

# Saudi Arabia – Alberta Relations



## PROFILE

**Capital:** Riyadh (royal capital), Jeddah (administrative capital)

**Population:** 31.39 million (2016 est.)

**Language:** Arabic

**Government:** Monarchy

**Head of State and Government:** King and Prime Minister Salman bin Abdulaziz Al Saud (since August 1, 2005)

**Crown Prince:** Muhammad bin Nayef bin Saud

**Currency:** \$1 CDN = 2.83 Riyal (SAR) (2016)

**GDP:** US \$828.21 billion (2015 est.)

**GDP Purchasing Power Parity (PPP):** US \$1.73 trillion (2016 est.)

**GDP Per Capita:** US \$54,100 (2016 est.)

**GDP growth rate:** 1.2 per cent (2016 est.)

**Inflation:** 4.4 per cent (2016 est.)

**Key Industry Sectors:** Crude oil production, petroleum refining, basic petrochemicals, ammonia, industrial gases, sodium hydroxide (caustic soda), cement, fertilizer, plastics, metals, commercial ship repair, commercial aircraft repair and construction.

*Sources:*  
IMF, Bank of Canada, Economist Intelligence Unit

## SAUDI ARABIA OVERVIEW

- Saudi Arabia's population is among the youngest and fastest growing in the Middle East.
- Since 2003, Saudi Arabia has been part of a customs union amongst member countries of

the Cooperation Council for the Arab States of the Gulf (GCC).

- Saudi Arabia became a member of the World Trade Organization (WTO) in December 2005.
- Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses about 16 per cent of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 87 per cent of budget revenues, 42 per cent of GDP, and 90 per cent of export earnings.
- Saudi Arabia is currently Canada's second largest export market in the region. Trade and economic interests continue to be at the forefront of Canada's bilateral relations with Saudi Arabia; however, Canada is seeking to diversify its relations with the Saudi Kingdom.

## RELATIONSHIP OVERVIEW

- Saudi Arabia-Alberta relations were established in the mid-1970s when Premier Lougheed visited Riyadh and established close ties to former Saudi Energy Minister Sheikh Yamani.
- In 1999, the Saudi-Canada Business Council was formed in order to promote business partnerships and two-way trade Alberta and Saudi Arabia share common interests in several sectors including oil production and development, and global energy trends.
- Numerous Alberta firms have participated in missions to Saudi Arabia to exchange

information about technology, oil and gas, and engineering.

- There are several hundred Alberta companies actively exporting to Saudi Arabia.
- Albertans comprise a large portion of the estimated 8,000 Canadians working in Saudi Arabia, particularly in the health, education, and oil and gas sectors.

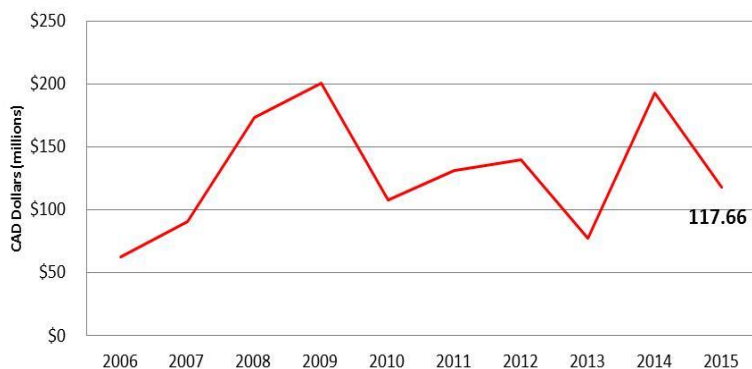
## TRADE AND INVESTMENT

- Between 2011 and 2015, Alberta's exports to Saudi Arabia have averaged CAD \$131.63 million per year, including cereals, machinery, iron and steel products, precision instruments, and electrical machinery.
- During the same time period, Alberta's imports from Saudi Arabia averaged approximately CAD \$34.38 million per year, including plastic and organic chemicals. This figure does not include goods sold in Alberta that arrived via distribution hubs in other provinces.

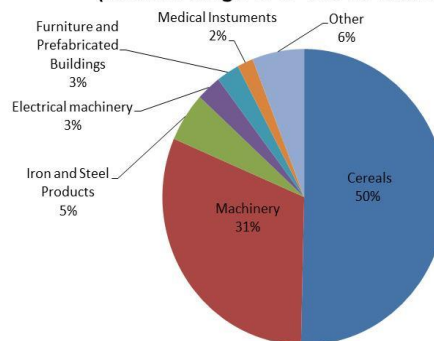
## ENERGY

- Saudi Arabia plays a leading role in OPEC, as it has 16 per cent of the world's proved oil reserves and is the largest exporter of total petroleum liquids in the world.
- Saudi Arabia is one of the world's largest oil producers (10 million barrels per day (bbl/d), compared to Alberta's 3.1 million bbl/d (2016)).
- Saudi Arabia's proven natural gas reserves are estimated at 291 trillion cubic feet (Tcf) (2014), ranking 5th in the world (compared to Alberta's 32.4 Tcf (2014)).

## Alberta Exports to Saudi Arabia (2006 - 2015)



## Alberta's Exports to Saudi Arabia 2011-2015 (Total Average CAD \$131.6 Million)



- Although natural gas production remains limited, Saudi Arabia is initiating an expansion of its natural gas program for electricity production.
- Saudi Arabia announced its "Saudi Vision 2030" in 2016, a package of economic and social policies designed to free the kingdom from dependence on oil exports and raise non-oil revenue.
- Within the next few years, Saudi Arabia will also complete a 1.2 million bb/d expansion of its oil refining capacity and further develop its petrochemical sector to shift away from crude exports.

### EDUCATION

- The University of Calgary signed Memorandums of Understanding (MOUs) with Saudi Arabia's King Fahad University of Petroleum and Minerals, King Faisal University, King Saud University and the Ministry of Higher Education.
- The University of Calgary has signed a Memorandum of Understanding (MOU) with Saudi Arabia's Aramco Services Company.
- The University of Alberta signed MOUs with Saudi Arabia's King Saud University, King Fahad University of Petroleum and Minerals, Saudi Arabian Cultural Mission and the Ministry of Higher Education.
- Advanced Education's Apprenticeship and Industry Training (AIT) division, the Northern and Southern Alberta Institutes of Technology (NAIT and SAIT) presented the Alberta model for vocational training to the Saudi General Organization for Technical Education and Vocational Training (GOVTET).
- SAIT-Arabia is a joint-venture with Al-Hejailan Consultants to provide training services in Saudi Arabia in petroleum sector, starting in 2008

- Saudi Arabia is one of the priority countries for the MITACS Research Internship.

### COMMUNITY

- Between 2011 and 2015, 82 citizens of Saudi Arabia became Permanent Residents of Canada, with Alberta as their intended destination. Approximately 85 per cent were economic immigrants, including principal applicants, spouses, and dependents. These economic immigrants were most commonly occupied as physicians, dentists and veterinarians.
- Between 2011 and 2015, 29 citizens of Saudi Arabia had Temporary Foreign Worker Program (TFWP) work permits come into effect for Alberta. These workers were most commonly occupied as physicians, dentists and veterinarians.
- Between 2011 and 2015, 1,024 citizens of Saudi Arabia had international study permits come into effect for Alberta.

### AGRICULTURE

- In 2015, Alberta Agri-Food exports to Saudi Arabia totaled \$46 million. Top products included wheat (CAD \$44 million) and processed potatoes (CAD \$1.6 million).
- Saudi Arabia will be phasing out forage and cereal crop production, due to water scarcity. Increased demand for imported livestock feed will provide opportunities for Alberta's forage and cereal crop industries.
- Saudi is a potentially significant market for exports of beef from Alberta, however, market access issues continue to prevent trade in beef.
- As Saudi Arabia looks to secure its long term food requirements, Alberta, with its abundant land and resources, is well positioned to assist in these areas.

### EMERGING OPPORTUNITIES

- Alberta's International Strategy has identified opportunities in Saudi Arabia in energy and environmental products and services, construction, agricultural niche markets, nanotechnology and education.
- Electrical Power Equipment: prospects exist for Alberta companies interested in selling components and parts to local power utilities.
- Oil and gas equipment and services: opportunities exist for products and services such as tubular goods, valves compressors, pumps, chemicals, turbines, drilling rigs and parts, generators, computers and software, telecommunication equipment, instrumentation and industrial process controls, firefighting and safety equipment, spare parts, supplies and equipment for refineries, storage monitoring systems, reactors, heaters, air exchangers, power distribution, systems, boilers, gas-oil desulfurizers and isomerization units.

### DIPLOMATIC REPRESENTATION

- Saudi Arabia's Ambassador in Ottawa is Naif Bin Bandar Al Sudairy.
- Canada's Ambassador to the Kingdom of Saudi Arabia, is Mr. Dennis Horak



**For more information, contact:**  
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