

EGYPT

CURRENT, FUTURE STATUS OF EGYPTIAN EXPATRIATE LABOR EXAMINED

No Changes Predicted for Future

Cairo AL-AHRAM AL-IQTISADI in Arabic No 747, 9 May 83 pp 8-12

[Interview with Mr Sa'd Muhammad Ahmad, minister of manpower by Mustafa Imam and Jamal Ziyadah; place and date not given]

[Text] Minister of Manpower Sa'd Muhammad Ahmad expects Egyptian workers to replace Asian workers. Under the worst possible conditions the minister does not expect the number of Egyptian workers in Arab oil countries to be reduced. The minister says that published estimates of the number of Egyptian workers abroad are approximate but not accurate.

The gist of the interview with Mr Sa'd Muhammad Ahmad, minister of manpower is this: he is optimistic, or rather very optimistic.

The minister thinks that the decline in oil prices and the decline in the volume of investments in Arab oil countries will not reduce demand for Egyptian labor. Quite the contrary, if demand for Egyptian labor does not increase, it will remain at its present level.

The minister's optimism is based on several considerations: some of them are objective, and others are personal. What I mean is that [the minister's optimism] is the result of his personal contacts with a number of officials in the Gulf states.

In this lengthy interview that AL-AHRAM AL-IQTISADI conducted with him, the minister of manpower reveals details and new information about his future expectations for Egyptian labor in Arab oil countries.

The minister also reveals new information about his attempts to set up controls [to ensure] that Egyptian workers leaving the country do so in an honorable manner that would protect their dignity. [In this interview] the minister speaks about the success of some of these attempts and the reasons why other attempts failed.

[Question] The first of the projections that have been made so far about the future employment of Egyptian workers in Arab oil countries after oil prices fell and investments declined has been pessimistic. According to that pessimistic projection, demand for labor will fall at least gradually. An optimistic view projects no decline in demand, but finds there are two possibilities. First, demand will remain at its present level; the second possibility is that demand will rise because it is anticipated that reliance on Asian workers will decline in the aftermath of the Gulf Cooperation Council's decision to reduce reliance on Asian workers because of the far-reaching dangers they pose to the political, social and cultural future of the Gulf states. What do you think about these projections?

Demand Will Rather Increase!

[Answer] First of all there is no doubt that the decline in the price of oil has caused oil countries to curtail their development plans. This will undoubtedly reduce the number of workers who would be employed. But the question is this: which workers will be let go? It seems to me that the oil countries will do without the Asian workers. This is the trend in the Gulf states. In fact, I think that the reduction in the price of oil has given the Arab countries an opportunity to get rid of Asian workers whose numbers in those countries have risen. Asian workers represent a threat to the social conditions and traditions of peoples. Arab oil countries will therefore seek the assistance of Arab workers, particularly Egyptian workers, who will replace Asian workers. Consequently, demand for Egyptian workers will not decline. Egyptian workers make up about 20 percent of the total work force in the Gulf states. This is what I expect: if demand for Egyptian workers does not increase in the near future, demand will at least remain at its present level. Furthermore, I have reasonably good relations with some Arab ministers of labor. In a meeting that took place last summer with some ministers of labor in the Gulf states--this was before the official decline in the price of oil--I was told that the trend in the Gulf states was to get rid of Asian workers and to replace them with Arab workers, particularly Egyptian workers. This is because Asian workers are now presenting economic, social and political problems for the region.

Pessimists' Arguments

[Question] It is evident that you favor the optimistic projection, but let me put to you some of the arguments that pessimists make. They think that reliance on Egyptian workers in Arab oil countries will decline at least gradually in the near future. Here in Egypt have we conducted studies to face the possibilities, even long-range possibilities, that some of the Egyptian workers will return?

[Answer] This is a complex subject. The Ministry of Manpower, however, must take precautions for such a situation. Even though the minister of planning says that the plan is flexible and will accommodate the return of Egyptians working in Arab countries, we must take precautions. I think that if 100,000 Egyptian citizens were to leave the country to work abroad, they would represent a national resource. If this resource is well utilized, its returns will not be less than the returns from oil. Evidence for this lies in the fact that returns from oil exports amount to 2 billion dollars annually; total cash remittances and goods of material value brought by Egyptians into the country amount to 2 billion dollars.

Precaution Is Essential

[Question] But what precautions do you think should be taken in case some Egyptian workers return?

[Answer] We have a shortage of skilled, trained workers. Most of our expatriate technical workers are highly trained, and, consequently, there will be no problem. But as I said, if there is no demand for more Egyptian workers, Egyptian workers abroad will not return. You can quote me on this. I am optimistic, and my optimism is logical.

[Question] Do we have estimates in Egypt of the number of Egyptians who left the country and what kind of technical workers they are?

[Answer] Estimates about the number of Egyptians [who left the country] are not quite accurate. But the number of Egyptians working abroad does not exceed 2.5 million. As far as their professions are concerned, that information too is not accurate because many people leave the country without an exit visa, and they change their professions. However, the professions of the vast majority of Egyptians abroad have been identified through our labor offices in Arab countries.

Our Offices Are Studying the Situation

[Question] Do you think that a study is required to make the situation perfectly clear so that possibilities can be set forth on the basis of an integrated study?

[Answer] Our offices in the Arab countries are currently conducting a study of the situation. But the expectations that I mentioned to you are the result of previous contacts made with some officials in those countries. They are based on a determination of the ratio of Egyptian workers to that of foreign workers in those countries, and also on our preliminary estimates of the expected reduction ratio in the employment of these workers and the kind of workers who will be let go, which as I said will be the Asian workers and not Egyptian workers.

The Skill of Egyptian Workers

[Question] There are studies that affirm that the standard of skills of Asian workers is higher than that of Egyptian and Arab workers in general. Don't you think that the skills standard of workers plays a role in determining a preference for those workers who will stay employed in the execution of projects in Arab countries?

[Answer] There is no doubt that Egyptian workers are superior and that they are intelligent. Unlike workers of many [other] nationalities Egyptian workers learn quickly. Evidence for this lies in the fact that no one has yet expressed any doubts about the skills standard of Egyptian workers. What happens, however, is that some Egyptians who travel become engaged in work other than that for which they have been trained. They obtain a certificate of experience from a private sector organization and with that certificate they apply for and receive an identity card and then a passport. To eliminate this phenomenon we made an agreement with the Ministry of the Interior that no change was to be made in a person's profession as recorded in the civil register because of a certificate of

experience issued by the private sector until a worker is subjected to an examination by a Workers' Skill Standard Measurement Committee. These committees would test workers' skills to determine their knowledge of a profession. Twelve committees have been established in the various governorates, and more of these committees will be established.

The Best Worker

[Question] Egyptian workers abroad are being criticized for having conventional skills and for not having acquired new and advanced skills in accordance with modern developments in technology. What do you think about that?

[Answer] This is not the fault of Egyptian workers. This argument does not detract from the skills standard of Egyptian workers. Let me say this: you can put the best textile workers in countries like Japan, West Germany, Britain or the United States on old textile machines, and they won't be able to operate them. Egyptian workers, however, will operate these machines and will produce. They will also repair those machines. Evidence for this lies in the fact that there is growing demand for Egyptian textile workers in a country like Greece. As far as modern technology is concerned, it seems to me that we in Egypt cannot introduce very advanced technologies that would reduce reliance on workers because this would mean that we would do without a large number of workers, and this is objectionable. As far as training is concerned, we lagged behind in that area. Training was neglected for years because no funds were allocated for it. The result has been a shortage in trained workers. This year, however--and this is the first year this is being done--the sum of 50 million pounds has been allocated for training: 4 million pounds for administrative training and the rest for training non-professional draftees during the period of their military service. The armed forces has received 16 million pounds to implement this plan. An agreement has also been made with different ministries such as industry, reconstruction and petroleum to carry out these training courses.

In general, the problem of the shortage in technical workers is basically due to the fact that development plans have been suspended and education is not tied to the needs of the labor market. Under the current 5-Year Plan, which is a long-term plan, we are finding out about economic expansions in the future, and we are determining our manpower needs accordingly. We have to link education with those needs so that this inconsistency would not emerge and we would not have a large number of university graduates entering a market that does not need them while there are shortages in other kinds of labor.

Where Is the Truth?

[Question] Let me go back once again to the published estimates of the numbers of Egyptians working abroad. The discrepancies in those figures are quite considerable. According to some estimates, for example, the number of Egyptians in Saudi Arabia is 400,000; other estimates state they are 800,000. What are the reasons for such discrepancies, and where is the truth?

[Answer] I believe that the number of Egyptians in Saudi Arabia amounts to 400,000 persons. This figure is more realistic. The other figure is exaggerated. In general, these estimates are speculative because there are no controls on the

departure of Egyptians from the country. The rights of citizens to travel abroad and to work are guaranteed by the Constitution. On the other hand, however, the departure of Egyptians who are employees of the government and of the public sector is regulated. Those employees submit applications to their employers who consult with the Office of Experience in the Ministry of Manpower regarding those applications.

The Office of Experience examines a work contract [submitted by an applicant who is a government or a public sector employee] to ascertain that it is a genuine and not a bogus contract and to ascertain that the wage is consistent with wages that are offered in that country. At the same time this method is considered a kind of control exercised by the Ministry of Labor to find out how many people are traveling and who they are. Private sector workers, however, have not been subjected to any control measures until recently. So far the ministry has not been able to control the immigration of private sector workers who are not required by law to obtain the approval of the Ministry of Labor. Even if the Ministry of Labor were to request that a person obtain such an approval, he would simply say that he was traveling for pleasure and not to work. As you know, people now travel without getting a visa from the Ministry of the Interior. Hence, large numbers of workers in the private sector leave the country as tourists, when they are in fact leaving to work [abroad].

Quite frankly there is no general listing of the numbers, kinds and professions of those workers. Travel offices claiming to be tourist offices play a major role in the immigration process. Unfortunately, some of these offices are engaged in white slavery, and they take advantage of Egyptians in the worst possible manner whether these Egyptians are scientific workers, trained technical workers, non-trained workers or farm workers. Egyptians have been subjected to many fraudulent operations. These offices used to collect 1,000 pounds from every Egyptian who wanted to go abroad. They realized enormous fortunes from this, and many regrettable incidents have occurred through these offices. Suffice it to say that these offices used to send representatives to Egyptian villages to recruit farm workers, and to build up their hopes for earning high salaries.

Many ingenuous farmers have been victimized by these offices. Some of them had to sell everything they own--their wives' jewelry and their possessions-- so they can pay the money that the offices asked for. We confronted these fraudulent operations that were being carried out by these offices after ascertaining that Egyptians were actually being subjected to fraudulent operations and were getting bogus work contracts. This was confirmed by our labor offices in the Arab countries. We drafted a bill regulating the recruitment of Egyptians to work abroad. The People's Assembly took a long time to approve this bill because of the opposition we faced in the Assembly. In this bill we tried to protect Egyptian workers from the fraudulent operations that were being carried out by these offices by regulating the business of these offices to ensure earnestness. We stipulated that such offices be licensed by the Ministry of Manpower so that the ministry can ascertain that the proprietor of an office does not have a record or has not been engaged in fraudulent operations. We also stipulated that the proprietor of such an office pay the ministry a bond of 20,000 pounds which the ministry may use to compensate Egyptians who may be victimized by fraudulent operations carried out by these offices. We also stipulated that such an office not receive any payment from Egyptian citizens, but rather from the employers who

are seeking workers. The ministry examines the operations of these offices to ascertain that they conduct their business in a manner that does not harm Egyptian citizens.

[Question] How are permits regulated to ascertain that they are issued regardless of personal whims or interests?

[Answer] There is a high-level committee chaired by a first deputy minister; that committee issues permits. And there is an appeals committee to which the proprietor of an office may submit an appeal in his own defense.

[Question] Do you believe that further measures are needed to regulate travel abroad?

[Answer] I don't believe so, because any other measures will place more burdens on us which we are presently not prepared for. However, there are groups of employees who have been trained to conduct surprise inspections of these offices.

Traveling with a Tourist Passport

[Question] Since this is the case, do you believe that such regulatory measures are to be taken?

[Answer] There are large groups of workers who leave the country with personal work contracts that have nothing to do with the ministry and that also have nothing to do with the travel offices. These are not large groups.

[Question] As far as Jordan and Iraq are concerned, Egyptians travel to these two countries as tourists where they stay for 6 or 8 months to get together a certain amount of money, and then they come back.

[Answer] As you said, these people leave the country to travel as tourists. Unfortunately, some of them do things that hurt the status of Egyptians.

[Question] How do they do that, and what can be done about it? We did call anyway for measures to control this matter. We asked the Ministry of the Interior to issue passports that would be valid for 3 months only to people who want to travel for pleasure, as it does to pilgrims and students. But the Ministry of the Interior turned down this suggestion, arguing that it would be impossible to implement such a measure in light of its current financial and manpower resources. The ministry thought that implementation of this suggestion would require a large agency. Also, quite frankly, some of the major figures [in the ministry] said that issuing a passport for tourist purposes that would be valid for only 3 months would restrict their freedom to travel and to work and travel abroad for pleasure.

Only with Qatar

[Question] Regarding protecting Egyptian workers in Arab countries, does Egypt have agreements with the remaining Arab countries for the protection of Egyptian workers in those countries?

[Answer] I would have liked to talk about such agreements, but Arab disputes have brought everything to a standstill. We had an agreement with Qatar that was renewed annually. Recently, however, it has been semi-frozen, but we will renew it soon. We do not have agreements with the rest of the Arab countries, but I believe that enactment of Law No 119 regarding the recruitment of Egyptians to work abroad began to have its effect on these countries or on employers in those countries. They now come directly to us--the Ministry of Manpower--to ask for workers. We set up a special department for receiving Arab employers and making agreements with them. I sent a delegation to Saudi Arabia, and an agreement was reached to have the Ministry send 8,000 drivers to Saudi Arabia during the pilgrimage season this year. A set of applications from Kuwait and Saudi Arabia has been received: some of them have been dealt with, and others have not yet been settled. It seems to me that as political conditions between Egypt and the Arab countries improve, the ministry will play an active part so that workers can be hired directly through the ministry.

There Is Action

[Question] How are Egyptian workers protected in Arab countries with which we do not have agreements?

[Answer] They are protected. There is a labor office in each Arab country that has a large number of Egyptians. The function of that office is to solve the problems of Egyptian workers.

[Question] However, under current political conditions between Egypt and the remaining Arab countries, do you believe that a labor counselor can act freely so that he can work effectively to protect workers and obtain their rights for them?

[Answer] Egypt has diplomatic missions in all the Arab countries except Syria and Libya. In those delegations there are ambassador level delegations even though the chief of the delegation may not be an official ambassador. At the same time our labor offices are affiliated with these delegations. There is continuing action to eliminate the problems of workers, particularly those that have to do with sponsors. These offices get workers what they are entitled to, and they compensate them in cases of death or injury. When there are problems between workers and employers, the labor counselor contacts officials in those countries to solve those problems. Rest assured, there is action, and it is continuing.

Official Confirms Minister's Projections

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[Text] Egyptian labor counselor in Saudi Arabia says that demand for Egyptian workers in Arab countries will not decline.

Despite the importance of spreading Egyptian labor offices in Gulf oil countries and in areas where Egyptian workers are settled, this action began only recently. Egypt now has labor offices in Kuwait, Qatar, the United Arab Emirates, Saudi Arabia and Sudan. These offices play an important role [serving] as liaison between the responsible authorities in these countries and Egyptian workers. They solve many of the problems that arise from disputes between workers and

employers; they ensure the rights of Egyptian workers; and they provide them minimum wages. In addition, they prepare studies about Egyptian workers and the demand for them. It is therefore essential that we find out the views of one of the Egyptian labor counselors abroad since he has seen firsthand the work conditions of Egyptians abroad.

'Abd-al-Hamid Bilal, former labor counselor in Saudi Arabia--he served in that capacity for 4 and a half years, since 1978--and director of foreign representation in the Ministry of Manpower says, "Relations between Egypt and the Arab countries were at their best after the October War in 1973 and after relations between Egypt and Arab countries became favorable. Egyptian workers flocked to Arab oil countries. Because of the proximity of Egypt's labor market, Egypt was the principal supplier of that labor. From 1973 to 1978 Arab oil countries received from Egypt the experiences that were required. This flow of Egyptian workers into these markets should have been promptly accompanied by the opening of labor offices in those countries. Unfortunately, however, a labor office was not opened in Saudi Arabia until 1978 when matters became critical. When I took my job in the Egyptian Labor Office in Jeddah, I was surprised by the fact that there were about 80,000 Egyptian workers residing in Saudi Arabia illegally. Some of them had left Egypt to perform the minor pilgrimage or the pilgrimage proper and had stayed behind to look for work. The Saudi government then issued a bulletin to those who had stayed behind: all those who had found employment in Saudi Arabia would have to rectify their status [with the authorities]. They would be given residence if they had entered the country after 1978. However, those who had entered Saudi Arabia before 1977 were to leave the country in 2 months. Egyptian workers waited until the last day of the deadline; they went to the office of Egypt Air; they vandalized the office; and they marched in a demonstration to the Egyptian Embassy in Jeddah.

"I was faced with this problem only 2 months after coming to Saudi Arabia. The embassy or the consulate should have taken measures, made preparations and alerted officials to the gravity of the problem. Unfortunately, what I noticed, however, was that neither the embassy nor the consulate had any estimates of the gravity and dimensions of the problem. I shouldered this responsibility. We had to arrange the departure of between 75,000 and 80,000 Egyptian workers in 24 hours. We had to provide a large number of airplanes and ships, and we had to get a delegation from Egypt Air or officers from the Passport Office [to help us]. We also had to contact Saudi authorities who opened up the facilities and services for pilgrims in Jeddah so that workers could be housed there until their departure. Civil aviation authorities also approved the landing of any number of Egyptian aircraft which came at the rate of one per hour. This large number of workers was transported by airplanes and ships in 15 days. Some Egyptians had tickets, and travel orders were issued to others provided that they pay for their fare upon their return to Egypt.

"This incident was tantamount to an alarm that an open-door policy on travel abroad was an erroneous policy. The wages of Egyptian workers had become the lowest wages as a result of that policy. At that time the average wage for an ordinary worker was 500 riyals, whereas the minimum cost of living was 500 riyals a month.

"This policy had to be reconsidered, and restrictions had to be placed on workers who leave the country under the pretext of performing the minor pilgrimage. The Ministry of the Interior complied, and traveling with a passport issued for the minor pilgrimage was prohibited. Then the ministry went back and allowed travel with such a passport. As a result [of the ministry's restriction] the number of people who would go to Saudi Arabia to perform the minor pilgrimage and stay behind declined. Since that date Saudi authorities have established an agency for deporting foreigners who stay behind. This agency has been operating since 1979.

"As a result of the controls placed by the Ministry of the Interior on the departure of people who leave to perform the minor pilgrimage, and because of the intense media campaign that was launched by the Ministry of Manpower the number of Egyptians who stayed behind in Saudi Arabia after performing the minor pilgrimage declined from 75,000 in 1978 to 23,000 in 1979; to 8,000 in 1980; to 5,000 in 1981; and to 3,000 in 1982.

"One of the most important problems encountered by the labor office in Jeddah was that of low wages for Egyptians working in Saudi Arabia. Ordinary workers earned between 400 and 500 riyals in wages, whereas those wages in the market were between 1,000 and 1,500 riyals. Nurses were earning 250 riyals, whereas their wages in the market were no less than 800 riyals. Domestic workers earned between 50 and 60 Egyptian pounds, whereas their wages in the Saudi labor market were between 700 and 1,000 riyals. Hence arises the question: how can this problem be faced? It was necessary to conduct a field study about the standards of living and the standards of wages. This study covered all professions: those with university degrees; administrative professions; ordinary workers; construction professions; domestic workers; and physicians or pharmacists in the private sector.

One of the most important features of the study was how paltry the wages of Egyptians were because there was no control over the contracts made by those workers, and there were also unfair punitive conditions in their contracts, such as monetary fines for those who do not complete the term of the contract.

"The study concluded with a determination of the wages that Egyptian workers should contract for, the ordinary conditions for a contract and the standards of living and of wages. An agreement was reached between the labor office and then Egyptian Consul Hasan al-Junaydi: contracts would not be ratified unless the labor office reviews the conditions of those contracts regarding wages and other matters. We began contacting businessmen for the purpose of amending the conditions of contracts. None of the businessmen rejected amending those contracts. We contacted the Chamber of Commerce to convince Chamber members about the new rates for wages, but some businessmen began disregarding the Egyptian labor office in Saudi Arabia and ratifying the contracts directly in the Egyptian Ministry of Foreign Affairs in Cairo.

"In 1979 large numbers of Egyptians came to Saudi Arabia with forged visas. Then Law No 119 for 1982 was issued regulating the recruitment of Egyptian workers to work abroad. We took part in drafting this law, and we had several objectives in doing so, namely to regulate the departure of Egyptians abroad so that only those who are not needed in the labor market would leave. This is based on the fact that the Constitution stipulated that citizens have the freedom to travel and to immigrate, provided that regulatory principles are observed.

Local Employment and Expatriate Workers in Principal Arab Countries Importing Workers in 2 Years: 1975 and 1985
(Low and High Rates of Growth) (in Thousands)

Citizenship	Jordanians	Tunisians	Sudanese	Syrians	Omanis	Lebanese	Egyptians	Yemenis	Yemenis Total
								(South)	(North)
1975									
Local employment of citizens	207	1,599	3,674	1,741	89	522	9,070	311	1,033
People employed abroad	139	29	26	38	31	23	335	46	329
Percentage of the labor force abroad	40.2	1.8	0.7	2.1	25.8	5.0	3.7	12.9	24.1
Percentage quota for Arabs abroad	13.6	2.8	2.6	3.7	3.0	2.9	34.6	4.5	32.3
1985									
High Rates of Economic Growth									
Local employment of citizens	413	2,122	3,704	2,311	150	587	12,127	439	1,155
People employed abroad	257	63	88	96	46	70	712	85	401
Percentage of Arabs abroad	38.3	2.9	2.2	4	23.4	10.6	5.5	16.2	25.8
Percentage quota for Arabs abroad	14.1	3.5	4.8	5.3	2.5	3.8	39.2	4.7	22.1
Low Rates of Economic Growth									
Local employment of citizens	385	1,914	3,361	1,936	151	587	11,154	354	1,087
People employed abroad	267	62.2	79.9	91.8	44.6	71.7	616.9	80.9	381
Percentage of the labor force abroad ²	41	3.1	2.3	4.5	22.8	10.9	5.2	18.6	25.9
Percentage quota for Arabs abroad	15.7	3.7	4.7	5.4	2.6	4.2	36.4	4.8	22.5
									100

1. Excluding Iraqis, Mauritians and Somalis.

2. Excluding surplus workers inside the country.

Source: A Study on the International Migration of Workers in the Arab Homeland, by Isma'il Siraj al-Din et al.

Approximate Comprehensive Statistics about the Latest Census of Egyptian Communities in Arab Countries in 1982

The countries in sequence	The number	The percentage
1. Iraq	1,250,000	42.2
2. Saudi Arabia	800,000	27.0
3. Libya	300,000	10.0
4. Kuwait	200,000	6.8
5. The United Arab Emirates	150,000	5.1
6. Jordan	125,000	4.2
7. Algeria	35,000	1.2
8. Qatar	25,000	0.8
9. Sudan*	20,000	0.7
10. Syria	15,000	0.5
11. North Yemen	12,000	0.4
12. The Sultanate of Oman	11,500	0.4
13. Morocco	11,500	0.4
14. Bahrain	6,000	0.2
15. Somalia	500	---
16. Lebanon	500	---
17. Mauritania	120	---
18. Tunisia	100	---
Total	2,962,220	100.0

* Most of them have dual citizenship.

Source: The Ministry of Foreign Affairs, Department of Immigration Affairs

"Another objective [of the law] also was to abolish the travel offices so that the departure of workers would take place through the Ministry of Manpower.

I told Mr 'Abd-al-Hamid Bilal, "Based on your experience and on the fact that you've had firsthand experience with Egyptian workers in Saudi Arabia for 4 and a half years, what do you expect will be the demand for Egyptian workers in Saudi Arabia and in the remaining Arab oil countries?"

He said, "The demand for Egyptian workers will not change for several reasons. One of them is that an employer looks at the process of getting workers from an economic standpoint, regarding the wages of that worker and the cost of his travel at the beginning of the contract term and at the end. That demand for Egyptian workers will continue is confirmed by the fact that travel costs from the Philippines to Jeddah are 5,000 riyals, whereas a ticket by ship from Egypt to Jeddah costs 350 Saudi riyals, and an airplane ticket costs 156 Egyptian pounds. In addition, Egyptians abroad do not discuss politics and do not bring with them undesirable social customs as is the case with Koreans, Indians and others. Saudi authorities had begun placing restrictions on the procurement of workers late in 1981. However, after Egypt adopted its wise policy [on expatriate labor] early in 1982, Saudi Arabia relaxed these measures; this would encourage businessmen to procure workers from Egypt. According to the development plans that were made in 1981, Saudis needed large numbers of Egyptians to work in farming and to operate machinery and construction equipment. However, the new change that occurred--the decline in oil prices and the reduction in oil

production--has created a budget deficit of 20 billion dollars in 1982-1983. This will be followed by a curtailment of development plans. Priority will be given to projects where considerable progress has been made, such as the al-Jubayl and Yanbu' complex, which is an integrated industrial complex. The ambitious plan in the agricultural sector will also be curtailed. This will be followed by a decline in demand for foreign workers in Arab oil countries. It is not expected that the impact on Egyptian workers will be serious, and demand is not expected to be seriously affected because the conference of the ministers of labor of the countries of the Gulf Cooperation Council made a decision to let Asian workers go gradually and to replace them with Arab workers, particularly Egyptian workers."

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