingly important destination for Saudi goods with Korea and Singapore being the fourth and fifth largest importers of Saudi goods,

respectively. The Gulf Cooperation Council States, as a whole, are the largest importers of Saudi non-oil exports.

30. Saudi Arabia imports a wide variety of goods. The two largest categories of imports in 1992, transportation equipment and machinery and electrical equipment, made up 45 percent of all imports. Other categories of import of significance are base metals, textiles, chemicals and food items. Imports have increased rapidly in the past several years, rising from \$19 billion in 1989 to \$30 billion in 1992. The most important sources of imports are the OECD countries with U.S. Japan, and the United Kingdom comprising the top three spots, respectively, in 1992. The OECD as a whole was the source of 80 percent of Saudi Arabia's imports in 1992.
31. The Kingdom had a positive merchandise trade balance for a number of years. During the 1980's the balance fell from over \$82 billion in 1981 to 3.1 billion in 1986. In 1992, the balance was roughly \$16.8 billion, a decline of about \$5 billion from 1991. Offsetting the positive trade balance has been a negative "services trade and transfers" balance. The deficit in services and transfers amounted to almost \$38 billion in 1991. As a result of the negative balance in services and transfers being larger than the positive balance in merchandise trade, Saudi Arabia has run a current account deficit since 1983.

(C) Export Regulations

32. Saudi Arabia uses the Harmonized System for classification of exports, as for imports. Except for one item, there are no export duties. The only item subject to an export tariff is untanned hides and skins. The duty is SR2000 per ton.

33. Export Licensing System

Export of certain items is restricted to preserve the culture and wildlife of the Kingdom of Saudi Arabia. Export of all non-farm animals and birds must be approved by the Wildlife Protection Commission. Also archeological artifacts and certain antiquities can only be exported after receiving permission from the Department of Antiquities at the Ministry of Education.

34. The Saudi Arabian government exercises some restrictions on exports. These controls prevent goods that are benefiting from domestic subsidies from leaving the Kingdom, thereby protecting the national treasury and precluding anti-dumping actions by foreign countries. Examples of prohibited exports are livestock (except to GCC states), baby formula, medicines, poultry and animal fodder. Some export items are subject to special export permits. Wheat exports have to be approved by the Grain Silos and Flour Mills Organization. Exports of petroleum derivatives, except lubricating oils and certain types of asphalt, have to be approved by the Ministry of Petroleum. Agricultural tools and equipment can only be exported with the permission of the Saudi Agricultural Bank.

(D) Export Incentives, Including Subsidies

35. The Kingdom of Saudi Arabia seeks to promote exports without giving direct subsidies. While the Kingdom has no national export credit agency, it does participate in three regional export credit programs which are intended to minimize the risk of non-payment to exporters. The following are the programmes offered by the Islamic Development Bank, The Inter-Arab Investment Guarantee Corporation, and the Arab Monetary Fund.
36. Saudi Arabia does not use any export subsidies.

E) Industrial Policy

37. The Kingdom's industrial policy focuses on encouraging and expanding the manufacturing and natural resource-based industries. The policy encourages industries which can effectively substitute imports and encourage export-oriented industries and offers incentives to economically-feasible industries. In addition to providing assistance for establishments which are wholly owned by the private sector, the government offers the private sector the opportunity to have an equity share in large-scale industrial projects which the private sector may not be able to handle alone. Furthermore, the government welcomes the inflow of foreign capital and expertise into the Kingdom's industrial sector, and invites them to cooperate with Saudi businessmen to establish industrial development projects.
38. The Saudi Industrial Development Fund (SIDF), established in 1974, plays a central role in the support of industrial development in the Kingdom. This support comes through the provision of soft loans to industrial establishments, both wholly domestic and joint ventures, to assist them in establishing or expanding industrial projects and also providing them with advisory services in various areas. From its inception through the end of 1992, the SIDF has approved loans worth SR21.7 billion for 1216 industrial projects, of which joint ventures accounted for loans worth SR8.7 billion for 388 projects.
39. Also, important to the support of industrial development is the law for the protection and encouragement of national industry. The law allows for exemption from customs duties on certain goods which are imported for qualified industrial establishments (infant industries). Other measures may be taken to assist infant industries such as the imposition of protective tariffs on similar foreign imports, and the provision of various financial aids to the qualifying industrial establishments.
40. The Royal Commission for Jubail and Yanbu has also played a significant role in enhancing industrial development within Saudi Arabia. Established by a Royal Decree in 1975, The Royal Commission was created as an engine for industrial development in the East and West of the Kingdom. Its duties and objectives include, among other things, the construction

of state-of-the-art infrastructure, development of basic industries, development of secondary industries, and protection of the environment.

41. The currency of Saudi Arabia is the Saudi Arabian Riyal. Its intervention currency is the U.S. Dollar and the rate against the Riyal, currently is Saudi Riyals 3.745 per US \$ 1, is determined by the Saudi Arabian Monetary Agency. There are no taxes or subsidies on purchases or sales of foreign exchange. The Kingdom formally accepts the obligation of Article VIII Sections 2,3 and 4 of the International Monetary Fund Agreement. No exchange control requirements are imposed on capital receipts or payments by residents or non-residents.

Foreign and Domestic Investment Policy

42. The government of Saudi Arabia encourages foreign capital to invest in the Kingdom in order to support the inflow of technology and expertise. Foreign investment is governed by Foreign Capital Investment Regulations and enjoys national treatment. There are no trade-related requirements attached to foreign investments.
43. SABIC, incorporated pursuant to a Royal Decree in 1976, is a joint-stock corporation owned 70 percent by the government and 30 percent by nationals of Saudi Arabia and other Gulf cooperation Council States. The objectives of SABIC include, among other things, the setting up of petrochemical, fertilizer, iron and steel, aluminium and other hydrocarbon based industries and the marketing of the products of these industries inside and outside the Kingdom of Saudi Arabia. Goods-producing companies which are owned in excess of 50 percent by SABIC include Arabian Petrochemical Company, Saudi Iron and Steel Rolling Company, National Chemical Fertilizer Company and National Industrial Gases Company. Although majority owned by the government, SABIC is run like a private company with a board of directors chaired by the Minister of Industry and Electricity.

(F) Subsidy Policy

44. The use of direct and indirect subsidies in the Kingdom has four main functions. First, to protect citizens, particularly the poor, from fluctuations in the price of basic foods and essential items. Second, as a mechanism for distributing the benefits of the country's wealth. Third, to assist destitute, families with special needs, students, and other deserving groups. Fourth, to assist in diversifying the country's economic base and to promote a greater domestic food supply.

(g) Preferential Trade Agreements or other Special Trade Arrangements and Agreements.

45. Saudi Arabia has been an active participant in various trading arrangements with the objective of removing

impediments to trade and bolstering the Kingdom's economic development. The two major arrangements involve the Gulf Cooperation Council (GCC) and the Arab League.

The most important international trade arrangement which Saudi Arabia participates in is the Gulf Cooperation Council's free trade area. The Gulf Cooperation Council was formed in 1981, by the leaders of Saudi Arabia, Kuwait, Qatar, Bahrain, Oman and United Arab Emirates to coordinate policies among the States in all fields, including economic and financial affairs, commerce and customs. Accordingly, the members have spent much time on the rationalization and unification of the various customs regimes, the development of joint ventures, and the coordination of external trade policies.

In 1983, the Gulf Cooperation Council States established a free trade area. Goods originating in member states are allowed duty-free entry, provided that at least 40 percent of the value added in each case is effected in a member state.

46. Saudi Arabia is also one of the member states of the Arab League, an organization which has agreed to work towards creating an Arab Common Market. With a view to achieve this objective, member states have concluded trade and tariff conventions. The Kingdom has played an active part in this programme, concluded trade and tariff conventions with other countries of the Arab League. The conventions provide either for complete removal of tariffs between member states or for reduction of tariffs on goods exchanged among member countries of the League. The purpose of these agreements is to facilitate and promote trade among members of the Arab League and not to create obstacles to the trade of other countries.
47. The Kingdom also maintains bilateral economic and technical agreements with a number of non-Arab countries. These agreements generally cover specialized aspects of the economic relationship and do not offer preferential treatment for imports or exports.

H) Multilateral Economic Cooperation, Membership in Multilateral Economic Organizations

48. Saudi Arabia is a member of several multilateral economic organizations, which, among other things, promote increased trade among members through cooperation and reduction of trade barriers. These institutions include the Arab Monetary Fund, the Arab Fund for Economic and Social Development, the Islamic Development Bank, the International Bank for Reconstruction and Development (World Bank), and the International Monetary Fund.

CHAPTER THREE

Performance and Achievements

Tasks and Reports

- * First stage from October 1989 to June 1990
- * Second stage from July 1990 to September 1991
- * Third stage from October 1991 to November 1992
- * Fourth stage from December 1992 to August 1994

CHAPTER THREE

Performance and Achievements

49. The Expert would like to refer to the Report of Evaluation Mission, dated 14 January 1994, and quote the following:

* Under the project results p. 2, "only 4 of the 14 outputs specified in the project documents have been completed and the only area which appears to have been significant impact on policy is that of foreign trade."

* Under outputs p. 12 "in respect of each of the broad areas of policy/institution building referred to in the terms of reference (development of trade policy; training of Saudi nationals in the MIE and shifting from direct support to capacity building) the only one where the project seems to have made a substantial impact is that of trade policy development."

* Under on-the-job training:

"Export Department

- Preparation of reports on industrial export performance
- Appraisal of bilateral trade agreements
- Appraisal of benefits of Saudi membership of GATT etc.
- Study on chemical and plastics export potential
- Preparation for negotiation between GCC and other trading blocks.

International Relations Dept. - Bilateral and Multilateral economic cooperation and trade agreements.

In most cases there has been only one beneficiary among Industrial Affairs Agency (IAA), staff from each of these experiences (usually the head of the department concerned, although in the case of the training affecting the Export and International Relations Departments three to four people were involved in each case)."

* Under Findings p. 20, quality of direct support services provided. "This appears to have been largely satisfactory, particularly in respect of trade policy development."

* Under positive and negative influences p. 20 "the main reason for the relative success in area of trade policy development is that (a) this is a more or less discrete activity within one department (Export Promotion) which could be carried on independently of data or other inputs

from other departments (b) the expert concerned is Arabic speaking and has been less called on to undertake Ad Hoc support services outside the department and (c) was not involved in the activities of the project regarding computerization."

* Under counterpart staff p. 22, "certain capabilities have been upgraded, mainly on foreign trade, bilateral and multilateral economic agreements and foreign investment."

The Expert would like also to refer to report of the Terminal Tripartite Review Meeting for the project SAU/89/022, Industrial Development Support Services held on 31 January 1994, at the MIE, page 8, para 5, and quote "At this stage H.E. Mr. Al-Khafra, Deputy Minister of Industrial Affairs, commended the overall work carried out by Dr. H.K. Hassanein and the excellent papers on Trade Preferences among the Islamic countries."

No doubt, the above quotations from the report of evaluation mission and the report of the Terminal Tripartite Review Meeting are self-explanatory and need no comment.

We may, now, review the Expert's performance and achievements since he arrived to the Kingdom in October 1989 to present. This period could be divided into four stages which are as follows:

The First Stage

50. This stage started from October 1989 to June 1990. It was the period the expert spent in the previous project SAU/86/004. The Expert's task was concentrated during that period in preparing papers and reports related to the development of Saudi industrial exports. The Expert prepared a list of these reports in separate Annexes according to the stages they were prepared.
51. At the beginning, the Expert wrote a paper about "the importance for Saudi Arabia to join GATT." At that time there was a hesitation from the MIE to join the GATT because of the impact of the General Agreement on Saudi infant industry. But now the Kingdom has taken its decision to join the GATT and applied for the full membership to General Agreement.
52. The Expert prepared many papers about the General System of Preferences (GSP); the Global System of Trade Preferences (GSTP) and the Islamic countries trade preferences etc. At the start most of the Saudi exporters knew little about these systems but now they know a lot about it and are benefiting from them, to develop their export to these countries.
53. The Expert wrote many papers on the prospects for EEC-GCC trade relations and working papers for trade negotiations between GCC/EEC. Even though some difficulties were faced between both sides due to carbon tax and sensitive products

but still the dialogue is going on. The Expert took part in the study of cost benefit which was prepared by the Ministry on the same subject.

54. The Expert prepared a comparative study on "export incentive schemes in the newly industrialized and developing countries and its application to Saudi Arabia."
55. Then the Expert also dealt with economic and trade agreements and prepared a report on "Analysis of Economic and Trade Agreements between Saudi Arabia and Arab countries and its Role in Promotion of the Saudi Industrial Exports."
56. The Expert presented a study on "Counter Trade and the Development of Saudi Industrial Exports."
57. The Expert reviewed and analyzed the four ITC studies on Export Promotion, Financing Export, Training and Trading Houses which has been used by the Ministry of Commerce.

The Second Stage

58. This stage began with the start of the present project "Industrial Development Support Services" in July 1990, and ended in September 1991, i.e when the first Tripartite Review Meeting took place on 30.9.1991.

During that period the Gulf crisis started (2.8.1990) and lasted till March 1991. According to U.N. instructions all Experts were evacuated except the Expert as he stayed all the time in Riyadh upon the request of the UNDP and MIE. During this period the Expert prepared many reports and papers of great importance which are as follows:

59. Reports on the Economic Cooperation and Agreement between Saudi Arabia and other countries as with China and Canada on the occasion of holding the Sixth Session of Joint Economic Committee in October 1990. The Expert took part in preparing the Joint Saudi-Swiss Committee headed by H.E. the Minister; Also, Expert proposed an agenda for negotiation with Turkey.
60. The Expert wrote a paper on "Economic Impact of the Gulf War on the Kingdom," and another paper on "Acceleration of Industrialization in Saudi Arabia" and a third paper on "The Role of Japan in Post-war Gulf Stability."
61. The Expert prepared "Draft directives (mandate) for negotiation of a free trade agreement between EEC/GCC." He reviewed and gave his comments on studies prepared by other sources on the relationship between GCC countries and EEC and also on the study done by the Ministry of Finance and National Economy on "Cost and Benefit of a Free Trade Agreement between GCC/ECC."

62. The Expert prepared a study on "reviewing the present bilateral economic and trade agreements between Saudi Arabia and other countries and proposed a policy for evolving a framework for such agreements in the future."
63. The Expert prepared a paper on "Uruguay Round and the Multilateral Trade Negotiations and its Impact on the Kingdom." Another report on "Economic Situation of USSR and its Relation with Kingdom." The Expert also reviewed and made comments on report "Europe in 1990's: Challenges and Opportunities" by D.J. Sears. He also commented on "Proposed Common Working Plan" of the OIC/COMEC of the Organization of Islamic Conference.
64. The Expert wrote a policy paper on the proposed policy measures, to deal with dumping in the Kingdom, he also reviewed and commented on "Anti-dumping and Cartels in Chemical Industries," a World Bank paper.
65. The Expert prepared a paper on "guidelines on preparing regular reports on Saudi Industrial Export Performance," also prepared a proto-type report on Saudi Industrial Exports Performance during first half of 1990 being a guide for the Export Dept. to prepare similar reports on a regular basis.
66. Evaluation and comments on the study done by First Washington Associates on "Export Financing Credit and Insurance in Saudi Arabia." Evaluation and assessment of draft treaty to establish the "Islamic Corporation for Insurance on Export Credits and Investment Guarantee." Comments on UNDP proposed regional project on "Regional Trade Information Net-work Project."
67. Proposals to undertake a market study for developing the Kingdom's export of paper products. Unfortunately it was decided to change it to chemical and plastic products which resulted in the decrease of paper exports in 1993, to SR 138 million. Please see page 16 of the Annex 2.
68. The Expert prepared papers on "Counter Trade and Development of Kingdom's Industrial Exports and commented on the new system of back-to-back deals in Egypt, allowing the private sector to indicate and conclude such deals." He also prepared a paper proposing Drawback and Temporary Admission Custom Systems as a means to develop the Kingdom's industrial exports. He reviewed and commented on a report done by the Saudi Consulting House on Markets of Saudi neighbouring countries, such as: Egypt - Syria Iraq - Sudan - Yemen - Jordan - Turkey.
69. The Expert wrote a working paper on "proposed reorganization and functions of International Relations Department of MIE."

70. The Expert Reviewed and commented on the World Bank Report, 1991, particularly focussing the Saudi Arabian development issue. The Expert also prepared a report on the "Generalized System Preferences" and another paper on Japan's scheme in the GSP in 1991.

The Third Stage

71. This stage started in October 1991 and ended in November 1992. The Second Tripartite Review Meeting was held on 14 December 1992, during this period the Expert prepared many reports and papers. They were summarized according to their subjects as follows:

(A) Trade Agreements and Trade Policy Issues:

72. Working paper on the "EEC new Mandate to conclude a free trade agreement with GCC countries;" another paper on "EEC Mandate, between the New and the Old," comparison and analysis; working paper on the costs and benefits of GCC-EEC free trade agreement according to European new mandate; report on the GCC tariff revenues and the GCC-EEC free trade agreement and its impact on Saudi tariff revenue; review and comments on SCH report on the new EEC mandate; review and comments on SABIC report on the new EEC mandate. Also, prepared a working paper for the working group for industrial cooperation; and preparation for the "second industrial conference which was held in Doha."
73. The Expert prepared a policy paper on "the economic relation between the Arab countries and EEC; and a report on the most-favoured nation treatment principle and its impact on the Kingdom if included into the proposed economic and trade agreement with China; report on the technical barriers to trade agreement and the advantages the Kingdom could get of its membership in GATT."

(B) Promotion of Industrial Exports and Export Policy:

74. Report on industrial policy in developing countries, considering the real sources of export-led growth; working paper on the role of the government organizations in export promotion, on the occasion of export promotion conference held in Jeddah Chamber of Commerce and Industry; a paper on the international terms of trade and the Kingdom; a paper on rules of origin and value added extent in EEC internal market. The Expert prepared a report on the new Islamic Republics of CIS, particularly on the aspects of development of trade and economic relations; a proposal for a consultancy study by ITC or UNCTAD on the prospects for development of trade between Kingdom and the Islamic Republics of CIS and formulating the TOR of the study; proposal for a market study to promote the Kingdom's export of chemicals and plastics. A field study was done by Export Dept. with the participation of Export Development Center, the aim of which was to train the personnel in Department

and the Center for these kind of studies; working paper recommending the organizational structure and separation of functions between the Export Dept. and International Relations Dept. in MIE.

(C) Investment Promotion

75. The Expert prepared a number of papers for the first Saudi industrial investor seminar held in Yanbu 21-22 April 1992. These papers included: address by Deputy Minister; summary and comments on the working paper "strategy and policies of industrial development in the Kingdom." Working paper on "Saudi market in nineties seminar" organized by Jeddah Chamber of Commerce and Industries; documentation on opening address by H.E. the Minister and H.E. the Deputy Minister at the conference arranged by SCH on "raising the productivity of the food industries."

(D) Special Assignments and Studies requested by MIE Senior Staff

76. The Expert prepared the documentation for Saudi-Indian Joint Commission Meetings including address of H.E. the Minister. Documentation on the Sixth Saudi-Japanese Joint Commission held in Tokyo, June 92; a paper on the importance of Bosnia and Hercegovania on the occasion of the recent development and its Islamic nature; also a paper on the GCC main economic indicators comparative study by getting the information from the World Bank Annual Report; revision and amendments on the Industrial Survey Report of 1410 H; Review and comments on the information related to Saudi Arabia in World Bank Report 1991; draft address to the Deputy Minister on the "Tubes and Pipes Industry in Saudi Arabia," seminar held on 16.2.92 at SCH; paper on "when Saudi industry shall move from assembly stage to full manufacturing?" to be published in a newspaper.
77. Answers on questions to be published about the achievements of 5th Industrial Plan and Industrial Cooperation within the GCC countries; review of publication on second edition of the Ministry book "Industry and Electricity: Progress and Achievement;" review and comments on the draft booklet of SCH on the "Industrial and Economic Indicators in the Kingdom;" review and comments on paper "Global Economic Prospects and the Developing Countries;" working paper to H.E. Deputy Minister, discussed in the open dialogue, held at the Eastern Chamber of Commerce and Industry, Dammam on 14th Ramadhan 1412 H. on "The Cooperation between the Industrialists and Newsmen;" review and comments on a U.S report on GCC Trade Policies and Systems, "The White Paper."
78. The Expert prepared a report on, "The Recent Changes on the World Economic and Political Situation and their Effect on the Kingdom and GCC countries." H.E. the Minister showed interest in this report and discussed personally with the Expert. The Expert wrote a comment on the report "Towards an Arab Strategy to Confront the Economic Unification of Europe 1992" done by Jeddah Chamber of Commerce and

Industry; The Expert evaluated and commented on report done by Saudi Embassy in Tokyo on the "Recent International Changes and Japan."

(4) The Fourth Stage

79. This stage started in December 1992, and ended in August 1994. During that period an In-depth evaluation was done from 3-10 October 1993. The Final Evaluation Report was dated 14 January 1994. The Third Terminal Tripartite Review Meeting was held on 31 January 1994.

After the appraisal of the Expert work in Report of the Evaluation Committee and the Tripartite Meetings Agreed Minutes, there is no need to go into details of the Expert's performance and achievements.

During this period the Expert prepared many reports and papers. They were summarized according to the subjects as follows:

(A) Investment Promotion:

80. The Expert prepared report on Saudi-Egyptian Economic Relations for Saudi-Egyptian Businessmen Conference in Cairo, Oct. 1992; evaluation of proposed project for the manufacture of polyester textile with technical know-how from German Zimmer Co.; comments on a proposal for new licensing criteria to be applied by MIE to evaluate the projects before granting the license; documents to H.E. the Minister for presentation at the annual meeting with Saudi Economic Society, titled "Industry between Achievements and Future." Documentation to H.E. the Minister for presentation at symposium on "Investment" arranged by the Chamber of Commerce and Industry, Eastern Province, in collaboration with research institute of King Fahad University of Petroleum and Minerals; evaluation of the World Bank Report on strategies to "Develop the Small and Medium Industries in the Kingdom."

(B) Industry Planning

81. Review and comments on documents prepared by Planning Committee appointed by MIE for preparation of MIE component of Sixth Development Plan; comparison between the Fifth and Sixth Industrial Development Plan reports.

(C) Trade Agreements

82. Study on EEC scheme of GSP and Saudi Arabia and GCC trade with EEC; report on trade deficit between Kingdom and other GCC countries; comments on Ministry of Finance Report; review of Annual Reports on International Trade System by UNCTAD and GATT; World Trade System, report on the GATT and the Kingdom and other GCC countries; the Treaty of Maastricht and its impact on the Kingdom and GCC countries; three papers for the GCC negotiating team with EEC on the

proposed Free Trade Agreement including comments on papers prepared by Ministry of Finance and Ministry of Foreign Affairs.

83. Review and comments on eight proposed agreements and protocols represented by the Government of Kirghyza to the Kingdom. Comment was made also on the proposed draft agreement presented by the Ministry of Foreign Affairs; review and comments on EEC working paper on "Cooperation and Economic Development Policies with Developing Countries according to the International Changes after the Maastricht Treaty." Report on GCC-Japan commercial relation with special stress to Saudi-Japan relationship; review and comments on Ministry of Finance paper on GCC-EEC negotiation to conclude Free Trade Agreement; report on "Economic and Commercial Policies of the Kingdom," to be submitted to GATT on the occasion of Kingdom's accession to GATT.
84. Paper on "the Kingdom and the Generalized System of Preferences;" report on "The Kingdom and GSP schemes of Donor Countries;" review of the Austrian GSP scheme to clarify the benefits to Saudi Arabia; review and comments on the proposed Technical Cooperation Agreement between the Kingdom and Mexico.

(D) Promotion of Industrial Exports and Export Policy

85. Scope of study on the development of trade relation with CIS; review and comments of the feasibility study for establishing an Export Credit and Guarantee Facility for GCC countries; review of the draft report on the exports of plastic and chemical products based on a field survey by Export Promotion Dept. of MIE and Export Development Center; report on International Standardization Organization (ISO) 9000 and its effect on Saudi Industrial Exports.

(E) Special Agreements and Studies requested by MIE Senior Staff

86. Working paper presented by the Ministry at the symposium "Development of Technology - Present and Future" organized by King Abdul Aziz City for Science and Technology on 25-27 September 1993; comparative study of the MTBE production in NMC and proposed project of ARMCHEN; review of German offer to locate UNDP Organization Headquarters in Bonn; review and comments on proposed cooperation agreement between UNIDO and Arab League. Preparation of documents for use by International Relations Dept. regarding candidature of Mr. Ahmed Al-Tuwaijri as Kingdom's nominee for the post of UNIDO Director General.
87. Documentation relating to interview with H.E. the Minister by SEARCH magazine on aspects relating to industrial development in the Kingdom; Documentation relating to Saudi-Taiwan Joint Committee 12th Session. Answers to questions to be published in the leading magazine on the development of the Kingdom's industrial sector and export of manufactured products; proposals on the demarcation of functions between Computer Dept. and Statistics Dept. with

a proposed organizational structure; proposal on reorganization of the Export Dept. and International Dept. and the amalgamation of both departments as one unit. Review and comments on the draft of the second edition of the Ministry book titled "Industry and Electricity: Progress and Achievements."

88. Report about "On the Job Training" for Export and International Relations Depts.; analysis of financial statement that reflect the Kingdom's participation in the Industrial Development Fund up to 30.6.93; preparation of T.O.R and study scope which the World Bank is going to do for Ministry on "Industrial Export Promotion."
89. Review and comments on the draft report of the In-depth Evaluation of Project SAU/89/022; report on ways and means to develop Saudi industrial exports on the occasion of H.E. the Minister's invitation to high level personalities for a special meeting to discuss the subject.
90. Report on the meeting of collaborating organizations for the special programme for industrial development in Arab countries held in Rabat, June 1993; report on political and economic situation of Central Asian Republics of the former USSR and implications for the Kingdom and GCC countries; report on "EC-GCC countries trade in 1992 and GSP;" report on "the outlook for Russia and the implications for GCC." Review and comments on two studies prepared by "ERAS" the first on "GATT Treaty and the second on NAFTA Agreement and their implication for GCC."
91. Comments on TOR of a study on the "Relation between Energy and Environment" requested by GCC/EC negotiation team; review and comments on the proposed Economic Cooperation Agreement with Ukraine; report on the negotiation between GCC and USA held in Riyadh 16-17 January 1994; review and comment on the study "Iranian Market" prepared by SEDC and ITC.
92. Review and comments on the draft agreement between the Belgo-Luxemburg Economic Union and Saudi Arabia on the reciprocal Promotion and Protection of Investments; review and comments of UNDP report on development of private sector by development of "Business Incubator Centers."
93. Designing the TOR of the task assigned to a new committee formed by representatives of SABIC, SEDC, Saudi Export Company for Industrial Products and Export Department (MIE), to define the problems and barriers facing the accession of the Kingdom's exports to EEC markets and proposing the solutions to overcome these problems. Review and comments on the memorandum prepared by the Ministry of Finance and National Economy on Foreign Trade Regime to be forwarded to GATT on the occasion of the Kingdom's application for accession to GATT; preparation of the Eighth Meeting of the Joint Commission on Economic Cooperation between Saudi Arabia and Swiss Confederation held on 2-4 May 1994, including the draft Agreed Minutes; review and comments on

UNDP project for special technology enhancing strategies in the Arab States of Moderate Development; review and comments on the Royal Commission report on the impact of Uruguay Round Agreements on the chemical sectors of the Kingdom; the impact of EC/GSP revision on Saudi chemicals.

94. Formulating the Terms of Reference (scope of study) on the industrial cooperation between the Kingdom and Egypt to be done by UNIDO and SCH; review and comment of the draft document work plan to strengthen the economic cooperation between Islamic Conference Member Countries; report on Swiss Carbon Tax and its impact on oil demand and if it could be raised during the Joint Commission meetings.
95. Review and comments on the study titled "European Investment in GCC countries;" preparation for the Saudi-German Joint Commission including a speech on investment opportunities in Saudi Arabia; a memo on the international conference on "Privatization of Public Sector Activities" held in Stockholm September 1994; the white paper on the Saudi industrial sector and how Saudi industrial products are treated in USA markets.
96. Review and comments on Bilateral Investment Treaty (BIT) submitted by USA to GCC for the protection and encouragement of investment; review and comments on the proposals of the Export Development Center on how to finance its activities; review and comments on the EU report on the Role of the GSP (1995-2004) in the integration of developing countries in the International Trading System. Review and comments on the Terms of Reference of the study which will be assigned to "NCFIE" at the Ministry of Finance on "the difficulties facing trade exchange between Saudi Arabia and Morocco;" comments on UNIDO proposal to establish a Joint Committee with the Kingdom to follow-up UNIDO project in the Kingdom. Review and comments on the seminar which will be organized by European-Arab Studies Center in Paris in November 1994; answers on questions about the GATT and Kingdom to be published in "SEARCH" magazine in September 1994.

Conclusions

97. In the light of the original job assignments entrusted to the Expert and the tasks referred to him by the Ministry, we can safely assert that he could successfully shoulder all these responsibilities in a satisfactory way. We herein, can sum up the achievements as follows:
98. It is worthy to mention that the private sector industrial exports estimated at SR 2365 million in the year 1990, at the time when the Expert started his job, were nearly doubled to SR 4581 million in 1993. This represents an increase of 94% during the above mentioned four years. (Please refer to Annex 2, p. 16). In this regard, the Expert cannot claim that these achievements were wholly due to his efforts, since they, are in the first place, the fruits of the industrial development accomplished in the

Kingdom during the last two decades. Any how, the modest efforts of the Expert has a significant part to play in this regard.

99. The Expert has contributed significantly in the field of training and institution building. This matter has been acknowledged by the In-depth Evaluation Mission in its report regarding the two departments i.e. Export and International Relations in particular. We have to assert herein the fact that in most of the assignments entrusted to counterparts, the training has been practically performed on-the-job training (please refer list of the counterparts names Annex 4, p. 37).
100. The Ministry's activities and contributions in the sphere of international economic relations has increased noticeably in the field of joint commissions and trade negotiations with other countries and partners. The Ministry view points and attitude regarding the economic and trade agreements, drawing out the export policies of the industrial products and the trade priorities procedures had been constantly taken into proper consideration on the international arena. This undoubtedly reflects the high standards of efficiency fulfilled by the two departments, Export and International Relations as well as the Investment Promotion Unit. Each of these departments has turned out to be one of the most dynamic and competent units of the Ministry. The Expert cannot attribute all these achievements solely to his efforts, since they are, in first place, the culmination of the counterparts, cooperation and perseverance to achieve the aspired targets. Beside, we have to pay tribute to the project and the Ministry for their role in arranging training courses abroad and domestically. In this regard the Expert spared no time to present the know-how to the personnel in a very simplified and clear way.
101. The Expert has submitted two confidential reports to H.E. the Deputy Minister, on the meetings of the Tripartite Review Committee, on Sept. 30, 1991 and on December 14, 1992 respectively. These reports which included certain important remarks relevant to the project's performance evaluation, were highly recommended by the Ministry authorities and were instrumental in modifying some aspects of the project, and consequently attaining the approval to reform the In-depth Evaluation in October 1993.

In this report we have to refer to the report of the In-depth evaluation mission which highly lauded the Expert's performance and achievements, and to the positive attitude of the Ministry represented by H.E. the Deputy Minister who commended the Expert's work and performance during the Tripartite Review Meetings, which also repeatedly demanded the renewal of the Expert's contract for the last five years.

102. In conclusion the Expert has to acknowledge, out of self criticism, that he did not take the advantage of making field visits to the factories so as to be familiar with export problems. This part of the assignment which is stated in the Expert's job description has not been fulfilled due to health reasons and also due to certain governmental formalities. As a result, the Expert got all his information from Chambers of Commerce, Export Development Center and the Ministry's Export Dept.

Because of the lack of certain information, the Expert could not explore the potentialities of opening new markets to the Kingdom's most comparative products. Therefore, the Expert suggests and recommends that the Export Dept. has to procure the two programmes SMART and TRAINS issued by UNCTAD so as to update the data urgently required for pursuing the research studies of the foreign markets.

CHAPTER FOUR

Conclusions

Findings and Recommendations

- * Export Policy**
- * Institution and Export Promotion Programmes**
 - Governmental**
 - Private Sector**
- * Options for institutions and programmes**
- * Elements of the Proposed Programmes**

CHAPTER FOUR

Conclusions

Findings and Recommendations

103. The Expert was requested by the MOIE to assist in the development of a programme to increase exports of non-petroleum industrial products. He focussed on three areas: the policy environment facing exporters; the needs of export industries and an assessment support mechanisms serving them including recommendations to improve them; and the organization of export assistance institutions both within the government and private sector; with the view to make industrial exports a priority for long term economic development and diversification.

Export Policy Framework

104. With the long term goal of diversification of the economy from crude oil production and export, Saudi Arabia's industrialization programme concentrated on establishment of large-scale downstream processing of petroleum and natural gas and heavy industries utilizing energy resources, both with large scale direct public sector investments, and the development of a private sector industrial base with the provision of a series of incentives and support programmes. This stage of the industrial development is now almost complete. Most of the direct investments in downstream petroleum industries were intended from the start as world-class, large scale production units to supply global and domestic market requirements.
105. Most of the non-oil industrial development has not specifically targeted export markets, and the incentive programmes initiated to support industrial development do not include an explicit export orientation.
106. Industrial exports are still relatively small in relative importance to export of petroleum and its derivatives. However, they have been growing steadily. Approximately 25 percent of the 2000 licensed industrial firms are exporters. Outside of SABIC, very few firms export a major portion of their output, most export 10-15 percent, and they typically begin with sales to the GCC countries. For active exporters the main markets for expansion lie outside the GCC, and even outside wider regional Arab countries markets. As they enter these arenas, firms are faced with new challenges and very competitive markets.
107. This gradual expansion into export markets has been facilitated by a supportive policy environment and substantial incentives for industry. Although, these incentives are not targeted specifically at export-oriented investment, they provide the necessary framework of free access to inputs at international prices, a relatively open trade environment, open financial markets with an essentially convertible currency, and a lack of anti-export

biases in the incentive system. In addition, the financial and other incentive programmes provide low cost project finance, land and utilities combined with high quality infrastructure with nominal corporate taxes and a 10 year holiday for foreign investment. Thus, the overall incentive framework for industrial investment is attractive.

108. Limited measures have been taken by the government in explicit support of exports. Saudi Arabia has negotiated a series of bilateral trade agreements with other Arab countries, and has been the leader in pushing for free trade within the GCC. These trade agreements have proved valuable in the initial expansion by Saudi firms into regional markets. Other explicit support measures for exports include reductions in port fees and storage charges for export shipments, and favourable air cargo rates on export shipments by Saudia. In contrast to the major support programmes available for industry in general, these measures have so far played only a secondary role.
109. Financing for exports has been a recurring issue for the private sector. The development of specific export finance facilities does not match those provided by other countries with export promotion programmes, including Saudi Arabia's regional competitors. In particular, expansion into new markets and export finance requirements of smaller, less established companies appear to be problematic. There are three specialized programmes available through multilateral agencies, including the Inter-Arab Investment Guarantee Corporation, The Arab Trade Finance Programme of the Arab Monetary Fund, and the Longer-Term Trade Finance Facility of the Islamic Development Bank. These, taken together, provide limited facilities, they have constraints and have been under utilized. The lack of dedicated financing facilities is not a critical constraint in Saudi Arabia due to the strong capitalization of most companies. However, for exports to expand significantly some measures will need to be taken.
110. The general lack of anti-export biases in the economy means that major new incentive measures are not currently needed. There are, however, a number of measures which can be initiated to remove distortions which have developed and addressed export constraints. These include recommendations in the following areas:
 - * More aggressive negotiation, monitoring and promotion of international trade agreements.
 - * Priority to exports in policy and administration.
 - * Concentrated action on improving options for export finance.
 - * Improved options in transportation.
 - * Effective implementation of customs procedures related to exports.

Export Promotion Institutions and Programmes:

111. A number of areas were identified where support services can play a positive role in boosting non-oil industrial exports. In contrast to many other countries at an early stage of export expansion, Saudi companies in general have access to advanced technology and are producing to high quality standards. Their needs relate more to acquiring market information and export marketing expertise.

Public Sector Institutions and Programmes:

112. Public sector support programmes for export industries are currently shared among several ministries including the Ministry of Industry and Electricity (MOIE), the Ministry of Finance (MOF), the Ministry of Commerce (MOC) and the Ministry of Foreign Affairs (MOFA).

113. In MOIE, the Industrial Export Department, the International Relations Department, and the Foreign Capital Investment Bureau all play a role in international trade and investment.

114. The Department of Economic Cooperation in MOF has the overall responsibility for multilateral and bilateral agreements. Proposal for such agreements may originate from the partner country through the Ministry of Foreign Affairs and then to the Council of Ministers, who, in turn, establishes the agreement and appoints a committee to implement it. Different committees are appointed for each agreement, but the same Ministries are generally involved.

115. The Commerce Ministry's inputs into bilateral agreements are carried out by the International Relations Department and the Islamic and Arab Countries Relations Department. The Ministry maintains Commercial Attaches in eight export markets. These are located in the following major cities: Ankara, Beirut, Cairo, Geneva, Kuwait City, London, Singapore and Washington D.C. Plans are afoot to expand this network to the United Arab Emirates and China. A further function of the Ministry is to organize participation in overseas trade shows through the Department of Exhibitions. Less of this activity is now being carried out due to financial limitations, and the preference is for such work to be carried out by the Export Promotion Center within the Chamber of Commerce. The Ministry, however, continues to have approval authority over official foreign trade fair participation. The Ministry is also responsible for providing Certificate of Origin. This function, however, is in the process of being transferred to the Chambers of Commerce.

116. The Ministry of Foreign Affairs carries out two export-related functions: the development of bilateral agreements and representation of an economic/commercial nature in overseas embassies. Commercial representation overseas is limited and generally manned by officers from the Ministry of Commerce. Plans are underway to upgrade the status of the

economic representation overseas through training and the development of a trade information system designed to provide trade and economic information about any country, and which can be accessed on line.

Private Sector Institutions and Programmes:

117. The Chambers of Commerce and Industry are a powerful voice of the private sector and provide a range of support services to their members. Although many of their programmes touch on matters of international trade exporting, they do not provide tailored export marketing support services to their clients.

118. In 1986, the Council of Saudi Chambers of Commerce and Industry, the national coordinating body, with the support of government set up the Saudi Export Development Center. The Center was established in recognition of the fact that the established services of the Chambers of Commerce and Industry did not adequately address the detailed needs of exporting companies, and no focal point institution existed either within or without government for this activity.

119. The Center is mainly funded by the Council of Saudi Chambers and Industry, with voluntary supplements contributions from a number of major exporters. Given the budget at its disposal, the Center has made an impressive start in providing companies with the necessary export promotion support. The Center has an operating budget of SR 3 million in 1994. Within these resource constraints, the Center operates three programmes which share equally the program budget. These are:

- * Trade Fairs and Exhibitions
- * Market Studies
- * Information Service/Publications

120. The Saudi Industrial Export Company (SIEC) was established in 1990 as a joint stock company (with a capital of US \$ 20 million) by a number of Saudi businessmen and leading Saudi firms and industries. The core business is the international marketing of consumer products, chemicals, fertilizers, raw materials, steel, cement, building materials and pipes. The company is well structured to assist small and medium industries (SMI's) in sales and export promotion.

Institutional Options

121. There are number of areas where the institutional organization of export promotion and the services provided can be enhanced. The Expert recommends the following to improve these services:

122. The export policy and liaison activities within the Ministry of Industry and Electricity can be improved through rationalization, consolidation and a clear definition of

objectives as these relate to exports and in their relationship with other ministries, private sector institutions and external entities. The major functions would be carried out by a consolidated unit and would encompass the following:

- Research, prepare and publish the government's industrial export policy on a yearly basis.
- Act as the focal point within the Ministry of Industry and Electricity for coordinating and interacting with other ministries and institutions on all export matters.
- Act as the focal point within the Ministry for all contacts with the private sector on export matters.
- Act on behalf of the Ministry on all export-related matters under consideration in bilateral and multilateral trade agreements.

123. It is fortuitous that the Export Development Center is viewed by both the public and private sectors as an appropriate location for the trade promotion function, and a successful practitioner of trade promotion practices to date. In order to improve its effectiveness, there are number of areas which requires more attention:

- Upgrading the status and profile of the Center.
- Improve options for funding, if possible, without direct government budgetary contributions.
- Commensurate with funding, expanding existing programmes covering trade and market information, firm-level assistance in overseas markets, and promotional companies involving track fairs and trade missions.

124. In parallel with export promotion, there is an opportunity to increase the investment promotion effort in Saudi Arabia. Currently, the Kingdom has limited capability in this regard, although as many as seven institutions are involved in one form or another with the dissemination and evaluation of investment opportunities. These include the Foreign Capital Investment Bureau and the Saudi Consulting House. In the absence of an official Investment Promotion Agency, the latter, in particular, contains the seeds of a successful investment promotion program, and is currently investigating the possibility of expanding its investment promotion role by linking up with UNIDO offices in various worldwide locations for the purpose of generating and disseminating investment information.

Programme Elements

125. The Expert considers that the scope of the existing programmes which meet the current needs of exporters can be considerably enhanced by developing increased capabilities in the following areas:

- * Export Policy and Export Facilitation
- * Export Promotion and Investment Promotion
- * Training
- * Trading Companies/Small Industry Development

It is expected that private sector institutions will take the lead on the above programmes with support and encouragement from appropriate government ministries.

G. Rezek/pc
29 August 1989
Revised

UNITED NATIONS

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO

JOB DESCRIPTION
DP/SAU/86/004/11-03/J14102

- Post title** Consultant in Industrial Trade Policy & Promotion.
- Duration** 12 months
- Date required** As soon as possible
- Duty Station** Riyadh, Saudi Arabia
- Purpose of project** To assist and advise the Export Promotion Division of the Ministry of Industry and Electricity on policy decisions and measures regarding export promotion of Saudi products. This assignment will be carried out within the activities of the Project entitled "Industrial Advisory Services", DP/SAU/86/004. At the start of the mission a visit to UNCTAD and ITC Secretariats in Geneva by the consultant will be arranged by UNIDO.
- Duties** Under the general direction of H.E. the Deputy Minister and the Assistant Deputy Minister, the consultant will work closely with the Chief Technical Adviser of the above-mentioned Project and with the Director of the Export Promotion Division. He is expected to assist the Division to carry out its functions, more specifically:
1. Assist in initiating Policies and Programmes for the promotion of industrial exports including the preparation of relevant regulations;
 2. Assist in co-ordinating with the export promotion programmes of the Ministry of Commerce, and the Council of Chambers of Commerce and Industry;
 3. Identify potential export markets for specific Saudi products taking into account: (a) present and potential market demand and trade patterns (b) tariff, non-tariff and direct trade measures and rules relative to each product and country;

4. Suggest the most effective export marketing policy and related measures to expand exports to potential countries for identified products including suitable marketing channels, and reciprocal concessions that Saudi Arabia might offer in negotiating trade agreements with these countries;
5. Review and advise on existing bilateral and multilateral trade agreements including those of the GCC in relation to the relative advantages and disadvantages of such agreements;
6. Assist in the collection, processing, interpreting and use of market information relating to the potential export markets.
7. Undertake on-the-job training of the staff of the Export Promotion Division on the above activities;

In addition to preparing technical papers in the course of his activities, the consultant will also prepare a final report setting out the findings of the mission and the recommendations to the Ministry of Industry and Electricity on further action which might be taken.

Qualifications:

Advanced Degree in Economics, Business Administration, Market Development, with extensive experience in export markets and familiarity with trade regulations and international trade. Experience in bilateral and multilateral trade negotiations and working with an international trade organization is an asset.

Language:

English and Arabic are essential.

Background information

The Fourth Development Plan (1985-1990) has emphasized the need for the non-oil manufacturing sector to compete in export markets if it is to sustain the momentum of development it has now attained.

Since the mid-1980s there were impressive gains in exports, both in SABIC petrochemicals and the private sector manufactured products. In 1984 the exports of these were SR 1748 million and this increased by 270 percent to SR 4754 million by 1986. (This includes SR 3950 million of SABIC petrochemicals and SR 806 of other private sector products).

Background information contd.

The Ministry of Industry and Electricity is actively promoting and assisting the private sector in these export efforts, and for this a separate Export Promotion Division has been set up in the Ministry. The broad functions of the Division are: to monitor the export performance of the private sector; to liaise with the Export Promotion Council of the Council of the Saudi Chambers of Commerce and Industry; to develop comprehensive market information on potential export markets for Saudi products; to participate as the Ministry representative in inter-ministerial discussions with international trade organizations and schemes such as GATT, GSTP, etc. and in bilateral trade discussions.

UNITED NATIONS



ANNEX 1B

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO

JOB DESCRIPTION

DP/SAU/89/022/11-03

Post title: Industrial Trade Policy and Promotion Expert

Duration: 12 months

Date required: As soon as possible

Duty station: Riyadh, Saudi Arabia, with possibility of travel within country.

Purpose of Project The purpose of the project is to assist the Industrial Affairs Agency of the Ministry of Industry and Electricity to effectively discharge its functions and to enhance its central role in initiating and implementing industrial development policies and programmes for the overall development of the manufacturing sector.

Duties: To assist and advise the Export Promotion Department and any other Department of the Ministry of Industry and Electricity on policy decisions and measures regarding export promotion of Saudi industrial products. The expert will be a member of a team within the Industrial Development Advisory Services project which consists of a CTA and possibly 4 other experts.

Under the general direction of H.E. the Deputy Minister and the Assistant Deputy Minister, the consultant will work closely with the Chief Technical Adviser of the above mentioned Project and with the Director of the Export Promotion Department and other counterparts. More specifically he is expected to:

1. Assist in formulating Policies and Strategies for the promotion of industrial exports including the preparation of relevant regulations and measures including incentives to promote industrial exports;
2. Prepare regular reports on industrial export performance and introduce guidelines for the interpretation of trade data and the preparation of the performance report;
3. Analyse the advantages and disadvantages of Saudi participation in the multilateral trade agreements such as the GATT, GSTP, and agreement on trade preferences among Islamic countries, and among Arab countries.

Applications and communications regarding this Job Description should be sent to:

Project Personnel Recruitment Section, Industrial Operations Division
UNIDO, VIENNA INTERNATIONAL CENTRE, P.O. Box 300, Vienna, Austria

Growth of manufacturing is considered essential for the achievement of Saudi Arabia's strategic economic objectives of diversification and transfer of technology and has been emphasized in the Third and Fourth 5 Year Development plans of 1980-85 and 1985-90. The fall in oil prices and oil revenue since 1982 has only accentuated the importance of this objective. During the decade 1975-85 the manufacturing sector grew at an average rate of around 15% a year but still represented in 1985 9% of GDP and less than 4% if oil refining is excluded. But, during the period 1985-87 the output of the sector as a whole declined due to the slowing down of the economy during this period and the resultant fall in demand. However, in 1987-88 there was an upturn with the industrial sector as a whole growing by 1.9% in 1987 and 4.7% in 1988, and according to provisional estimates by an impressive 10.8% in 1989.

According to recently published Fifth Five Year Development Plan (Jan.90 - Dec.94) the whole economy is planned to grow at an average annual rate of 3.2%: the oil sector at 2.9% and the non-oil sector at 3.6%. The strategy is to implement structural change through encouraging higher growth rates in the producing sectors of industry, agriculture, utilities and construction, at an aggregate rate of 5.6% per year - markedly more than in the services and government sectors. The Plan designates the high priority growth sectors as petrochemicals; manufacturing; agriculture; utilities; financial services and oil refining.

MAIN ECONOMIC INDICATORS

ANNEX 2

SAUDI ARABIAN
ECONOMIC, TECHNICAL COOPERATION AND TRADE AGREEMENTS

With The Following Countries	Date of Agreement	Duration of Agreement	Renewal Status
Algeria	Nov 1986	3 Years	Three Years
Argentina	August 1981	3 Years	Annual
Australia	Mar 1980	3 Years	Annual
Austria	Mar 1988	3 Years	Annual
Bangladesh	Dec 1978	3 Years	Annual
Belgium-Luxemberg	May 1978	3 Years	On Request
Brazil	August 1981	3 Years	On Request
Canada	Oct. 1987	3 Years	Annual
China(Taiwan)	May 1976	5 Years	On Request
Egypt	Dec. 1990	5 Years	
Finland	May 1976	5 Years	On Request
France	July 1975	Long-term	Annual
Germany	Jan. 1977	5 Years	Annual
Greece	Sept. 1986	3 Years	Annual
Holland	May 1984	3 Years	Annual
India	April 1981	3 Years	Annual
Indonesia	May 1981	3 Years	3 Years
Iraq	Jan. 1984	2 Years	Annual
Ireland	Oct. 1983	3 Years	Annual
Italy	Aug. 1974	open	Annual
Japan	March 1975	5 Years	On Request
Jordan	Oct. 1962	2 Years	Annual
Lebanon	Nov. 1971	1 Year	Annual
Malaysia	Jan. 1975	5 Years	5 Years
Morocco	Sept. 1966	2 Years	2 Years
Pakistan	Nov. 1951	open	Annual
South Korea	July 1974	5 Years	Annual
South Yemen	Mar. 1968	3 Year	3 Years
Span	April 1984	open	On Request
Syria	April 1972	1 Year	Annual
Tunisia	Jan. 1965	2 Years	Two years
Turkey	June 1968	5 Years	Annual
Unred Kingdom	Jan. 1943	5 Years	Annual
Unred States	Feb. 1975	5 Years	Annual

GROSS DOMESTIC PRODUCT

Year	Current Prices		Constant (1970) Prices	
	Amount (Million Saudi Riyals)	Growth Rate	Amount (Million Saudi Riyals)	Growth Rate
1982	454876	-18.6%	51818	-9.2%
1983	370205	-18.6%	48175	-7.0%
1984	347425	-6.2%	46842	-2.8%
1985	310031	-10.8%	44936	-4.1%
1986	267846	-13.6%	47511	5.7%
1987	272000	1.6%	46829	-1.4%
1988	276909	1.8%	49923	6.6%
1989	304083	9.8%	50167	0.5%
1990	384993	26.6%	55565	10.8%
1991	424919	10.4%	61022	9.8%
1992	446034	5.0%	62784	2.9%

Note: GDP does not include import duties.

GOVERNMENT BUDGET

Year	Revenues	Expenditures
	Billion Saudi Riyals	
1987	103.8	173.5
1988	84.6	134.9
1989	114.6	149.5
1990-91	316.6	476.8
1992	151.0	181.0
1993	169.15	196.95
1994	160.0	160.0

Note: 1987-91 are actual numbers.
1992-94 are budgeted numbers.

CURRENT ACCOUNT BALANCE

Year	Million Riyals			Million Dollars		
	Trade Balance	Non-Trade Balance	Current Account Balance	Trade Balance	Non-Trade Balance	Current Account Balance
1981	277,174	(138,051)	139,123	81,941	(40,812)	41,129
1982	135,175	(109,220)	25,955	39,440	(31,867)	7,573
1983	42,983	(101,199)	(58,216)	12,441	(29,291)	(16,850)
1984	31,248	(96,093)	(64,845)	8,868	(27,270)	(18,402)
1985	25,462	(72,317)	(46,855)	7,029	(19,963)	(12,934)
1986	11,333	(55,013)	(43,680)	3,060	(14,854)	(11,794)
1987	18,184	(54,788)	(36,604)	4,856	(14,630)	(9,774)
1988	16,895	(44,387)	(27,492)	4,511	(11,852)	(7,341)
1989	33,954	(69,729)	(35,775)	9,066	(18,619)	(9,553)
1990	85,224	(99,794)	(14,570)	22,757	(26,647)	(3,891)
1991	81,165	(183,677)	(102,512)	21,673	(49,046)	(27,373)
1992	62,754	(141,871)	(79,117)	16,757	(37,883)	(21,126)

MERCHANDISE TRADE BALANCE

Year	Million Riyals			Million Dollars		
	Exports	Imports, FOB	Balance	Exports	Imports, FOB	Balance
1981	378,274	101,100	277,174	111,829	29,888	81,941
1982	253,256	118,081	135,175	73,892	34,452	39,440
1983	157,743	114,760	42,983	45,658	33,217	12,441
1984	131,873	100,625	31,248	37,424	28,556	8,868
1985	99,224	73,762	25,462	27,390	20,362	7,029
1986	74,529	63,196	11,333	20,123	17,063	3,060
1987	86,650	68,466	18,184	23,138	18,282	4,856
1988	91,060	74,165	16,895	24,315	19,804	4,511
1989	105,971	72,017	33,954	28,297	19,230	9,066
1990	165,705	80,481	85,224	44,247	21,490	22,757
1991	178,429	97,254	81,175	47,645	25,969	21,676
1992	175,979	113,215	62,764	46,990	30,231	16,759

EXPORTS BY MAIN CATEGORIES (SR Million Riyals)

Category	1989		1990		1991		1992	
	Value	Share	Value	Share	Value	Share	Value	Share
Mineral Products	90,660	85.6%	150,312	90.7%	163,556	91.7%	162,287	92.2%
Chemical Products	5,737	5.4%	5,721	3.5%	5,615	3.1%	5,795	3.3%
Plastics and Rubbber	4,235	4.0%	3,819	2.3%	3,465	1.9%	2,781	1.6%
Base Metals	1,419	1.3%	1,537	0.9%	1,180	0.7%	1,031	0.6%
Agriculture Products	1,141	1.1%	834	0.5%	670	0.4%	931	0.5%
Other	2,921	2.8%	3,556	2.1%	3,943	2.2%	3,153	1.8%
TOTAL	105,971	100.0%	165,705	100.0%	178,429	100.0%	175,979	100.0%

Note: Does not include bunker oil

ز- صادرات المملكة من الصناعات الوطنية
خلال الفترة
(١٤٠٥/١٤٠٤ الى ١٤١٢/١٤١٣ هـ) (١٩٩٢م)

(البيانات بالطنين الجاف)

الصناعة	١٤٠٥/١٤٠٤	١٤٠٦/١٤٠٥	١٤٠٧/١٤٠٦	١٤٠٨/١٤٠٧	١٤٠٩/١٤٠٨	١٤١٠/١٤٠٩	١٤١١/١٤١٠	١٤١٢/١٤١١	١٤١٣/١٤١٢	١٤١٤/١٤١٣
الصناعات الهندسية والمعدنية	١٠٠ر٤	١٩٥ر٤	٣٢١ر٨	٢٥٩ر٤	٤١٦ر٦	٩٦٤ر١	٧٥١ر٨	٥٨٧ر٦	٨٨٣	١٠٩٦
الصناعات الكيماوية والبلاستيكية	١٢٠ر٥	١٧٣ر٨	٢٤٧ر٢	٣٣٨ر٨	٩٨٥ر١	٦٨٣ر٨	١٣٤ر٨	٨٧٥ر٢	٥٣٠	١٠٤٦
الصناعات الغذائية والمشروبات	١٠٧ر٦	١٢١ر٢	٩١ر٢	٩٩ر٣	٢٣٦ر١	٢٥١ر٠	٣٦٨ر١	١٠٢٩ر١	٧٠٦	١٠١٤
الصناعات الجلدية	٦ر٠	٢٣ر٠	٤١ر٦	١٠٤ر٥	٩٩ر٤	٧١ر٨	١٧٣ر٢	٣ر٦	١٠٩	٢٩٥
صناعة الغزل والنسيج	٧ر١	٢٦ر٥	٣٧ر٦	٩ر٣	٣١ر٥	٤٣ر٨	٤٤ر٩	٢٣ر١	١٢٢	
صناعة الورق ومنتجات	٤ر٧	٧ر٠	١٦ر١	١٠٣ر٧	٢٤١ر١	٢٥١ر٢	٢٩٨ر١	١٩٣ر١	٣١١	١٣٨
صناعات أخرى متنوعة	٢٣ر٠	٦ر٠	٥١ر٠	١٣٥ر٥	٨٢ر٠	٩٩ر٦	٨٣٦ر٧	٣٣٧ر٦	٨٥٨	٧٢٩
اجمالي قيمة الصادرات التحويلية	٢٦٨ر٨	٦٠٦ر٩	٨٠٦ر٨	١٠٥٠ر٥	٢٠٩١ر٨	٢٣٦٥ر٣	٢٩١٠ر٦	٣٠٤٩ر٦	٣٥١٩	٤٥٨١
صادرات سابق	٨١٦ر٤	٢٣٨٠ر٤	٤٦٤٨ر٣	٥٨٣٩ر٣	٩١٧٠ر٧	٨٥٦٣ر٠	٨١٢٩ر٠	٧٥١٢ر١	٦٧٧٤	٦٥٠٠
الاحتمالي	١١٨٥ر٢	٢٩٨٧ر٣	٥٤٥٥ر١	٦٨٨٩ر٨	١١٢٦٢ر٥	١٠٩٢٨ر٣	١١٠٣٩ر٦	١٠٥٦١ر٧	١٠٢٩٣	١١٠٨١

لا تشمل هذه البيانات صادرات الشزول الخام ومنتجات تكرير الشزول والغاز الطبيعي والمناجم.

ANNEX 3 Reports

First Stage

List of the most important reports prepared within the previous Project SAU/86/004 during the period October 1989 - June 1990.

Trade policy, promotion of industrial exports, export incentives and review of trade agreements.

- (1) Background Papers and Review Reports including summary of main issues on the proposed Economic Cooperation/ Investment promotion and protection agreements between GCC and USA; and GCC and EEC.
- (2) Briefing paper I and II on Global System of Trade Preferences.
- (3) The importance for Saudi Arabia to join GATT.
- (4) Prospects for EEC-GCC trade relations and comments on
 - (a) EEC proposals on a Trade Agreement with GCC and
 - (b) Working Paper on GCC Strategy for Cooperation with EEC.
 - (c) Exchange of trade preferences as an alternative to Free Trade Agreement between EEC and GCC.
- (5) Comments on two prototype agreements of private barter and related inter-bank agreements.
- (6) Paper on "Counter Trade and the development of industrial exports in the Kingdom."
- (7) Report on Saudi Arabia and the Global System of Trade Preferences (GSTP).
- (8) Analysis of four ITC studies on Export Promotion, Financing, Training and Trading Houses.
- (9) Analysis of Economic and Trade agreements between Saudi Arabia and Arab countries and its role in promotion of industrial exports.
- (10) GCC Petrochemical exports to EEC and analysis of sensitive items.
- (11) Comments on draft agreement on trade preference among Islamic countries.
- (12) Comparative study on the export incentive schemes in developing countries and its application to Saudi Arabia.

- 13) Kingdom and the Generalised System of Preferences (GSP).
- 14) Framework on study for the establishment of an export credit guarantee scheme for the GCC countries.
- 15) Comments with revision of paper by Saudi Industrial Export Company on Saudi Arabian Industry, 20 years of dynamic development and diversification of exports."

Second Stage

List of Reports prepared during the period
July 90 - August 1991.

Title of Report, Paper etc.	Remarks
1. Paper "Economic Effects of Gulf War on Saudi Arabia and role of Japan in Post-war Gulf Stability".	English and Arabic. At request of H.E. Asst. Deputy Minister. Both Papers for presentation at "91 Global Contribution Seminar" held in Tokyo, June 91 to
2. Acceleration of Industrialisation in Saudi Arabia.	discuss implications of regional integration and cooperation on global economic system.
3. Proposed Offset condition for establishment of Telecommunication related industry for inclusion in bid document issued by Ministry of PTT for major telecommunication contract.	English and Arabic. At the request of H.E. Deputy Minister.
4. Draft directives for negotiation of a free trade agreement between EEC and GCC	Arabic. To H.E. Asst. Deputy Minister
5. Revision of the complete study related to EEC and GCC trade relationship.	Arabic. All papers 4-10 at the request of H.E. Asst. Deputy Minister. These used by MIE in inter-ministerial discussion on the GCC-EEC Trade negotiations
6. "The Joint Standstill Declaration between EC-GCC." revised and appraised.	
7. "Costs and benefits of the Free Trade Agreement between the Kingdom and EEC". Study done by the Ministry of Finance and National Economy. Summary and Comments on its findings.	
8. On EEC-GCC negotiation prepared by Embassy of Qatar in Brussels Comment and appraisal on the European Parliament resolutions	
9. Comments on Report "Europe in the 1990s Challenges and opportunities" by D.J. Sears	

Title of Report, Paper etc.	Remarks
10. Paper on "Back to the Generalised System of Preferences." (GSP) "On the Occasion of 17th Session of the Special Committee May 1990".	Arabic. To H.E. Asst. Deputy Minister.
11. Paper on Japan's scheme in the GSP in 1991. Evaluation and comparison with other years.	Arabic. To Export Dept.
12. Paper on Uruguay Round of Multilateral Trade Negotiations and Kingdom.	Arabic. To H.E. Asst. Deputy Minister and to Export Dept.
13. Comments on "Round Table on Technology, Trade Policy and the Uruguay Round" 22 to 24 April 1989.	Arabic. To International Relations Department.
14. Comments and Paper with action due on the six session of the permanent Economic Trade Cooperation Committee, COMCEC of the Islamic Conference Organisation and comments and "Proposed Common Working Plan" of the OIC/COMEC of the Organisation of Islamic Conference.	Arabic. To International Relations Department.
15. Papers on (1) Prospects of the Economic relation between the Kingdom and Peoples Republic of China and (2) Draft Agreement on Economic Trade and Technical Cooperation between the Kingdom and People's Republic of China on the occasion of establishing diplomatic relation on July 1990.	Arabic. To H.E. Asst. Deputy Minister and Export Dept.
16. Paper on Canada-Saudi Economic Relations. Study on the occasion of the 16th session of Joint Economic Committee in October 1990.	-do-
17. Paper on proposals of items for discussion at the Turkish-Saudi Joint Commission.	-do-

Title of Report, Paper etc.	Remarks
18. Report on Economic Profile of Soviet Union and its relation with Saudi Arabia.	English. To Export Dept.
19. Policy paper on proposed policy measures to deal with dumping in the Kingdom.	Arabic. To H.E. Deputy and Asst. Deputy Minister
20. Review and comments on "Anti-dumping and cartels in chemical industries" a World Bank study.	-do-
21. Comments on UNDP proposed regional project on "Regional Trade Information Network Project".	-do-
22. Revision of the paper prepared by Saudi Industrial Export Co. on "Saudi Arabian Industry, 20 Years of Dynamic Development and Diversification of Exports.	-do-
23. Comments on Effective Exporting Seminars 13-17 October 1990 in Riyadh. Organised by Crown Agents-Manpower Development Services and British Arabian Technical Cooperation Riyadh "Appraisal and Advice".	-do-
24. Proposal of items for discussion at meeting between the Deputy Minister and the Industrialists on 23.12.1990.	Arabic. At the request of H.E. Deputy Minister.
25. Guidelines on preparing regular reports on Saudi industrial export performance.	Arabic. To Export Dept.
26. Report on Saudi industrial exports performance during first half of 1990.	Arabic. To H.E. Asst. Deputy Minister.
27. Study on reviewing the present bilateral economic and trade agreements between Saudi Arabia and other countries and proposed policy for evolving a framework for such agreements in the future.	-do-

Title of Report, Paper etc.	Remarks
28. Evaluation and assessment of Draft Treaty to establish the Islamic Corporation for Insurance on Export credits and Investment guarantee.	Arabic. To H.E. Asst. Deputy Minister.
29. Revision of the final draft of the Manual on Exports to the GCC states prepared by the Philip Dew Consultancy group.	Arabic. To the Export Dept.
30. Comments and review of the Paper on The Markets of Neighbouring Countries to the Kingdom "Egypt - Syria - Iraq Sudan - Yemen - Jordan - Turkey, by Saudi Consulting House.	Arabic. To Deputy Minister.
31. Proposals to undertake market study for developing the Kingdom's export of paper products.	Arabic. To Asst. Deputy Minister and Export Dept.
32. Papers on Counter-Trade and the development of the Kingdom's industrial exports and comments on the new system of back-to-back deals in Egypt allowing the private sector to conclude such deals.	Arabic. To H.E. Deputy Minister.
33. Proposal for the Drawback and Temporary Admission Custom systems as a mean to develop the Kingdom's industrial exports.	Arabic. To H.E. Asst. Deputy Minister and Export Dept.
34. Comments on study on Export Financing Credits and insurance done by First Washington Associates.	Arabic. To Export Dept.
35. Working Paper on "Proposed Re-organization and functions of International Relations Dept. of Ministry."	Arabic. To H.E. Deputy Minister.
36. Review of World Development Report 1991, particularly focussing on the Saudi Arabia development issues covered in the Report.	Arabic. At the request of H.E. Minister. To H.E. Minister and H.E. Asst. Deputy Minister.

Third Stage

List of reports prepared during the period, Sept 91 - August 1992.

Title of Report, Paper etc.	Remarks
(A) <u>Investment Promotion</u>	
1. Working paper on the "Saudi Market in the Nineties Seminar", organised by Jeddah Chamber of Commerce & Industries.	Arabic. At the request of H.E. Deputy Minister.
2. Number of papers for the First Saudi Industrial Investor Seminar held in Yanbu 21-22 April 1992. These papers included: *Address by Deputy Minister; Summary and Comments on the Working paper "Strategy and Policies of Industrial Development in the Kingdom".	-do-
3. Documentation on opening address by H.E. The Minister and to H.E. The Deputy Minister at the Conference arranged by SCH on raising the productivity of the food industries.	-do-
(A) <u>Trade Agreements and Related Trade Policy Issues</u>	
4. Working paper on the EEC New Mandate for submission to GCC negotiating team.	Arabic. To H.E. Asst. Deputy Minister for use by MIE for preparatory work by government in GCC trade negotiations with EEC.
5. Working paper on the costs and benefits of GCC - EEC Free Trade Agreement according to European New Mandate.	-do-
6. "The European EEC Mandate the New and the Old" Comparison and Analysis.	-do-
7. Costs and Benefits of the GCC-EEC Free Trade Agreement according to the European New Mandate (65 pages)	-do-
8. Report on the GCC Tariff Revenues and the GCC-EEC Free Trade Agreement and its impact on Saudi Tariff Revenues.	-do-

Title of Report, Paper etc.	Remarks
9. Review and comments on SCH report on the new EEC Mandate.	Arabic to H.E. Asst. Deputy Minister for use by MIE for preparatory work by government in GCC trade negotiations with EEC.
10. Review & comments on SABIC report on the new EEC Mandate and the Costs and Benefits of the GCC-EEC Free Trade Agreement.	-do-
11. Preparation of lists of products which the Ministry could propose to exclude from the Free Trade Agreement between GCC and EEC. (Protected products - Revenue Products).	-do-
12. Policy paper on the Economic Relations between the Arab countries and EEC.	Arabic. To H.E. Asst. Deputy Minister.
13. Working paper for the proposed Agenda of the GCC/EEC Industrial Cooperation Group held in Doha.	Arabic. To MIE officials.
14. Working paper on the Working Group for Industrial Cooperation and preparation for the Second Industrial Conference of the European and Gulf industrial which will be held in Doha.	-do-
15. Report on "Most-Favoured-Nation Treatment Principle" and its impact on the Kingdom if included into the proposed Economic and Trade Agreement with China.	Arabic. To H.E. Asst. Deputy Minister and Export Department.
16. "Common Economic Working Plan" of the OIC/COMCEC Organization of Islamic Conference.	-do-
17. Review and comments on the Chemical Associations proposals on Chemical products Tariff harmonization to the GATT's Uruguay Round.	-do-
18. Review and comments on the Technical Barriers to Trade Agreement and the Advantages the Kingdom is getting for its joining as observer.	-do-

Title of Report, Paper etc.	Remarks
(C) <u>Promotion of Industrial Exports and Export Policy</u>	
19. Working paper on "The Role of the Government Organs in Export Promotion" on the occasion of Export Promotion Conference held in Jeddah Chamber of Commerce and Industry.	Arabic. To H.E. Deputy Minister.
20. Review of the lists of Industrial Exports Commodities in Arabic and English 1990; and a proposal for the lists to be prepared according to the Harmonized system in 1991.	Arabic. To Export Department.
21. Rules of Origin and the Value Added Extent in EEC internal market.	Arabic. To Protection and Encouragement Dept.
22. Paper on "International Terms of Trade and the Kingdom".	Arabic. To H.E. Asst. Deputy Minister.
23. Summary Report on Industrial Policy in developing countries; "Reconsidering the real sources of Export-led growth". Translated into Arabic and comments mentioned.	Arabic. At the request of H.E. Deputy Minister.
24. Proposals for a market study to promote the Kingdom's export of plastics and chemicals.	Arabic. To Export Dept. and H.E. Deputy Minister, study being carried out by MIE jointly with Export Development Centre.
25. Report on the new Islamic Republics of CIS particularly on the aspects of development of trade and relation.	Arabic. To H.E. Deputy Minister as a briefing paper to the Saudi official delegation visit to these countries.
26. Proposal for a Consultancy study by ITC or UNCTAD on the prospects for development of trade between Kingdom and the Islamic States of CIS.	English and Arabic. Proposal accepted by MIE and Scope of study and time being worked out.
27. Working Paper recommending the organizational structure and separation of functions between the Export Dept. and the International Relations Dept. of MIE.	Arabic. At the request of H.E. Asst. Deputy Minister.

Title of Report, Paper etc.	Remarks
(D) <u>Special Assignments and Studies requested by MIE Senior Staff</u>	
28. Documentation for Saudi-Indian Joint Commission Meetings including address of H.E. The Minister.	English and Arabic. At the request of H.E. Deputy Minister.
29. Documentation on the Sixth Saudi-Japanese Joint Commission held in Tokyo, June 92.	English and Arabic. Requested by H.E. Asst. Deputy Minister.
30. The importance of Bosnia and Hercegovania on the occasion of the recent development there and its Islamic nature.	Arabic. To. H.E. Asst. Deputy Minister through the International Relations Dept.
31. GCC main economic indicators comparative analysis.	Requested by H.E. Asst. Deputy Minister.
32. Revision of the amendments and the corrections on the Industrial Survey Report of 1410.	English and Arabic.
33. Analysis of the Inter-Arab Investment Guarantee Cooperation Report 1990.	Arabic. Requested by H.E. Asst. Deputy Minister.
34. Report of the UNCTAD Committee on the transfer of technology on its eighth session (22-30 April 91).	Arabic. Requested by H.E. Asst. Deputy Minister, through International Relations Dept.
35. Draft of Address by Deputy Minister on "Tubes and Pipe Industry in Saudi Arabia", held on 16.2.92 at SCH.	Arabic. Requested by H.E. Mr. Mubarak Al-Khafrah, Deputy Minister.
36. Report on the Economic Indicators of Six Islamic Republics (Former States of USSR).	Arabic. Requested by H.E. Mr. Mubarak Al-Khafrah, Deputy Minister.
37. The achievements of Vth Industrial Plan and Industrial Cooperation within the GCC countries. Answer of questions to be published in the (Alalam Alyoum).	Arabic. Requested by H.E. the Minister.
38. The recent changes on the world Economic and Political situation and its effects on the Kingdom and GCC countries.	Arabic. Requested by H.E. Deputy Minister and H.E. the Minister.

Title of Report, Paper etc.	Remarks
39. Evaluation and comments on Report by Saudi Embassy in Tokyo, on the "Recent International Changes and Japan".	Arabic. At the request of H.E. Deputy Minister.
40. Comments on the report "Towards an Arab Strategy to Confront the Economic Unification of Europe 1992" done by Jeddah Chamber of Commerce and Industry.	To Export Dept.
41. Paper on "When the Saudi Industry shall move from the Assembly Stage to Full Manufacturing? for publication in a magazine.	Requested by H.E. The Deputy Minister.
42. Paper for H.E. The Deputy Minister, discussed in open dialogue held at the Eastern Chamber of Commerce and Industry, Dammam on 14th Ramadhan 1412 H. on "The Cooperation between Industrialists and Newsmen".	Arabic. At the request of H.E. Deputy Minister.
43. Summary and comments on the UN ECE Report on the Steel Market in 1990.	Arabic. At the request of H.E. Asst. Deputy Minister.
44. Review and comments on the proposed Saudi Industry study to be published in the Arab Industrial Products Encyclopedia.	Arabic. Requested by H.E. Deputy Minister.
45. Review and comments on the draft booklet of SCH on the Industrial and Economic Indicators in the Kingdom.	Arabic. Requested by H.E. Asst. Deputy Minister.
46. Remarks and comments on a U.S Report on GCC trade policies and systems.	Arabic. Requested by H.E. Asst. Deputy Minister.
47. Draft of publication on Second Edition of the book titled "Industry and Electricity Progress and Achievement" to be published by Ministry.	Arabic. Requested by H.E. Deputy Minister.

Title of Report, Paper etc.	Remarks
48. Review and comments on the information relating to Saudi Arabia in the World Bank Report, 1991.	Arabic. At the request of H.E. Asst. Deputy Minister.
49. Review and comments on paper "Global Economic Prospects and the Developing Countries.	Arabic. At the request of H.E. Deputy Minister.

Fourth Stage

List of Reports Prepared during the period of October 92 to July 1994.

- (A) Investment Promotion/Investment Opportunity Studies/
Evaluation of Feasibility Studies etc.
1. Report on Saudi - Egyptian Economic Relations for Saudi-Egyptian Businessmen Conference in Cairo, Oct. 92.
 2. Evaluation of proposed project for manufacture of polyester textile with technical know-how from German Zimmer Company.
 3. Comments on a proposal for new licensing criteria to be applied by MIE to evaluate the projects before granting the license.
 4. Documents to H.E. The Minister for presentation at a meeting with Saudi Economic Society titled "Industry Between Achievements And Future".
 5. Documentation to H.E. The Minister for presentation at symposium on "Investment" arranged by the Chamber of Commerce and Industry, Eastern Province, in collaboration with Research Institute of King Fahad University of Petroleum and Minerals, Dammam 28.4.1993.
 6. Evaluation of the World Bank Report on strategies to "Develop the Small and Medium Industries in the Kingdom".
- (B) Industry Planning/Policy Studies And Related Work
7. Review and comments on documents prepared by the Committee appointed by MIE for preparation of MIE component of Sixth Development Plan.
- (C) Trade Agreements And Related Trade Policy Issues.
8. Study on EEC scheme of GSP and Saudi Arabia and GCC Trade with EEC.
 9. Report on trade deficit between Kingdom and other GCC countries - Comments to Ministry of Finance Report.
 10. Review of Annual reports on International Trade System by UNCTAD and GATT.
 11. World Trade System "Report about the GATT and Kingdom and the other GCC countries."
 12. The Treaty of Maastricht and its effect on the GCC and the Kingdom.

13. Three papers with EEC on Trade Agreement for the GCC negotiating team with EEC on Trade Agreement including comments on paper prepared by the Ministry of Finance and Comments prepared by Ministry of Foreign Affairs.
14. Review and comments on 8 proposed agreements and protocols represented by the government of Kirghyza to the Kingdom. Comments also on the proposed draft agreements presented by the Ministry of Foreign Affairs.
15. Review and comments on the working paper prepared by EEC Commission to be presented to the European Council and Parliament on "Cooperation and Economic Development Policies with Developing countries according to the international changes and Maastricht Treaty".
16. Report on GCC-Japan commercial relations with special reference to Saudi-Japan relations.
17. Review and comments on Ministry of Finance paper relating to GCC-EEC negotiations to conclude Free Trade Agreements.
18. Review of Austrian GSP scheme to clarify the benefits to Saudi Arabia.
19. Report on the Kingdom and GSP schemes of the Donor countries.
20. Review and comments on the proposed Technical Cooperation Agreement between the Kingdom and Mexico.
21. Paper on "The Kingdom and the Generalized System of Preferences.
22. Report on "Economic and Commercial Policies of Kingdom" to be submitted to the GATT on the occasion of the Kingdom's Application to be a GATT member.

(D) Promotion of Industrial Exports and Export Policy

23. Scope of study on the development of trade relations with CIS.
24. Review and comments of the feasibility study for establishing an Export Credit and Guarantee Facility for GCC countries.
25. Review of draft report on the exports of plastics and chemical products based on a field survey by Export Promotion Dept. of MIE and Export Development Center.
26. Report on International Standardization Organization (ISO) 9000 and its effect on Saudi exports.

(E) Special Assignments and Studies requested by MIE Senior Staff.

27. Comparative study of the MTBE production in NMC and proposed project of ARAMCHEN.
28. Review of German government offer to locate UNDP organization in Bonn.
29. Review and comments on proposed cooperation agreement between UNIDO and Arab League.
30. Documentation relating to interview with H.E. The Minister by SEARCH magazine on aspects relating to industrial development in the Kingdom.
31. Documentation relating to Saudi-Taiwan Joint Committee 12th Session, held in Riyadh.
32. Answers to Questions to be published in the leading magazine on development of industrial sector and exports of manufactured products.
33. Preparation of documents for use by International Relations Dept. regarding candidature of Mr. Ahmed Al-Tuwaijri as Kingdom's nominee for the post of Director General.
34. Proposals on the demarcation of functions between Computer Dept. and Statistics Dept. with a proposed organization structure.
35. Proposals on the re-organization of the Export Promotion Dept. and International Relations Dept. and the amalgamation of both Depts as International Economic Cooperation Department.
36. Review and comments on the Draft of the Second Edition of the book titled "Industry and Electricity Progress and Achievements."
37. Working Paper presented by the Ministry at the symposium "Development of Technology-Present and Future" organised by King Abdul Aziz City for Science and Technology on 25-27 September 1993.
38. Comparison of 5th and 6th Development Plan Reports.
39. Report about "On the Job Training" in the project of Industrial Development Support Services SAU/89/022.
40. Analysis of Financial Statement that reflex the Kingdom's participation in the Industrial Development Fund up to 30.06.93
41. Prepared the T.O.R and study scope which World Bank is intending to do on "Industrial Export Promotion".

42. Review and comments on the draft report of the in-Depth Evaluation of Project SAU/89/022
43. Attended the Workshop on the Provision of the UNDP/Government Technical Cooperation Programme in the Kingdom of Saudi Arabia - held in Riyadh on 24 October 1993.
44. Report on ways and means to develop Saudi industrial exports. On occasion of H.E. The Minister of Industry and Electricity's invitation to high level personalities to a special meeting to discuss the subject.
45. Report on the meeting of Collaborating Organizations for the Special Programme for Industrial Development in Arab Countries, held in Rabat, June 1993.
46. Report on the potential for UNIDO project extension to GCC Region.
47. Report on the actions requested during the UNIDO Programming Mission to Saudi Arabia and recent development and proposal of new UNIDO Programming Mission to the Kingdom to arrive in January 1994.
48. Report on Political and Economic situation of Central Asian Republics of the former USSR. Implications for the Kingdom and GCC countries.
49. Report on "EC-GCC Trade in 1992 and the GSP.
50. Report and comments on the UNIDO reorganization and restructure with reference to Russian rejection to the General Director proposals.
51. Comments on the Computer Dept. Request to have more staff.
52. Report "The Outlook for Russia and the Implications for the GCC".
53. Summary of the above report to be submitted to H.E. the Minister.
54. Translation and reviewing ^w studies prepared by "ERAS" the first on GATT Treaty and the second on NAFTA Agreement and their implications for the GCC.
55. Comments on TOR of a study on the relations between Energy and Environment. Requested by GCC/EC Negotiation Team.

56. Comments on the Ministry of Finance views on the Proposed Economic Cooperation Agreement with Mexico.
57. Review of the proposed Economic Cooperation Agreement with Ukraine.
58. Report on the negotiation between GCC and USA held in Riyadh 16-17 January.
59. Review and comment on the study "Iranian Market" prepared by "SEDC" and "ITC".
60. Review and comments on the draft agreement between the Belgo-Luxemburg Economic Union and Saudi Arabia on the reciprocal Promotion and Protection of Investments.
61. Review, comments and translation of ERAS Report on GATT Agreement and its implications on GCC.
62. Review, comments and translation of ERAS Report on NAFTA Agreement and its implications on GCC.
63. Review of the translation of UNDP Report on Development of the Private Sector by Development of "Business Incubators Centers."
64. Designing the T.O.R. of the task assigned to a new Committee formed by the Representatives of SABIC, SEDC, The Saudi Export Company for Industrial Products and Export Dept. in the Ministry to define the problems and barriers facing the accession of the Kingdom's Exports to EEC and proposing the solutions to overcome these problems.
65. Review and comments on the memorandum prepared by the Ministry of Finance and National Economy on Foreign Trade Regime to be forwarded to GATT on the occasion of the Kingdom's application for the accession to GATT.
66. EC/GSP Revisions "The Impact on Saudi Chemicals"
67. Preparation of the 8th Meeting of the Joint Commission on Economic Cooperation between the Kingdom of Saudi Arabia and the Swiss Confederation to be held on 2-4 May 94. Preparing the draft of Agreed Minutes.
68. Review and comments on the Royal Commission for Jubail and Yanbu. Report on the impact of Uruguay Round Agreement on the chemical sector of the Kingdom.
69. Review and comments on UNDP project for special technology enhancing strategies in the Arab States of Moderate Development.

70. Formulating the terms of Reference "The Scope of Study" to be done by UNIDO and SCH on the Industrial Cooperation between the KSA and Egypt.
71. Review and comments of the draft document work plan to strengthen the economic cooperation between Islamic Conference Member countries.
72. Report on the Swiss carbon tax and its impact on oil demand, and, if it could be raised during the Joint Commission meetings.
73. Participation on the first meeting of the Committee which will study the obstacles faced in exporting the Saudi manufactured products in European markets.
74. Review and comments on the study by the Consulting House titled "European Investment in the GCC countries".
75. Preparation for the Saudi-German Joint Commission, including a speech on Investment Opportunities in Saudi Arabia.
76. A memo on the International Conference and Workshop on Privatization of Public Sector Activities, held in Stockholm 5-10 September 94.
77. White-paper on the industrial sector in Saudi Arabia and GCC countries, and how it is treated in USA markets.
78. Review and comments on Bilateral Investment Treaty (BIT) submitted by USA to GCC for the protection and encouragement of Investment.
79. Review and comments on the proposals of the Export Development Center to finance its activities.
80. Review and comments on the Conference organized by European-Arab Studies Center in Paris, next November.
81. Review and comments on the report of the EU on the Role of the GSP (1995-2004) in the Integration of Developing Countries in the International Trading System.
82. Review of the Memorandum on Foreign Trade Regime prepared by the Ministry of Finance and National Economy on the Occasion of the Kingdom's Accession to the GATT.
83. Comments on the UNIDO proposal to establish a Joint Committee with the Kingdom to follow-up UNIDO project in the Kingdom

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84. Review and comments on the terms of reference of the study which will be done by NCFEI on the difficulties facing trade exchange between Saudi Arabia and Magreb.

85. The answer on question about the GATT and the Kingdom to be published in "Search" in September 1994.

List of Counterparts

Dr. Hassan Kamal Hassanein
Trade Policy and Promotion Expert

I. Export Department

- (1) Mohammed Al-Khateeb (Ex-Director of the Export Dept., transferred to Jeddah Industrial City.
- (2) Mushabab Al-Saad, present Director of Export Dept.
- (3) Sulaiman Abalkhail
- (4) Sulaiman Al-Duaig

The above officers of the Export Dept. were trained on the following subjects:

- a) How to prepare reports on industrial export performance and how to interpret trade data included in the same reports.
- b) How to examine existing bilateral Trade Agreements between the Kingdom and other countries to ensure fair terms.
- c) Analyse the advantages and disadvantages of Saudi participation in Multilateral Trade Agreements such as GATT and GSTP etc. and how to benefit from GSP.
- d) Field study on plastics export was arranged by Export Dept. upon my proposals and designing of the questionnaire. Members of the Export Dept. and Export Development Center staff were trained in how to collect, process and disseminate market information.
- e) Preparation for negotiations between the GCC countries and other market groups such as EC, US and Japan.

II. International Relations Department

- (1) Khalid Al-Shelail, Director of the Dept.
- (2) Salih Abalkhail
- (3) Mohammed Al-Khudair
- (4) Fahad Al-Khunain

They were trained in the following subjects:

- a) Bilateral Economic Cooperation and Trade Agreements.
- b) Preparation for negotiation within Joint Committees for Economic Cooperation.
- c) Multilateral Agreements and International Economic Organizations (GATT, UNIDO, UNCTAD and WTO).