

The rapid expansion of the Saudi economy over the last year has made this financing necessary. Firms have generally not offered better than 180 day terms, even after establishing a good relationship.

The Embassy recommends that, until a good business relationship has developed, payments be in cash or confirmed irrevocable letter of credit, as it is difficult, costly, and sometimes impossible to collect receivables.

Patents and Trademarks

Since Saudi Arabia has no patent laws, there is no patent protection. Neither is the Kingdom party to any international convention in this area. There has been considerable discussion of late regarding copyright laws and protection of intellectual property.

Trademarks and patents must be registered through a Saudi lawyer, in the Distinguishing Marks Register, Department of Internal Trade, Ministry of Commerce, Riyadh. Trademarks, by Saudi standards, may consist of any unique combination of letters, numbers, special drawings or signs. Protection lasts 10 years and is renewable for an additional 10 years provided application for renewal is filed three months prior to expiration.

The Market for Consumer Products

From the importer's point of view, delivery time is crucial because of Saudi Arabia's relative geographic inaccessibility to suppliers. As demand for consumer goods is a relatively recent development, "brand loyalty" is not a well-established concept except for a few luxury items. Both prestigious and relatively inexpensive items have sold successfully.