

modation, and set up appointments with government and private sector officials. A competent agent's knowledge of the Saudi business culture can prove invaluable.

The key factor affecting a company's success in this market is its choice of an agent. Strict government regulations plus the intricate nature of the Saudi business community means that changing agents is both difficult and expensive. Many agents will agree to a one-year trial period subject to renewal if both parties agree. This arrangement allows for an evaluation of the agent and the agent's evaluation of the company's products. Additionally, it is important that the Canadian exporter be able to offer the ongoing support the agent needs to launch a comprehensive marketing effort. Such support can include product literature, training materials, after-sales service capability and frequent visits to Saudi Arabia by the Canadian principals.

## **Commercial Registration**

All companies conducting business in Saudi Arabia must register with the Commercial Registration Offices maintained by the Ministry of Commerce and Industry. Offices are located in all the major cities in the Kingdom.

## **Government Procurement**

Within the context of the general tender regulations, individual ministries and autonomous agencies are permitted to enter into contracts directly with suppliers. Each ministry has a procurement office.

Contracts which exceed one million riyals in value require solicitation of bids from at least three firms — five if for construction work. Contracts under this amount may, in most cases, be negotiated directly.