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2 S. Arabia



DEPARTMENT OF TRADE
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From the
Minister for Trade 's office

Prime Minister

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Michael Alexander Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

ms

16 July 1981

Dear Michael

In view of the Prime Minister's own successful visit to Saudi Arabia earlier this year, Mr Parkinson thought that she might be interested to see a copy of his report on his follow-up visit there. I am sorry that it has not been possible to send this to you earlier, but as you will be aware Mr Parkinson embarked on a trade promotion visit to Latin America shortly after returning from Saudi Arabia and has only recently returned.

Yours ever,

KEITH LONG
Private Secretary to the
Minister for Trade (CECIL PARKINSON)

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17 JUL 1981



Secretary of State

VISIT TO SAUDI ARABIA: 12-17 JUNE

I found this visit most encouraging, and firmly believe it was worth the effort. I am sure that my visit will have helped to keep up the political and commercial momentum established by the Prime Minister's own highly successful visit and King Khaled's equally successful visit here. Perhaps more important, all the businessmen who accompanied me reported themselves delighted with the success of the trip - this despite the fact that no major contract was signed during my visit.

My intention was to draw up an intensive programme of high level calls on Saudi governmental, quasi governmental and private organisations, including not only the Heads but also those responsible for the major contract and purchasing decisions. I took with me a group of high level businessmen, carefully selected in the light of the opportunities likely to be available under the new Saudi five year plan. The businessmen accompanied me on calls to individuals where they had specific market opportunities which they wished to explore, or contracts for which they were actively bidding. The effect was, as one of them put it, to give him more access in a week than he would normally ever have had, certainly not in under 6 months. In addition, the Department had been in touch with a large number of firms actively bidding for contracts but whose executives could not be included in my party, and I was able to make representations on their behalf, speaking to briefs provided by the companies, to ensure that their names were mentioned at the highest level. I am pleased to say that in one particular case, where I spoke on behalf of Foster Wheeler's interest in a £30 million engineering management contract for a petrochemicals plant, they have since been awarded the contract. More important, Foster Wheeler will be responsible for procuring the £300 million worth of equipment for the new plant. The company has already assured us that British equipment suppliers will be given a fair crack of the whip.

I also ensured that social occasions were organised where British and Saudi businessmen could get together at high level; and the Saudis naturally reciprocated. A wealth of fresh contacts were thereby established.



I am confident that a good number of the possibilities that have been opened up will result in due course in the signing of contracts, the establishment of new Joint Ventures, or perhaps in simple increases in purchases of British goods. You may like to see the terms in which one of the team has written since his return (Annex A).

I attach a copy of my programme (Annex B). Needless to say, I was also able to raise a large number of specific points with the Saudis, for instance in the field of civil aviation, credit arrangements, dispute settlement, export credit, the roles of the Chambers of Commerce, and the machinery for future technical co-operation; and some problems I was able to settle on the spot, for instance a difficult question involving a major British company in the Arab Boycott, which had recently put at risk the company's highly profitable local Joint Venture.

I shall not record here my impressions of Saudi Arabia as a country and of the market, though I shall take steps to ensure that a number of the main messages which my Saudi hosts strove to put across are given wide circulation among interested companies in Britain. Suffice it to say that the market has clearly an enormous potential, and although British firms are not doing too badly, they could undoubtedly do very much better. I hope and believe my visit will have enabled at least some British firms to make the most of the great opportunities available.

M. J. C.

P.P. CECIL PARKINSON
(Approved by the Minister
but initialled in his
absence overseas)

3 July 1981

ANNEX A

IMI

IMI Limited ^{2096/80}
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Telex 336771 IMI KYN.G.Bham
Telephone 021-356 4848
Registered in England No.714275

Overseas Director's Office

18 June 1981

The Minister for Trade
Department of Trade
1 Victoria Street
London
SW1H 0ET

Dear *Cecil,*

This very brief note will I hope serve as an expression of gratitude to you for the leadership, direction and understanding you displayed throughout the visit to Saudi Arabia. That the visit will prove to be successful both in general and specific terms I have no doubt, and credit for this must go to you and to your very able, conscientious supporting staff. For my part, I will ensure that the leads and introductions provided are diligently followed up to maximise the prospects for orders and successful joint ventures.

I hope it will not be too long before we have the opportunity of meeting again, if not before then during the next football season.

Once again, very many thanks for all your help, and good luck with your forthcoming mission to Latin America.

Yours sincerely,

Trevor.

T A J LAMB



ANNEX B

VISIT OF MINISTER FOR TRADE TO SAUDI ARABIA 12-17 JUNE

Saturday 13 June: Jeddah

Director-General of Saudi Arabian Airlines Corporation

Jeddah Industrial Estate

Deputy Foreign Minister

Lunch with Saudi businessmen

Jeddah port

British businessmen's group

Sunday 14 June: Yanbu new town

Monday 15 June: Riyadh

Deputy Minister of Commerce

Deputy Minister of Agriculture

Deputy Minister Electricity

Deputy Minister Industry

Minister of Planning

Lunch with British businessmen's group and Deputy Ministers of Commerce and Planning

Visit local British Joint Ventures

Dinner with Deputy Commerce Minister and Saudi businessmen



Tuesday 16 June:

Governor of Saline Water Conversion Corporation
Secretary-General of Riyadh Chamber of Commerce and Industry
Director-General Saudi Industrial Development Fund
Chief Executive of Saudi Consulting House
Director-General Saudi Basic Industries Corporation
Lunch with Saudi businessmen
Managing Director of Saudi National Shipping Company
Minister of Finance

Wednesday 17 June: Dhahran/Damman/Al Khobar

Chairman of the Board of ARAMCO
Vice-President for material supply and contracting of ARAMCO
British Joint Venture
Vice-President Saudi Government Railways Organisation
Lunch with British business group
Visit Saudi Fisheries Corporation
Other Joint Ventures
Two leading Saudi business families
Dinner reception for local British and Saudi businessmen.