Franchise Environment in Saudi Arabia

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**Abstract:**
Franchising business in Saudi Arabia started thirty years ago. The business is facing some barriers: regulatory, socially and culturally. The business is dominated by large and well-known companies. The contribution to Small and Medium Enterprises (SMEs) is very small, so the opportunity for development through the self-employment of entrepreneurs or small businessmen is limited, despite the fact that the government supports Saudi youth financially and technically. Some efforts have been made by the Chamber of Commerce and concerned departments to spread the franchise culture among the Saudi businessmen and society as a whole. The SME’s department and the Saudi entrepreneurs are jointly encouraging the foreign franchisors to grant franchise agreements to new businessmen. The future of franchise as a mode of expansion and development of business, to both franchisors and franchisees in Saudi Arabia is promising.