THE LINK

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The Arab Market: Opportunities for U. S. Business

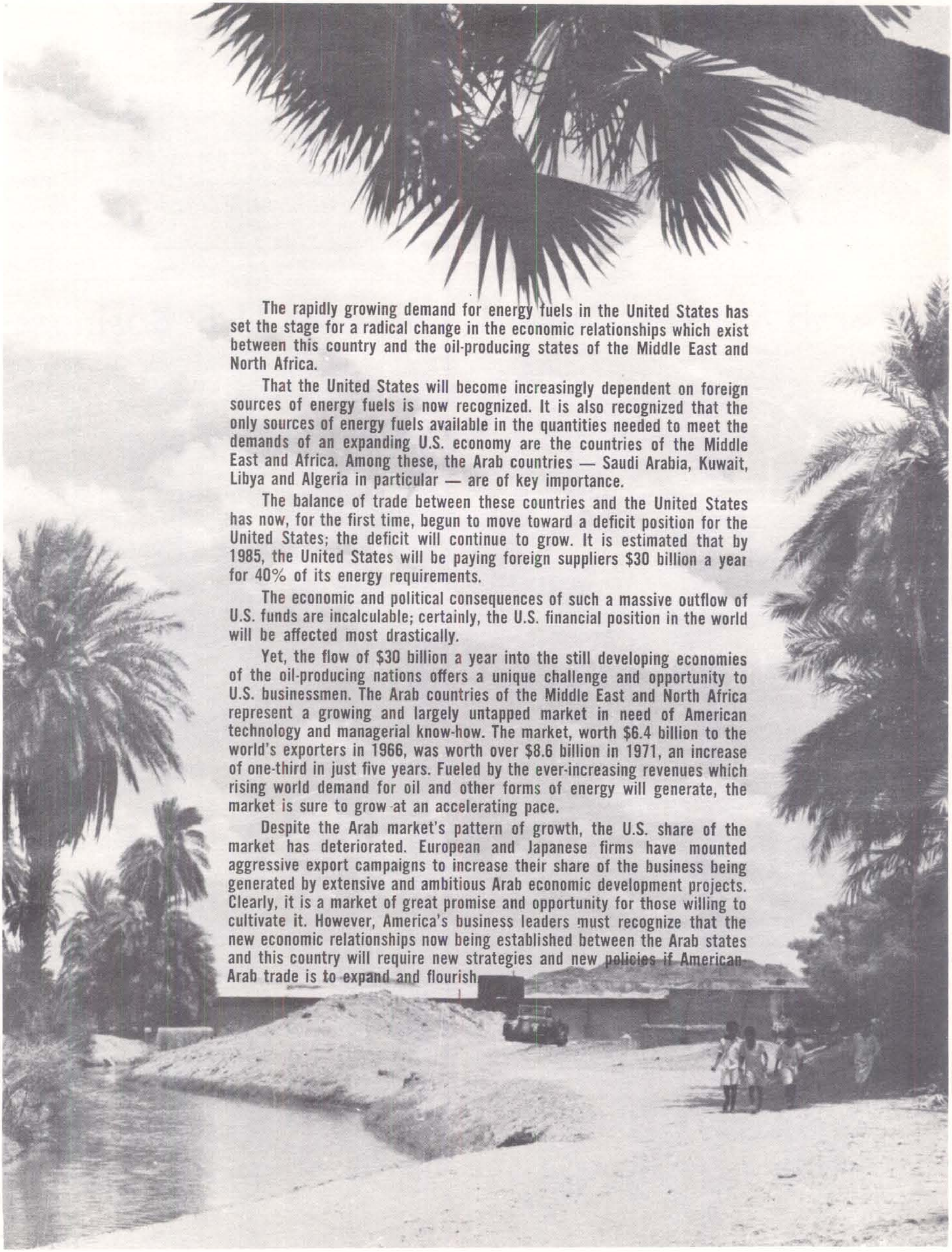
The Arab World: 110 million people.

The American-Arab Association for Commerce and Industry, Inc. (505 Fifth Avenue, New York, New York 10017) is a private, American, non-profit trade association of 125 business firms with interests in the Arab countries of the Middle East and North Africa.

In December they issued a pamphlet which was circulated to their members and has now become the body of this issue of *The Link*. The purpose of this study is to "demonstrate the significant growth of the market of the Arab nations, the opportunities created by this growth for greater sales of American products, and the need to adopt appropriate national policies which will serve to strengthen the economic ties linking the United States and the Arab world."

AMEU joins American-Arab Association in the hope that the publication of this study will contribute to "an increased awareness by the American business community of the opportunities for strengthening its ties with the states of the Arab world." It is also our hope that the issues discussed will be of "such interest to the American people as to warrant wider public discussion of the policy alternatives and priorities facing the United States in its relations with the Arab world."

AMEU is grateful that the American-Arab Association for Commerce and Industry has generously permitted us to reprint this valuable study and make it available to readers of *The Link*. Additional copies of this issue are available. Bulk orders will be honored as long as supplies allow.



The rapidly growing demand for energy fuels in the United States has set the stage for a radical change in the economic relationships which exist between this country and the oil-producing states of the Middle East and North Africa.

That the United States will become increasingly dependent on foreign sources of energy fuels is now recognized. It is also recognized that the only sources of energy fuels available in the quantities needed to meet the demands of an expanding U.S. economy are the countries of the Middle East and Africa. Among these, the Arab countries — Saudi Arabia, Kuwait, Libya and Algeria in particular — are of key importance.

The balance of trade between these countries and the United States has now, for the first time, begun to move toward a deficit position for the United States; the deficit will continue to grow. It is estimated that by 1985, the United States will be paying foreign suppliers $30 billion a year for 40% of its energy requirements.

The economic and political consequences of such a massive outflow of U.S. funds are incalculable; certainly, the U.S. financial position in the world will be affected most drastically.

Yet, the flow of $30 billion a year into the still developing economies of the oil-producing nations offers a unique challenge and opportunity to U.S. businessmen. The Arab countries of the Middle East and North Africa represent a growing and largely untapped market in need of American technology and managerial know-how. The market, worth $6.4 billion to the world's exporters in 1966, was worth over $8.6 billion in 1971, an increase of one-third in just five years. Fueled by the ever-increasing revenues which rising world demand for oil and other forms of energy will generate, the market is sure to grow at an accelerating pace.

Despite the Arab market's pattern of growth, the U.S. share of the market has deteriorated. European and Japanese firms have mounted aggressive export campaigns to increase their share of the business being generated by extensive and ambitious Arab economic development projects. Clearly, it is a market of great promise and opportunity for those willing to cultivate it. However, America's business leaders must recognize that the new economic relationships now being established between the Arab states and this country will require new strategies and new policies if American-Arab trade is to expand and flourish.

Supply and Demand for Energy Fuels

Owing to the inadequacies of alternative sources of energy at an acceptable cost and the present insufficiency of domestic supplies of petroleum and natural gas to meet this country's fast-growing demand for energy fuels, U.S. imports of foreign oil and gas over the next fifteen years will increase enormously because of prospective supply deficits:

NATURAL GAS	1970	1985	Change
	Billion	Cubic Feet/Day	
Potential Demand	59.5	107.0	+ 47.5
Domestic Supply	56.5	60.0	+ 3.5
DEFICIT	3.0	47.0	+ 44.0

These figures* show that by 1985 the ability of this country to provide domestically-produced natural gas (the figures include the expected production of the as-yet-untouched natural gas reserves from Alaskan fields) will be hardly over 50% of projected demand. Obviously, there will have to be a huge increase in supplies from foreign sources.

The deficit with regard to petroleum supply is even higher:

OIL	1970	1985	Change
	Millions	Barrels A Day	
Demand	14.7	30.2	+ 15.5
Domestic Supply	11.6	15.0	+ 3.4
DEFICIT	3.1	15.2	+ 12.1

These figures show that while in 1970 the United States was able to produce 80% of its petroleum requirements, by 1985 it will be able to produce slightly less than half its needs, even with the production of the Alaskan fields included.

One result of the growing energy gap in the United States has been new efforts to provide alternative sources of energy. Nuclear power projects have been implemented and pilot research projects utilizing coal gasification, synthetic gas, and oil shale recovery techniques are under active investigation. However, the technology required to make these potential sources of energy economically and/or environmentally acceptable is not yet available, although it can be expected that, as U.S. dependence upon foreign sources of petroleum increases, efforts to perfect these alternative sources of energy will accelerate. For the immediate future, therefore, petroleum will continue to be the primary source of energy fuels.

*These and following figures on gas and oil supply and demand are from a study prepared by The Chase Manhattan Bank, "Outlook for Energy in the United States to 1985," New York, June, 1972.

The most likely sources of petroleum-based energy fuels are apparent from a review of existing petroleum reserves:

Free-World Petroleum Reserves (Billions of Barrels) January 1, 1972

Middle East		367
Western Hemisphere		77
[U.S.	37*]	
[Canada	8]	
Africa		58
Asia-Pacific		15
Europe		14

*Includes Alaska, 10 billion. Source: Oil and Gas Journal. December 27, 1971.

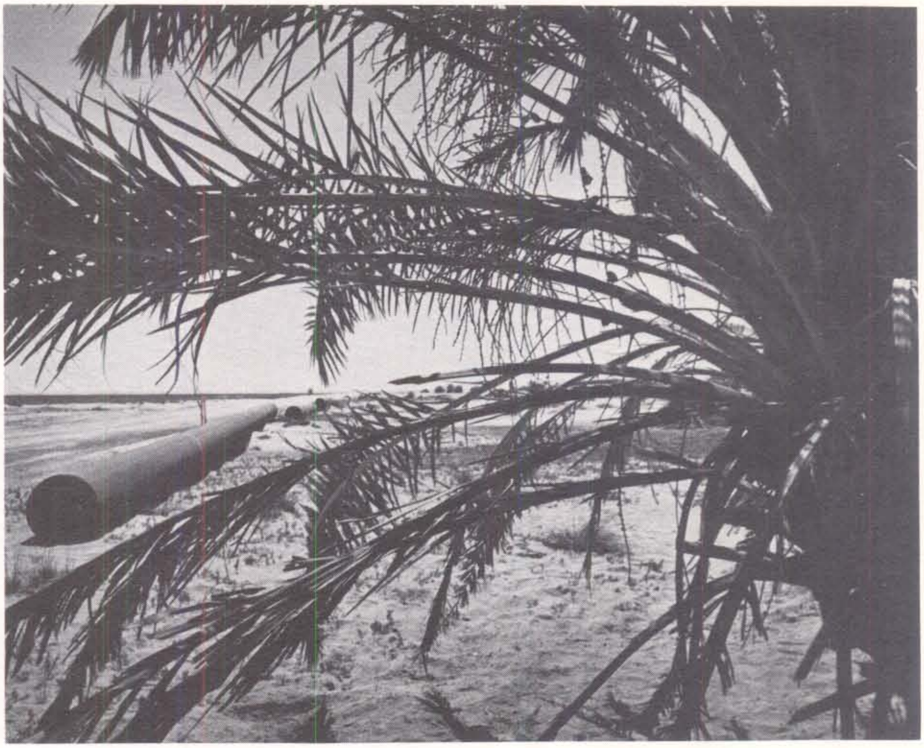
Owing to their own requirements, exports of petroleum from Canada and the countries of Latin America to the United States will not be sufficient to meet expected U.S. demand. Therefore, the bulk of the oil to be imported by 1985 will have to come from the Middle East and Africa. The Chase Manhattan Bank has estimated that, by 1985, 75% of all oil imported into the United States, comprising 40% of total U.S. demand, will come from these sources.

Since the early 1960's U.S. trade with the Arab countries has averaged about $1 billion a year in exports and imports. U.S. exporters to the Arab states have, on the average, sold about $500 million more worth of goods than they have bought from Arab suppliers. Thus, a trading surplus of over $5 billion has been earned by the United States in its trade with the Arab countries in the last decade.

U.S. imports of crude oil from the Arab states have already begun to climb. Imports during the first six months of 1972 were up 45% over the same period of 1971. The first six months of 1972 have also seen the first trade deficit ever registered in U.S. trade with Libya (see Table 1).

The Chase Manhattan Bank reports that if the United States is required to import the amounts of oil and gas indicated, the outflow of funds from this country is likely to reach and perhaps surpass $30 billion a year by 1985. A "monumental" $25 billion deficit on the balance of payments for petroleum alone could result, a deficit which could not be tolerated, according to the Bank. Moreover, "in no sense would it be realistic to expect the outflow of dollars would be offset by a corresponding inflow."

There, in a nutshell, is the challenge posed to the American economy by the developing energy crisis in the United States.



A pipeline to plenty . . . for all.

Challenge and Opportunity: Arab Economic Development

The outflow of $30 billion a year from the United States means, of course, that foreign oil-producing states will have ever-increasing financial resources available for economic development projects, for imports, and for other capital investments at home and abroad. These will not be idle funds; the Arab states have for years been allocating vast sums in support of their efforts to achieve broad-based economic growth. The potential market for export sales in the Arab world is unparalleled.

The Arab Market

In 1966, according to the International Monetary Fund, the Arab states together imported from world-wide sources $6.4 billion worth of goods. In 1971 the Arab states imported over $8.6 billion worth of goods. Thus, in just five years the market grew by one-third (see Table 2). Individually, some markets in the Arab world — Kuwait, Saudi Arabia, Libya, and Algeria — grew at a rate substantially faster than the average. Between 1966 and 1971 the value of goods sold to Kuwait increased by 48%; in Libya the value was up by 66%; in Saudi Arabia by 43%; in Algeria, the market for imports more than doubled.

While it likely that these increases can be attributed in part to the effects of inflation, it is also true that the pace of economic growth in most of the Arab countries is surging ahead. Arab investments in economic development projects continue to rise steeply in step with the increases in revenues these countries receive from the oil industry. In 1971, for example, the Arab oil-producing states, excluding Egypt and Algeria, earned $7.0 billion; in the decade 1962-71 the same countries received revenues totalling over $31 billion (see Table 3). Moreover, oil industry payments since the 1971 Tehran, Tripoli and Geneva agreements have risen sharply and, as a result, it can be expected that Arab economic development plans will accelerate at an even faster rate in the years immediately ahead. It is for American business firms to recognize the potential for increased exports which these development plans represent and to seize the opportunity to participate in the growth and development of these still largely untapped markets.

Where the Opportunities Are

The major Arab oil-producing states of the Middle East which are now the best customers for U.S. goods are Saudi Arabia, Kuwait, the states of the United Arab Emirates along the lower Arabian Gulf and, in North Africa, Libya and Algeria. These are the countries which earn the major share of petroleum-based revenues now pouring into the Arab world. The other countries of the Middle East and North Africa experience a substantial spillover effect from these revenues. In addition to the stimulus given to inter-Arab trade there is also a substantial amount of inter-Arab investment — Lebanon is a noteworthy example. The transit countries, Lebanon, Syria and Jordan, also earn significant revenues from the oil pipelines which traverse their lands.

Kuwait City: A Modern, Booming Economy.

The following review of the annual budget allocations of some of these countries suggests the wide-ranging possibilities for American business firms interested in entering these markets:

ALGERIA: A Four-Year Investment Plan totalling 27.7 billion Algerian dinars ($6.1 billion) was inaugurated in 1970. Industrial investments under the plan accounted for 45% of the total. In 1971, investments in economic infra-structure totalled $1.1 billion as Algeria's Gross National Product reached $4.4 billion.

In mid-1972, a substantial number of American firms were doing business in Algeria. One American construction firm has signed a contract for the construction of a $300 million natural gas liquefaction plant. There is a rising demand for high technology equipment and services generated by the burgeoning Algerian industrial sector. Products with good sales potential include the following: air conditioning and refrigeration equipment, agricultural equipment, telecommunications and electric power equipment, drugs and pharmaceuticals, measuring and control devices, irrigation and flood control equipment, transport equipment including trucks and possibly methane tankers, office machines and data processing equipment.

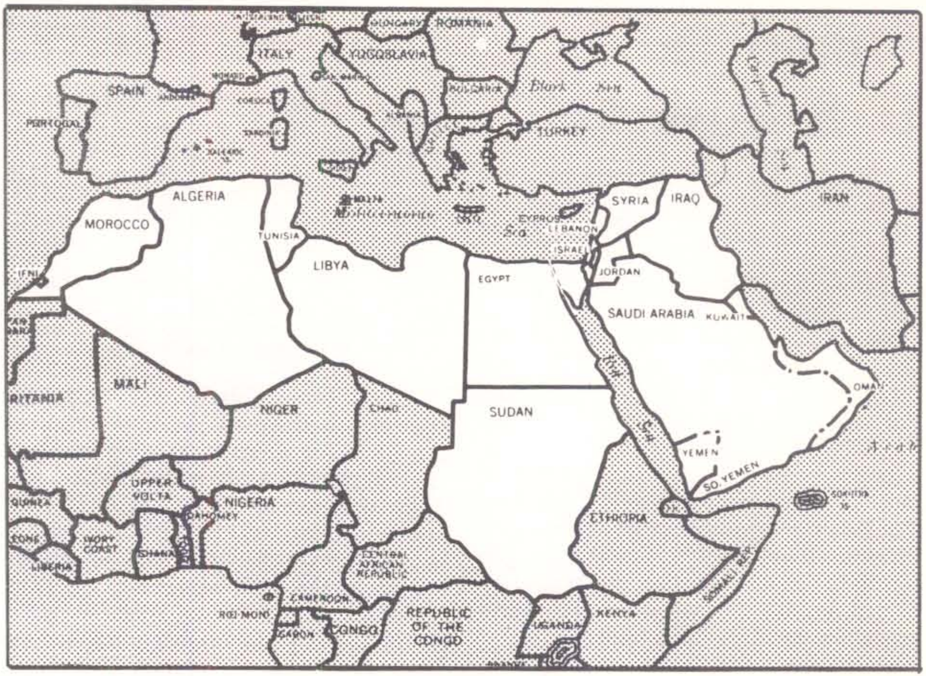
LIBYA: In May, 1972, the Libyan Government announced a $1.1 billion development budget for the current year with similar sums, totalling $3.5 billion in all, to be spent over a three-year period. Agricultural development projects receive the largest share ($160 million) of the current year's budget with Industry and Petroleum each getting $145 million; the Housing sector is receiving $156 million. Estimates indicate that there are projects involving $300 million in sales opportunities over the next year which offer an excellent market for American firms. There is a particular demand for agricultural and irrigation equipment, and for telecommunications and electrical equipment. Libya, and most of the Arab countries as well, have a high interest in a variety of turn-key factory projects which utilize advanced machinery and technology of benefit to the national economy.

SAUDI ARABIA: Capital spending to increase crude oil output is driving up the import market in Saudi Arabia. In 1971, Saudi Arabia produced 1.74 billion barrels of crude oil, an increase of 26% over 1970's total of 1.38 billion barrels. By August, 1972, Saudi Arabian production was at the record rate of 6.2 million barrels a day. New production records are to come. In September, 1972, the Saudi Minister of Oil estimated that by 1980 his country's oil production would be "around" 20 million barrels a day — a more than 200% increase. In 1971, it will be noted, Saudi Arabia earned $2.16 billion from its oil production (see Table 3).

In 1972, Saudi Arabia is expected to import goods worth $1 billion, according to U.S. Department of Commerce analysts. The government's 1972-73 budget totals $3.2 billion, a sum 22.4% greater than the budget for 1971-72. A new $200 million Jidda airport is expected to be funded during the coming year and an ambitious highway development program has been implemented. New water desalinization plants are being constructed as existing plants are being expanded. Urban projects — streets, schools, water and sewage systems — are also planned. All in all, Saudi Arabia's Gross National Product is expected to grow by more than the 9.7% forecast by the country's development plan. In 1971, the GNP reached an estimated $3.6 billion; estimates for 1972 place the GNP at $4.5 billion, a full 25% increase.

KUWAIT: The 1972-73 budget announced in July shows an income of $1.6 billion, of which $1.5 billion is from oil revenues which have increased by 52.5% over 1971-72. The allocations for development projects this year are set at $307 million with the Public Works and Electricity and Water ministries receiving over half the total. A significant 23% of the total budget, $375 million, has been placed in the General Reserve fund. Last year only 1.23%, $13 million, was placed in the reserves. The large increase in this year's allocation is attributed to Kuwait's concern for its petroleum reserves which, it is feared, will be depleted too soon unless production is curbed. Observers expect that there will be an effort to diversify the Kuwaiti economy through further industralization and expansion of existing industries which now include petrochemicals, cement, steel pipe and fishing.

Other major development projects in Kuwait include a 1,200 bed general hospital, and housing, highway, telecommunications and sewage projects. The Kuwaitis are also considering the utilization of nuclear energy as a source of electricity and additional seawater desalinization projects.



The Arab world today stretches from Morocco to oil producing United Arab Emirates.

THE ARABIAN GULF STATES: Not to be overlooked in a discussion of the potential of the Arab market are the United Arab Emirates and the states of the lower Arabian Gulf. It has been announced, for example, that the government of **Qatar** in 1971 received from the Qatar Petroleum Co. revenues totalling $116 million, some 57% greater than in 1970. Qatar ranks ninth among the Arab oil-producting states and its 1972 budget is almost 34% greater than that of the previous year. 43% of this year's $54 million budget is allocated to community development projects — housing, water and electricity supplies; other projects include new television and radio stations, road improvements, and expansion of the port of Doha and the Doha airport.

ABU DHABI increased its imports in 1971 by 31% over the previous year, to a total of $106 million. Rising oil production and rising revenues are fueling an economic boom. In 1971, revenues totalled $430.7 million, up 84% over 1970. As a leader of the United Arab Emirates, Abu Dhabi has been active in securing the passage of a $15.6 million development plan for the Emirates, a plan which includes 1,200 low-cost housing units as well as hospitals and schools.

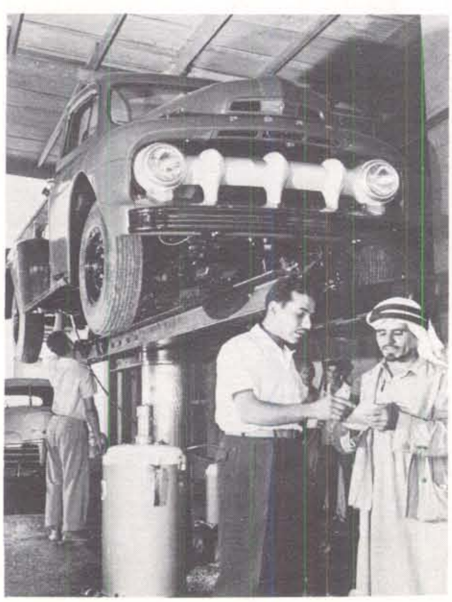
BAHRAIN increased its imports by 30% in 1971, to $235 million. A new electric power and water desalinization plant has been approved by the Bahrain government. Costing $45 million, the new plant is designed to meet demand for electric power for the next 20 years; the associated desalinization plant will supply the island with five million gallons of distilled water a day. Bahrain is also the site of a $60 million fuel-oil desulphurization plant to be built by the Bahrain Petroleum Company, and the site of a proposed $200 million drydock facility to be built by the Organization of Arab Petroleum Exporting Countries; initially, the drydock will be able to accommodate tankers up to 350,000 tons.

Indicative of the potential of the Arab Gulf States are the comments of a European trade official who visited the region early in 1972. The development programs in the Gulf area are "massive," he said, and there will be "quite a scrap for the business" which these plans will generate. Engineering and contracting firms will be the main beneficiaries of these projects.

Memo to U. S. Business

The development projects outlined in the preceding pages are evidence ot the wide-ranging possibilities which exist in the Arab market for U.S. businessmen. Yet if American firms are to gain a share of these markets, they must pursue this business vigorously. Arab governmental authorities and Arab businessmen know what they want and they know where to get what they want. America's foreign competitors — Britain and Japan in particular — have been doing business in the Arab world for years with great success. The United States, on the other hand, has had a disappointing record in the Arab market in recent years. In 1971, of the total Arab import market, the United States sold $930 million worth of goods and it is very likely that in 1972 the total will surpass $1 billion for the first time. However, despite the increasing value of total U.S. sales to the Arab world over the past decade, the rate of growth of the U.S. market share has not kept pace with the rate of growth of the market as a whole. In fact, the U.S. market share is in sharp decline in specific Arab markets.

The U.S. Department of Commerce has issued Market Share Reports which offer a basis for comparing U.S. performance in a number of Arab markets. The data for the years 1966 and 1970, the latest year for which data is available, demonstrate the decline of the U.S. share (see following table).



First Goods . . . then services.

MARKET SHARE — ALL COMMODITIES
(in millions of U.S. $)

COUNTRY	Total Imports 14 Countries* 1966	1970	From U.S.A. 1966	1970	U.S. Share % 1966	1970
Saudi Arabia	$ 414.9	$ 515.4	$ 151.6	$ 140.7	36.6%	27.3%
Kuwait	336.2	374.1	89.1	62.3	26.5%	16.7%
Libya	361.6	460.7	58.6	104.4	16.2%	22.7%
Algeria	576.9	986.0	66.7	61.8	11.6%	6.3%
Lebanon	357.6	392.8	83.6	63.6	23.4%	16.2%
Egypt	500.9	498.7	189.2	80.6	37.8%	16.2%
Tunisia	249.0	304.6	40.9	51.6	16.5%	17.0%

*The 14 countries are: U.S., France, Italy, Belgium/Luxembourg, West Germany, Netherlands, U.K., Sweden, Japan, Canada, Denmark, Norway, Australia and Switzerland.

Source: U.S. Department of Commerce, **Market Share Reports,** 1966-70 Country Series.

Note, for example, the Algerian, Kuwaiti, and Saudi Arabian markets, three of the fastest growing markets in the entire Arab world, where the U.S. share has fallen precipitously. Libya appears to be an apparent exception since the figures show an increase in the U.S. market share. Yet, it should be pointed out that U.S. sales to the Libyan market began to decline after 1969 and the annual data since then show that the downward trend is continuing.

Possible reasons for the relatively poor performance of U.S. exporters to the Middle East and North Africa are many.

One reason rests on the fact that the marketing orientation of most U.S. business firms, some of the larger multinational firms excepted, remains rigidly domestic. It is a fact that 92% of all U.S. business firms sell only within the United States. Just eight percent of all U.S. business firms enjoy the profits of America's $88 billion a year export-import trade.

It is also true that the few American firms which do engage in international trade are relatively casual in their approach. Compared with this country's principal international business competitors, particularly Britain, France, Germany and Japan, the casual attitude adopted by some U.S. firms is in marked contrast to the assiduous care with which these countries cultivate their business relations overseas. The U.S. has much to learn from their methods. Now that American products have become more competitive as a result of the devaluation of the U.S. dollar, American firms can be more aggressive in their sales methods and pay greater attention to established markets such as the Arab market. Excessive reliance upon the local agent should give way to more frequent travel to the region by key sales executives. On-the-spot sales remain the most effective way of securing a market. Quality and after-sales service should be emphasized repeatedly and

TABLE 1

U.S. TRADE WITH THE ARAB STATES—1971 AND FIRST HALF, 1972
(in millions of U.S. $)

COUNTRY/REGION	U.S. EXPORTS 1971	First Half 1971	First Half 1972	U.S. IMPORTS 1971	First Half 1971	First Half 1972	BALANCE OF TRADE 1971
Algeria	$ 82.2	$ 45.7	$ 52.9	$ 19.8	$ 1.9	$ 38.3	$ 62.4
APS*	66.1	35.6	*	87.1	28.1	*	(21.0)
Bahrain	23.8	9.3	12.8	16.0	4.3	10.4	7.8
Egypt	62.9	30.0	40.0	19.1	8.4	8.1	43.8
Iraq	32.3	12.1	12.1	9.1	.5	4.8	23.2
Jordan	78.0	52.1	31.0	.2	.1	.2	77.8
Kuwait	83.8	47.2	65.5	36.1	10.3	23.6	47.7
Lebanon	85.9	52.2	54.8	13.3	8.1	9.6	72.6
Libya	77.7	47.3	38.5	51.2	11.6	59.6	26.5
Morocco	102.1	61.5	37.7	6.9	4.5	6.0	95.2
Oman	*	*	3.7	*	*	1.5	*
Qatar	*	*	7.1	*	*	4.6	*
Saudi Arabia	164.0	76.4	152.7	98.8	31.0	91.3	65.2
Sudan	6.1	4.2	11.4	11.5	5.7	7.1	(5.4)
Syria	23.3	10.2	11.9	2.2	1.5	1.2	21.1
Tunisia	41.7	27.1	38.3	5.0	1.5	3.8	36.7
United Arab Emirates	*	*	32.4	*	*	15.5	*
Yemen (Aden)	.8	.5	.6	2.5	1.7	2.2	(1.7)
Yemen (Sanaa)	*	*	.9	*	*	.2	*
TOTALS	$930.7	$511.4	$604.3	$378.8	$119.2	$288.0	$551.9

*Prior to 1972 data for Oman, Qatar, Yemen (Sanaa) and the United Arab Emirates was included under APS, the Arabian Peninsula States.

Source: U.S. Department of Commerce, Report FT-990, December, 1971 and June, 1972.

credit arrangements should be improved.

Finally, U.S.-Arab relations on the diplomatic and political level have experienced, in recent years, a level of turmoil that has had adverse effects on business confidence and the ability to plan long-term commercial activity. The break of relations between six Arab countries and the United States following the events of June, 1967, signalled a negative trend which only recently has begun to change, with the restoration of relations between the United States and the Yemen Arab Republic and the Sudan.

Given the future energy requirements of the United States and the future dependence on the oil-producing Arab states to meet these requirements, it is evident that the security of supply will be intimately related to the overall framework of the United States relations with the Arab world. An American policy that is more sensitive to the national aspirations of the Arab countries is therefore a matter of national priority. Serious public discussion of this issue is needed to enable the American people to appreciate the urgency of this priority. For it is only with public understanding of the issue that a rational policy can be adopted and implemented. The American-Arab Association for Commerce and Industry hopes that this study will contribute to that goal.

TABLE 2

ARAB STATES — IMPORTS (CIF)
(in millions of U.S. $)

COUNTRY/REGION	1963	1966	1968	1970	1971
Algeria	$ 683	$ 639	$ 815	$1,257	$1,303e
Egypt	917	1,071	666	785	890
Iraq	319	493	405	509	694
Jordan	143	191	161	184	214
Kuwait	324	463	611	625	678
Lebanon	354	493	498	559	588e
Libya	239	405	645	554	675e
Morocco	448	477	552	684	698
Saudi Arabia	320	592	562	693	848e
Sudan	285	222	258	288	331
Syria	235	289	313	360	439
Tunisia	223	250	218	306	346
Yemen (Aden)	271	285	203	201	158
Other*	450	610	740	800e	800e
TOTALS	$5,211	$6,480	$6,647	$7,805	$8,662

e = estimated
*Bahrain, Kuwait Neutral Zone, Oman, Qatar, United Arab Emirates and Yemen (Sanaa).

Source: International Monetary Fund, International Financial Statistics, August, 1972, p. 39.

TABLE 3

PAYMENTS TO OIL PRODUCING COUNTRIES
(in millions of U.S. $)

Year	Kuwait	Saudi Arabia	Iran	Iraq	Abu Dhabi	Qatar	Others	Total ME	Libya	Total ME & Libya	Algeria
1955	307.0	287.8	90.5	206.5		34.1	9.0	934.9		934.9	
1960	465.2	355.2	285.3	266.3		54.0	13.0	1,439.0		1,439.0	
1961	464.3	400.2	301.2	265.5		53.3	13.0	1,497.5	3.2	1,500.7	
1962	526.3	451.1	333.8	266.6	2.8	55.8	13.0	1,649.4	38.5	1,687.9	
1963	556.7	502.1	398.1	325.1	6.4	59.5	13.0	1,860.9	108.8	1,969.7	
1964	655.0	561.0	469.7	353.1	12.4	65.5	14.3	2,131.0	197.4	2,328.4	
1965	671.1	655.2	522.4	374.9	33.2	68.5	16.4	2,341.7	371.0	2,712.7	
1966	707.2	776.9	593.4	394.2	99.8	92.1	18.5	2,682.1	476.0	3,158.1	
1967	717.6	852.1	736.7	361.2	105.0	101.8	23.6	2,898.0	631.0	3,529.0	
1968	765.6	965.5	817.1	476.2	153.2	109.5	83.1	3,370.2	952.0	4,322.2	261.8
1969	812.2	1,008.0	937.8	483.5	191.1	115.2	118.2	3,666.0	1,132.0	4,798.0	298.8
1970	895.1	1,199.7	1,092.7	521.2	233.1	122.0	150.2	4,214.0	1,294.8	5,508.8	325.0
1971	1,395.3	2,159.6	1,869.6	840.0	430.7	197.8	195.2	7,088.2	1,766.0	8,854.2	320.0
Total 1962-1971	7,702.1	9,131.2	7,771.3	4,396.0	1,267.7	987.7	645.5	31,901.5	6,967.5	38,869.0	

NOTES:

1. Payments are obligations for royalty and income tax for the year shown, and in the Middle East include relatively small amounts arising from export refining operations in Saudi Arabia, Kuwait and Iran. Retroactive payments where possible are allocated to the year applicable.
2. Figures are derived from official company or government data where available. In some cases, estimates are used for smaller components in arriving at Middle East country totals.
3. Kuwait and Saudi Arabia each include one-half of Arabian Oil Co. and liftings by Aminoil (Kuwait) and Getty (Saudi Arabia).
4. Others consist of Bahrain, Oman (beginning in 1967) and Dubai (beginning in 1969). Low average payment per barrel for "Others" in 1967 is due to low payment in respect of initial exports from Oman. Bahrain payments used are Petroleum Information Foundation, Inc. estimates of royalty and tax obligations in respect of indigenous crude production.

Source: Petroleum Information Foundation, Inc., N. Y.

IN BRIEF

Year End Report

As this issue of *The Link* goes to press, it seems that AMEU will be able to close its books in 1972 with all accounts paid in full. Deep gratitude is expressed to all of the friends of AMEU who have supported our work so generously during the past months. AMEU is utterly dependent upon the gifts of those who believe in what it is attempting to do. If you have not contributed to AMEU, please consider making a gift now. Those who send gifts during the next two months will receive, as a token of appreciation, a copy of the Middle Eastern issue (Spring 1972) of *The Unitarian Universalist Christian*.

Tours

Friends of AMEU are invited to participate in the following low cost escorted group tours into the Middle East.

Italy, Greece, Lebanon, Holy Land — 2 Weeks — $899.00
Monday Departures —
February 12th and 26th
March 12th and 26th

Holy Land, Rome — 10 Days — $699.00
Friday Departures —
February 16th and 23rd
March 2nd, 9th, 16th and 23rd

AMEU is assisting in the preparation of five special interest tours.

Mount Athos, Greece — 2 Weeks — Spring 1973
Egypt — 2 Weeks — May 1973
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IN BRIEF

(continued from previous page)

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aims at maintaining contacts among Americans who believe that friendship with the people of the Middle East is essential to world peace, who would contribute to this goal by spreading understanding of the history, values, religions, culture and economic conditions of the Middle East, and who would—in this context—press for greater fairness, consistency and integrity in U.S. policy toward that area.

It is published by A.M.E.U. (Americans for Middle East Understanding, Inc.) whose directors are:

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Americans for
Middle East Understanding, Inc.
Room 538, 475 Riverside Drive
New York, N.Y. 10027