

الهيئة العامة
لتنظيم الإعلام
GENERAL AUTHORITY
OF MEDIA REGULATION



The State of Media Sector in the Kingdom of Saudi Arabia and opportunities for investment

2024



Mr. Salman bin Yousef Al-Dossary

His Excellency the Minister of Media,
Kingdom of Saudi Arabia.

Chairman of the Board of Directors,
General Authority of Media Regulation

Foreword by the Ministry of Media of the Kingdom of Saudi Arabia

In recent years, Saudi Arabia's media sector has undergone a radical transformation, underpinned by Vision 2030's ambitious goals of economic diversification and promoting innovation. This evolution extends beyond economics, encompassing state-of-the-art infrastructure upgrades and robust regulatory framework development to ensure sustainable growth in the domestic media sector.

As Saudi Arabia progresses towards its Vision 2030 targets, we attract global attention, offering a platform to showcase the boundless potential of our media sector to provide unprecedented opportunities to companies and investors eager to participate in this transformative journey.

2024 marks the Year of Media Transformation in Saudi Arabia, signifying a new era for the Kingdom's media sector, which adapts to emerging transformational factors, most notably the shifting audience preferences, and provides fair and inclusive access to funding. The focus on nurturing young Saudi talents — creative minds capable of global influence — combined with strategic planning and resource allocation, and cutting-edge infrastructure, well positions us to dramatically elevate Saudi media's presence on the global stage. This approach is set to exceed all expectations.

This report is an important step in cementing Saudi Arabia's position as a leader in the future of regional media, under the leadership of the Ministry of Media. It serves as both an inaugural edition of an annual report series and a comprehensive reference documenting the sector's progress. Moreover, it spotlights success stories and opportunities available to investors, media professionals, and consumers, inviting them to join Saudi Arabia's media ecosystem as it gains deserved international recognition.

We are committed to providing an effective regulatory environment that balances innovation with consumer protection. This approach not only increases investment flows but also ensures the creation of distinguished media content that resonates with societal needs and values.

We welcome all those who wish to join us on this unique journey to explore the tremendous opportunities offered by Saudi media sector and contribute to achieving a bright and prosperous future for this vital sector.

Glossary

a-b

AdTech. Technologies and platforms used to automate, optimize, and analyze the process of delivering advertisements to target audiences across various digital channels, including display, video, mobile, and social media

Advertising Video on Demand (AVOD). Streaming service that provides free content to viewers supported by advertisements

AR. Augmented Reality

ARPU. Average revenue per user

c-d

CAGR. Compound Annual Growth Rate

Digital audio advertising. Pre- and in-stream Audio ads that appear in music and podcast streaming services

Digital classifieds. Online platforms where individuals or businesses can advertise goods, services or job opportunities. These platforms are typically websites or apps that allow users to create and post ads for a fee or for free

Digital media. Digital newspapers & magazines, OTT video, and music streaming

e-l

E-books. Digital versions of printed books that can be read on electronic devices

Electronic Sell-Through (EST). Refers to individual purchases of films or series as direct downloads, analogous to the purchase of a DVD or Blu-ray

E-Sports. Competitive video gaming at a professional level, often organized into leagues and tournaments with substantial prize pools

ICT. Information and Communication Technology

IP. Intellectual Property

Internet of Things (IoT). Network of interconnected devices embedded with sensors, software, and other technologies to exchange data

m-r

Machine Learning (ML). Subset of artificial intelligence where systems learn from data to improve performance on a specific task

No Objection Certificate (NOC). Official document issued by KSA authority to indicate no objection to a request or proposal made by an individual or organization

Out-of-Home (OOH). Advertising or marketing efforts targeted at consumers when they are outside of their homes, such as billboards, transit ads, and street furniture advertising

Over-the-Top (OTT). Content delivery directly to viewers via the internet, bypassing traditional cable or satellite television platforms

Role-Playing Game (RPG). A genre of video game where players assume the roles of characters in a fictional setting, typically with the goal of completing quests, exploring worlds, and developing their characters' abilities and attributes

S

Search Engine Optimization (SEO). Process of improving a website's ranking on search engines to create higher visibility and increase organic traffic

Software as a Service (SaaS). Software delivery model where applications are hosted by a third-party provider and accessed by users over the internet, typically on a subscription basis

Subscription Video on Demand (SVOD). Streaming service that offers unlimited access to a library of video content for a recurring fee

t-z

Third-Party Game (TPG). Video game developed by a company or individual other than the platform holder

Traditional media. Print media, linear TV, and traditional radio

Transactional Video on Demand (TVOD). Streaming service that allows users to rent or purchase individual pieces of content on a pay-per-view basis

Triple-A Games (AAA Games). High-budget video games developed by major studios with significant resources, typically featuring advanced graphics, expansive worlds, and polished gameplay

User-Generated Content (UGC). Content created by users rather than traditional content producers

For the purpose of currency conversion in this report, 1 USD = 3.75 SAR

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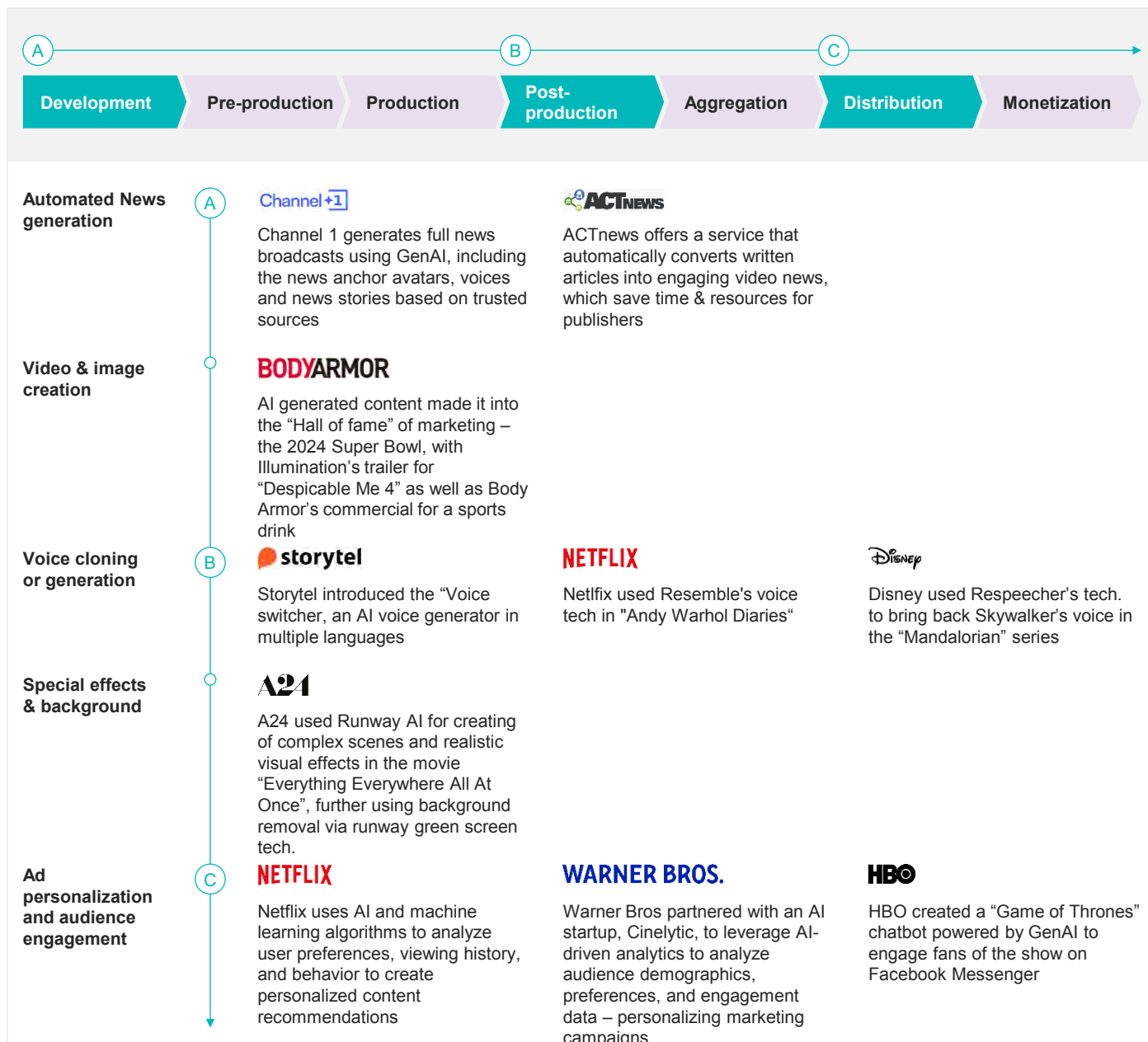
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01

Introduction

The media industry in 2023 faced significant challenges due to macroeconomic issues like inflation, high interest rates, and recessionary pressures, impacting consumer spending and advertising budgets. On top of that, geopolitical instability, such as the war in Ukraine, disrupted supply chains and global media consumption.

The introduction of new technologies like GenAI, augmented reality (AR), virtual reality (VR), and mixed reality (MR) provided opportunities for media companies, job creation, and organizational transformation. Media companies also emphasized adopting eco-friendly practices and addressing environmental concerns.



AI has created opportunities across each phase of the value chain by creating generative content that personalizes and engages audiences.

Source: Arthur D. Little

2024 is shaping into a pivotal year in the global media sector, with gradual improvements in economic indicators and the **consolidation of trends and competitive advantages** reshaping the global landscape.

Successful media ecosystems in the next decade will focus on six key areas:

1. Ensuring a world-class **media talent pipeline**
2. Scaling a competitive media ecosystem in terms of **services, offerings, and incentives**
3. Boosting **local content production**
4. Attracting international **media investors**

and capabilities

5. Refining the **regulatory framework** to facilitate rapid sector development
6. Ensuring global awareness and distribution of local content in regional and international markets

Driven by the ambitious "Saudi Vision 2030," the Kingdom of Saudi Arabia is on track to distinguish itself among both emerging and well-established media landscapes.

An impressive story of national transformation

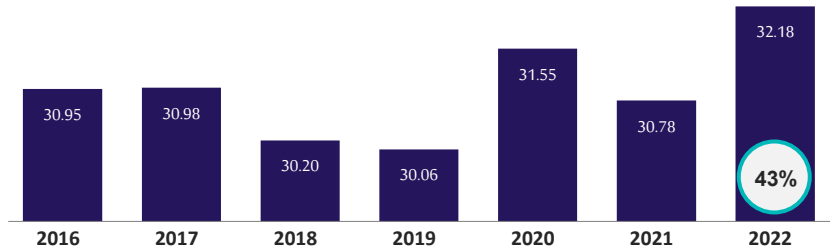
Saudi Arabia is demonstrating foundational traits and impressive achievements¹ that bode well for the targeted multiyear transformation led by Vision 2030

Young population

The demographic growth of Saudi Arabia has been notable over the past years (32.18M in 2022¹), with its population characterized by a large young demographic. Currently, **43% of Saudis are under the age of 39**

Conducive demographic growth, population in Million¹

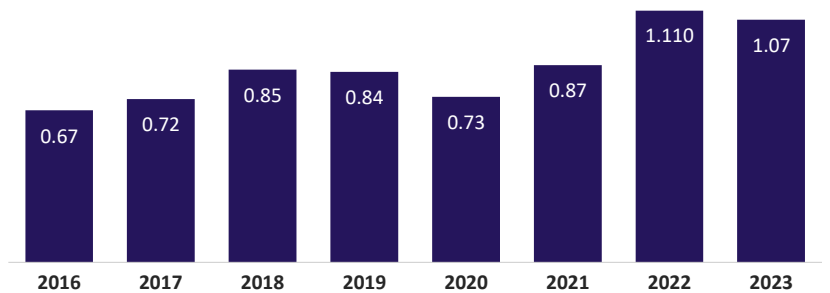
○ Share of total population under 39 years



\$1 Trillion of added GDP

Saudi Arabia is one of the **fastest-growing economies worldwide**, especially among G20 countries. The Kingdom's economy achieved a notable landmark, **surpassing the \$1 trillion mark** in nominal GDP since the announcement of Vision 2030

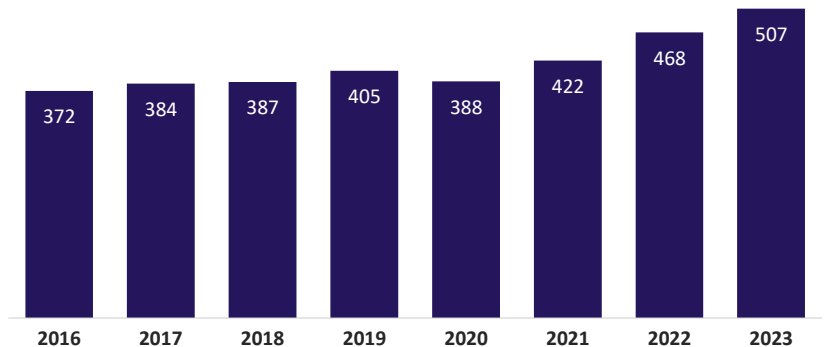
Strong economic growth, GDP value in USD \$ Trillions²



The economic diversification journey

Saudi Arabia's non-oil sector growth is a testament to the country's successful economic diversification. The share of non-oil-related activities **expanded by 4.7%³ in 2023**, now accounting for almost 50% of the GDP

Non-oil GDP contribution, in USD \$ Billions²



1. GASTAT
 2. Saudi Arabia: A Story of Transformation (2016 – 2023) report
 3. Based on constant 2010 prices

Media sector as a driver of economic growth

Ensuring the growth of the media sector is a critical enabler of Vision 2030

Following years of business as usual, the Saudi media sector found itself on the brink of transformative change with the introduction of Saudi Vision 2030. With the announcement of the **nation-wide transformation**, the primary objective is to cultivate the media sector to enhance the lives of the Saudi population and establish itself as the region's content hub.

This new vision is centered around a series of strategic objectives that Saudi Arabia is actively pursuing, including:

- Enhancing entertainment options and quality
- Safeguarding national heritage and values
- Enhancing KSA's image locally and globally
- Boosting economic contribution

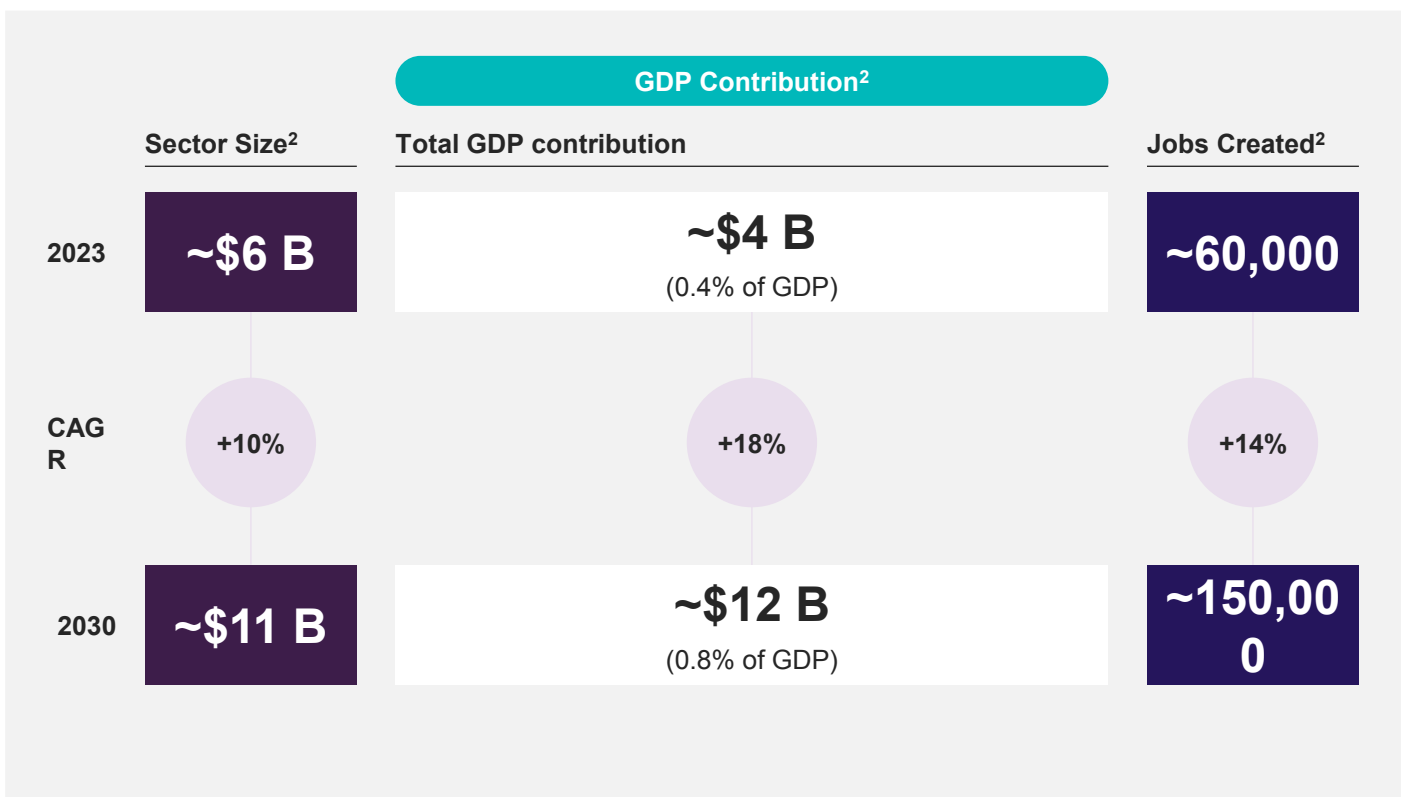
Vision 2030 is set to revolutionize the national media industry, transforming it into a hub of activity that not only attracts and fairly compensates talent from around the world but

also fosters innovation and plays a vital role in expanding the economic foundation.

Saudi Arabia's media sector is poised for significant growth, driven by its **youthful demographic profile**. With the highest population growth rate among G20 nations and 43% of its population being youth, the Kingdom is at the forefront of an evolving media landscape and digital revolution. This demographic dividend not only stimulates innovation and creativity but also propels the sector's growth.

The media sector in Saudi Arabia holds **immense potential for socio-economic development** and is strategically vital. The General Authority of Media Regulation (Gmedia) estimates that by 2030, the media sector will contribute roughly USD 12 billion (SAR 45 billion) to the national GDP, with significant growth in domestic job creation.

Media sector economic impact¹









1. Numbers shown are rounded and in USD
 2. Arthur D. Little estimate

Just a few years into the announcement of Vision 2030, Saudi Arabia is rapidly emerging as a **country with world-class media infrastructure**. This includes state-of-the-art production studios, supporting facilities, advanced digital technologies, and high-speed internet, all elements essential for the growth of media-related industries such as video, audio, gaming, publishing, and advertising. The country is also investing heavily in **5G networks and digital technology**, supporting the way for innovative content creation, production, and distribution.

What sets Saudi Arabia apart is that the Kingdom is not only focused on supporting media content production projects, as the majority of international media institutions do, but also on ensuring that media companies increasingly

embrace a **culture of financial self-sustainability and entrepreneurship** across content development, production, and distribution. Public media stakeholders have shifted from relying solely on grants and philanthropic support to implementing a **diversified portfolio of financing mechanisms**. These mechanisms reward production projects with robust scripts and production plans, offering rebates, lending guarantees, infrastructure financing, and co-production financing to prevent economic leakage.

Stakeholders in the media sector have integrated talent development and support for small to medium media enterprises into national funding and incentive programs, as well.

		Development	Production	Aggregation	Distribution	Monetization
Rebates	 KSA Film Commission: Cash rebate covering up to 40% of qualifying expenditure for selected projects; grant schemes supporting emerging talents and facilitating film production in KSA	✓	✓		✓	
	 NEOM: Highly competitive cash rebate covering at least 40% of qualifying expenditure related to the production films	✓	✓			
	 Film Alula: Cash rebates covering up to 40% of qualifying expenditure, including location scouting, government liaison, talent & crew recruitment services and logistical assistance	✓	✓		✓	
Govt. Funding	 IGNITE: \$1.1 B program to boost digital content creation in KSA, including: <ul style="list-style-type: none"> Financial support of \$243 M (SAR 908 M) to Culture Development Fund of which \$234 M (SAR 879 M) goes to Film Sector Financing Program Financial support for talent development programs and digital content producers Funding for digital content infrastructure development Funds for intellectual property (IP) protection 	✓	✓		✓	
Government Financing	 Cultural Development Fund: <ul style="list-style-type: none"> Launched a \$234 M (SAR 879 M) Film Sector Financing Program, funded via IGNITE, with 30% of financing dedicated to establishing film companies and facilities, and 70% to content development, production, and distribution Launched with MEFIC Capital and Roaa Media Ventures a \$100 M (SAR 375 M) Saudi Film Fund to attract filmmakers and forge partnerships with major international studios, fostering a vibrant cinematic ecosystem within Saudi Arabia 	✓	✓		✓	
Other	 The Royal Commission for Riyadh City and the Ministry of Investment: As part of the Regional Headquarters Program, media players are given incentives to relocate their regional headquarters to KSA, including 30-year exemption for corporate income tax.	✓	✓	✓	✓	✓

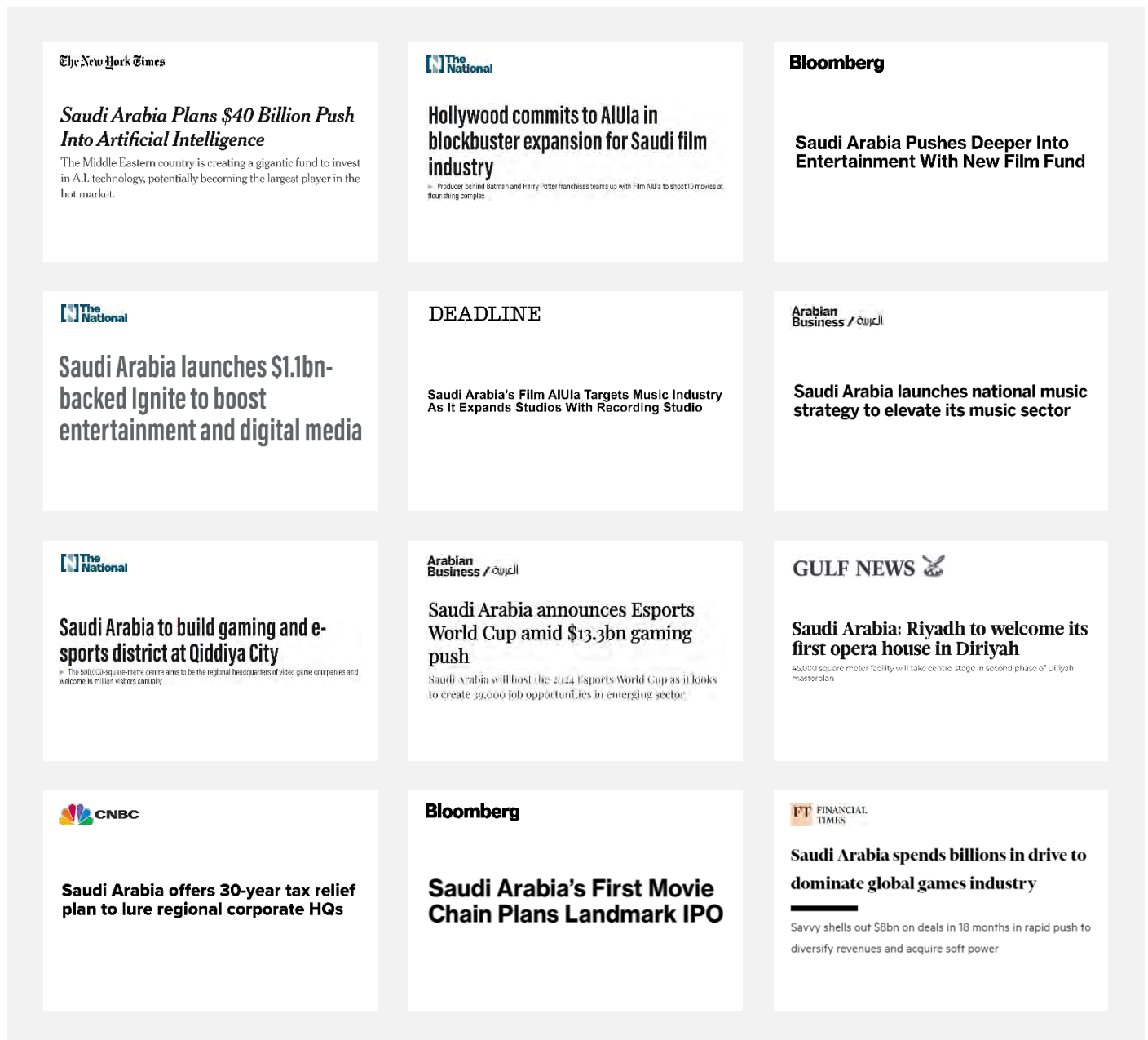
Source: Publication analysis, organizations' websites, Arthur D. Little analysis

Saudi Arabia is fostering an environment that **attracts world-class talents** while utilizing its youthful, tech-savvy demographic to nurture a new wave of professionals across diverse media disciplines. This dynamic workforce is behind the success of an array of local productions, video games, and digital content, thereby amplifying the nation's creative prowess internationally.

Recent regulatory reforms in Saudi Arabia have laid the foundation for favorable conditions to **attract investments** and foster the expansion of the media sector. These reforms are designed to

support media enterprises of all sizes, making it easier for both domestic and international entities to operate within the Kingdom.

Consequently, the Kingdom of Saudi Arabia is capturing the attention of the global media industry, thanks to highly acclaimed government efforts poised to establish one of the most compelling media hubs globally. These efforts are opening doors for international media investors ready to explore the significant growth potential and opportunities present.



KSA's nationwide push to grow the media sector has garnered global attention.

An expansion into Saudi Arabia represents an **unprecedented opportunity** for foreign media companies seeking to build, scale, and tap into new audiences domestically and regionally, as well as establish strategic partnerships to enhance their competitive positioning. Those looking to seize the upside of growth should set

their sights on Saudi Arabia. With a total population of over 32 million and 43% of the population being below 39 years old, along with a favorable macro-economic backdrop, Saudi Arabia offers massive opportunities across almost every type of media company and investor.

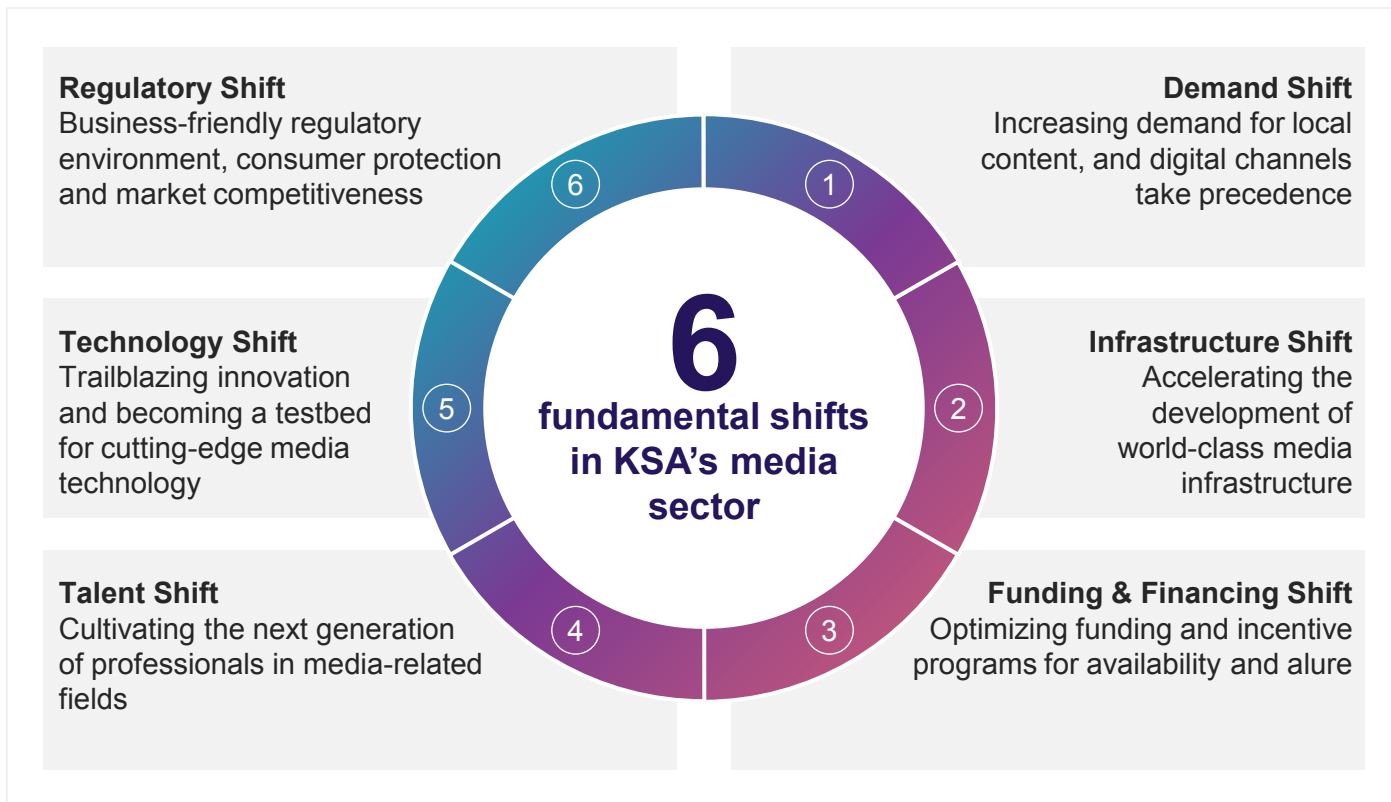
<p>A Drive local content development and expand monetization touchpoints</p>	<p>Partnerships across media segments: Establish commercial partnerships for content co-development and production, and share platforms and content libraries to meet the growing demand for local content and digital channels across media segments. Leveraging Saudi Arabia's leading position in the Arab world provides the opportunity to produce blockbuster films, cultivate Arabic music streaming champions, develop offerings in national and regional sports media, and establish innovative publishing houses to tap into larger audience segments, gain commercial synergies, and increase monetization touchpoints</p>	<p>Partnerships in adjacencies: Partner with adjacent sector players to expand reach and leverage media convergence for mutual benefits. This could involve corporate partnerships and JVs with domestic telco and technology players to leverage their capabilities and consumer data, expand content popularity, and secure distribution solutions, especially in gaming</p>
<p>B Support the development of leading-edge media infrastructures</p>	<p>Operational partnerships with giga-projects: Establish long-term strategic and operational partnerships with giga-projects like NEOM, AIUla, and Diriyah to capitalize on the demand for film studios, cinema theaters, opera houses, and gaming venues. Co-develop and operate cutting-edge media infrastructures integrated with environmentally sustainable solutions and carbon-neutral components</p>	
<p>C Contribute to the development of best-in-class media talents in MENA</p>	<p>Co-development of academic programs, campuses set up, and academic exchanges: Partner with domestic academic institutions, giga-projects, and public organizations to address student demand for media education through PPPs to co-design media-related and STEM programs focusing on media education.</p> <p>Facilitate academic exchanges and set up campuses in KSA to share best-in-class academic programs in the fields of video, music, and gaming. This collaboration can also enable new revenue streams for greater financial sustainability and create broader employment opportunities for faculty and other professionals involved in media education</p>	
<p>D Develop national media crown jewels and bring them to the global stage</p>	<p>PE/VC funding & financing: Despite the availability of grant and rebate programs, Private Equity (PE) and Venture Capital (VC) as a form of financing lever remain limited due to the private sector's relative youth compared to more developed countries. Regulatory reforms supporting foreign investment have created a favorable environment for PE and VCs, enabling international funds invested in the media sector to offer recoupable financing mechanism (e.g., development funding, gap, slate, private credit, etc.) and early to mid-stage financing to help scaling domestic media crown jewels</p>	<p>Private equity acquisitions: Private equity M&A in the media sector is reinforced by its alignment with the country's ambition to enhance global perceptions through international media ventures. With fundraising slowing in the Gulf region, international funds can take advantage of Saudi Arabia's growing media industry to identify attractive targets for acquisitions with high cash flow potential</p>
<p>E Foster the localization and development of next-generation technologies</p>	<p>Supply innovative technologies: Partner with giga-projects, public organizations, and successful domestic media companies to supply highly innovative and scalable technological solutions tailored to their specific needs</p>	<p>Tech localization & co-development: Engage with innovation hubs, accelerators, and collaborate with local technology firms and startups for the localization and co-development of technology solutions for various media segments, including filmmaking, music, gaming, publishing, and advertising. Additionally, benefit from abundant funding opportunities and the sector's increasing technology spend</p>

Investment opportunities are available for entities to enter and tap on the growth of Saudi Arabia's media sector. Source: Arthur D. Little

02

Decoding the six sectoral shifts that are shaping the media landscape in KSA

Within the media sector of Saudi Arabia, six significant transformations are reshaping the sector, each influenced by the unique starting conditions and cultural attributes of the Kingdom. These transformations are catalyzing profound changes and unlocking strategic opportunities for both new entrants and international investors. With the media sector projected to approach nearly USD 11 billion (SAR 41 billion) by 2030, foreign media companies and investors have the potential to capitalize on the success stories and promising future that the Saudi Arabian media sector presents.



Major shifts in 6 areas are driving the transformation of Saudi Arabia's media sector. Source: Arthur D. Little

01: Demand Shift

Increasing demand for local content and digital channels takes precedence

In line with global trends, the post-pandemic world in Saudi Arabia has deepened consumer behaviors, **accelerated digital disruption** and it is leading to industry tipping points in the years ahead. Many shifts that were already in play – such as the relentless rise of streaming, the move towards digital news media, and the growing influence of gaming and user-generated content – have gained momentum. However, the social, economic, and cultural transformations triggered by Vision 2030 have massively shifted audience demand towards **local content** clearly associated with the values and narratives of the Kingdom. This demand for local content in video, audio, and gaming is further fueled by the successful adaptations of international formats like Arab Idol, Saudi Idol, The Voice, The Masked Singer, and Top Chef, which resonate well with Saudi consumers and advertisers targeting them. Popular Netflix series, such as **'Crashing Eid'**



and **'Tahir's House'**, feature settings in Saudi Arabian families and emphasize Saudi culture. Inspired by the international recognition of KSA-made film projects like **'Sattar'**, the success of 'The Mo Show' as the Kingdom's first English podcast, or the headlines made by Saudi Arabia's **Musaed Al Dossary** on becoming an **esports world champion**, the media audience in Saudi Arabia is rapidly creating opportunities at the intersection of local original content that can be accessed anytime and anywhere.

Foreign media production companies and OTT platforms with integrated production capabilities can capitalize on the demand for **local content** by partnering with top-tier talent, directors, and production studios to create original series, films, and specials that resonate with audiences worldwide. A successful example of this is **Netflix, which established a partnership with Telfaz11** for the co-production of eight films. This collaboration aims to create authentic and intriguing stories that resonate with both Arab and global audiences.

Not only does this partnership allow Netflix to diversify its content library, but it also enables the



Saudi culture, humor, and art, thus catering to the growing demand for local content in the region.

Partnerships outside the own media segment have the potential to be profitable, given the existing media convergence of adjacent sectors. The telecom sector is particularly prominent. Niche gaming companies and domestic telcos keen on diversifying into the gaming market can establish revenue-sharing partnerships. These partnerships can focus on **complementing each other's capabilities**, such as leveraging servers for an enhanced gaming experience. In return, telcos can gain access to **exclusive game releases** or **in-game advertisements** for their products. For example, the Turkish telecom company Turkcell partnered with Greek gaming developer Intralot to establish a joint-venture mobile game development subsidiary. Azerbaijani Azercell partnered with Japanese mobile conglomerate Docomo Digital to create a **children-only app store** for child-safe content. Alternatively, game developers can set up partnerships with local game studios focused on **localizing game language**, culture, and storyline to the Saudi context.

Media consumers in Saudi Arabia are clear-minded about what they want to watch, read, listen to, and play, and they are now firmly in control of how they spend their two largely finite resources – their time and money. Spanning content genres including comedy, live shows, sports, performance arts, and how-to content, the democratization of content in Saudi Arabia is a reality through platforms like TikTok, Twitch, and YouTube, which have continued to close the gap between domestic creative minds and generations of Saudi media consumers, especially through short-form **"snackable"** content as part of the overall proposition. While **professionally generated content** (PGC) has higher production values and often needs to conform to specific standards and regulations, **user-generated content** (UGC) on these platforms does not, allowing short-form and low-budget videos to reach a large audience base and be profitable. The growth of UGC as a regular content type for some audiences demonstrates the power of one-to-one connection and its impact on the media landscape.

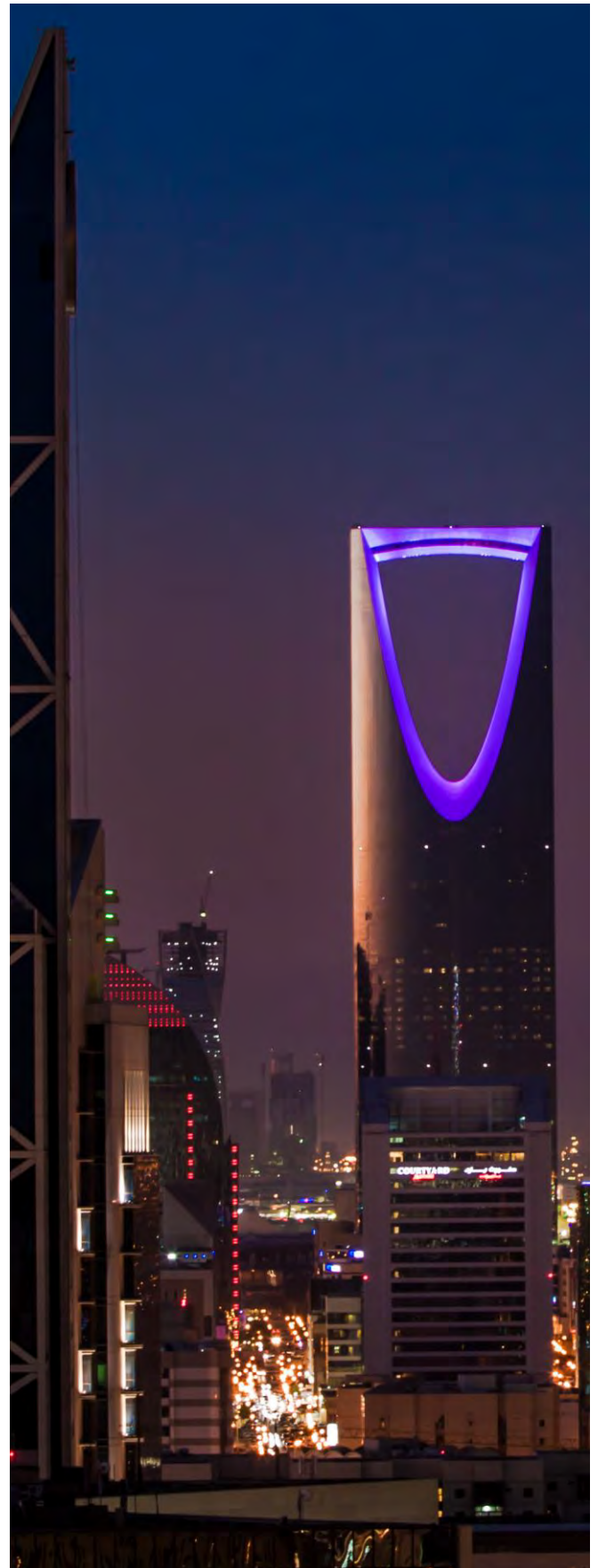
Changing behaviors in media consumption in Saudi Arabia are opening a completely new window of opportunities for individual foreign creators and freelancers. Across the board, whether through **Substack**, which helps independent writers establish a subscription newsletter service; TikTok, which turns anyone prepared to share their video into a creator; or the highly curated YouTube channels of key influencers, the ability for content creators to monetize their work without a third party (beyond the platform) represents a reality rather than a development trend.

In KSA, the nascent influencer economy is supporting the growth of specific content formats such as podcasts. **Saudi Arabia is already leading in podcast content in the Arab world**, with more than 67% of its adult population listening to at least one hour or more of podcasts a week¹. This massive addressable market represents an incredible opportunity for foreign digital audio platforms, key opinion leaders across sectors, and domestic media organizations.

An excellent example of such potential is the partnership between **Spotify and Gamers8**, the biggest gaming and esports festival in the world held in Riyadh, reflecting the dynamic intersection between gaming, music, and podcasting in Saudi Arabia's gaming landscape.

On the flip side, in line with global trends, the publishing and advertising sectors in Saudi Arabia are witnessing substantial challenges that are opening opportunities for foreign investors who can bring international experiences to a publishing sector under transformation.

In Saudi Arabia, **digital news** is increasingly replacing traditional print, driven especially by an expansion of news media on social media as the primary source for news. These shifts in news consumption have created a major financial challenge for traditional news organizations. While the digital advertising and consumer revenues (digital circulation) of news organizations have been growing, they are not increasing fast enough to offset the drop in print advertising and circulation. Similarly to global trends, digital influencers are driving the development of the **influencer economy** in Saudi Arabia, with key opinion representing trusted and unbiased voices.



1. Yougov, "Global: Where (in the world) are people listening to podcasts?"

Similarly to global trends, the Saudi news industry is facing the challenges associated with digital transformation, business model innovation, and revenue diversification. Although the **news media ecosystem** is increasingly digital, many companies are still constrained by a print-oriented mindset. This is evident in their fragmented newsroom operations and reliance on conventional content formats and delivery channels.

While innovation in their business models has been limited, some regional news organizations have started to diversify their revenue streams. Several organizations, including Al Arabiya, Arabian Business, and the **Saudi Research and Media Group (SRMG)**, are exploring sustainable business models and building avenues for growth. These steps include developing new content products such as digital platforms, podcasts, videos, and research reports, as well as launching other businesses, such as media training and events. Some of these organizations are adopting paywalls for subscription models and membership programs.

Such challenges, however, represent opportunities for foreign investors and the Saudi media sector as a whole. Foreign social media platforms, digital news media players, and specialized technology companies have a tangible opportunity to explore partnerships with

domestic traditional publishers to accelerate their transition from **traditional to digitally-enabled businesses** and monetization. These partnerships can focus on setting up the digital editorial capabilities needed to shift to formats that match the preferences of the Saudi and regional audience, ranging from podcasts, short-form video, and written content to mobile formatting and influencer marketing.

In addition, specialized technology companies can provide cutting-edge **Artificial Intelligence (AI) and data analytics applications** allowing news publishers to associate their brand reputation with the notion of trust. This can be achieved through **AI-based fact-checking** and unlocking content monetization by improving ads and content targeting, enhancing recommendations, increasing content efficiency, developing and retaining audiences, automating reporting, and optimizing headlines.

The result of such potential partnerships is visible in the market, leading to the launch of commercial pilots with shared participation in fresh news media brands dedicated to the Saudi market. For example, Vice Media Group expanded its business in Saudi Arabia and has signed a deal to produce bespoke, Arabic-language content across food, music, fashion, visual arts, and video games.



Source: Saudi Data & AI Authority picture library

02: Infrastructure Shift

Accelerating the development of world-class media infrastructure

From a socioeconomic standpoint, **lifting the 35-year cinema ban** represented a significant step forward, allowing the country to boost its media sector. Following the lifting of the ban, the move was welcomed across Saudi Arabia, and tickets for the first public screening of "Black Panther" in April 2018 by AMC Theatres (the first to open in Saudi Arabia) sold out in just 15 minutes. Since then, Saudi Arabia has witnessed exponential growth in media-related infrastructure led by giga-projects such as **NEOM** and **AIUIa**.

Despite the increasing adoption of digital channels by the Saudi audience as conduits for media consumption and entertainment

experiences, the **development of physical media infrastructure** remains a top priority for public stakeholders and a key enabler for the blossoming private sector. The development of technical infrastructures like studios equipped with the capabilities required across the entire production cycle is accelerating due to the continuous growth of new media companies localizing their businesses in the Kingdom. Similarly, the number of physical distribution channels like cinema theaters, music venues, and gaming centers is on the rise to accommodate the growing demand of media consumers and communities



Currently, across Saudi Arabia, there are **over 35 film studios** with a size greater than 300 square meters. For instance, **Film AIUIa** has completed its first phase of the film studio complex development, which includes **two 2,415 sqm soundstages**, a backlot, production support buildings, workshops, warehouses, a sound recording studio, and training and rehearsal space.

NEOM has announced the opening of a second purpose-built, industry-standard, 2,400 sqm sound stage, bringing the total of operational stages to four, offering a total of **12,000 sqm of production space** in addition to support and backlot facilities. A further six stages offering 10,000 sqm of production capability, including a volumetric stage, are under development.

NEOM's facilities include resort-style accommodation for 350 cast and crew, with plans to increase it to 500.

The achievements in infrastructure development are not solely the result of government efforts and giga-projects. Saudi authorities are committed to encouraging and supporting both local and foreign firms to establish studios and **new cinema theaters** in Riyadh, Jeddah, and other cities.

For instance, **Merwas** and **Al Baraha** are notable examples of individual private sector companies successfully leading the design and execution of technical infrastructures, exemplifying how **entrepreneurship** has found a home in the Kingdom's media sector.



The Vision

From a visionary idea to its realization by founders Nada Al Tuwajri and Rumayyan Al-Rumayyan, and further strengthened by a partnership with Sela, Merwas is a state-of-the-art music production studio and entertainment factory located in Boulevard Riyadh City, one of the 15 entertainment zones of Riyadh Season in Saudi Arabia.

The Purpose

“Alongside (Merwas) being a one-stop shop for all content creators, we strive to take our local talents from local to global and create a unique stamp in the industry”

Nada Al-Tuwajri

Merwas co-founder and CEO

A World-class Studio

Merwas offers unparalleled access to world-renowned experts in music, art, and entertainment. Boasting **22 state-of-the-art studios**, the project's scale and excellence have earned Merwas a prestigious Guinness World Record

Certificate as the **world's largest music production studio**. Positioned as a hub of creativity in the Middle East, Merwas is not just a facility but a testament to the founders' vision to empower, develop, and nurture Saudi talents, safeguarding their rights and enriching Saudi Arabia's artistic landscape.

International Recognition

Merwas stands as a beacon for local creatives and artists, offering them direct access to global expertise, premium services, and holistic solutions. Impressively, within just a year of its inception, Merwas has become the **preferred destination for music artists worldwide**, hosting A-listers and facilitating the recording of songs and albums in its cutting-edge facilities.

Notable contribution to local content growth

On the production front, it has been actively creating and releasing a multitude of shows, series, and podcasts across various platforms. Moreover, through its academy, Merwas has curated and delivered numerous training programs and workshops in the entertainment industry, benefiting **over 1,000 students and enthusiasts** across the Kingdom.

Wide Strategic Collaborations

Over the past year, Merwas has **solidified its presence in the MENA entertainment industry** through strategic collaborations. It has signed agreements and Memoranda of Understanding (MOUs) with various governmental and private sector entities, including General Entertainment Authority (GEA), Saudi Authority for Intellectual Property (SAIP), Quality of life Program (QOF), Culture Development Fund (CDF), Music Commission (MC), Rotana, and Saudi Telecom Company (stc). These partnerships have enabled Merwas to spearhead initiatives related to audio and video production, as well as educational endeavors.



Since 2018, when the first-ever cinema opened in KSA, **more than 60 movie theaters with over 620 screens and more than 60,000 seats** have been established across 20 cities in the Kingdom. These theaters are managed by private sector players such as Vox Cinemas, Muvi, IMAX, and AMC. The dynamic media distribution segment is also fostering partnership consolidation initiatives, with **Saudi Entertainment Ventures** taking the 100% ownership of AMC Entertainment, operating its 12 cinemas and continuing to use the AMC brand name in the Saudi market via a management licensing agreement. Film Commission estimates that by 2030, Saudi Arabia will be equipped with **more than 1,000 movie screens**, paving the way for a large number of additional development projects.

Increasingly planned efforts are also being unveiled in relation to technical infrastructure. For example, giga-projects like **NEOM** and **Qiddiya** are actively involved in gaming infrastructure development, with NEOM announcing development plans for multiple gaming studios in the region. Meanwhile, Qiddiya has announced the plan to build a **500,000 sqm mixed-use gaming and e-sports district** consisting of four e-sports venues capable of hosting up to 25 e-sports teams at any time. In 2023, **NEOM** and **MBC GROUP** announced plans to establish the first AAA games development studio in KSA. In parallel, **Artisan Studios**, a renowned Canadian AAA games developer, announced plans to open a game development studio employing over 200 people.

Film AIUIa has announced plans for the construction of a cutting-edge music recording studio. The studio will encompass a **190 sqm studio space**, a 47 sqm control room, two ISO booths, catering facilities, and a rack room. The **Diriyah Gate Development Authority** announced plans to open the region's **first-ever opera house**, comprising a 20,000-seat

performance arena. NEOM announced **Utamo**, an immersive multipurpose performance space nestled in the mountains along the Gulf of Aqaba coastline, where reality and the digital realm converge. Integrated with VIP lounges and signature restaurants, Utamo will be one of the world's most exclusive event spaces, as it plays host to performances from the globe's greatest artists.

While the traditional publishing sector is under pressure due to the shift from physical to digital consumption, Saudi Arabia, as the center of the Arab world and a leader in Quranic studies, continues to ensure innovation in the field through one of the most important publishing complexes in the sector. The **King Fahd Complex for the Printing of the Holy Quran** in Medina, established in 1985, is a major printing plant that utilizes cutting-edge technology to publish versions of the Quran, recordings, translations, and books globally in various languages. Producing approximately **20 million copies annually** and offering publications in **more than 75 languages**, the King Fahd Complex is supported in its expansion by the government and collaborates with Islamic scholars to ensure the authenticity of its offerings.

All these developments make Saudi Arabia a great business opportunity for foreign investors willing to capitalize on the potential of the media sector. Companies specialized in technical infrastructure can thrive by establishing long-term partnerships with giga-projects like NEOM, AIUIa, and Diriyah, especially for developing cutting-edge infrastructure powered by next-generation technologies and environmentally sustainable solutions. As evidenced by programs like the **Saudi Green Initiative**, offering carbon-neutral materials and solutions represents a rewarding opportunity that can also open doors to adjacent sectors like entertainment and hospitality.



03: Funding and Financing Shift

Optimizing funding and incentive programs for availability and allure

As the Kingdom's media market undergoes rapid evolution, it is establishing itself as one of the most advanced media ecosystems regarding the availability and attractiveness of funding and incentive programs. The availability of a **diverse range of funding and financing programs** not only supports businesses across the media value chain but also encourages them to consider relocating their operations to Saudi Arabia. All these efforts aim to foster a culture of financial accountability within the private sector and fiscal responsibility at the public sector level, thus ensuring a healthy media ecosystem and maximizing economic contribution, in alignment with the objectives of Vision 2030.

For example, the Film Commission and NEOM stand out for their **generous cash rebate mechanism**, covering 40% of qualifying expenditures, and grant schemes designed to nurture emerging talents, positioning Saudi Arabia as a prominent hub for media and entertainment activities. Similarly, Film AIUa provides extensive support for film and TV productions, including cash rebates, talent recruitment, and government liaison services, with the goal of establishing AIUa as a **premier shooting destination**.

Additionally, the **Cultural Development Fund (CDF)** has introduced a substantial **\$243 million financing initiative** for the film sector, with a significant portion allocated to establishing companies, facilities, and developing film content. CDF has also signed a **\$100 million agreement** with 'MEFIC Capital' and 'ROAA Media Ventures' – two domestic investment firms - to establish the first film sector investment fund. CDF is the primary investor, contributing 40% of the total investment. The agreement aims to invest in **film sector companies and projects**, providing them with the necessary financing and ensuring that investments in the sector are managed with best practices.

In 2022, during the annual tech event LEAP, Saudi Arabia introduced **IGNITE**, a **\$1.1 billion initiative** aimed at tripling the size of Saudi Arabia's digital content market in gaming, audio, video, and advertising. The initiative includes provisions for financial support to local, regional, and international companies and startups, infrastructure development, talent enhancement programs, and the implementation of improved policies and regulations to facilitate rapid sector growth. By 2025, IGNITE plans to **upskill over 4,400 individuals**.

The gaming industry in Saudi Arabia is poised for significant growth, with the **Saudi Esports Federation** unveiling a **\$38 billion investment plan** to stimulate investment in esports, and with the Public Investment Fund (PIF) setting up **Savvy Gaming Group** – a games and esports company – as a vehicle to drive corporate investments in the gaming segment.

Despite the availability of a wide range of funding and financing mechanisms, Saudi Arabia's media ecosystem remains largely untapped by private equity (PE) and venture capital (VC) investments. For example, funds can support the media industry by providing private credit as bespoke and flexible lending solutions for **financing media businesses and supporting content creation and distribution**. This lending spectrum extends from studios producing TV shows and movies to related businesses such as streaming services and talent agencies. Furthermore, PE and VC can find multiple opportunities to back companies with early to mid-stage funding to enhance their business and operating models, expanding in adjacencies like live entertainment and sports.

Regulatory reforms allowing majority acquisition of domestic companies by foreign investors have created a favorable environment for private equity. **M&A in the media sector** is reinforced by its alignment with the country's ambition to enhance global perceptions through international ventures. With fundraising slowing in the Gulf region, international investors can capitalize on Saudi Arabia's growing media industry by identifying early to mid-stage media production companies or game development studios as acquisition targets for their cash flow potential and content rights development

Source: Publication analysis, organizations' websites, Arthur D. Little analysis

04: Talent Shift

Cultivating the next generation of professionals in media-related fields

Saudi Arabia is actively fostering its local workforce through initiatives aimed at reforming education, expanding vocational training, and incentivizing Saudization policies. These initiatives encompass comprehensive reforms targeting **educational quality enhancement and alignment with dynamic labor market demands**. Investments in the expansion of **vocational training** are further bolstering skill acquisition among Saudi youth across diverse sectors. These initiatives not only support the growth and development of the local workforce but also contribute to creating a more inclusive and diverse business environment in the Kingdom.

In the media sector, stakeholders are actively

fostering talent development by offering specialized programs and vocational training to empower aspiring professionals. For example, **the Ministry of Media** has launched **three media academies** aimed at promoting synergy, with the ambitious target of training **4,000 participants** within two years. These academies provide comprehensive educational tracks covering **50 theoretical and practical subjects**, as well as specialized programs developed in partnership with top international universities. The Saudi Media Academy, Saudi Press Agency News Academy, and Saudi Broadcasting Authority Training Academy serve as crucial centers for **talent development and innovation** in the media industry, offering dynamic platforms for local and global collaboration.

Cinema	Music	Journalism	Gaming
 <p>Since 2016, Effat University has held partnerships with the New York University Tisch School of the Arts and has offered bachelor's degree programs in cinematic arts to Saudi women.</p>	 <p>In 2022, the Music Commission launched the first world-wide Virtual Music Academy available to domestic and international students, offering music training programs on disciplines, including visual broadcasting, Virtual and augmented reality.</p>	<p>There are several universities that play a significant role in shaping the field of journalism and media studies in KSA, offering a range of undergraduate and graduate programs:</p>	 <p>In 2022, the Saudi Esports Federation launched the Saudi Esports Academy, offering certified professional education and training programs focused on various esports-related disciplines. Recently, the academy celebrated its first batch of graduates from master's degree and diploma programs, preparing them for careers in gaming.</p>
 <p>Dar Al Hekma University offers programs in collaboration with the New York Film Academy.</p>	 <p>The Nahawand Academy of Arts has partnered with the Gnesins Russian Academy of Music to establish an international music academy in Saudi Arabia, the Nahawand Center, offering educational programs, training, and musical research initiatives.</p>	 <p>King Saud University, recognized for its programs in Broadcast Journalism</p>	
 <p>Film AlUla with the Creative Media Skills Institute, launched a 10-day vocational film industry bootcamp to prepare local talents in various ATL/BTL roles.</p>		 <p>King AbdulAziz University, known for its focus on Broadcast Journalism</p>	
 <p>The Film Commission launched the Kader Program, an initiative in collaboration with international production houses to integrate up to 50 trainees into ongoing projects for practical training.</p>		 <p>Umm Al Qura University, offers Bachelor Programs in Journalism</p>	
		 <p>King Faisal University, provides a Master in Media and Communication Sciences</p>	
		 <p>King Khalid University, provides programs related to Journalism and Digital Media</p>	

Talent development initiatives in Saudi Arabia grow the talent pipeline in media sector. Source: Arthur D. Little



Despite recent significant developments in media education, there is a gap between the supply of educational programs in Saudi Arabia and the demand driven by a young population increasingly interested in pursuing a career in the growing media sector. **Academic institutions** often face capacity constraints with the number of available seats in courses, impacting student enrollment. This limitation can be attributed to various factors such as faculty availability, classroom capacity, and resource constraints.

Partnerships and Memorandum of Understanding (MoU) have emerged as effective approaches for academic institutions in the Middle East to address **capacity constraints**, offering investment opportunities to foreign academic institutions and operators. These partnerships involve various operational aspects, including education delivery, back-office functions, and infrastructure & logistics.

Partnerships for education delivery in KSA are particularly attractive to foreign media education investors. Foreign media academic institutions can establish partnerships with leading Saudi higher education institutions for the **co-development of academic programs and curriculums** tailored to the Saudi cultural nuances. Foreign visiting professors can bring valuable expertise in fields like digital media, where skills in graphic design, video editing, and web development are becoming crucial

competences in the media job market.

As media consumption shifts towards digital platforms, these initiatives will help meet the growing need for professionals who can integrate technology into media production processes, with **STEM-focused facilities** providing training in areas such as virtual reality (VR), augmented reality (AR), and artificial intelligence (AI). Such PPPs also represent an opportunity to improve branding and positioning for both parties.

Foreign academic institutions also have the opportunity to **establish campuses** in KSA by partnering with leading Saudi higher education institutions under a common brand, establishing world-class media academies open to national and international talents interested in media education. This market entry approach not only facilitates establishing **dual academic degrees** and **academic exchanges** accredited both in Saudi Arabia and internationally but also creates new revenue streams for greater financial sustainability.

In 2016, the Saudi government established the **National Centre for Privatization (NCP)** to promote privatization initiatives, including in education, with the aim of reducing fiscal dependence on the public sector and enhancing learning outcomes. PPPs in media education fully align with NPC's aspiration to transfer operational responsibility of some public schools to private institutions.

05: Technology Shift

Trailblazing innovation and becoming a testbed for cutting-edge media technology

Technological advancements have significantly impacted Saudi Arabia's media landscape, driving a transformative shift towards embracing next-generation technologies and services. Aspires to become one of the world's most **innovative media hubs**, Saudi Arabia recognizes the critical

role played by cutting-edge technology and partnerships in empowering the media sector. They facilitate seamless connectivity and efficient content delivery, fostering innovation and development within the sector.

5G

KSA has made significant progresses in developing 5G technology, positioning itself as a regional leader.



78%

Nationwide 5G availability



322Mbps

Average 5G speed in KSA, 59% faster than global



\$18B

GDP boost from 5G infrastructure CAPEX by 2030



75

Cities with plans to avail 5G coverage

Cloud Computing

Cloud computing in KSA is experiencing significant growth, with the national Cloud First Policy driving the adoption of cloud-based solutions.



\$2.5B

Expected annual spending on public cloud services by 2026



13%

Estimated CAGR of public cloud services by 2028



40%

Increase in cloud computing permits issued in 2023

Public cloud partners



Google Cloud



Alibaba Cloud

Artificial Intelligence

KSA sees the opportunity to balance innovative disruption and enhanced productivity through AI and has actively invested in AI across sectors.



\$135B

AI's potential GDP contribution by 2030



12%

of GDP

Data Centers

KSA is attracting substantial investments in data centers through partnerships with leading international players



\$2+B

Size of KSA domestic data center market by 2028



12%

CAGR of KSA domestic data center market, 2024-28

Major data center investments



\$5.3B



\$2.1B

ORACLE

\$1.5B

HUAWEI

\$0.4B



The **Public Investment Fund (PIF)** has reportedly been **planning the creation of a \$40 billion fund** dedicated solely to investing in **artificial intelligence**. In discussions with prominent entities such as Andreessen Horowitz, the PIF is focused on forming strategic partnerships, reaffirming its dedication to advancing AI projects and technologies through collaborative endeavors

KSA is investing significantly in next-generation technology to grow its media sector. Source: GSMA Intelligence, Ookla, IDC, Ministry of Commerce, Statista, Arab News, PIF, CIO, Research and Markets

USD
135.2
billion

Saudi Arabia has made a significant improvement in developing **5G technology**, establishing itself as a regional leader in high-speed mobile media delivery. The country boasts a 5G availability of **78% across its population** and average download speeds exceeding the global average by almost 60%, at 322 Mbps¹. Investments in 5G infrastructure are projected to boost the country's GDP from USD 4.7 billion (SAR 18 billion) in 2021 to over **USD 18 billion (SAR 68 billion) by 2030**². Plans are underway to expand 5G networks to **over 75 cities**, catering to consumer demand for enhanced connectivity experiences and driving digital transformation in the country.

Saudi Arabia's widespread availability of 5G has allowed it to position itself as a digital media hub, enabling use cases, including high-speed audio-visual streaming, online event livestreaming, and low-latency gaming. For investors, there are **ample opportunities for investments and partnerships** to develop innovative use cases in 5G. For example, investors could bring in platforms for high-quality (e.g., 4K) live-streaming that are only possible with 5G's speed, or virtual reality (VR) content such as 360-degree, immersive, live viewing experiences of premier sports events such as Olympic Games or the FIFA World Cup, relying on 5G's low latency.

While some view the deployment of Artificial Intelligence (AI) as a threat to the media sector due to its potential to replace human creativity in the development and production of media content, Saudi Arabia recognizes the opportunity to ethically balance innovative disruption and productivity enhancement. The country has actively invested in AI use cases across various sectors, including media and entertainment. Initiatives like the **Artificial Intelligence Center for Media** and the **Future Camp of Generative Artificial Intelligence for Media** highlight the country's commitment to AI development. Sovereign wealth fund PIF, has planned the creation of a **\$40 billion fund** dedicated solely to investing in AI, in partnership with prominent technology venture capital fund Andreessen Horowitz, making Saudi Arabia the world's largest investor in AI⁴.

Projections suggest that by 2030, AI could contribute over **USD 135 billion** to the Saudi economy, representing over 12% of the Kingdom's GDP³. Innovations in AI such as personalized media content push and gaming remain at the nascent stage but are growing rapidly. The development of **localized AI** in KSA or GCC, including language and voice AI data processing, remains slow. These could present key opportunities for investors to capitalize on the AI boost by developing innovative use cases tailored for the Saudi market.



1. [CIO.com - State of 5G in Saudi Arabia](#)
2. [Saudi Arabia telecom market](#)
3. [The Fintech Times - Artificial Intelligence Can Contribute \\$135 Billion to This Country's GDP by 2030](#)
4. [The New York Times - Saudi Arabia Plans \\$40 Billion Push Into Artificial Intelligence](#)



Cloud computing and data centers are the backbone of next-generation media, providing processing capabilities for audiovisual streaming and gaming and edge processing. **KSA's cloud computing sector** is experiencing significant growth.

The Kingdom's **Cloud First Policy**¹ is driving the adoption of cloud-based solutions, leading to a 40% year-on-year increase in cloud computing permits issued in Q4 2023. In addition, KSA is attracting substantial investments in **data centers** to bolster its cloud storage, edge computing and media streaming capabilities. Saudi Arabia's data center capacity is projected to grow at a CAGR of 20% from 2024 to 2029, from 345MW to 855MW². The market size is expected to grow from USD 5 billion (SAR 19 billion) to **USD 16 billion (SAR 60 billion)** over the same duration. Global players have actively invested in KSA's cloud computing and data center market, including Google Cloud, Oracle, Alibaba Group, and Huawei.

Locally, the Public Investment Fund (PIF) is actively involved in co-investing in cloud technology ventures, including in China's Alibaba Group. These investments are expected to boost the domestic data center and public cloud market. In the **content delivery**

network (CDN) providers space, there are opportunities for established companies to enter the market as the demand for seamless, uninterrupted content delivery grows with the proliferation of content streaming. Local telcos Mobily, stc and Zain, as well as global players such as Cloudflare, Amazon Web Services (AWS) are in the CDN space to optimize quality of service (QoS) for end users in Saudi Arabia.

Apart from direct investment, there is vast opportunity for investors to leverage the growth of its media sector by bringing in the latest technology into the Kingdom. Global tech leaders and innovative firms can support the growth of the sector by leveraging KSA as a **world-class testbed** for cutting-edge media innovations, given its young population's high level of receptiveness towards latest tech especially on media consumption. In addition, KSA government support to develop media-tech is strong and sustained. It has partnered with major industry players and investors in developing and co-investing in next-generation technologies and services that are critical enablers for the media sector, ensuring that KSA plays a leadership role in technological innovations in the years to come.

1. https://www.mcit.gov.sa/sites/default/files/cloud_policy_en.pdf
2. Saudi Arabia Data Center Market Size & Share Analysis - Growth Trends & Forecasts Up To 2029

06: Regulatory Shift

Business-friendly regulatory environment, prioritizing consumer protection and market competitiveness



Source: General Authority of Media Regulation

Regulations serve as the cornerstone for **promoting clarity, transparency, and ease-of-doing business** for both domestic and foreign media entities and investors alike. To advance the vision of the media sector in KSA and strengthen its narrative of growth, pivotal regulatory initiatives have been set in motion.

These initiatives are designed to provide industry participants with a holistic governance framework, comprehensive regulatory guidelines, and a robust compliance system rooted in public mandates, national legislation, and sector-specific regulations.

Sector Governance



Ministry of Media

Facilitates the media sector development of strategic initiatives



Ministry of Culture

Develops policies and regulates the culture sector, supported by its commissions on Film, Music, and Literature, Publishing & Translation.



Ignite

Supports the governance and orchestration of media activities (e.g., overseeing progress)



Ministry of Investment

Oversees ease-of-doing business conditions and access to investment incentives



Ministry of Commerce

Facilitate the establishment and practice of enterprises in the media sector



Monsha'at

Provide support and possible incentives to small and medium enterprises in the media sector



Public Investment Fund

Co-ordinates the identification of white spaces in the media sector related investment opportunities



Ministry of Human Resources and Social Development

Oversees the media jobs classification and skills/competences development



Ministries of Sport, Tourism and General Entertainment Authority

Supports the monetization of media content in adjacent sectors



Local development authorities

Drive the development of regional vision and strategic objectives for their media sector

Regulatory Framework



Legal framework of KSA

KSA Law as foundational system of laws and regulations generally applicable in the Kingdom



Gmedia

Regulates the media content across the 5 media segments and ensures compliance with the policies



Ministry of Human Resources and Social Development

KSA Labor Law as foundational systems of regulations governing employment in the Kingdom



Ministry of Investment

Regulates the process and requirements for foreign investors



Ministry of Media

Aligns on the media sector policy, goals, and direction



Communications, Space & Technology Commission

Facilitates media platform regulation (technology layer)



Film Commission

Regulates and supports the film sector, empowering the filmmakers in the Kingdom



Music Commission

Regulates and oversees the development of the music sector, thus empowering the musical talent



Literature Publishing and Translation Commission¹

Regulates and manages the literature, publishing and translation sectors in KSA



Saudi Authority for Intellectual Property

Develops and enforces regulations and laws that govern the media IP



Saudi Data & AI Authority

Develops regulations and enforces compliance through binding and voluntary measures



Local Content & Government Procurement Authority

Develops regulation on local media content and content quotas



General Authority for Competition

Ensures pluralism in the media ecosystem



Zakat, Tax & Customs Authority

Manages revenue leakage with necessary taxation (e.g., DST)

A list of media related entities in Saudi Arabia and their mandate.

Gmedia is poised to play a critical role within the media regulatory landscape to establish KSA as the regional Media hub. Through strategic **revision of the media law**, Gmedia aims to enhance local content production, bolster child online safety measures, and promote educational programs. This proactive approach seeks to cultivate transparency, attract investment, and safeguard consumer interests across all media segments. Furthermore, Gmedia is committed to ensuring **equal opportunities** in the media industry, fostering diverse representation and accessibility across media platforms. By **promoting accountability and transparency**, Gmedia aims to create a conducive environment for both local and international media professionals.

To stimulate foreign investment and foster localization, Gmedia is developing regulations for media special economic zones and enhancing press freedom. These initiatives aim to create favorable conditions for global investment in Saudi Arabia's media sector. Additionally, Gmedia is facilitating the **growth of the media workforce** through training academies and institutions, preparing the next generation of professionals for diverse careers in the field.

In tandem with this effort, Saudi Arabia has launched the **National Intellectual Property Strategy** to establish a comprehensive, well-balanced IP value chain that promotes innovation competitiveness and economic growth. The **Saudi Authority of Intellectual Property** has undergone a strategic overhaul to align with this strategy, prioritizing service excellence and fostering a dynamic IP ecosystem crucial for

August 20, 1981	KSA's Media Policy Issued by Council of Ministers (Resolution #169 dated 20/10/1402)
November 29, 2000	Law of Printed Materials & Publication Issued by Royal Court (Resolution M/32 dated 03/09/1421)
March 4, 2012	Law of Printed Materials & Publication update Issued by Royal Court (Resolution M/20 dated 11/04/1433)
September 3, 2012	Gmedia's Mandate Issued by Council of Ministers (Resolution #332 dated 16/10/1433)
December 13, 2017	Audiovisual Media Regulation Issued by Royal Court (Resolution M/33 dated 25/03/1439)
April 26, 2018	Executive Regulations of E-Publishing Issued by Ministry of Culture and Information (Resolution #72589 dated (10/08/1439)
June 30, 2018	Gmedia's Mandate update Issued by Council of Ministers (Resolution 265 dated 27/05/1439)
July 22, 2018	Executive Regulations of Law of Printed Materials & Publication Issued by Ministry of Culture and Information (Resolution #91513 dated 09/11/1439)
November 24, 2018	Executive Regulations of Gmedia Issued by Gmedia
2024	Ongoing revamp of KSA Media Law Issued by Gmedia

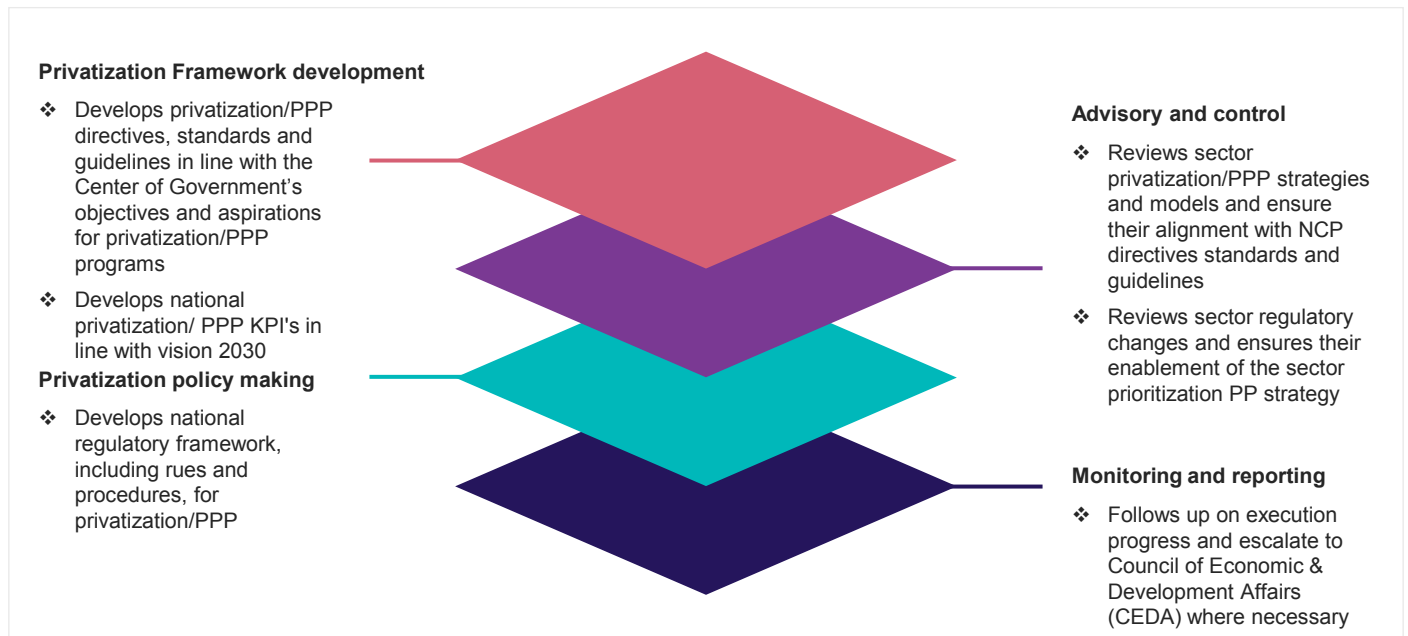
The media law in Saudi Arabia is undergoing a revamp, driving forward crucial updates to foster the evolving media landscape. Source: Gmedia

Gmedia Strategy		National IP Strategy			
Vision: To provide clear and fair regulatory environment that enables a vibrant media sector, while promoting KSA's identity		Vision: Robust IP ecosystem fostering innovation-driven economy			
Mission: To create an investor friendly regulatory environment that fosters a competitive media ecosystem, which is transparent and accountable and that enhances the country's soft power		Mission: To establish a comprehensive well-balanced IP value chain that promote innovation competitiveness and economic growth			
Strategic Pillars		Objectives	Develop creative individuals based on imagination and challenge	Foster enterprises based on IP	Achieve society based on respect for creation effort
Support KSA in becoming the regional media hub and provider of talent and infrastructure for the media segment, attracting major regional media houses	Update Media Law, develop investor-friendly regulatory framework with liberalized licensing regime, delivered through a one-stop-shop		Build and adopt best-in-class monitoring mechanisms and tools to safeguard consumers	Become an efficient and effective organization which can attract and retain talent	Create new professional jobs with IP expertise
		Overall economic impact	Growth of technology-based industries and the expansion of the intellectual property services industry		

Finally, to attract foreign investments and promote the localization of businesses in Saudi Arabia, the **Royal Commission for Riyadh City** and the **Ministry of Investment** have announced incentivization measures. By relocating their regional headquarters to Saudi Arabia, corporations - including those operating in the media sector - benefit from a **30-year exemption from corporate income tax**, streamlined application processes, and flexibility in Saudization requirements.

Beyond the media-specific regulatory framework, the **National Center for Privatization & PPP**,

established in 2017, plays a crucial role in facilitating foreign investments in Saudi Arabia's media sector. Through the development of privatization frameworks, identification of sectors for privatization or private sector participation, and creation of efficient processes to engage private entities, the **NCP facilitates opportunities for international investors** across various sectors. Its role is particularly significant in creating a conducive environment for Public-Private Partnerships in the media sector, especially in operating investments in media education and talent development.



The National Center for Privatization & PPP facilitates the growth of privatized sectors and foreign investments in KSA.
Source: National Center for Privatization & PPP

Saudi Arabia is working to create a **thriving media sector**, offering opportunities for investors thanks to regulatory changes. **New media law is being developed** to provide clear guidelines and stability, making it easier for investors to make informed decisions. Initiatives by Gmedia to improve transparency and consumer protection, along with SAIP's focus on intellectual property rights, are designed to create fair conditions for all parties involved. These efforts demonstrate Saudi Arabia's dedication to supporting businesses driven by innovation, opening up attractive investment possibilities in the creative sector.



03

Video Segment

Saudi Arabia's video segment features a mix of local and international players, such as Netflix and Shahid from MBC GROUP, which had a successful IPO in 2024. There is a noticeable trend of creating local content tailored for the local audience, evident in platforms like Netflix, Starzplay, and Shahid. Telfaz11, a Riyadh-based studio, has gained prominence with its locally produced content, most notably with the success of its film "Sattar", which even surpassed the viewership of "Avatar: The Way of Water" in Saudi Arabia.

Key national objectives of the video segment:

1. Foster the creation of a comprehensive video production ecosystem through infrastructure development
2. Establish inclusive educational programs and initiatives that empower individuals of all backgrounds and attract diverse talent from local and international communities
3. Implement robust financial incentives and funding mechanisms to stimulate the growth and development of the video segment
4. Develop a robust ecosystem for the exhibition and distribution of video content across various platforms and strengthen partnerships with exhibition networks

The video segment value chain in KSA features a diverse array of both **local and international players**, each exerting significant influence across various stages of the value chain. Industry leaders such as Netflix and local powerhouse Shahid, a part of MBC GROUP, stand out prominently, shaping dynamics throughout the value chain steps.

In content development, a notable trend has emerged wherein local and regional streaming platforms like Netflix, Starzplay, and Shahid are involved in the **creation of original content** tailored to meet the preferences of the local audience, alongside showcasing international catalogs. This shift underscores a strategic move towards catering to the specific demand that characterizes Saudi Arabia.

Within the production sphere, Riyadh-based content studio **Telfaz11** has emerged as a significant player, particularly due to its emphasis on local content production. Notably, Telfaz11 achieved a significant milestone at the beginning of 2023 with the release of its first feature film, "**Sattar**" – an action-comedy that swiftly garnered immense success, outperforming films like "Joker" and "Avatar: The Way of Water" in Saudi Arabia by becoming one of the top five highest-grossing movies in KSA ever. Since its release on December 29, 2022, "Sattar" has sold 723,000 tickets for a box office gross of USD \$9.2 million, securing the fifth slot in Saudi Arabia's historic box office charts. This success is remarkable considering it comes just five years after the lifting

of Saudi Arabia's 35-year cinema ban, showcasing the country's **growing local filmmaking scene**.

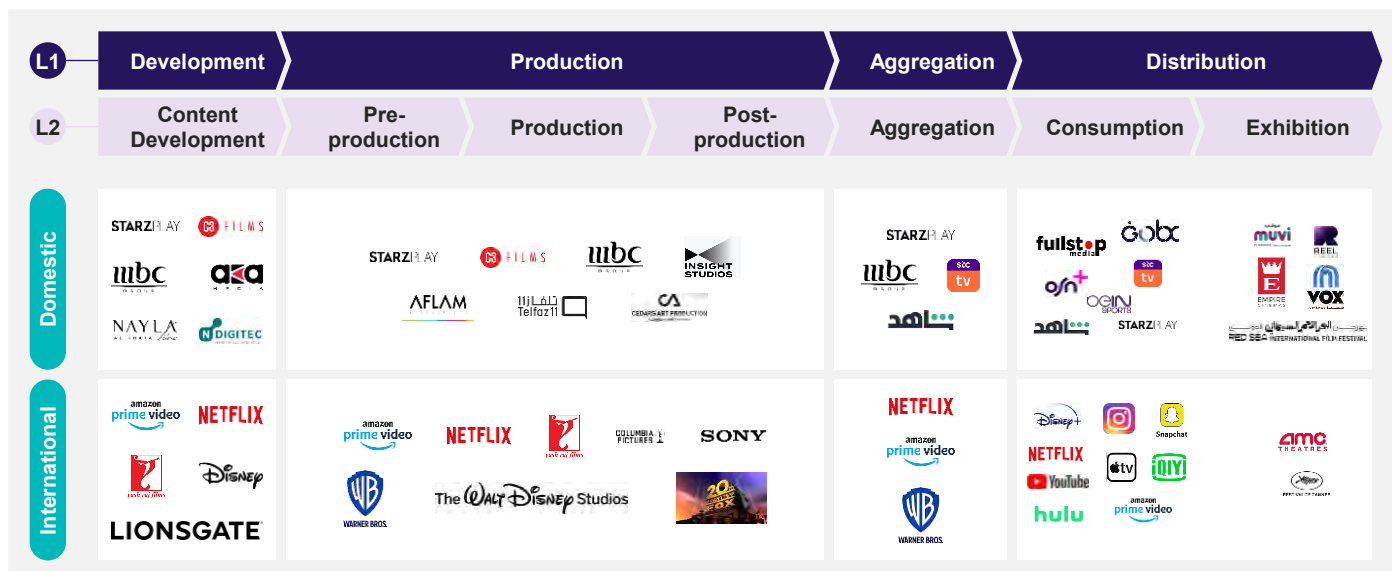
Turning to distribution, particularly in OTT platforms, KSA boasts a vibrant mix of players. Alongside local and regional platforms like Shahid and Starzplay, international giants such as Netflix and Prime Video have a strong presence, underscoring the competitiveness of the market. As the popularity of cinema continues to soar in the region, an increasing number of both regional and international players are venturing into the market, fostering further growth opportunities in the space.

Lastly, KSA hosted its third edition of the **Red Sea International Film Festival** in December 2023, a significant event aimed at fostering the development and support of the film industry within Saudi Arabia. The film festival welcomed several

A-list attendees and showcased 125 films from 75 countries².



1. [The Saudi Producers Who Are Transforming Their Country's Film Industry](#)
2. [Red Sea International Film Festival announces dates for 4th edition](#)



KSA video segment's value chain. *Illustrative and non-exhaustive.* Source: Arthur D. Little

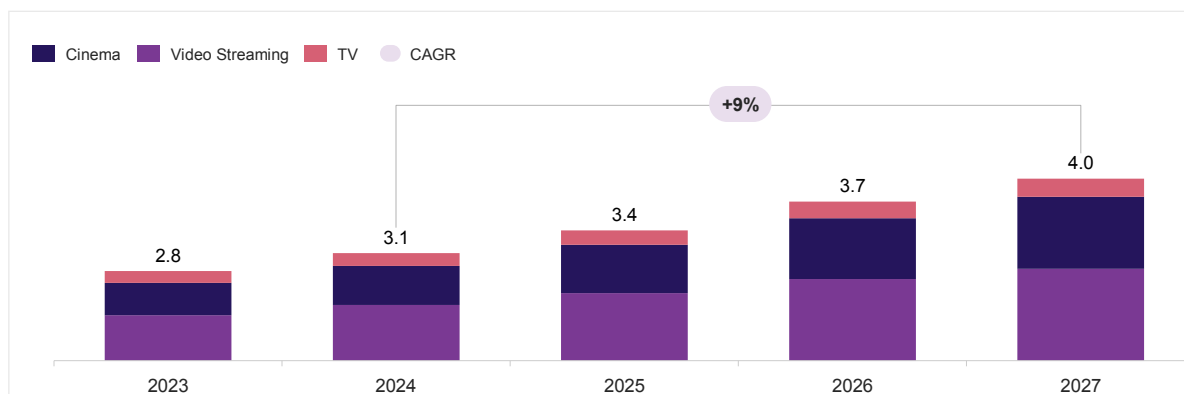
Market Size

By 2027, the **video segment** is anticipated to experience growth, with a **CAGR of 9%**, reaching a total sector value of ~USD 4 billion (SAR 15 billion). This growth is primarily attributed to the **thriving film sector**, which compensates for the stagnation experienced in linear TV. Despite the challenges posed by various factors, including the COVID-19 pandemic, the video segment in KSA has demonstrated resilience and is projected to continue its upward trajectory.

However, in 2020, the overall video segment experienced a decline due to the impact of the COVID-19 pandemic. Nevertheless, the segment **rebounded and surpassed its pre-pandemic market size**. Looking ahead to 2027, the video segment is expected to maintain its growth momentum, driven by several factors. The **rapid expansion of the cinema sector**, poised to grow

at a CAGR of approximately 19%, is anticipated to contribute significantly. Additionally, video streaming platforms are forecasted to experience a growth rate of around 10%. The **increasing demand for OTT platforms** in KSA, facilitated by services such as Shahid, Netflix, Starzplay, and Amazon Prime, among others, can be attributed to various factors. These include the **availability of local Arabic content** and the rising popularity of **diverse film genres**, including short films and documentaries.

While OTT flourishes, the market size for TV subscriptions may experience a decline. By 2027, the TV subscription market is expected to grow only by 6% year-on-year, primarily due to the increasing availability of on-demand content provided by competing platforms like Shahid, Netflix, and Starzplay, among others.



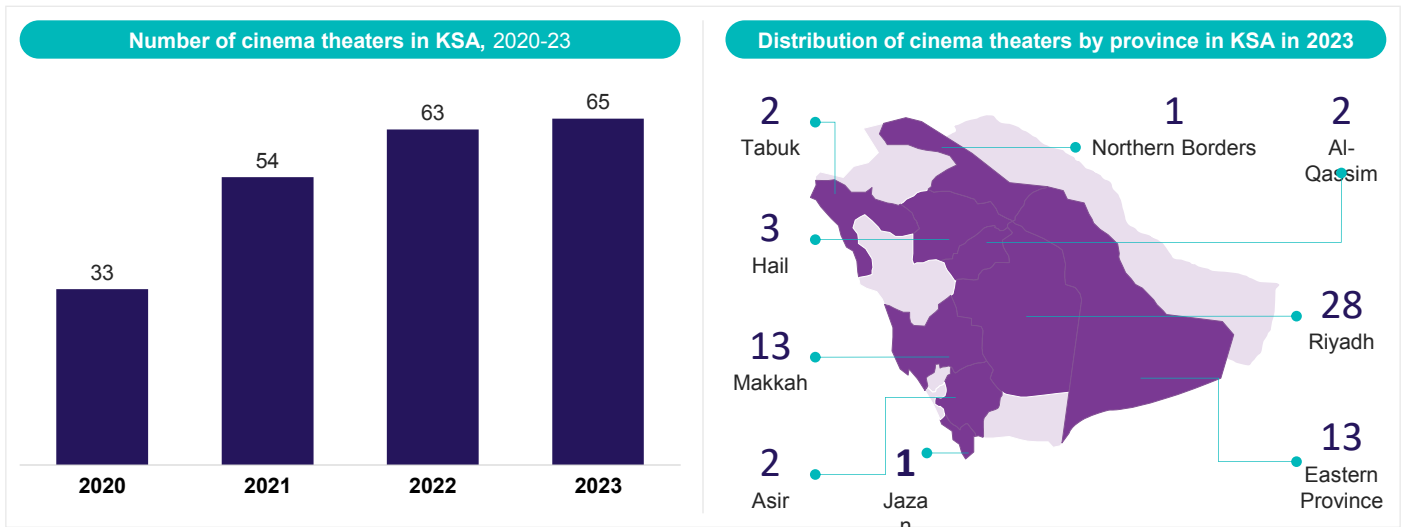
Market size of KSA's video segment (USD Bn, 2023-2027). Source: Arthur D. Little estimate

Key Players

Between 2020 and 2022, there has been consistent **growth in the number of cinemas**, with the number of cinema theaters almost doubling from 33 in 2020 to 65 in 2023. Several factors contribute to the growth of cinemas during this period, including an increase in demand for entertainment, urbanization trends, expansion of cinema chains, investments in infrastructure, among others.

The disparity in cinema growth across provinces,

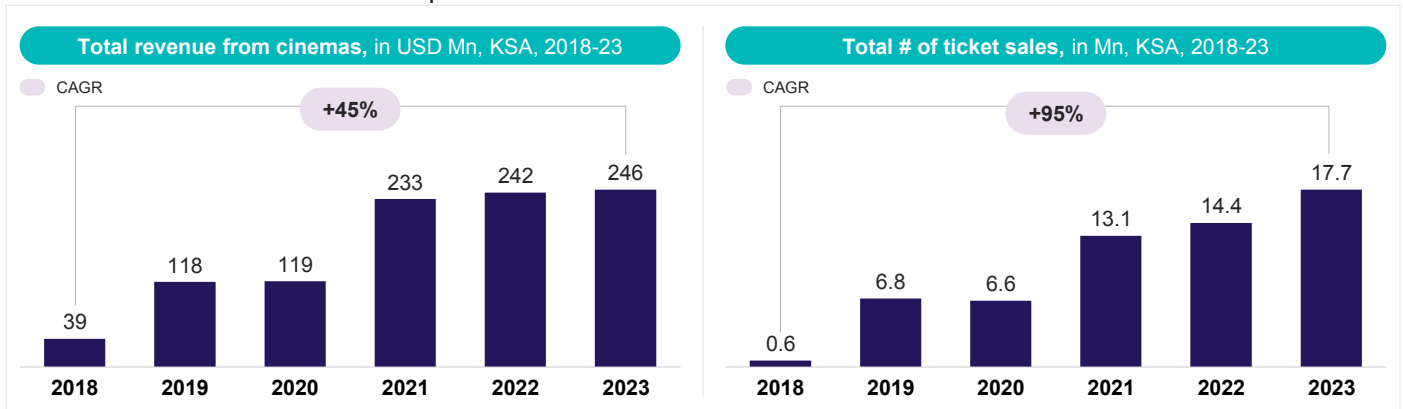
with no new theaters established in regions lacking existing cinemas such as Al-Baha, Madinah, Al-Jouf, and Najran, underscores the pronounced influence of urbanization and demand concentration, particularly in major urban centers like Riyadh. This highlights a compelling opportunity for investors to consider **expanding cinema theaters into tier 2 and tier 3 cities**, where untapped markets and growing populations present fertile ground for sustainable growth and lucrative returns on investment.



Cinema theaters are growing in KSA, reflecting a strong demand. Source: Gmedia, Film Commission

The cinema sector in Saudi Arabia has experienced significant growth in recent years, with revenues skyrocketing from **USD 10 million (SAR 39 million) in 2018 to USD 246 million (SAR 922 million) in 2023**. This expansion is further evidenced by a substantial increase in ticket sales, rising from **0.6 million to 17.7 million** over the same period. As of 2023, the current list of licensed cinema operators includes

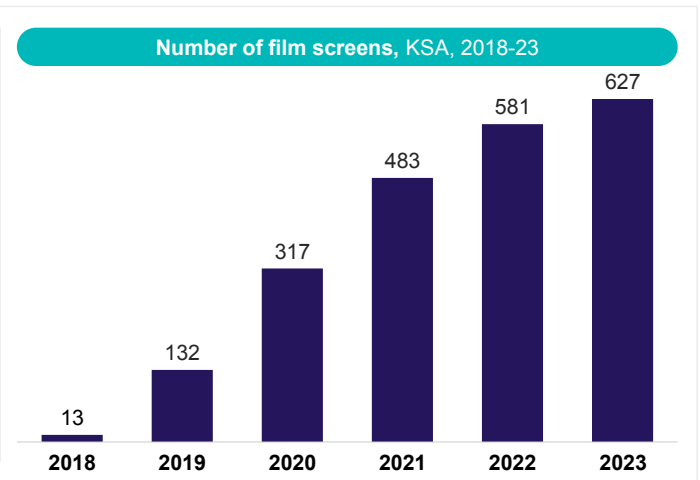
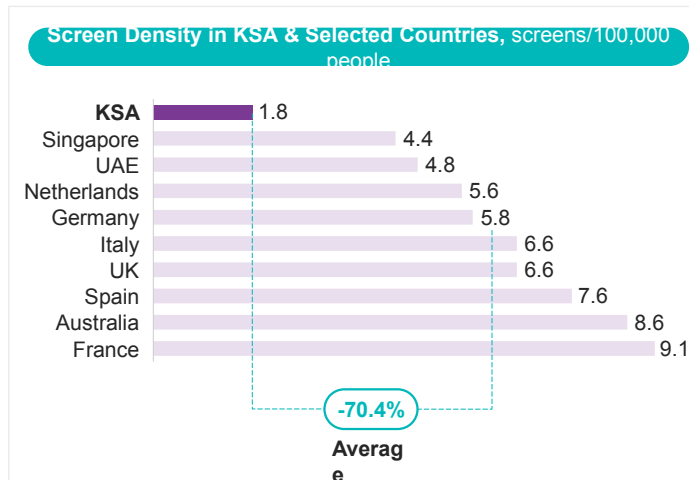
muvi Cinemas, AMC Cinemas, EMPIRE, VOX Cinemas, Reel Cinemas, with new players also poised to enter the market, such as Cinema City, Nu Metro, iPic Theatres, among others. This parallel rise underscores the **sector's vitality and its capacity to thrive**, offering attractive prospects for both investors and industry participants alike.



Cinema ticket sales in KSA are on the rise. Source: Gmedia, Film Commission

Among the analyzed countries, France emerges with the highest screen density at 9.1 screens per 100,000 people, followed closely by Australia at 8.6. These figures indicate a robust cinema presence and accessibility within these nations, potentially reflective of strong cultural inclinations towards cinema attendance and well-established entertainment industries. In contrast, KSA exhibits a much lower screen density at 1.8 screens per 100,000 people¹, showcasing **potential for the expansion of cinema infrastructure** to meet the increasing demand for entertainment experiences.

OTT platforms in Saudi Arabia, which include renowned international players like Netflix and Starzplay, alongside regional platforms such as Shahid, are effectively meeting the **increasing demand for diverse content**. Currently, within the TV channel viewership share, **MBC GROUP owns 8 of the top 10 channels**, accounting for 33% of the total viewing. This dominance is attributed to the diverse Arabic content offered by MBC Group. Reality TV show such as Arabs Got Talent and Comedy series such as Al-Hosn aired on MBC are popular amongst the audience.



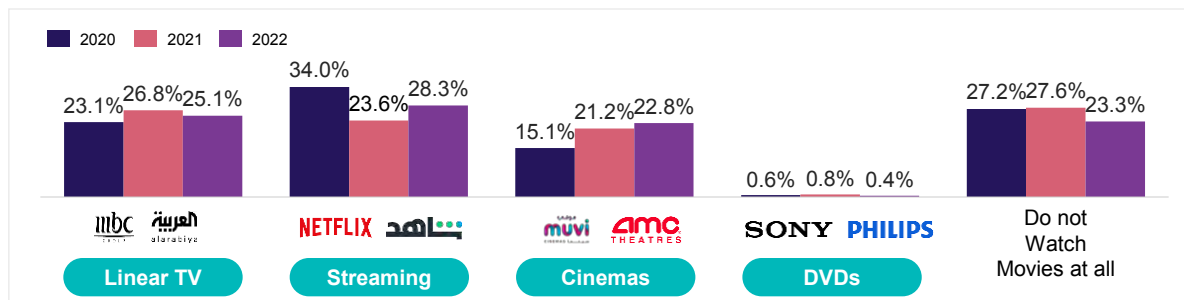
A lower than average number of film screens per capita reflects potential for growth. Source: Film Commission

Consumer Behavior

The evolution of film consumption modalities underscores the changing landscape of entertainment preferences in Saudi Arabia, offering stakeholders opportunities to adapt strategies accordingly and cater to the needs of an increasingly diverse and digitally-driven audience.

Analysis of consumer behavior in Saudi Arabia between 2020 and 2022 reveals **shifting trends**. Notably, there is a steady decrease in the

proportion of individuals watching movies via television channels, while virtual streaming platforms like Shahid and Netflix witness an **upward trajectory**. Cinemas have shown a **consistent rise in popularity¹** during this period. These trends signify a growing preference for digital platforms and cinematic experiences among Saudi audiences, driven by technological advancements, content accessibility, and evolving entertainment preferences.



A growing number of Saudis choose to watch films over streaming platforms and cinemas. Source: Ministry of Culture

1. Ministry of Culture

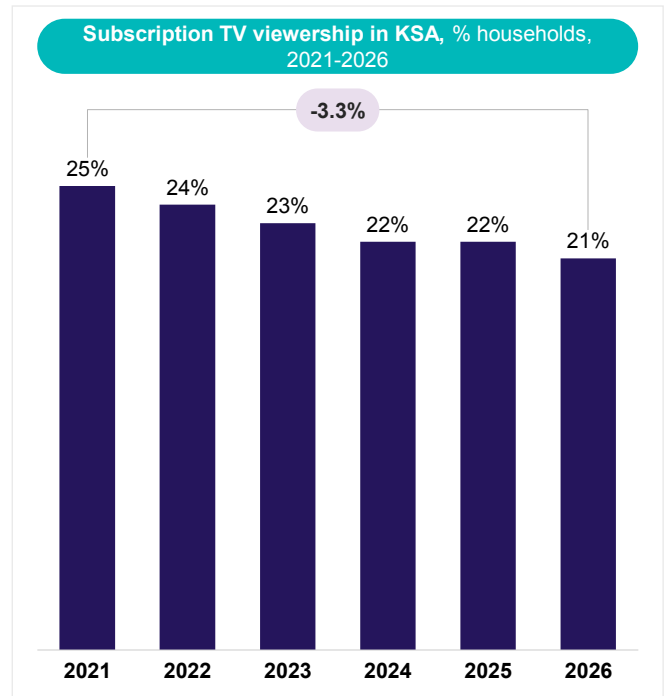
KSA boasts the **highest average time spent watching TV regionally** at 5.1 hours per day¹, followed by the UAE (4.2 hours per day) and Kuwait (3.1 hours per day). This high viewership in KSA presents numerous opportunities for advertisers to reach their target audience through television.

During the Ramadan period, there is a 17% increase in Average Daily Reach and a 6% increase in Daily Time Spent Viewing by viewers in KSA compared to other months. This surge is largely driven by the availability of special programs, particularly a wide variety of **Arabic and religious content**.

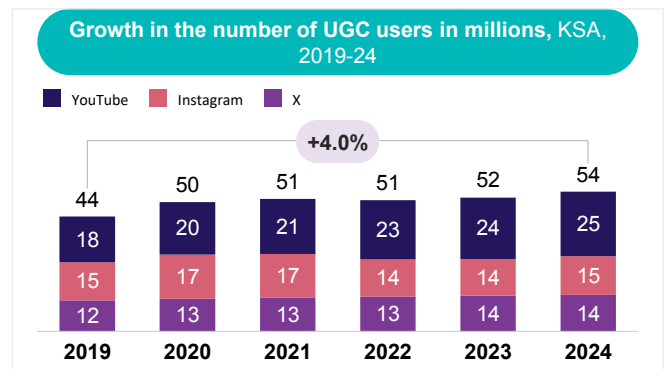
However, Subscription TV penetration in Saudi Arabia is expected to gradually decline by approximately 3% year-on-year² due to shifting media consumption habits, primarily influenced by the flexibility offered by alternatives such as OTT platforms.

The total number of UGC users on key platforms such as YouTube, Instagram, and Twitter has increased from 44 million in 2019 to 52 million in 2023, representing a compound annual growth rate (CAGR) of 4.3% over these four years³. The growth in the total number of UGC users is primarily driven by the increase in the number of **YouTube users**.

YouTube's popularity is such that the number of hours of video uploaded to the platform every year also serves as a strong proxy for the number of UGC users, as it is the main choice for users to post their user-generated content.



TV subscribers have seen a decline in KSA and is expected to continue this trend in the coming years. Source: Statista



User-generated content (UGC) from Saudi users are on the rise. Source: Statista



Source: Ministry of Culture

1. Ipsos
2. Film Commission proprietary data
3. Statista

Key Enablers

Regulatory Framework







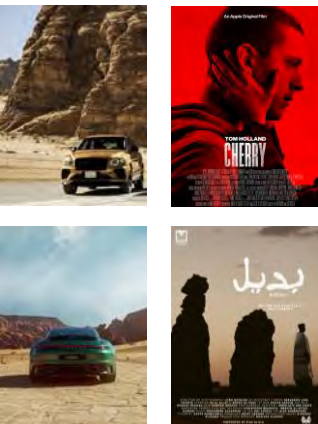

Opportunities abound within Saudi Arabia's video segment, offering investors a solid foundation for growth and innovation supported by a comprehensive regulatory framework. Designed to **foster accountability, ensure fair competition, and safeguard consumer interests**, this regulatory environment serves as a catalyst for investment confidence and market stability. Prospective investors will encounter a streamlined process for entry into the Kingdom's video market, with clear guidelines outlining the

necessary licenses, clearances, registrations, or no objection certificates required for operation. This framework not only provides a roadmap for compliance but also underscores the government's commitment to nurturing a thriving and dynamic video industry. Additionally, the **Film Saudi incentive program** offers support to obtain licenses and approvals. A comprehensive list of licenses and registrations related to the video segment can be found in the Appendix.

Infrastructure

The groundwork for advancing infrastructure in the video segment has been laid by proactive initiatives led by various public sector stakeholders. These concerted efforts underscore a commitment to establishing a robust foundation for the growing video industry. Significant strides

have already been made to ensure the readiness and resilience of the infrastructure, paving the way for seamless integration and sustainable growth in this dynamic sector.

Filming at AIUla	Filming at NEOM
 5 feature films wrapped till 2023	 35+ major productions
 235+ TV series, docufilms, and commercial promos till 2023	 2 world-class production hubs
 355 permits issued till 2023	 Lucrative production incentives program
	

The film industry has leveraged AIUla and NEOM as production settings for several local and international productions.

NEOM

NEOM can be considered a **beacon of innovation and progress**, poised as it is to become the premier production hub for creative industries in the region. With state-of-the-art, purpose-built facilities, NEOM has facilitated **over 35 local and international productions** across various forms of television and television

commercials (TVCs) including popular TV shows such as the Top Chef Middle East and Million Dollar Land aired on MBC.. This thriving ecosystem provides investors with unparalleled opportunities to capitalize on a growing market, leveraging cutting-edge infrastructure to realize their creative visions.

NEOM: Media Village

The Media Village¹ provides state-of-the-art infrastructure tailored to meet the diverse needs of production houses and investors. At its core, the Media Village features **two expansive 2,400 sqm industry-standard sound stages**, along with comprehensive back-of-house facilities. From production offices to green rooms, construction areas, and art departments, every aspect is meticulously designed to facilitate seamless production processes. With a **capacity to accommodate roughly 150 people**, the Media Village prioritizes the comfort and well-

being of cast and crew, offering a range of amenities to enhance their experience.

For production houses and investors seeking a world-class filming environment, NEOM's Media Village offers an **unparalleled opportunity to bring their creative visions to life**. With cutting-edge infrastructure and unparalleled support services,

the Media Village provides an ideal backdrop for realizing ambitious projects in the video segment.



Bajdah Studios at NEOM. Source: NEOM

Bajdah Studios

Established in 2022, Bajdah Studios is a **cutting-edge facility featuring two expansive 3,000 sqm stages**, equipped with state-of-the-art technology to capture the region's stunning landscapes and facilitate seamless production projects. Additionally, NEOM has planned to open other two soundstages to increase its offered production capacity and meet the growing demand for shooting in Saudi Arabia.

Offering a comprehensive array of amenities, including production offices, warehouses, prop

shops, wardrobe, and special effects facilities, Bajdah Studios¹ provides a turnkey solution for production houses seeking a world-class filming environment.

Its versatile backlot spaces offer ample room for complex builds and customizable sets, ensuring unmatched creative flexibility for producers. With a capacity to **accommodate up to 200 people** in a resort-style setting, Bajdah Studios epitomizes luxury and convenience, making it the ideal destination for filmmakers and investors alike.

1. [Filming at NEOM: Regional Creative Industries Production Hub](#)

To enhance its offerings, **NEOM signed an MoU with SRMG** to collaborate on various initiatives aimed at enriching the regional media ecosystem. Key outcomes of this include increased content production, development of media technology, integration, and media training programs.

NEOM and TELFAZ11 announced a pivotal partnership aimed at creating up to 9 TV and film productions. This collaboration has accelerated the growth of NEOM’s media industries ecosystem, ensuring a rich pipeline of productions. In addition to these productions, TELFAZ11 also plans to establish a physical presence at NEOM by opening offices this year in NEOM’s media hub.



Bajdah Studios at NEOM. Source: NEOM

AIUla

Film AIUla

The studio complex at AIUla¹ offers a comprehensive range of services and facilities tailored to meet the diverse needs of filmmakers and investors. **Boasting two 2,415 sqm soundstages** and a 5,713 sqm backlot for temporary sets and production support buildings, this full-service facility provides an unparalleled platform for cinematic creativity. With a **seasoned international studio management team** at the helm and a dedicated location crew possessing extensive knowledge of AIUla’s unique landscapes, filmmakers benefit from exceptional expertise and support throughout the production process.

Since 2020, Film AIUla has issued **over 350 filming permits** and hosted over 700 production days, covering a wide array of genres. Notably, Norah was the first Saudi film shot in AIUla, featuring an all-Saudi cast and over 40% Saudi crew. In 2023 alone, **123 projects were shot in AIUla**, ranging from feature-length films and scripted and reality series to commercials,

documentaries, and music videos. As of December 2023, AIUla has also **hosted 71 TV productions**, including the cryptocurrency thriller Paper Empire and Netflix reality shows Soy Georgina and Dubai Bling, as well as **67 documentaries**, including the British series Expedition with Steve Backshall and Nat Geo documentaries. Ads for international companies such as Bentley and Porsche were also shot here.

Film AIUla plans to further **enhance the studio complex** by adding more workshops, warehouses, a recording studio, training and rehearsal spaces, a cafeteria, event space, and an iconic administration building. These enhancements aim to establish a full-service, world-class production facility.

Production houses and investors are invited to leverage the unparalleled resources and amenities offered by the studio complex at AIUla, ushering in a new era of cinematic innovation and



Illustration of film and TV studio complex at AIUla. Source: Film AIUla

1. AIUla’s investment into the local ecosystem is set to transform the Region into a new powerhouse of Creative Production

Funding and Financing

Funding and financing mechanisms within the video sector in Saudi Arabia offer a comprehensive array of opportunities for stakeholders across the value chain, aimed at supporting talent initiatives, infrastructure setup, and access to financial resources. Public stakeholders have spearheaded initiatives to support critical steps of the video segment value chain, ensuring access to capital and incentivizing investment. These mechanisms encompass both **non-recoupable and recoupable funding options**, providing flexibility and tailored support to a diverse range of projects and entities.

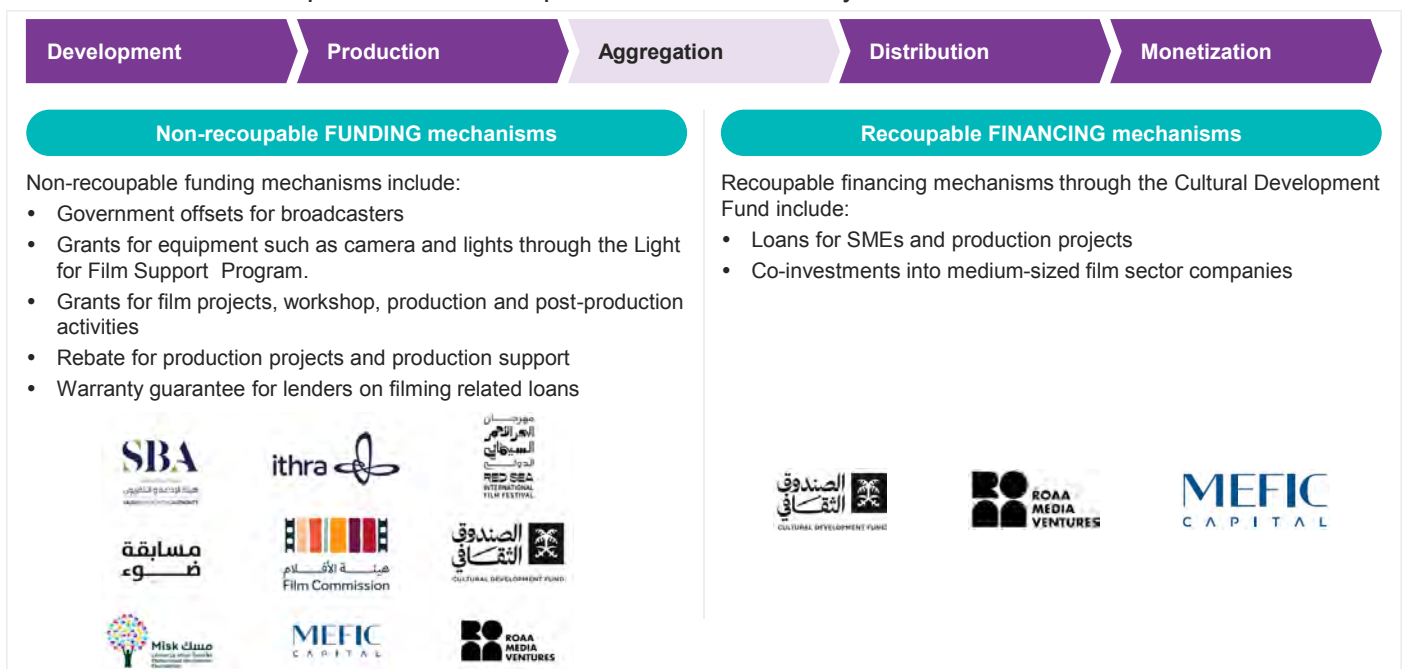
Non-recoupable funding avenues include government offsets, grants, rebates, and warranty guarantees, each designed to address specific needs within the industry. For instance, the Saudi Broadcasting Authority supports public TV broadcasters through **government offsets**, enabling them to cover operational costs and maintain independence. Grant programs, such as the **Daw' program**, offer financial support to professional filmmakers, fostering the creation of local content and stimulating growth in the sector.

The **\$100M Saudi Film Fund**, launched by MEFIC Capital and KSA's Culture Development Fund, exemplifies a collaborative effort to spur investment in infrastructure projects and content production, leveraging partnerships to drive innovation and development. **Rebates** provided

by entities like the NEOM Film Commission and Film AUla incentivize production spend, further fueling the growth of the industry. **Warranty guarantees** are offered by the Cultural Development Fund to safeguard lenders from financial exposure.

Recoupable funding mechanisms, including SME financing such as Kafalah, production, and infrastructure financing, as well as co-investment vehicles, offer avenues for sustainable growth and expansion within the video segment. The **Cultural Development Fund (CDF)** plays a pivotal role in spearheading these initiatives, offering favorable financing terms to medium-small enterprises and facilitating direct investments in production projects. By partnering with entities like MEFIC Capital and ROAA Media Ventures, the CDF has enabled the ecosystem by channeling capital into promising ventures and fostering a conducive environment for investment and innovation.

Several stakeholders have already benefited from these funding and financing mechanisms, leveraging the support to advance their projects and initiatives. As the industry continues to evolve, it is imperative for stakeholders to explore and leverage these financial options to drive growth, enhance competitiveness, and unlock the full potential of the video segment in the Kingdom and beyond.



Sources of funding and financing mechanisms for the video segment in KSA. Source: Arthur D. Little

1. Saudi Arabia launches \$100m film fund to boost local cinema



Technology

A surge of investment in next-generation technologies is reshaping the landscape, promising enhanced user experiences and unlocking new opportunities for innovation. Saudi Arabia's **high internet penetration** has catalyzed video consumption, driving demand for improved streaming quality and faster connectivity. Partnerships between platforms like **Shahid and telecom companies**¹ have leveraged 5G technology, resulting in significant subscription increases and smoother user experiences. The deployment of 5G networks not only enables better simultaneous connections but also paves the way for transformative applications in **virtual and augmented reality**, as evidenced by stc's plans for NEOM².

Concurrently, Artificial Intelligence (AI) is revolutionizing **content moderation**, search and discovery, and **content personalization**, bolstering the safety and appeal of video platforms. Generative AI platforms such as Sora

from OpenAI can create videos from simple written prompts. OTT players are utilizing AI to swiftly remove offensive content, while platforms like OSN+ are integrating AI-driven systems for improved **content discovery**³. AI-driven algorithms are also enhancing user engagement by delivering personalized content recommendations, as exemplified by **MBC's adoption of AI and ML technologies**⁴.

As technology adoption continues to soar in Saudi Arabia, consumers are increasingly seeking exceptional experiences, presenting a prime opportunity for market players to leverage technology to deliver differentiated and compelling offerings. By harnessing the power of next-generation technologies, industry stakeholders should aim to cater to evolving consumer preferences, drive engagement, and establish themselves as leaders in the dynamic video segment landscape.

1. [Shahid almost doubles telecom partnerships in a year](#)
2. [Neom launches infrastructure work for the world's leading cognitive cities in an agreement with STC](#)
3. [Google Cloud, OSN+ ink AI deal to transform streaming experiences in MENA](#)
4. [AI and machine learning critical to MBC's Shahid service](#)

Talent Development

An array of talent development initiatives has been set in motion, signaling a concerted effort to nurture and cultivate local talent. These initiatives span **diverse programs and partnerships**, aimed









at equipping aspiring filmmakers with the necessary skills and knowledge to thrive in the industry. From specialized training programs like the 'Below The Line KSA' initiative¹, which focuses on enhancing art department and production roles, to educational endeavors such as the Screenwriting program has helped train **20 talented screenwriters** and **develop over 190 draft scripts**. Beyond this, the partnerships between universities and renowned film academies reinforce a commitment to fostering a culture of creativity and excellence within the Saudi film industry.

The booming video segment provides ample opportunities for investors to support talent development needs. One avenue for investor involvement lies in **partnerships** between KSA

delivery. By leveraging the expertise and resources of global institutions, such partnerships can enhance the quality and reach of talent development programs.

Global academic institutions can explore opportunities to establish new institutions through partnerships with leading KSA institutions under a common brand. There are opportunities in the **co-development of media programs** tailored to the specific needs of the Saudi film industry, enabling cultural exchanges. These institutions can address talent requirements in fields such as cinematography, screenwriting, directing, and post-production.

Ministry of Culture and Ministry of Education have launched scholarships on 'Digital Content' specialization and Digital Advertising & Digital Marketing respectively to support digital content field. By aligning talent development efforts with KSA's growth demands, stakeholders can ensure a steady supply of skilled professionals capable of meeting the evolving needs of the video

	<p>Below The Line KSA program</p> <p>Netflix has partnered with KSA based Studio Production Training to launch a development program, "Below The Line KSA", to provide training</p>		<p>Red Sea Lodge</p> <p>Initiative under the Red Sea International Film Foundation offering professional training programs to Saudi and Arab directors, producers and scriptwriters.</p>
	<p>Screenwriting program</p> <p>A 12-week intensive program in the field of screenwriting and development, has successfully trained screenwriters and facilitated the development of high-quality scripts ready for production. The program attracted over 1,800 applicants, resulting in the development of more than 190 draft scripts and the training of 20 talented screenwriters.</p>		<p>The Red Sea Lodge has partnered with TorinoFilmLab on projects for creative & professional mentorship across 10 months and 5 workshops.</p> <p>MoU b/w MBC and Saudi Film Commission</p> <p>A key element of the MoU signed between MBC group and Saudi Film Commission is training and nurturing Saudi talent.</p>
	<p>Cultural Scholarship Program</p> <p>Introduced by Ministry of Culture, International universities were selected to offer scholarships with international standards, ensuring the quality of outputs while considering diversity in filmmaking disciplines. A total of 108 students were selected, with 88 awarded Bachelor's degrees and the remainder awarded Master's degrees across 10 universities and in 10 different majors.</p>		<p>The focus would be on offering training and employment opportunities for local talents within MBC Group's film and series projects.</p> <p>Filmmakers Program</p> <p>Introduced by Film Commission, it provides 20 training workshops and 6 master classes to beginners and mature professionals aspiring to work in the film industry.</p>
	<p>Partnership b/w Ministry of Media and IGNITE Program</p> <p>Ministry of Media launched the Vocational Training Initiative, a part of the IGNITE program, in cooperation with the Ministry of Communications and Information Technology; It aims to provide on-the-job training opportunities and develop professional skills of fresh graduates in cooperation with private sector companies</p>		<p>The aim is to drive local films, improve Saudi presence, and raise the quality of artistic content.</p> <p>Partnership of Effat University and Dar Al Hakema University with New York University</p> <p>Since 2016, Effat University has held partnerships with the New York University Tisch School of the Arts and has offered bachelor's degree programs in cinematic arts</p>
			<p>to Saudi women. Moreover, Dar Al-Hekma University offers programs in collaboration with the New York Film Academy.</p>

Initiatives on video segment talent development aim at nurturing the next generation of talents in KSA. Source: Arthur D. Little

1. [Boosting Below-The-Line talent in Saudi Arabia through a partnership with SPT](#)
 2. [Initiatives and activities that enrich our culture and expand horizons](#)

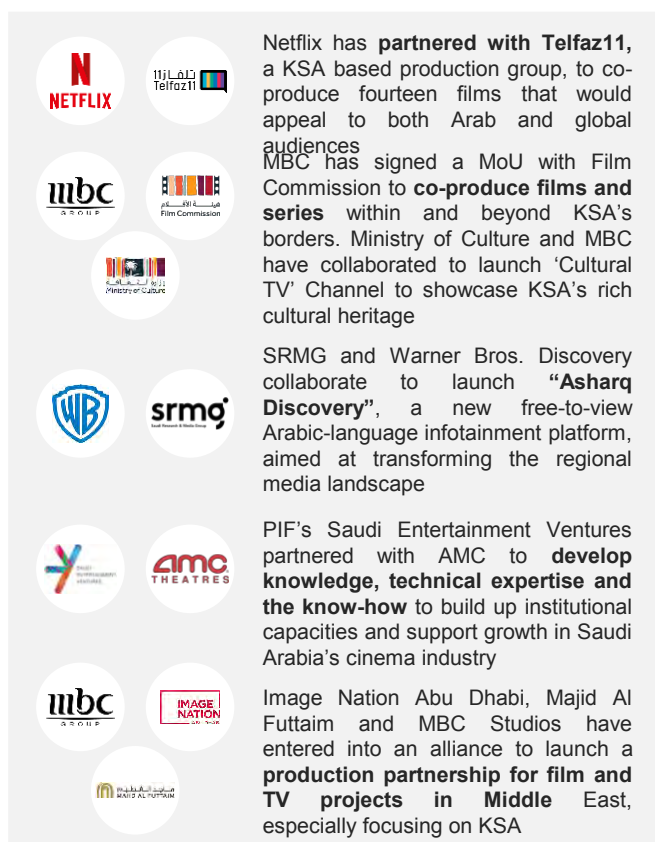
Collaboration and Partnership

In the dynamic landscape of Saudi Arabia's video segment, numerous partnerships have emerged as pivotal drivers of progress, forging **synergies between domestic and international players** to propel the industry forward. These collaborations underscore a shared commitment to innovation, creativity, and cultural exchange, harnessing the collective strengths of diverse stakeholders to deliver compelling content to audiences both within the Kingdom and beyond.

Notable alliances include Netflix's collaboration with Telfaz11¹, a prominent KSA-based production group, to co-produce fourteen films catering to Arab and global audiences. Similarly, MBC's strategic partnership with the Film Commission² aims to **co-produce films and series**, amplifying Saudi Arabia's creative footprint on the international stage. Partnerships such as SRMG's collaboration with Warner Bros. to launch Asharq Discovery³, a groundbreaking **pan-Arabic-language platform**, and Saudi

Entertainment Ventures with AMC⁴ to enhance institutional capacities in the cinema industry, reinforce the transformative potential of cross-sector collaboration.

As these partnerships continue to flourish, private players in the video segment are presented with a compelling opportunity to forge additional alliances, **unlocking business value** and expanding reach within Saudi Arabia and beyond. By leveraging the expertise, resources, and networks of diverse partners, private players should aim to amplify their impact, drive innovation, and deliver unparalleled experiences to audiences across the region. Whether through content production, distribution, or technological innovation, collaboration holds the key to unlocking new avenues for growth and cementing Saudi Arabia's position as a hub of creativity and innovation in the global video landscape.



Netflix has **partnered with Telfaz11**, a KSA based production group, to co-produce fourteen films that would appeal to both Arab and global audiences

MBC has signed a MoU with Film Commission to **co-produce films and series** within and beyond KSA's borders. Ministry of Culture and MBC have collaborated to launch 'Cultural TV' Channel to showcase KSA's rich cultural heritage

SRMG and Warner Bros. Discovery collaborate to launch "**Asharq Discovery**", a new free-to-view Arabic-language infotainment platform, aimed at transforming the regional media landscape

PIF's Saudi Entertainment Ventures partnered with AMC to **develop knowledge, technical expertise and the know-how** to build up institutional capacities and support growth in Saudi Arabia's cinema industry

Image Nation Abu Dhabi, Majid Al Futtaim and MBC Studios have entered into an alliance to launch a **production partnership for film and TV projects in Middle East**, especially focusing on KSA



Talent development initiatives in Saudi Arabia grow the talent pipeline in media sector. Source: Arthur D. Little

1. [Netflix Announces Eight-Film Partnership with Saudi Arabian Production Company](#)
2. [Saudi Arabia's film commission, MBC Group join hands to promote local film industry](#)
3. [SRMG and Warner Bros. Discovery launch Asharq Discovery, a unique free-to-view Arabic-language infotainment platform](#)
4. [Seven acquires AMC's stake in Saudi Arabia; retains AMC cinemas brand name in the Kingdom](#)

04

Audio Segment

The audio segment aims to position KSA as a cultural hub, showcasing audio content that celebrates national heritage, fosters global dialogue, and amplifies the unique voices of Saudi Arabia on a global scale. This goal is achieved through the cultivation of a vibrant and inclusive audio landscape, facilitated by collaborative endeavors. By nurturing creative talents, ensuring financial sustainability, and promoting diverse participation, the segment seeks to engage global audiences and contribute to the cultural enrichment of Saudi Arabia and beyond.

Key national objectives of the audio segment:

1. Foster the creation of a comprehensive audio production ecosystem by leveraging strategic partnerships and infrastructure development
2. Implement inclusive educational programs and initiatives to empower individuals from diverse backgrounds and attract diverse talent from local and international communities
3. Introduce robust financial incentives and funding mechanisms to spur the growth and development of the audio segment
4. Implement stringent intellectual property protection mechanisms to safeguard the creations of audio professionals

In Saudi Arabia, the audio segment is experiencing a transformative evolution, characterized by a **dynamic mix of local, regional, and international players** across its value chain. This vibrant ecosystem is shaped by established entities such as **MBC GROUP** and **Rotana**, alongside emerging players like **Merwas**. As the industry continues to evolve, it holds immense potential for collaboration, innovation, and cultural exchange.

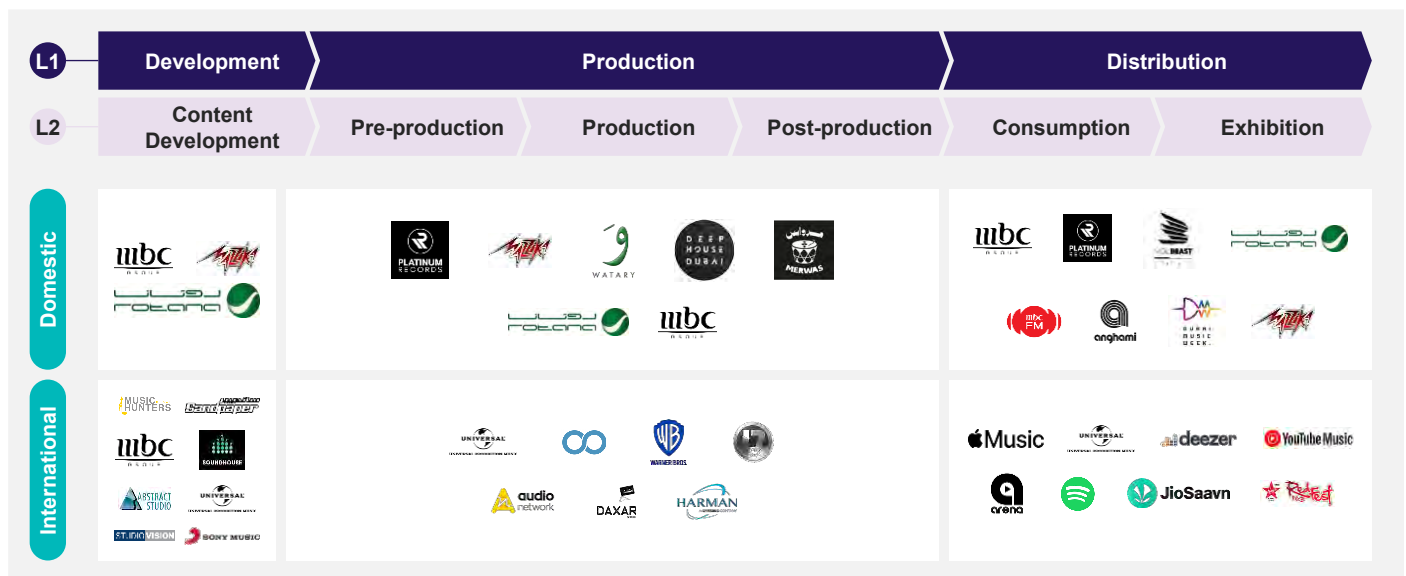
In content development, a diverse array of players contributes to the creation and management of audio content. Established entities like MBC Group and Rotana produce high-budget content spanning **music, podcasts, and other audio formats**. These industry giants are complemented by a dynamic community of independent studios and media companies, fostering a rich landscape for creative expression. The **rise of podcasts** in KSA has further fueled content creation, with independent creators crafting a myriad of Arabic-language podcasts tailored to diverse interests.

In production, **Riyadh-based Merwas** has emerged as a pivotal player, offering support and resources to the Saudi creative community. Since its inception in 2022, Merwas has played a

significant role in nurturing local talent and fostering a vibrant ecosystem for artists across various disciplines. MBC Group's **Platinum Records** is a cornerstone of KSA's production landscape, specializing in artist development, music publishing, and production services.

The distribution phase of the audio segment is characterized by the dominance of streaming platforms, led by regional player **Anghami**, renowned for its **extensive catalogue of Arabic and international content**. International streaming giants such as Spotify and Apple Music also maintain a significant presence in the Saudi market, offering consumers access to a diverse array of audio content.

The **proliferation of streaming platforms** has facilitated the widespread consumption of podcasts, catering to evolving consumer preferences for on-demand audio experiences. Initiatives like **MDLBEAST Soundstorm** have emerged to cater to the growing interest in live music events, bringing together artists from around the world to captivate audiences in Saudi Arabia. However, traditional radio remains relatively limited in the Kingdom, with only a handful of channels available.



KSA audio segment's value chain. *Illustrative and non-exhaustive.* Source: Arthur D. Little

Market Size

The audio segment in Saudi Arabia is poised for robust growth, expected at a CAGR of ~4% by 2027, culminating in a total segment value of approximately USD 300 million (SAR 1.1 billion).

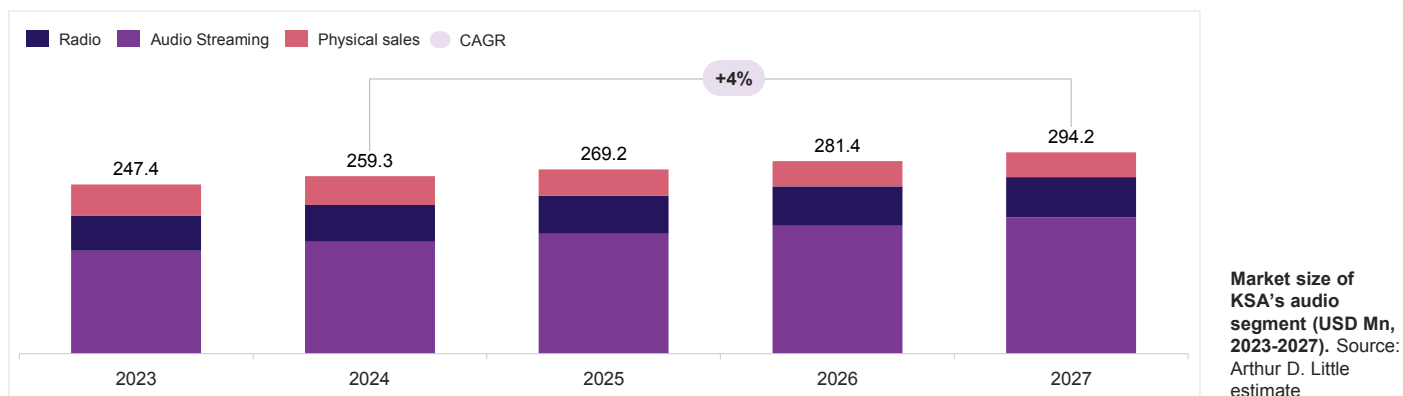
This growth trajectory is underpinned by the **increasing penetration of both local and global audio streaming platforms**, alongside a rising preference for podcasts among consumers.

Despite a setback experienced in 2020 due to the COVID-19 pandemic, wherein the overall audio segment witnessed a significant decline, the subsequent year of 2021 saw a remarkable recovery, surpassing pre-pandemic market sizes. This resilience underscores the segment's adaptability and its ability to rebound from external disruptions, reaffirming its attractiveness as an investment opportunity in the Saudi market.

Within the audio segment, the **audio streaming sub-segments** are projected to be key drivers of growth, with an anticipated CAGR of approximately 4% from 2024 onwards. This growth

is fueled by the **increasing demand for Arabic content**, catering to the diverse preferences of Saudi audiences.

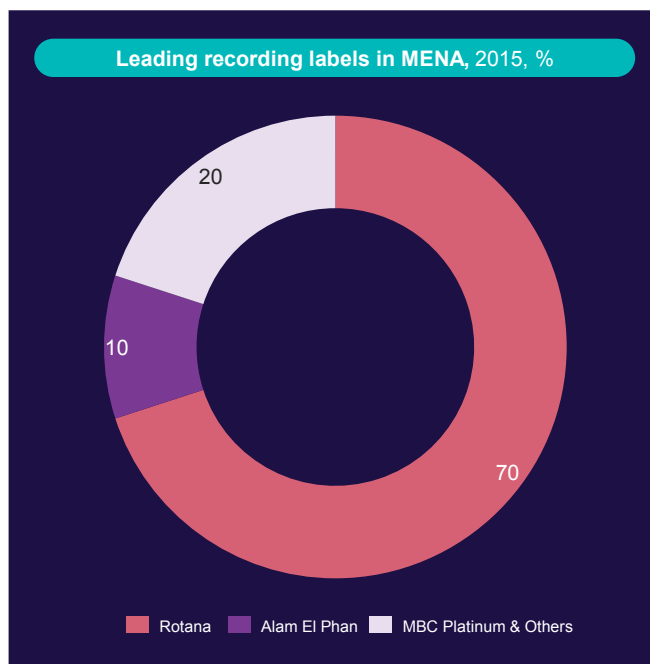
While radio remains a relevant component of the audio market, its growth potential will be comparatively limited compared to audio streaming. Despite facing challenges such as a decline in radio ads during the pandemic-induced economic downturn of 2020, the radio segment is expected to showcase a modest CAGR of approximately 3% from 2024 onwards.



Key Players

The Saudi music scene has undergone significant changes, with digital music increasingly eclipsing traditional formats. From holding a 33% market share in 2017, the presence of digital music has steadily expanded, projected to reach 50% by 2029. In contrast, the popularity of traditional music formats is on a downward trend, anticipated to decline from 31% in 2017 to 14% by 2029¹. However, traditional radio is expected to maintain a stable share of around 36%, indicating a continued appreciation for this format among Saudi listeners. This evolving preference signifies a shift towards **digital consumption**, mirroring a worldwide trend in the music industry.

Rotana, commanding an impressive 70% market share, is the predominant record label in the MENA region, wielding considerable influence in the music sector. Established in Saudi Arabia in 1987, Rotana has emerged as the **foremost producer and distributor of Arabic music**, boasting the most



Saudi-based Rotana is the leading recording label in the MENA region (share of Arabic music titles). Source: Forbes²

1. Statista
 2. The top 10 Arab singers and International Journal of Communication

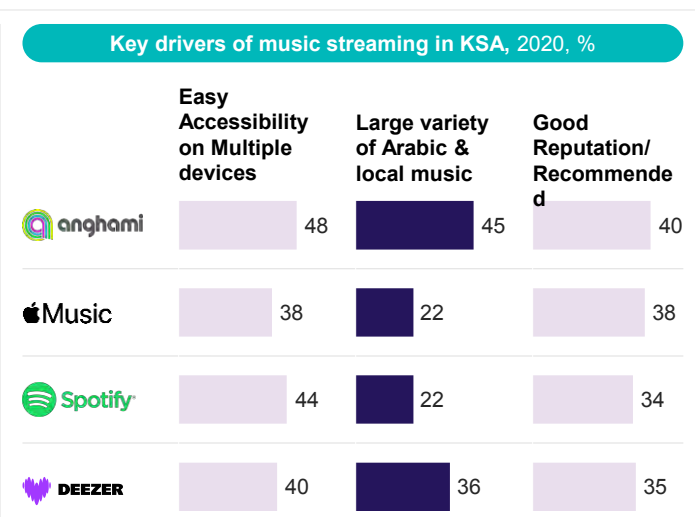
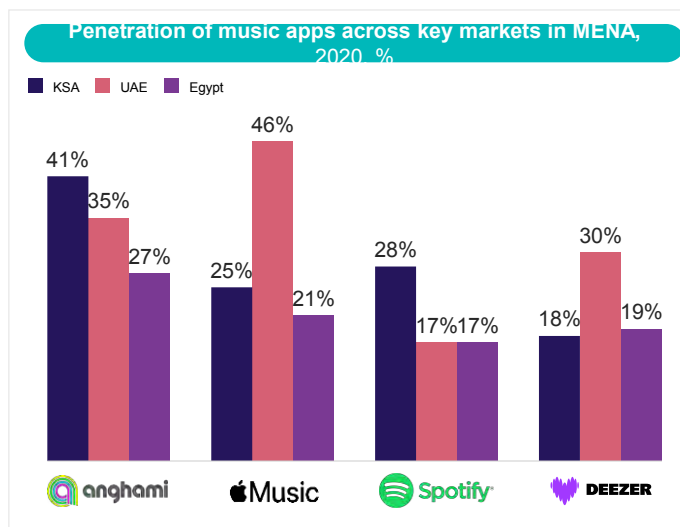
extensive Arabic music catalog and holding exclusive agreements with some of the most celebrated Arabic artists worldwide. As the Kingdom’s music industry flourishes under Vision 2030, there is an optimistic outlook for Saudi artists to emerge as **leading figures in Arabic music**, potentially reshaping the current regional artist hierarchy. This anticipated evolution not only underscores the shifting cultural dynamics in Saudi Arabia but also heralds new opportunities for the Kingdom’s music industry on both regional and international platforms.

In Saudi Arabia, **Anghami** emerges as the dominant music streaming platform, boasting the highest penetration among competitors such as Apple Music, Spotify, and Deezer. This market dominance is underpinned by Anghami’s exceptional performance across key factors

driving consumer preferences: **ease of accessibility on multiple devices, a vast array of Arabic and local content, and a strong reputation with favorable recommendations.**

Anghami’s extensive library of **Arabic and local content** stands out as a key differentiator, catering to the diverse preferences of Saudi audiences and fostering a deeper connection with the platform. The platform’s stellar reputation and positive recommendations further solidify its position as the preferred choice among music enthusiasts in the Kingdom.

As Anghami continues to lead the market with its superior offerings and user-centric approach, it sets the benchmark for music streaming platforms in Saudi Arabia, presenting compelling opportunities for both consumers and stakeholders in the music industry.



Anghami is the most popular streaming music platform in KSA¹. Source: Anghami

Consumer Behavior

Consumer behavior in the audio segment of Saudi Arabia reflects a dynamic landscape shaped by demographic trends, technological advancements, and shifting preferences. Over the years, the Kingdom has witnessed a **steady rise in the number of music listeners**, driven by its youthful population demographic. This growth trajectory presents a compelling opportunity for the music industry to capitalize on the growing market and cater to the evolving needs of Saudi consumers.

The anticipated upward trend in the total number of music listeners from 2019 to 2027² underscores the expanding consumer base in Saudi Arabia. This growth is fueled by the **country’s youthful demographic profile**, with media age of population around 29, driving demand for music consumption. The active participation of the working population up to the age of 64 further contributes to the overall increase in music listenership. The Kingdom’s robust media

1. Music Streaming in MENA: Why it matters to be local?
 2. Statista

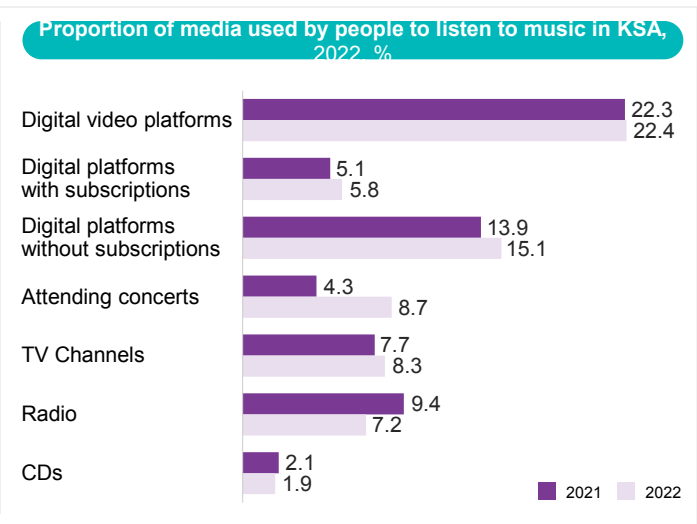
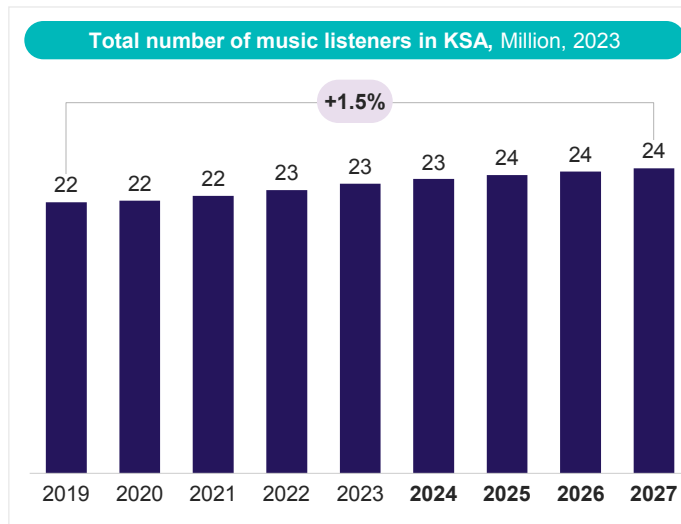
infrastructure, characterized by **high smartphone penetration and widespread internet access**, coupled with a thriving economy, serves as a catalyst for the expansion of the audio segment, including music listenership.

The significance of developing **local Arabic content** within the music industry cannot be overstated. With a young and tech-savvy demographic leading the growth in music consumption, there is a growing appetite for content that resonates with the cultural preferences and linguistic nuances of the local audience. By prioritizing the creation and promotion of Arabic music content, the industry can effectively cater to the evolving tastes and preferences of Saudi listeners, fostering greater engagement and loyalty while **promoting cultural identity and diversity**.

Consumer behavior trends underline a shift towards digitalization, with digital video platforms and digital platforms with subscriptions witnessing

a notable rise¹. This indicates an increasing willingness among Saudi consumers to **invest in premium content offerings**, reflecting broader engagement with digital channels. Conversely, traditional forms of media such as CDs and radio have experienced a slight decline, signaling a gradual transition towards digital consumption channels.

As consumer preferences evolve towards digital platforms, there are significant opportunities for investors and the music industry to tap into the Saudi market. By leveraging **demographic dynamics, robust media infrastructure, and a growing appetite for local content**, stakeholders can capitalize on the increasing demand for audio entertainment in Saudi Arabia. Investing in local content development, enhancing digital offerings, and fostering strategic partnerships will be key to unlocking the full potential of this dynamic and rapidly growing market.



The number of music listeners in KSA is on the rise, and use varied platforms to listen to music. Source: Ministry of Culture

Podcast consumption in Saudi Arabia reflects a developing trend, with an estimated 5.1 million regular listeners, constituting approximately 15% of the adult population². This engagement spans across genders, with 55% men and 44% women actively participating in podcast content. Podcast popularity in KSA stems from their versatility, providing tailored content that aligns with individual interests, and the convenience of multitasking while listening. The storytelling format of podcasts adds an engaging dimension, drawing in listeners who seek immersive narratives and informative discussions. As a

result, podcast consumption has become integrated into various daily routines, with significant portions of the audience tuning in during housework, driving, commuting, and morning rituals.

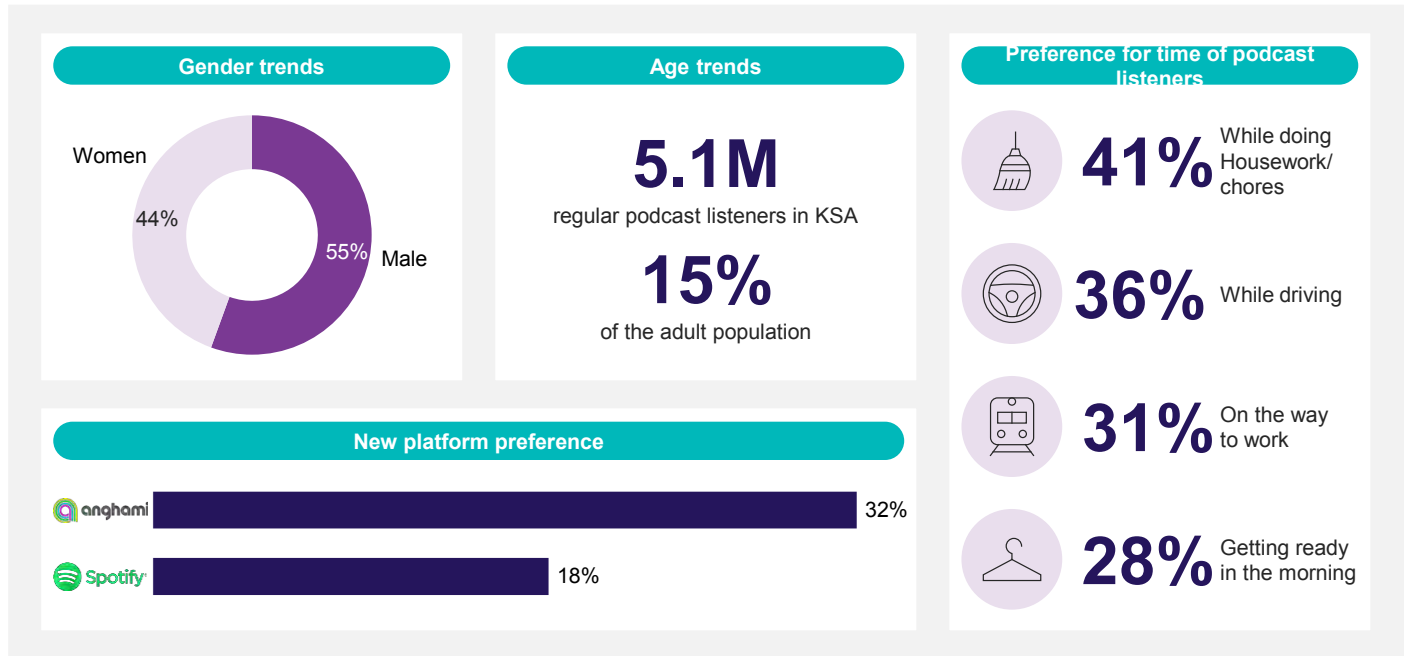
Podcast listeners in Saudi Arabia exhibit diverse preferences and habits, reflecting a **dynamic landscape of consumption**. Notably, **Arabic-language podcasts dominate the preference spectrum**, highlighting the importance of localized content

1. Ministry of Culture Report
 2. Podcast Consumption in KSA 2021

that resonates with the cultural and linguistic nuances of the Saudi audience. The demographic breakdown reveals that the **25–34 age group constitutes the largest segment of podcast consumers**, emphasizing the importance of tailoring content to the interests and preferences of this key demographic. The inclination towards video formats among younger audiences presents an opportunity for podcast producers to explore innovative content delivery methods, enhancing engagement

and expanding reach.

For podcast producers, there exists significant potential in the KSA market to offer strategic considerations for content creation and distribution. Understanding the demographic composition and preferences of the audience allows producers to curate content that aligns with the interests and habits of listeners, thereby maximizing engagement and retention.



Podcast is growing in popularity in Saudi Arabia. Source: Rising Giant Network



Key Enablers

Regulatory Framework

In Saudi Arabia’s audio segment, investors encounter a regulatory framework tailored to foster fair competition, uphold accountability, and safeguard consumer interests. Clear guidelines delineate the necessary licenses, permits, or approvals for market entry, providing clarity and certainty to stakeholders navigating the sector. Reflecting the government’s commitment to **nurturing a vibrant audio ecosystem**, this regulatory environment offers a solid foundation for growth, innovation, and investment within the Kingdom’s audio industry. A list of licenses and registration related to the audio segment can be found in the Appendix.

Infrastructure

With numerous public ecosystem stakeholders taking the lead in advancing initiatives within Saudi Arabia's vibrant audio segment, the landscape for infrastructure development is poised for significant growth. As the Kingdom prioritizes the expansion and modernization of its audio infrastructure, stakeholders can expect to witness a wave of strategic investments aimed at enhancing production facilities and technological

capabilities. From **state-of-the-art recording studios to an opera house**, the evolving infrastructure promises to create an environment conducive to the creation and dissemination of audio content across diverse formats and genres. This concerted effort underscores Saudi Arabia's commitment to positioning itself as a leading hub for audio innovation and excellence in the region and beyond.

King Fahad Cultural Centre



A cultural landmark in Riyadh

As one of the most renowned cultural institutions in Saudi Arabia, the King Fahad Cultural Centre serves as a hub for **cultural, literary, and artistic events**.

It spans an area of 100,000 sqm and offers a variety of facilities and amenities, including a studio hall equipped with cameras for live broadcasts, a main concert hall, and a main theater for various exhibitions, especially the Zarqa Al Yamama opera.



Zarqa Al Yamama opera

This opera exhibition marks a significant cultural milestone for Saudi Arabia, representing **the first opera produced domestically**.

It tells the story about a heroine with the ability to see three days into the future who warns her tribe of imminent danger.

The production features international and local singers, including English mezzo-soprano Sarah Connolly, sopranos Serena Farnocchia and Amelia Wawrzon, bass Aleksandar Stefanovski, tenor Patride Cataldo, and Saudis Reemaz Oqbi, Sawsan Albahiti, and Khayran Al Zahrani.

The score, composed by Australian Lee Bradshaw, combines Western orchestration with Arabic elements, featuring solos for the oud and ney.

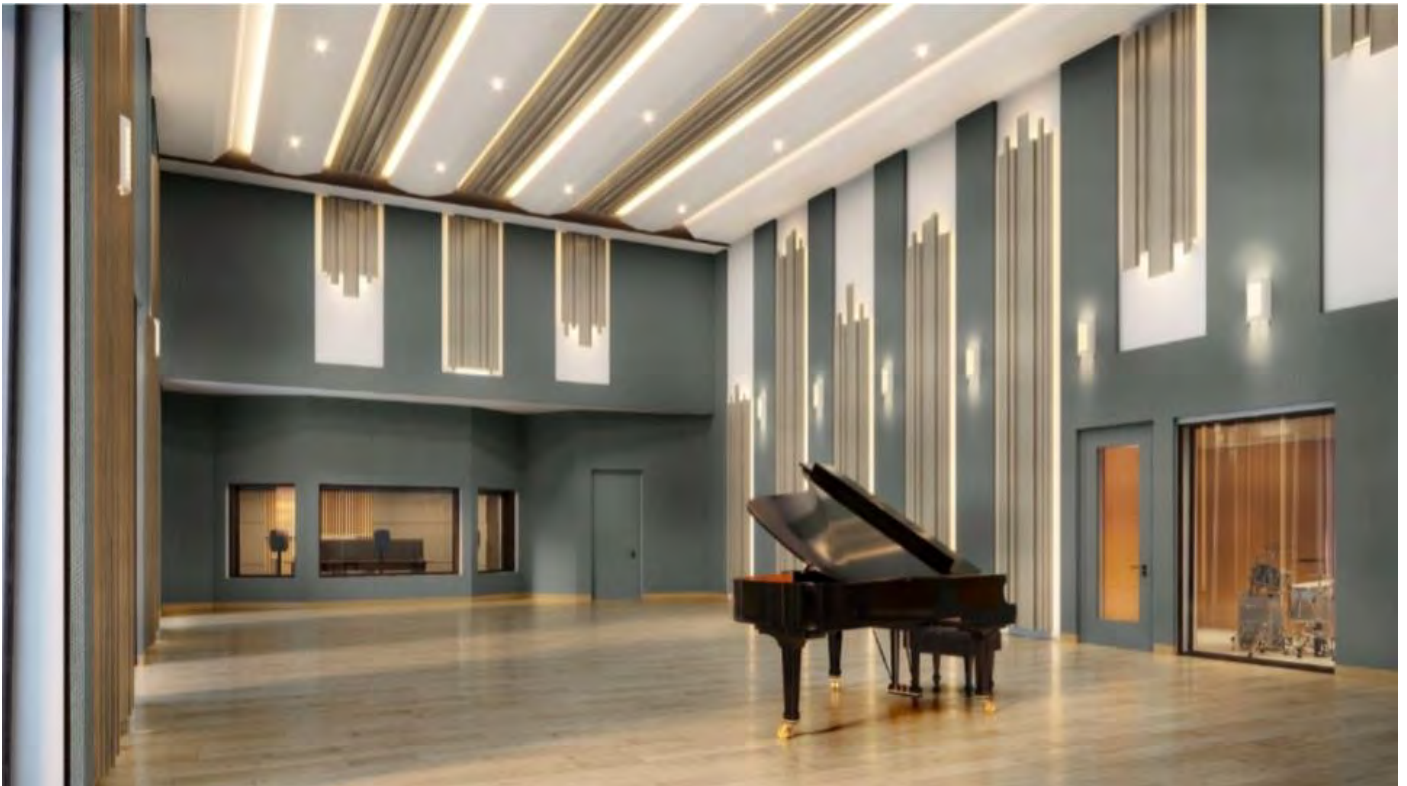
Film AIUla

Film AIUla has announced a **state-of-the-art music recording studio**¹ set to complement its existing studios. Expected to be unveiled later this year, the new facility will feature cutting-edge audio and recording equipment, including a control room and two soundproof booths.

This versatile setup will cater to a wide range of musical endeavors, from individual artists and choirs to rehearsals for film score production, music videos, and orchestral work. The studio will encompass a spacious **190 sqm studio area**, a 47 sqm control room, two ISO booths, catering facilities, and a rack room, providing artists with the tools they need to bring their creative visions to life.

The recording studio will herald Film AIUla's exciting entry into the music space. This **dynamic facility** will cater to individual artists, choirs, film work rehearsals, music videos, and orchestral performances. Partnering with industry experts, Film AIUla is outfitting the studio with cutting-edge audio and recording technology, underscoring its dedication to becoming a premier, full-service creative hub.

Artists are encouraged to leverage these cutting-edge facilities to unleash their creativity and produce exceptional music. Whether recording singles, albums, or soundtracks, the studio offers a conducive space for artists to explore their artistic potential and create captivating musical compositions.



Music recording studio at AIUla. Source: Film AIUla

Diriyah Gate Development Authority

Diriyah Gate Development Authority, in collaboration with The Royal Commission for Riyadh City, has announced the ambitious project of establishing the **Royal Diriyah Opera House**², slated for inauguration in 2028. Envisioned as a cultural landmark, the Opera House will feature a

distinguished infrastructure spread across an area of 45,000 sqm. Designed to accommodate approximately 3,500 people across its four venues, the opera house will include a main 2000-seat opera theater tailored for grand-scale productions.

1. [Saudi Arabia's Film AIUla Adds Adds Music Recording Studio to Film Studio Facilities](#)
2. [In cooperation with Diriyah Company, RCRC announces the establishment of Royal Diriyah Opera House](#)



Illustration of Royal Diriyah Opera House. Source: Royal Commission for Riyadh City

Complementing this centerpiece are additional performance spaces, including a **450-seat adaptable theater** and a **450-seat multipurpose theater** suitable for smaller events and rehearsals. A shaded rooftop amphitheater will make outdoor performances possible, enhancing the venue's versatility and appeal.

Positioned to become a global platform for the performing arts, music, and opera, the Royal Diriyah Opera House aims to attract talented

performers and renowned companies from around the world, enriching the **cultural landscape of Diriyah** and offering residents and visitors alike exceptional cultural and entertainment experiences. With its state-of-the-art facilities and strategic location, the opera house aspires to serve as a beacon of artistic excellence, fostering creativity, collaboration, and appreciation for the performing arts on both national and international stages.

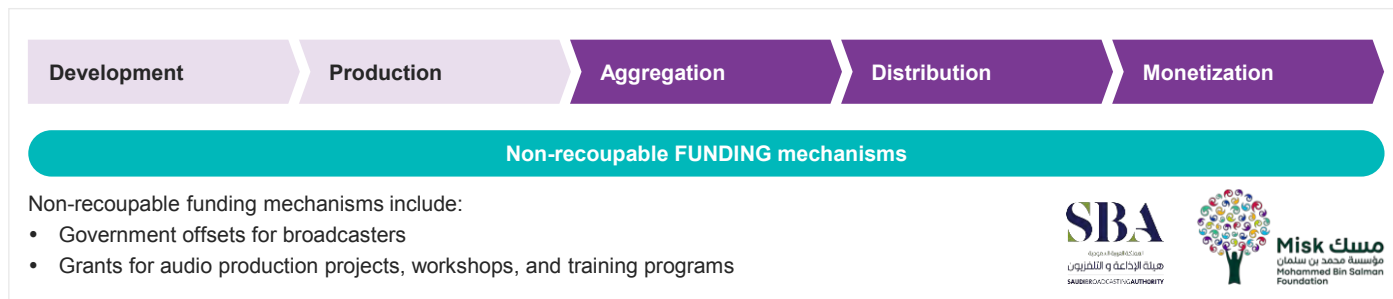
Funding and Financing

The audio segment benefits significantly from various government initiatives aimed at fostering its growth and development through financial support. These initiatives encompass a range of funding mechanisms designed to facilitate **audio production projects, workshops, and training programs**. Among these mechanisms, two prominent avenues include **offsets and grants**, which are instrumental in providing financial support to stakeholders within the audio industry. These funding mechanisms play a crucial role in sustaining and advancing the sector, ensuring operational continuity, fostering innovation, and promoting talent development.

Specifically, the **Saudi Broadcasting Authority** offers funding to public radio broadcasters through offsets, addressing revenue shortfalls from advertising and other sources. This support not only covers operational costs but also ensures the independence and viability of public radio stations, thereby contributing to the overall resilience of the audio broadcasting sector. **The Misk Foundation** offers **non-recoupable grants** and support to artists and creatives, further bolstering the audio segment by providing avenues for project funding, professional development workshops, and specialized training programs.

Stakeholders within the audio segment are encouraged to **capitalize on these funding mechanisms** to fuel their growth and innovation endeavors in Saudi Arabia. By leveraging the available offsets, grants, and support programs,

audio professionals and organizations can harness the resources needed to expand their operations, enhance their capabilities, and contribute to the flourishing audio landscape of the Kingdom.



Sources of funding and financing mechanisms for the audio segment in KSA. Source: Arthur D. Little

Technology

Technology is playing a pivotal role in shaping the landscape of the audio segment in KSA, revolutionizing the way content is created, distributed, and consumed. With high penetration of the internet across the country, advancements in technology are unlocking new possibilities and driving innovation within the audio industry. The proliferation of high-speed internet connectivity has facilitated a **surge in audio streaming quality**, enabling platforms like Anghami to offer high-quality audio experiences to users who opt for premium services. Growing support for emerging technologies such as Augmented Reality (AR) and Virtual Reality (VR) through 5G networks opens up avenues for **immersive content experiences**, potentially enhancing streaming platform applications with interactive and engaging features.

Similarly, the deployment of Artificial Intelligence (AI) is revolutionizing audio content consumption and creation in KSA. **AI-powered recommendation systems** are driving the growth of audio streaming platforms by curating personalized experiences for users, as seen with **Spotify’s tailored music recommendations**¹. Also, AI-driven content creation is reshaping the landscape by generating customized audio content, as exemplified by **Anghami’s**

collaboration with Mubert² to create unique musical ‘cheers’ for sports events.

As market players in the audio segment navigate the evolving technological landscape of KSA, leveraging advancements in **5G/6G networks and AI technologies** presents an opportunity to provide enhanced and differentiated user experiences. Through embracing high-speed internet capabilities and AI-driven innovations, audio platforms should look to deliver superior audio quality, personalized content recommendations, and interactive features, thereby enriching the overall user experience and capitalizing on the growing demand.



1. [The Inner Workings of Spotify’s AI-Powered Music Recommendations: How Spotify Shapes Your Playlist](#)
 2. [Anghami collaborates with generative music platform Mubert](#)

Talent Development

The Music Commission of KSA plays a pivotal role in spearheading talent development initiatives through tailored programs and strategic partnerships with leading international music academies. One such initiative is the **San'ah program**¹, established by the Music Commission, which offers a comprehensive **6-month virtual training program** encompassing various fields such as artist management, DJ skills, sound engineering, and studio management.

The Commission has trained **36,000 teachers** at the kindergarten level, marking a significant milestone in preparing educators to introduce music education at the academic level for the first time. The establishment of the **Saudi Music hub** by the Music Commission² aims to provide educational programs and training in music, with branches in Riyadh and Jeddah, fostering the development of a professional national musical group with high skills to represent the Kingdom both locally and internationally. The **Nahawand Academy of Arts** has collaborated with the **Gnesins Russian Academy of Music** to establish KSA's first international music academy³, offering educational programs, training, and certifications for musicians.

To further develop the talent needs of the Kingdom, global academic institutions can play a pivotal role in supporting talent development efforts through **partnerships** between leading local institutions, aimed specifically at delivering specialized audio and music programs. These global institutions can explore opportunities to establish new campuses in the Kingdom through partnerships, focusing on disciplines related to audio engineering, music composition, sound design, and other aspects of audio production.

There also exists significant potential for the **co-development of music-related programs** in areas such as sound mixing, Foley artistry, music production, and audio post-production, wherein these programs can contribute to the growth and competitiveness of the industry and can facilitate the exchange of cultural nuances.

Aligning talent development efforts with the growing demands of Saudi Arabia's audio segment ensures a continuous supply of skilled

professionals capable of meeting industry standards and driving innovation. Through strategic talent development programs focused on audio and music, stakeholders can help cultivate a vibrant ecosystem that **fosters creativity and excellence**, catering to the needs of the Arab world.



Music Commission initiatives

Music Commission trained **36,000 teachers** at the kindergarten level, ahead of teaching music at the academic level for the first time this year

San'ah program, set up by Music Commission, **provides a 6-month virtual training program** in fields such as artist management, DJ skills, sound engineering, and studio management

Saudi Music Commission has set up **Saudi Music hub to impart education and training programs** in music with branches in Riyadh and

National Music Band

The initiative aims to form a professional national music group, with high skills, to **represent the Kingdom in musical forums** locally and internationally and to play behind the most famous Saudi and Arab artist in high-level forums

International Music Academy

The **Nahawand Academy of Arts** has partnered with the **Gnesins Russian Academy of Music** to establish KSA's first international music academy and provide educational programs, training, and certifications for musicians.

Initiatives on audio segment talent development aim at nurturing the next generation of talents in KSA. Source: Arthur D. Little

1. [Initiatives and activities that enrich our culture and expand horizons](#)
2. [Music Commission announces receiving applications for music classes](#)
3. [Saudi Arabia's First International Music Academy Launches in Taif](#)

Collaboration and Partnerships

Both the private and public sectors in Saudi Arabia are actively establishing collaborations and partnerships aimed at fostering **balanced development initiatives** across the audio value chain.

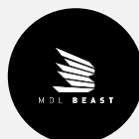
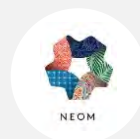
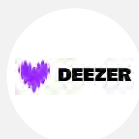
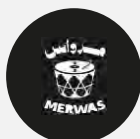
One such collaboration involves the **Cultural Development Fund partnering with Merwas¹** to establish an investment fund for the music industry. This partnership represents a significant integration between the public and private sectors, enabling the latter to contribute to the growth of the audio segment and create opportunities for talent in the field.

Deezer has entered into an exclusive long-term partnership with Rotana to distribute the KSA-based company's audio and visual content in **MENA²**. This strategic agreement not only strengthens Deezer's market position but also enables Rotana to extend its reach across different markets within the MENA region, including Saudi Arabia.

NEOM has also announced a partnership with music entertainment company MDLBEAST to establish an ultra-modern beach club on its luxury

island, Sindalah³. MDLBEAST's expertise in hosting innovative world-class events aligns with NEOM's vision for creating unique entertainment destinations. This collaboration entails MDLBEAST managing the **end-to-end operations** of the beach club, ensuring a seamless experience for visitors. These partnerships demonstrate the synergistic efforts among various stakeholders to drive growth and innovation within Saudi Arabia's audio segment.

As the audio segment continues to evolve and expand in Saudi Arabia, there exists significant potential for further partnerships between private entities, government agencies, and international music productions. These collaborations have the potential to **unlock business value**, facilitate infrastructure development, and foster innovation across the audio value chain. Leveraging the expertise and resources of various partners, the audio segment in KSA can experience accelerated growth, leading to the establishment of a vibrant and dynamic ecosystem that caters to the diverse needs of consumers and creators alike not just in the Kingdom but for the Arab world.



The Saudi Cultural Development Fund has announced a collaboration with Merwas to establish **investment fund in music**

This partnership comes as a step of integration between the public and private sector that enables the latter to **contribute to the growth of the audio segment, and create opportunities** for the talent in the field

Deezer has entered into an **exclusive long-term partnership with Rotana** to distribute the KSA based company's audio and visual content in MENA

The exclusive long-term distribution agreement with Rotana would provide Deezer a unique opportunity to **build future market leader positions** in different markets within MENA, including KSA

NEOM has announced a **new ultra-modern beach club on its luxury island Sindalah** in a partnership with music entertainment company MDLBEAST, which is known for its expertise in hosting innovative world-class events MDLBEAST will **handle the end-to-end operations**, starting from the preparations during the venue pre-launch to the management of the destination.

Saudi audio segment players have engaged in wide-ranging partnerships. Source: Arthur D. Little

1. Saudi Arabia to Launch Investment Funds in Music, Film Industries
2. Deezer Raises \$185M, Enters Partnership With Saudi Arabia-Based Rotana
3. Neom and MDLBeast set to unveil a luxurious beach club experience on Sindalah Island

05

Publishing Segment

KSA's publishing sector has seen remarkable growth, evolving from traditional outlets to online platforms, driven by electronic media and increased smartphone usage. This shift enables advertisers to connect more effectively with audiences. The move towards online advertising has opened new avenues for expansion and creativity, leading businesses and marketers to adapt and utilize electronic platforms' capabilities.

Key national objectives of the publishing segment:

1. Leverage its digital infrastructure and technologies to facilitate the seamless production, distribution, and consumption of digital content
2. Promote the publication of diverse voices and perspectives, showcasing the richness of Saudi culture and heritage
3. Empower individuals from all backgrounds with essential skills, fostering a culture of lifelong learning and talent development
4. Establish partnerships and exchange programs with international publishers, literary agents, and cultural organizations to amplify the reach of Saudi literature and promote intellectual exchange on a global scale





KSA publishing segment's value chain. *Illustrative and non-exhaustive.* Source: Arthur D. Little

Market Size

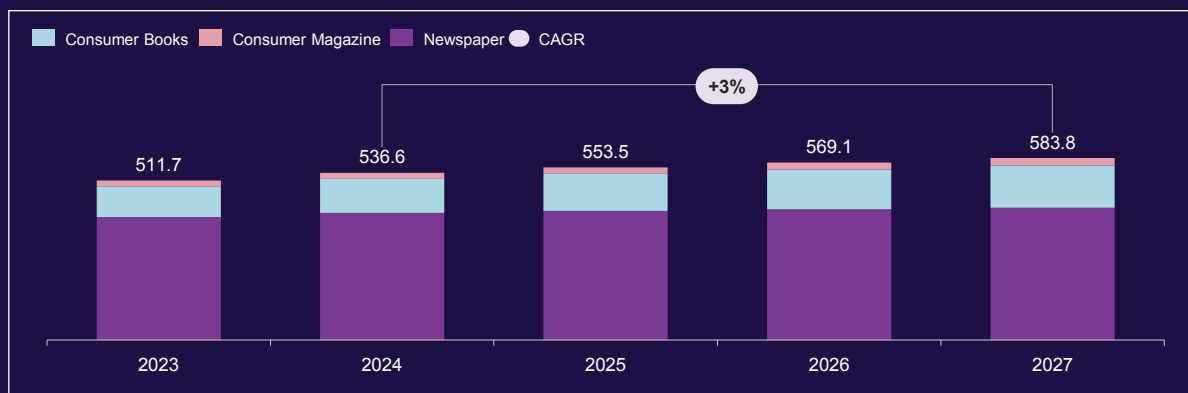
In line with global trends, the publishing segment in Saudi Arabia is facing challenges due to the increasing audience preference for digital publishing content over traditional printed materials. The Covid-19 pandemic represented a pivotal moment for the industry and the consumer behaviors that built up. For example, the value generated from book production has seen consistent growth, yet it remains below pre-pandemic figures.

As the industry needs time to transform and adapt, projections indicate a 3% growth in the overall segment's value from 2024 to 2027, reaching USD 584 million (SAR 2.2 billion) in

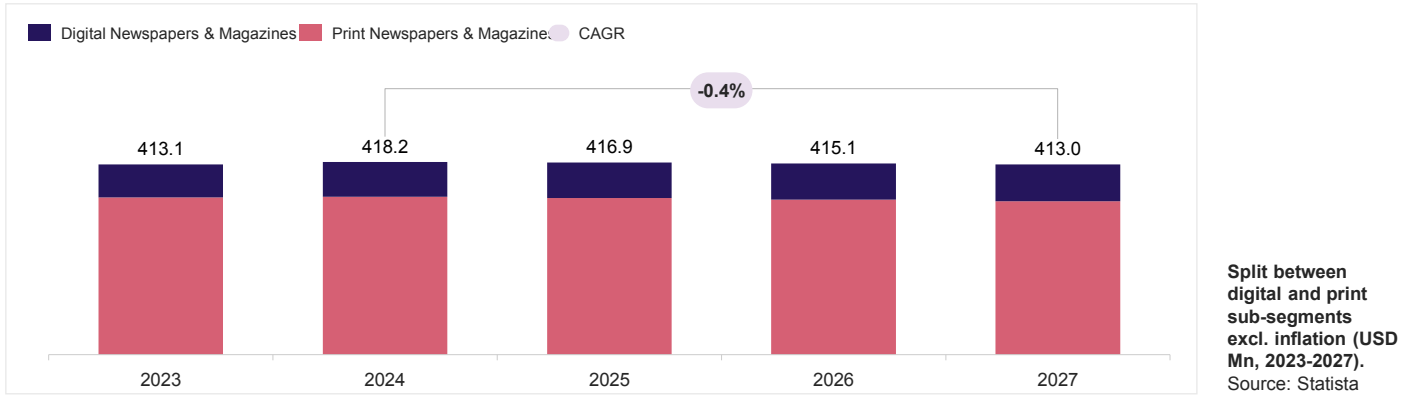
2027.

The newspaper segment, which holds the largest share, is expected to experience a 1% CAGR by 2027, driven by shifting consumer preferences towards alternative platforms such as social media.

Conversely, the consumer books segment is expected to experience a modest increase, attributed to government initiatives aimed at boosting readership rates across the Kingdom through various approaches, such as translating more content into Arabic.



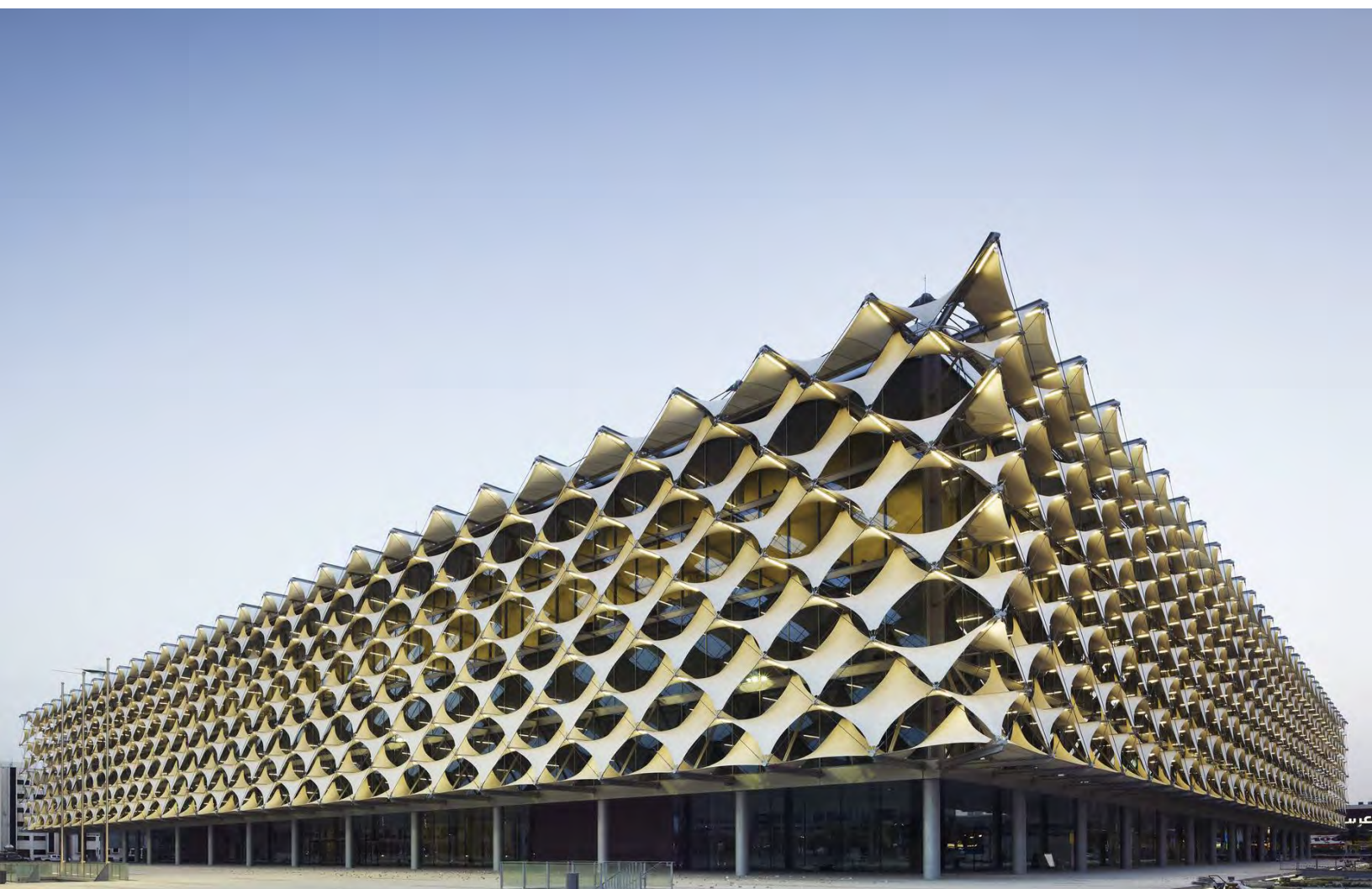
Market size of KSA's publishing segment (USD Mn, 2023-2027). Source: Arthur D. Little estimate



The newspaper sub-segment is experiencing a shift, with traditional newspaper revenues expected to decline. However, the **emergence of digital newspapers** is poised to partially offset this decline.

Although print newspaper revenues still dominate the market share in KSA, the digital sector is expected to experience modest growth of 2%

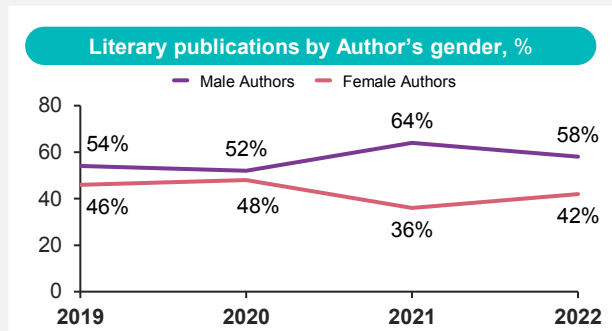
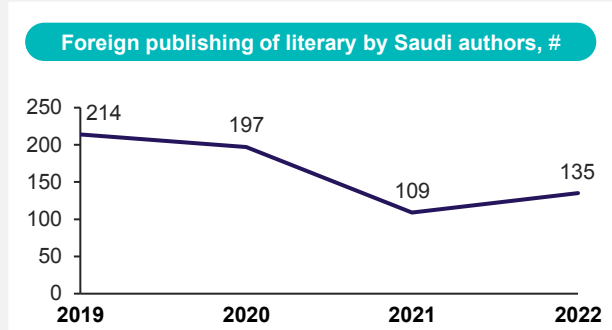
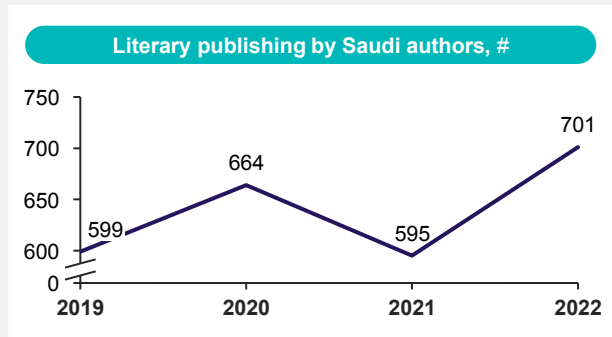
between 2024 and 2027. This growth is driven by technological advancements and the increasing prevalence of smartphones across the Kingdom. Despite these positive trends in the digital sector, overall revenues for newspapers and magazines are forecasted to decline at a CAGR of 0.4% from 2023 to 2027, leading to a total market size of USD 413 million (SAR 1.5 Bn) in 2027.



Key Players

The competitive landscape in the publishing sector of Saudi Arabia demonstrates a **highly fragmented landscape** of specialized entities, primarily driven by private sector players with a significant level of integration across the different stages of the value chain. In 2022, the top-three players together contributed to just 4.2% to the overall market output value, of which Obeikan Bookstore Co. accounted for 3.5%. Concurrently, the number of enterprises within the industry has decreased, falling from 456 in 2017 to 369 in 2022. Besides **Saudi Research and Media Group (SRMG)**, sector fragmentation is also accompanied by relatively small business scale, with the sector predominantly composed of small-scale enterprises, with about 90% of them having fewer than nine employees¹.

Today, the business model has **shifted its focus** to the local market, with exports making up only 1.3% of the total output in 2022. This situation presents a drastic change compared to the recent past when a larger portion of books by Saudi authors were produced and published in other territories in the MENA region and abroad due to challenges existing in Saudi Arabia, such as elevated costs and an inadequate distribution footprint. Currently, content produced and published abroad represents less than a quarter of all literary books published by Saudi authors, depicting **higher value retention** in the Kingdom and a more vibrant domestic publishing sector.



Saudi Arabia's publishing sector has grown at a slow pace since 2019. Source: Ministry of Culture



1. Euromonitor International
2. Ministry of Culture

The Vision

“To inspire deeper knowledge in an ever-changing world by empowering audiences through innovative content and by fostering a space for intellectual growth and exploration”

The Mission

“To advance perspectives by delivering cutting-edge insights, relevance, and originality, providing audiences access to today’s most significant stories, boldest ideas, and brightest minds”



A Spotlight on an increasingly Digital Suite

As a leading player in the fast-changing news, content, and infotainment sector, **SRMG Media** not only adapts but takes a proactive approach to staying at the forefront of industry dynamics. SRMG’s strategy of investing in digitization, new technologies, and data-enabled platforms, is allowing the company to provide more original and exclusive content to its audiences regionally and globally.

Embracing the digital era, SRMG has undertaken initiatives to revamp legacy titles, launch **new outlets** with an expanded digital and social presence, and explore diversified business and revenue models. In 2023 alone, SRMG completed the **digital transformation of Asharq Al-Awsat platform**; launched multiple new platforms such as Manga Arabia, and others such as List Magazine and Billboard Arabia; and broadened the Asharq News Network offering with the addition of Asharq Discovery, Asharq Documentary, Asharq Quicktake, Asharq Podcasts, and Radio Asharq with Bloomberg.

Uncovering and developing media talents

SRMG launched **SRMG Academy** in Riyadh, offering a signature six-month training program designed to cultivate media talent through comprehensive vocational training. The program covers writing, editing, beat reporting, media ethics, and various storytelling formats, including mobile journalism, podcasting, and broadcast journalism.

Led by **seasoned Arab journalists** holding senior positions in global and regional news outlets, the academy drew on expertise from over 30 SRMG platforms, enabling trainees to collaborate with prestigious publications like Asharq Al-Awsat, Asharq News, and Independent Arabia.

SRMG Academy's success relies on partnerships and collaborations with various entities, such as **NEOM** and governmental agencies. The collaboration will also focus on designing joint talent development and industry training programs, building on previous successful initiatives like the "**Stories to Tell**" journalism boot camp.

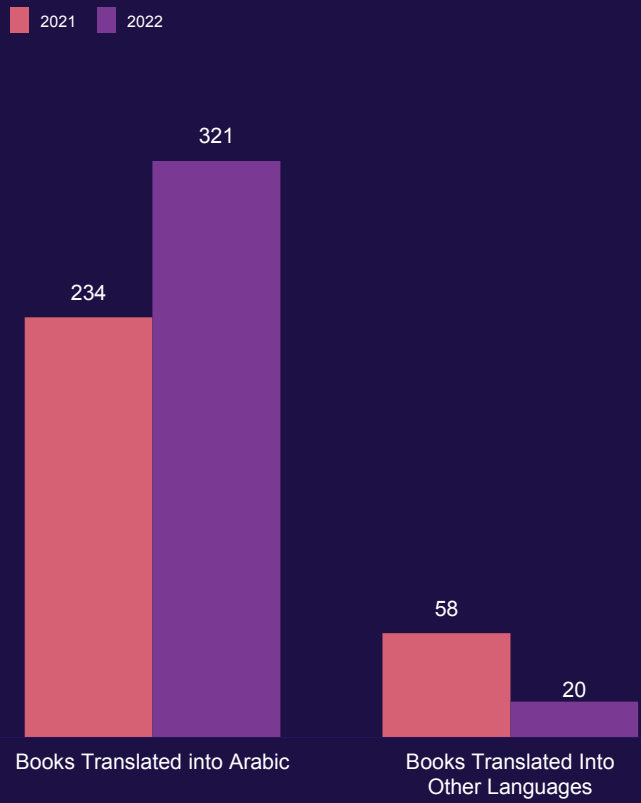
This program aims to **empower the next generation of journalists and content creators**, offering employment opportunities and supporting innovative projects to expand into new platforms and products.

Thanks to **domestic initiatives** designed to support publishers and ensure equal participation in the production of literary output, the **number of publications in Saudi Arabia increased by 18%**, reaching more than 700 publications in 2022. The representation of **female authors in the literary space climbed to 42% in 2022**, significantly reducing the gender gap to pre-2021 levels. This progress resulted in slightly below 300 new publications by women.

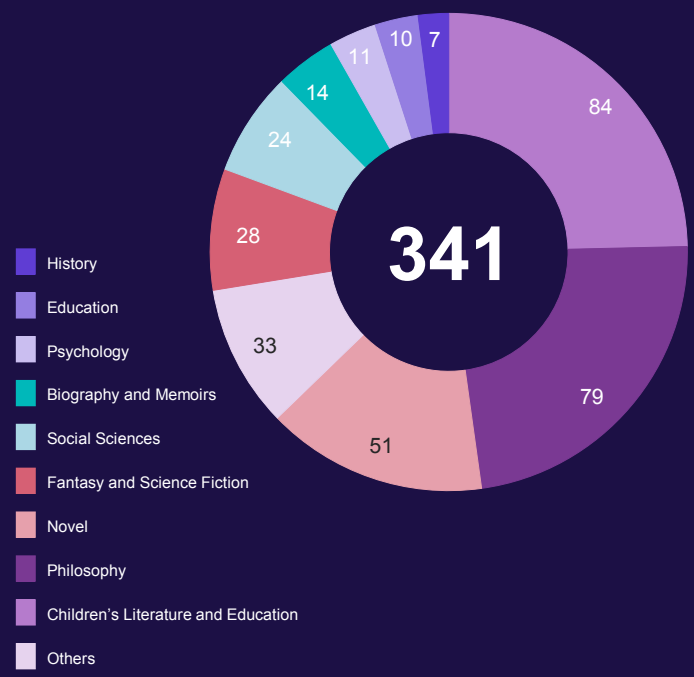
The Kingdom is also witnessing a **notable increase in the number of works translated into Arabic**, especially in fields like children's literature, education, philosophy, and novels, which together constitute 62% of all translations. The volume of **translated materials grew by 17% year-over-year**, from 292 in 2021 to 341 in 2022, with a striking 37% rise in books translated into Arabic. This growth reflects the Kingdom's heightened interest in and demand for diverse literary perspectives².



Books Translated (Tarjim Initiative), 2021-2022



Topics of Translated Books into Arabic (Tarjim Initiative), 2022



The number of foreign works translated into Arabic is on the rise. Source: Ministry of Culture

1. Euromonitor International
2. Ministry of Culture

Consumer Behavior

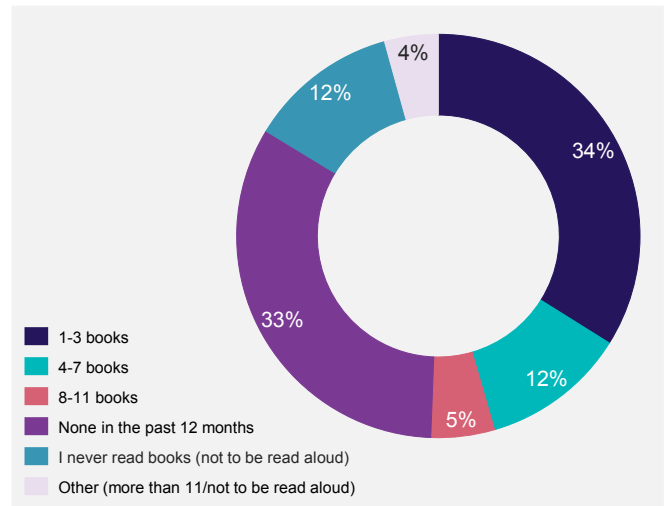
With the aim of achieving a 100% literacy rate, the Ministry of Education has implemented pivotal initiatives, resulting in a notable increase in the literacy rate from 94.4% in 2017 to 96.3% in 2021.

These initiatives include the establishment of **adult education schools**, the development of tailored channels and platforms for adult education, and the organization of summer campaigns and forums dedicated to enhancing literacy.

However, despite these efforts, a recent survey conducted by the Ministry of Culture revealed that 33% of respondents had not read a book in the past 12 months, and 12% have never read a book.

In response to this challenge, **Literature, Publishing, & Translation Commission** has initiated several projects aimed at broadening the readership base and cultivating a dynamic and creative society. These initiatives include the **Digital Publishing Program, Books for All, Literature Everywhere, and Tarjim initiatives**¹.

The same survey revealed that a **third of the respondents engaged with e-books over the past year**, with 40% indicating a willingness to explore e-books in the future². This interest, however, contrasts with the current market dynamics, as KSA's share of e-book sales lags about 40% behind the international average³. This discrepancy underscores a **substantial opportunity for investors** to explore the



Reader frequency in Saudi Arabia.

Source: Ministry of Culture

Digital Publishing Program

Aims at supporting and encouraging the dissemination of digital books through multiple channels to reach all segments of society

Books for All

Striving to create a vibrant and innovative environment that nurtures cultural creativity and enhances the value of reading in society as a pathway to knowledge and advancement

Literature Everywhere

Aims to spread the culture of reading, listening and interacting with literary works

Tarjim

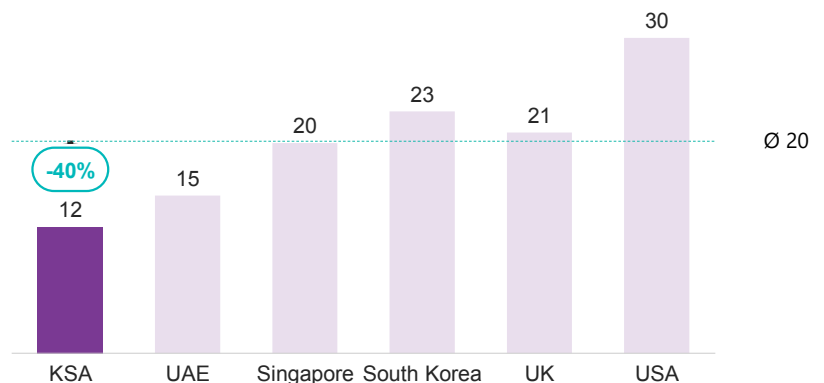
Support the translation sector in Saudi Arabia, enrich Arabic content by providing notable translated works, and facilitate the exchange of knowledge and ideas

Have you read any e-books in the past 12 months?

■ Yes ■ No ■ No, but I would like in the future



Share of e-Book sales, selected countries, 2022, %



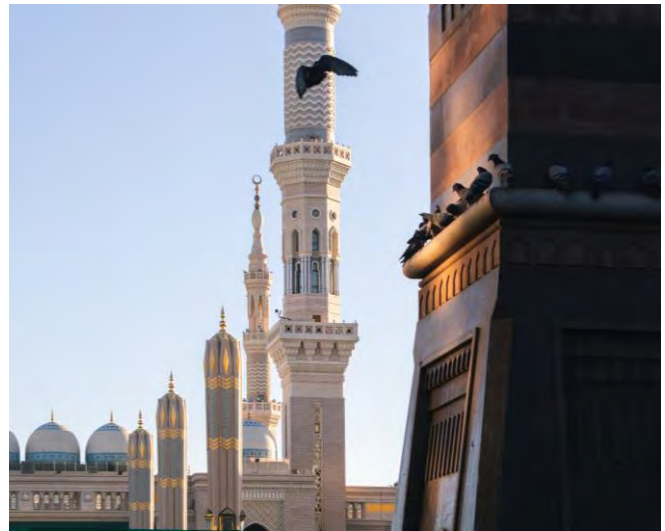
E-book reader frequency in Saudi Arabia and share of e-book sales in selected countries. Source: Ministry of Culture

1. Literature, Publishing, & Translation Commission
2. Ministry of Culture
3. Statista

Key Enablers

Regulatory Framework

The publishing segment in KSA boasts a robust regulatory framework characterized by its emphasis on accountability, fair competition, and consumer protection. By fostering a level playing field and safeguarding the interests of all stakeholders, this regulatory framework contributes to the integrity and sustainability of the publishing sector in the Kingdom. Regarding licenses, the publishing segment specifically requires permits for activities such as printing, distribution, and copyright permissions. A list of licenses and registration related to the publishing segment can be found in the Appendix¹.



Infrastructure

Despite the challenges facing the publishing sector, Saudi Arabia stands out as a **global leader in the preservation and dissemination of the Qur'an and its Sciences**. Through KFGQPC, established in 1985, Saudi Arabia continues its noble mission of translating and safeguarding the Quranic Text, leveraging cutting-edge technologies in printing, audio recording, electronic publishing, and digital applications. As the largest printing facility dedicated to the Qur'an, KFGQPC has the remarkable capacity to **produce over 18 million**

copies of the sacred text annually, catering to the needs of both domestic and international audiences. With 361 publication types, including Complete Mushafs, Juz' Mushafs, translations, audio recordings, and books on the Sciences of the Qur'an, the complex plays a crucial role in advancing Quranic scholarship globally. The distribution of these publications reached **317 million copies by 2020**, underscoring the enduring impact of KFGQPC's efforts in spreading the message of the Quran far and wide².



King Fahd Glorious Qur'an Printing Complex (KFGQPC) shall assume the leadership in serving the Glorious Qur'an and its Sciences, translating its Meanings, and safeguarding the Qur'anic Text from distortion, through the optimal use of advanced technologies in the field of printing, audio recordings, electronic publishing and digital applications.



1985

KFGQPC was established in 1985 with the objective of serving the Glorious Qur'an and its Sciences, translating its meanings, and safeguarding the Qur'anic Text from distortion, through the optimal use of advanced technologies in the field of printing, audio recordings, electronic publishing and digital applications.



>18 Million copies annually

KFGQP is one of the largest printing facilities dedicated to the Quran globally.

The complex has the **capability to produce millions of copies** of the Quran annually, meeting the demand for this sacred text **both domestically in Saudi Arabia and internationally**.



361 Publication type

The number of **publications produced or under production increased to about 361 publications**. These publication are distributed as Complete Mushafs, Juz' Mushafs, Translations, audio recordings, books on the Sciences of Qur'an and others.



>317 Million copies

The distributed quantities increased to 317 million copies until the year 2020.



Saudi Publishing House is a Saudi publishing entity owned by the Literature, Publishing, and Translation Commission; It aims to support and empower the publishing industry in KSA, stimulating local publishing activity, improving output quality in terms of content and final production, and supporting publishers, practitioners, and cultural institutions.



2021

Launched by the **Literature, Publishing, and Translation Commission**, it supports and develops the publishing industry in the Kingdom, enriching the cultural sector with works that have a sustainable impact and supports publishers, practitioners, cultural institutions, and related entities.



Invests in modern technology

Invests in and encourages adoption of **modern publishing technologies** and supports **small and emerging publishing houses**, local printing presses, and Saudi practitioners.

1. General Authority of Media Regulation
2. King Fahd Glorious Quran Printing Complex

Funding and Financing

As part of its **efforts** and **initiatives** dedicated to the **promotion of literary work in Saudi Arabia**, the **Literature, Publishing, and Translation Commission** organizes programs such as 'Mu'allaqa 45', a Competition on Arabic poetry, which includes **Technology**

Businesses in the news industry are increasingly leveraging AI technologies to transform content generation, streamlining processes, and elevating the quality of news coverage. AI's transformative capabilities are evident in **content summarization** and automated news article creation, with major players such as Reuters and BBC spearheading the movement. Reuters employs AI to automate news article creation, particularly for topics such as financial markets, while BBC integrates AI into its production process for generating weather reports and sports updates. **AI-powered fact-checking** is gaining momentum, empowering news organizations to verify information across various sources and combat misinformation effectively. Bloomberg harnesses AI to analyze vast datasets, **ensuring accuracy and credibility** of their news articles and reports, while CNN utilizes AI-powered tools

monetary awards ranging from SAR 1 M to SAR 250,000 for competition winners. The 'Third Cover', a program highlighting literature and narrative creativity in the Kingdom will also be sponsored by Literature, Publishing, and Translation Commission. to authenticate images and videos shared on social media platforms, swiftly debunking false information².

In alignment with global trends, Saudi Arabia is strategically positioned to capitalize on emerging AI initiatives, aligning with the progressive strategies adopted by news organizations worldwide. This proactive stance not only offers compelling investment potential but also has the potential to substantially elevate media trust within the kingdom while catalyzing transformative advancements in the local news industry.

By fostering collaboration to implement these emerging AI advancements in the Saudi market, the kingdom can unlock new avenues for growth and solidify its position as a key player in the ever-evolving media landscape.



Talent

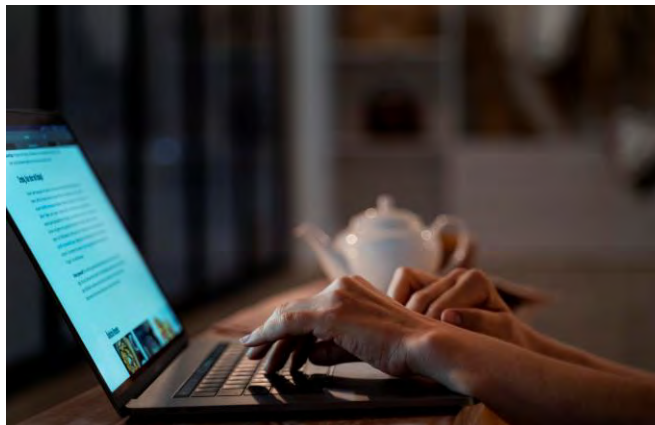
When it comes to talent development, industry stakeholders, and academic institutions are taking proactive steps to tailor academic programs and training to align with the evolving skillset required in the publishing industry. Leading entities such as SRMG, MBC, NEOM, and academic

institutions have made **significant efforts** to cultivate a skilled workforce capable of meeting the diverse demands of the media landscape, and the publishing sector in particular.

1. Saudi Gazette, Saudi Press Agency
2. Reuters, BBC News, Bloomberg, CNN

SRMG Academy

SRMG Academy, a newly launched training program based in Riyadh, dedicated to **uncovering fresh media talent and nurturing emerging journalists** through world-class vocational training within the Kingdom and beyond¹.



NEOM – Graduate Program

NEOM has recently launched its graduate development program, designed to **develop young Saudis'** understanding of all aspects of contemporary media, working with them to explore today's media and communications environment and discover what the future of media in Saudi Arabia may look like³.

Universities Across KSA

Several prominent universities play pivotal roles in shaping the **field of journalism and media studies** in the Kingdom, by providing a diverse array of undergraduate and graduate programs. Notable institutions include:

- King Saud University, recognized for its programs in Broadcast Journalism.
- King AbdulAziz University, known for its focus on Broadcast Journalism.
- Umm Al-Qura University, offering Bachelor's Programs in Journalism.
- King Faisal University, providing a Master's in Media and Communication Sciences.
- King Khalid University, offering programs related to Journalism and Digital Media.

1. SRMG
2. MBC
3. NEOM
4. Ministry of Media

MBC Academy

Similarly, the MBC Academy, **established in 2020**, is committed to fortifying the media industry in KSA by enhancing skills across various domains within the media ecosystem, spanning film, television, theater, radio, broadcast, digital games, news, and press².



The **Saudi Press Agency** has inaugurated its pioneering News Training Academy, marking a milestone as the first institution dedicated to news training. The academy's curriculum encompasses **five key domains**: journalism and news, technology and artificial intelligence, leadership and journalism ethics, media partners, and news awareness.

With a mission to localize knowledge, transfer best practices, and emerge as a regional hub for news content production and distribution, the academy

is poised to **collaborate with both local and international stakeholders**. This presents an exceptional platform for investors to seize the opportunities in the realm of news and media⁴.

Collaboration and Partnerships

Several active partnership initiatives are dedicated to fostering collaboration within the publishing segment, driving notable advancements in the industry.

Among the noteworthy endeavors stands the collaborative venture between **Saudi Research and Media Group (SRMG) and NEOM**, embarking

on a diverse array of activities aimed at enhancing content production, pushing the boundaries of media technology, and integrating robust training programs. This strategic collaboration is set to **innovate in content creation** in Saudi Arabia, further amplifying the sector's prowess within the Kingdom. SRMG and NEOM are committed to forming joint initiatives for **talent development and training**, focusing on enriching the media landscape in the region. These initiatives, which include journalism, scriptwriting, and production training, will build upon the successful groundwork laid by the partnership established in 2022¹.

The Literature, Publishing, and Translation Commission has launched the **Literary Partner initiative**, aimed at cultivating partnerships with organizations involved in the creative promotion of literary works. This effort seeks to make literary works more accessible to society. Another noteworthy initiative by the Commission is the **Publishing Accelerator Program**, which focuses on empowering Saudi publishing houses in both

print and digital publishing domains each cycle. This endeavor involves **establishing an accelerator program** that offers participants comprehensive training programs, advisory sessions, shared services, and the opportunity to build a robust network of partners across various business sectors, with a specific focus on the publishing segment².

Despite significant efforts by both public and private entities to develop talent, a noticeable **gap persists** between the available educational programs and the high demand from the young population interested in the publishing sector. Partnerships between domestic institutions and international players have emerged as a pragmatic solution, enabling academic institutions to bridge this disparity. These partnerships offer enticing investment prospects for foreign academic institutions and operators in the publishing segment.

Partnerships can also facilitate the introduction of cutting-edge technologies and best practices in publishing, such as AI-driven content generation and fact-checking systems. This empowers local talent to stay abreast of global trends and standards. **Foreign investment** is crucial in fueling research and development initiatives aimed at advancing publishing technologies, refining content creation processes, and optimizing audience engagement strategies.



SRMG and NEOM have signed a Memorandum of Understanding to **collaborate across a range of activities**. Key outcomes include increased content production in NEOM, media technology development and integration, and media training programs

The **Literature, Publishing, and Translation Commission** aims to **empower Saudi publishing houses** in both print and digital publishing fields. This is achieved through initiatives for establishing accelerators and incubators that provide participants with rich training programs, advisory sessions, shared services, and build a network of partners in business sectors in general and the publishing segment in particular.

Saudi publishing segment players have leveraged partnerships across the public and private sectors to grow the segment. Source: Arthur D. Little

1. NEOM
2. Literature, Publishing, and Translation Commission; <https://www.arabnews.com/node/2368276/saudi-arabia>

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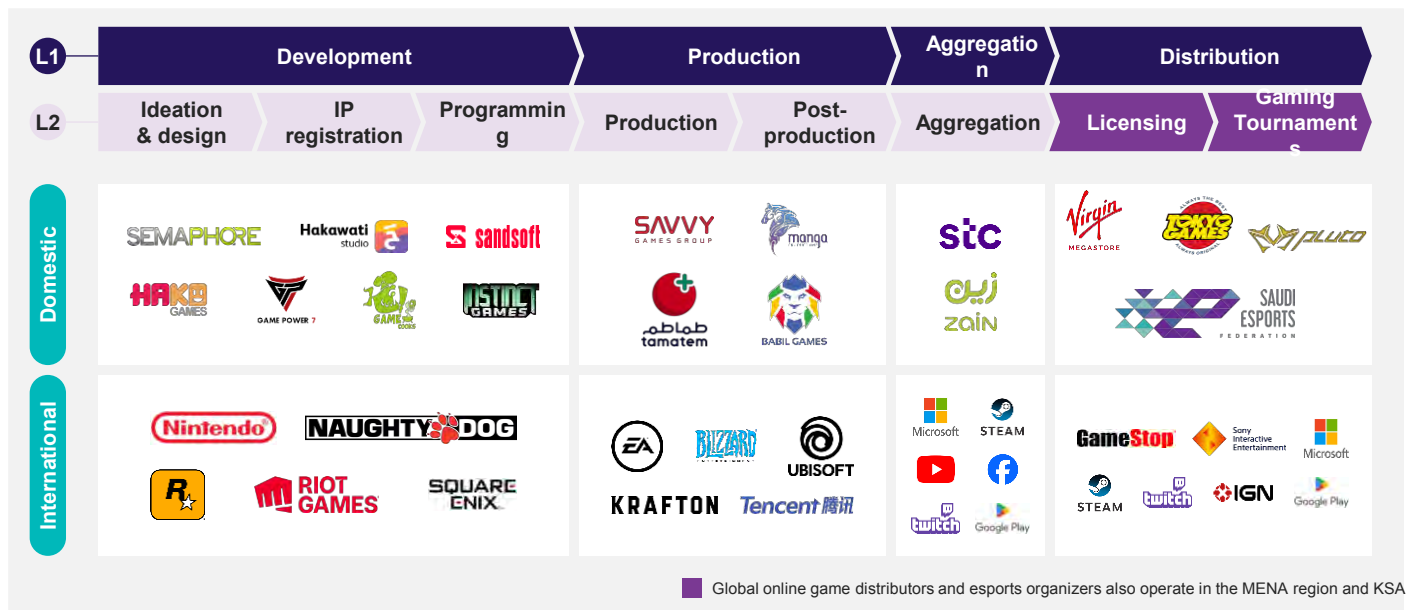
Gaming Segment

KSA has embarked on an ambitious plan to build a vibrant, globally-leading gaming and esports segment. By developing this segment, it aims to drive innovation and redefine interactive entertainment globally. To achieve this goal, it has fostered strategic investments in infrastructure, engaged the gaming/esports community, and empowered gamers, developers, and industry stakeholders to thrive, driving innovation and excellence in interactive entertainment.

Key national objectives of the gaming segment:

1. Develop a regulatory and governance framework to coordinate the roles of public stakeholders in the gaming and esports sector.
2. Create best-in-class technical and physical infrastructures to support esports growth.
3. Provide best-in-class funding and financial support to expand the gaming and esports ecosystem.
4. Become the world's testbed for game-tech innovation.
5. Become a world-class center for education in gaming and esports
6. Foster collaboration and partnerships at both the private and public sector levels to scale national the success of KSA's gaming and esports initiatives



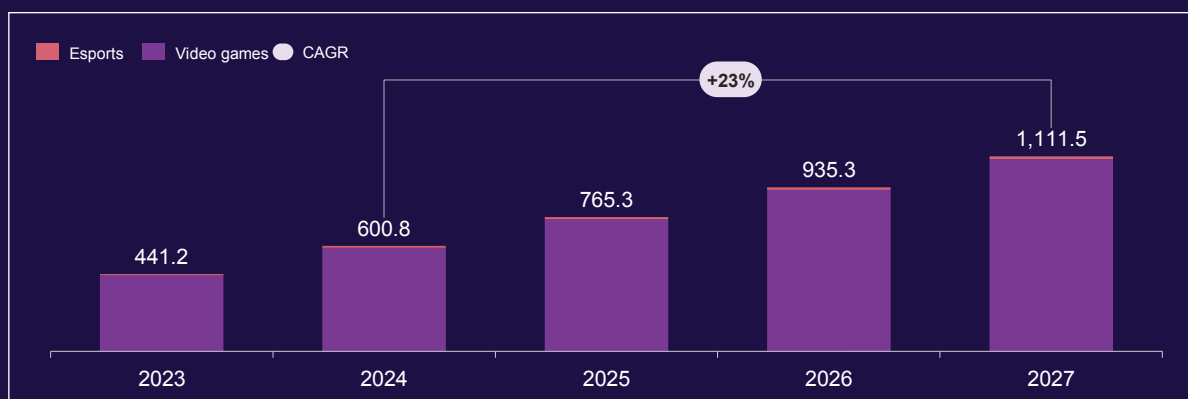


KSA gaming segment's value chain. *Illustrative and non-exhaustive.* Source: Arthur D. Little

Market Size

The gaming sector in Saudi Arabia has experienced **significant growth**, driven by widespread popularity, a commitment to elevate esports as a national priority, and **strong support from HRH Mohammed bin Salman, Crown Prince of Saudi Arabia**. From 2024 to 2027, the gaming segment is projected to grow at a 23% CAGR, reaching a value of over USD 1.1 billion (SAR 4.2 billion).

This upward trend is expected to continue, fueled by **substantial investments in the gaming and esports sectors**. While video game revenue constitutes most of the segment, esports, though less than 2% of the total market, is anticipated to see a 13% CAGR in the same period, underscoring **esports' significant economic potential in KSA**.



Market size of KSA's gaming segment (USD Mn, 2023-2027). Source: Arthur D. Little estimate

Key Players

KSA's gaming segment is thriving, featuring both **local and international players** at every step of its value chain. While the key players in the value chain are dominated by leading global brands with significant economies of scale, such as Activision Blizzard, Tencent, Microsoft, and Google, a number of **home-grown smaller studios are emerging**, specializing in niche, localized content for the Saudi and regional audiences.

In the game development stage, which includes initial idea iteration and design, prominent local developers include **Semaphore Games**, a multiplatform development studio based in Riyadh, and **Hakawati Studio**, which creates games focusing on **Saudi culture and the Arabic language**. In the production and post-production stages, larger players take the lead on key activities, including refining game design, programming, graphics and animation, interface development, beta testing, game publishing, and marketing. Most global players such as EA

Games, Activision Blizzard, and Tencent Games are market leaders in the production phase, but local entities like **Savvy Games** and **Manga Productions** are rapidly gaining ground.

As **online gaming** gains popularity, game aggregators serve as hubs, consolidating games from developers and producers, and distributing them to gamers as downloadable content or through **"free-play" subscription models**. The distribution phase, the final stage, involves marketing and selling games to customers through traditional game shops, gaming tournaments, and expanding the esports scene.

The most popular content distributors are global, platform-centric players like Sony Interactive Entertainment (PlayStation), Microsoft (Xbox), and Steam (PC), while local players in KSA, such as Tokyo Games, maintain a more physical presence. Local esports organizations, including the **Saudi Esports Federation**, also host gaming tournaments to boost the esports sector.

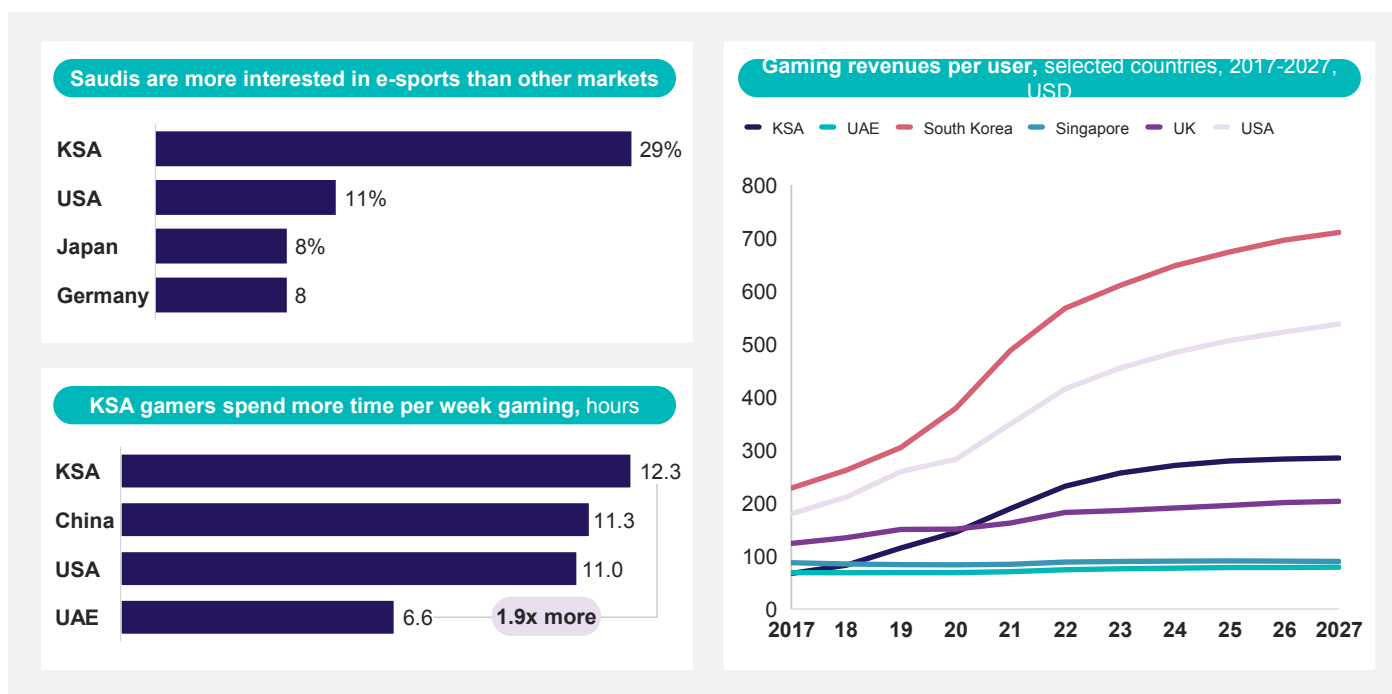


1. Gmedia proprietary data
2. [Game Developers in Saudi Arabia – 2022 Report](#)

Consumer Behavior

As one of the most favored forms of entertainment in KSA, the gaming industry **offers significant investment opportunities**, especially by catering to the preferences of the younger audience. This demographic boasts high levels of disposable income and a readiness to invest in their hobbies. The majority of KSA's young adults engage in **2-6 hours of play daily**, primarily on smartphones, with first-person

shooters (FPS), role-playing games (RPG), and strategy games being their preferred genres¹. These players are more engaged and more **inclined to spend**² on their pastime compared to their international counterparts³. For investors, this situation presents **potential avenues for innovative revenue generation**, such as integrating blockchain technology in play-to-earn models or adopting subscription-based services.

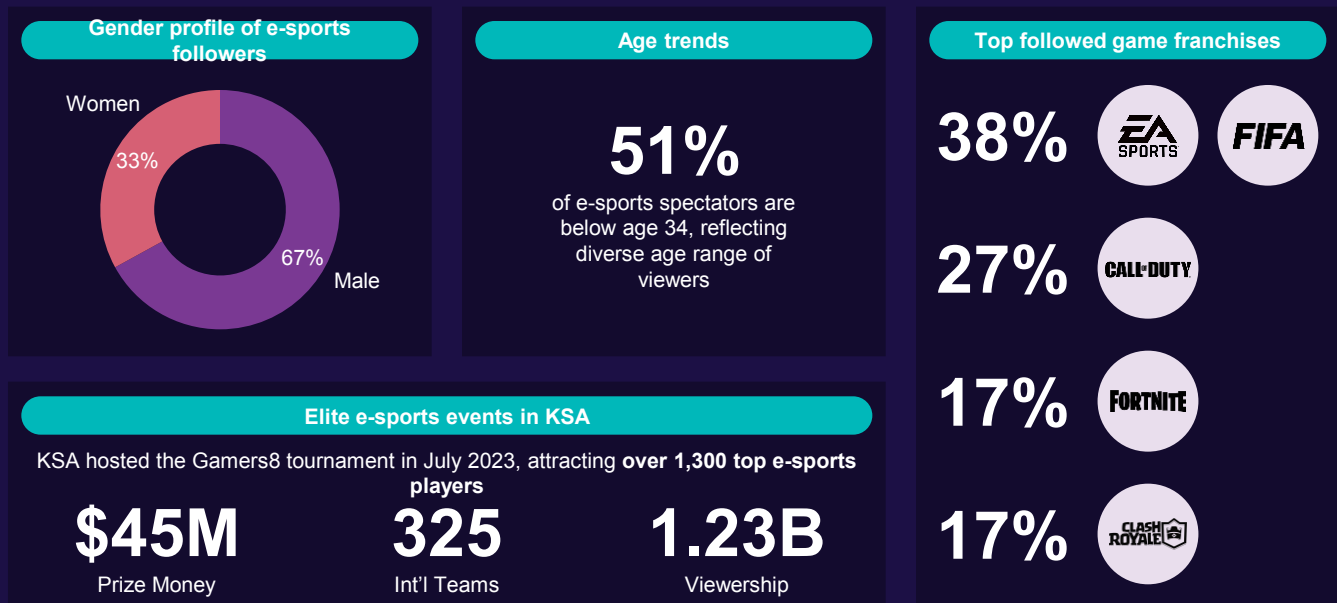


Saudi gamers spend more money and time on gaming than other major markets. Source: YouGov

Esports has also garnered a strong following in KSA, attracting participants and spectators from a diverse range of ages and genders. This broad appeal presents a significant opportunity for global esports firms to establish partnerships within the Kingdom. A **passion for competitive gaming** fuels interest in and participation in esports, creating avenues for KSA to cultivate its roster of elite competitive gamers. One-third of esports enthusiasts express a desire to pursue careers in this competitive scene⁴, indicating a robust

and eager talent pool in KSA ready to be developed further. Key to engaging fans and players alike is the blend of online and offline experiences, underscoring the importance of both digital infrastructure and physical venues. Beyond enhancing online platforms, there's potential for both government and private entities to **invest in dedicated esports arenas**, thereby increasing audience numbers and fostering loyalty among fans to their favorite teams.

1. Insights into Saudi Arabia's Half-a-Billion Mobile Games Market: Revenues, Gamers & Player Spending
 2. APAC gamers lead the globe on most time spent gaming per week: YouGov
 3. Saudi Gaming Market Outlook Report, Astrolabs/Impact64
 4. Esports growth and venue development in KSA, Populous/YouGov



Esports is quickly garnering popularity in Saudi Arabia. Source: YouGov, Arthur D. Little



Key Enablers

Regulatory Framework

In line with other prominent gaming centers, KSA has established a comprehensive regulatory and licensing framework aimed at ensuring sectoral accountability, fostering fair competition, protecting consumers, and supporting the development of the gaming and esports industries within the social and cultural norms of the Kingdom. The regulatory regime primarily addresses **classification and clearance**, as well as the advertising and broadcasting of esports

events¹. There is a streamlined process in place for the development, production, and distribution of games, which encourages foreign entities to introduce and adapt content specifically for the KSA audience. Conversely, for esports participants and organizations, the requirements for broadcasting activities are **comparatively minimal**. A list of licenses and registration related to the gaming segment can be found in the Appendix.

1. General Authority of Media Regulation

Infrastructure

To catalyze the expansion of the gaming and esports industries, Saudi Arabia has embarked on ambitious initiatives to enhance both technical and physical infrastructures. The Kingdom is mobilizing significant investments into creating **cutting-edge facilities** aimed at captivating both domestic and international enthusiasts, alongside attracting investors and developers to establish a more pronounced footprint in the region.

KSA is dedicated to constructing top-tier, gaming-focused facilities on a regional level. Notably, the city of **Qiddiya** will feature a **new Gaming &**

Esports district, positioned to transform the Kingdom into a worldwide nexus for these rapidly evolving industries.

These developments and their potential have garnered the attention of foreign players. In 2024, the UAE-based esports network **True Gamers** announced plans¹ to invest \$45 million in establishing 150 gaming centers in the Kingdom, aiming to enhance the experience for enthusiasts and support the nation's burgeoning esports scene.



Illustrative image of Qiddiya's esports stadium. Source: The National News

As a testament of the Kingdom focus on the growth and development of foundational infrastructure to support game creators and audience, **NEOM** is in the process of **establishing an integrated campus** for interactive entertainment that will encompass development studios and offer a variety of business incentives, including incubators and accelerators, to nurture the next generation of

gaming enterprises². A partnership with media giant **MBC GROUP** has been formed to launch the region's **first AAA game studio**³, which will become a cornerstone of the **NEOM Media Hub** for the development of high-production-value games for local, regional and international gamers

1. <https://www.arabnews.com/node/2445211/business-economy>
2. <https://www.neom.com/en-us/our-business/sectors/media/gaming>
3. <https://www.neom.com/en-us/newsroom/neom-mbc-joint-venture>

Funding and Financing

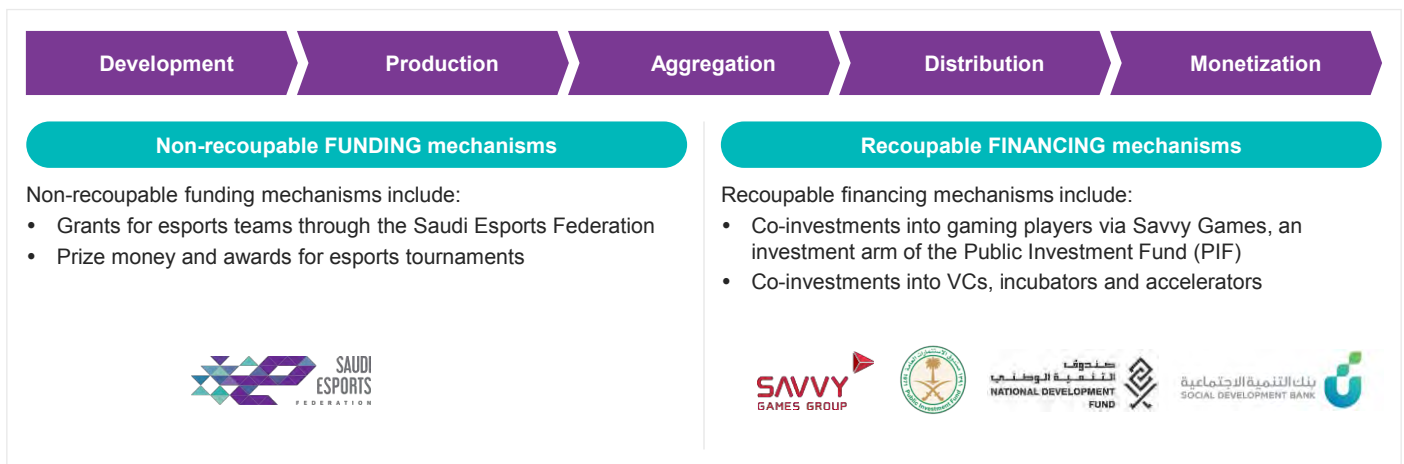
Given the focus on nurturing the gaming and esports sector, Saudi Arabia has been offering substantial support to foster the sector's expansion. This includes a mix of **non-repayable support mechanisms** designed to enhance esports team development and invest in nascent gaming enterprises poised for growth. The aim is to lay a fruitful foundation for stakeholders within this sector to establish a presence in KSA and create attractive investment opportunities.

The advancement and proliferation of esports teams are principally encouraged through non-repayable support, such as **government grants and prize allocations**. The Saudi Esports Federation (SEF) manages the disbursement of this assistance through three main funds: the **Kick-off Fund**, which promotes the establishment of new KSA esports cup tournaments; the **Performance Fund (SEL)**, rewarding esports teams for their achievements in championships; and the **Maturity Fund**, aiding established KSA esports clubs in setting up local headquarters and competing internationally. The **Gamers8 tournament**, held in July to August 2023, saw global esports teams compete for a **total prize pool of \$ 45 million** across 15 gaming contests. Looking forward, Gamers8 is set to evolve into the **Esports World Cup**, aiming

to offer the most substantial prize pool in the history of esports¹.

Currently, KSA is also pursuing direct efforts to establish acquisitions in prospective game developers. For example, Savvy Games, serving as the investment branch of the **Saudi Public Investment Fund (PIF)** in gaming and esports, manages a substantial fund of **\$ 38 billion** (SAR 142 billion)². Although it operates differently from traditional public investment avenues, Savvy Games actively allocates resources to prime candidates within the gaming value chain. This includes leading game developers and nascent gaming/esports enterprises, aimed at diversifying and enhancing PIF's investment portfolio³.

In March 2024, the **National Development Fund (NDF)** and the **Social Development Bank (SDB)** initiated two venture capital (VC) funds totaling USD 120 million (SAR 450 million). These VCs are designed to function as incubators and accelerators, pinpointing and supporting promising early-stage gaming companies⁴. As private equity (PE) and VC funds navigate through global market uncertainties in search of new growth avenues, KSA's gaming sector presents lucrative co-investment opportunities for discerning investors.



Sources of funding and financing mechanisms for the gaming segment in KSA. Source: Arthur D. Little

1. [GAMERS8 2023 Season](#)
2. [What is Savvy Games Group and how is it trying to change Saudi Arabia's image?](#)
3. [Saudi Arabia sets aside \\$13 billion to acquire a major publisher](#)
4. [Saudi Arabia's gaming sector gets \\$488m funding to boost talent and development](#)

Technology

Saudi Arabia has leveraged state-of-the-art technological advancements to propel its gaming sector forward, with a particular emphasis on 5G, artificial intelligence (AI), and cloud computing. Holding one of the world's **highest rates of internet and mobile internet usage**, the Kingdom has led the charge in developing a robust 5G network infrastructure. This technological leap has revolutionized the esports industry within the nation, virtually eliminating game lag and enabling seamless gameplay across diverse locations. Already, over a quarter of mobile subscribers in Saudi Arabia have embraced 5G¹, supported by local telecommunications companies such as the Saudi Telecom Company (stc), Mobily, and Zain. These providers have introduced specialized 5G gaming packages and cloud gaming services,

The widespread availability of broadband coverage in KSA has paved the way for advancements in cloud computing and the development of data storage facilities. With comprehensive internet access across the Kingdom, **cloud gaming** is set to diminish the necessity for advanced PC graphics capabilities through edge processing. Telecom giants Zain and the stc Group have formed alliances with cloud service providers Radian Arc and Nvidia in 2022 and 2023, respectively, facilitating gaming experiences that transcend device limitations. While KSA's investment in data center infrastructure aims to localize storage of in-demand gaming content, achieving **latency rates 3-4 times lower** than those observed with European servers². The increasing demand for data storage facilities, driven by diverse applications including gaming, presents substantial investment opportunities. These developments capitalize on KSA's robust internet

Talent Development

Talent development and capability enhancement are pivotal in advancing the gaming industry. In alignment with KSA's economic growth plans and the Saudization initiative, the Kingdom has allocated substantial resources to education, aiming to bolster KSA's talent pool in both gaming



infrastructure and offer scalability for cloud service offerings to adjacent markets within the GCC region.

The potential for **AI in gaming** is vast, from aiding developers in streamlining the creation of intricate game scenes to adjusting game difficulties in real time through reinforcement learning. AI's adaptability enhances the gaming experience by calibrating challenges based on player performance. AI has found innovative applications in enhancing esports experiences, such as at the 2022 Gamers8 tournament in KSA, where generative AI was deployed to rapidly produce content summaries in both English and Arabic. This technology not only streamlined content delivery but also seamlessly integrated advertising within the gaming context, demonstrating the dynamic potential of AI in transforming interactive entertainment.

development and esports management. There is a wealth of opportunities for experts in these fields to contribute to KSA through knowledge exchange and skill-building initiatives.

1. [5G Ignites Industry Transformation in Saudi Arabia](#)
2. [Game Mode Report Quarter 2 - 2023](#)

As a cornerstone of the \$1.1 billion “**Ignite**” initiative designed to elevate KSA’s digital entertainment and media sector, a **digital media academy** featuring a comprehensive gaming curriculum will be established to train aspiring professionals. This ambitious project not only aims to draw foreign investments in gaming and esports but also plans to launch a **gaming-focused educational program** through the **Saudi Digital Academy**. This includes financing schemes for the sector and providing support to nurture startups, thereby incubating and accelerating the growth of innovative enterprises in the industry¹.

KSA is dedicated to fostering specialized educational institutions like gaming academies and research centers. The **Saudi Esports Academy**², an e-learning platform initiated by SEF, provides graduate and diploma-level courses on various esports disciplines, such as management and competition oversight, through partnerships with technology entities GGTech and Gen.G Global Academy. In line with the **National Gaming & Esports Strategy**, the Kingdom aims to establish research centers of excellence to

spearhead education and talent attraction in these fields. These centers will engage in pioneering research, lead collaborative efforts, and conduct thorough analyses within the esports and gaming landscapes.

As interest in careers within these industries grows among Saudis, there are significant opportunities for partnerships with educational providers specializing in game design, programming, and esports management. Despite the offerings in coding and game design by premier universities like KAU, KAUST, and KSU, there remains a **void in dedicated gaming education and professional certification** within the Kingdom. This gap presents an opportunity for established institutions with expertise in these areas to collaborate with KSA’s esteemed universities on **joint-degree programs**, curriculum innovation, and research exchanges. As these initiatives gain momentum, there could be consideration for the establishment of satellite campuses to solidify a presence in KSA’s gaming and esports landscapes, leveraging the local talent pool to enhance their global stature.



Officials during the launch of Ignite. Source: LEAP

1. [Saudi Arabia’s strategic shift into the gaming industry](#)
2. [Saudi Esports Academy reaches “milestone” with first batch of graduates](#)

Collaboration and Partnership

The gaming sector of Saudi Arabia showcases significant strategic collaborations between domestic entities and major global industry players. These partnerships extend beyond commercial endeavors at a private sector level, focusing on **talent development** and **infrastructure enhancement** as key areas of joint efforts.

For instance, **The Sandbox** and **Sandsoft**, two prominent gaming companies, have established a strategic alliance¹ with the aim of attracting expertise to the local video game industry. Such collaborations are increasingly sought after, recognizing the substantial benefits they bring to the **development of local talent**. These efforts are expected to generate significant returns on investment over time for entities seeking to establish meaningful connections within the Kingdom's dynamic gaming sector.

Regarding event organization, the Saudi Esports Federation (SEF) in KSA has embarked on fruitful initiatives with esports federations from the UK and Japan, concentrating on **hosting joint tournaments** to raise the profile of esports and foster its growth on an international scale².

Infrastructure collaborations play a crucial role in accelerating the construction of esports arenas and related facilities, providing an opportunity for investors to contribute their expertise and leverage economies of scale within KSA's interactive entertainment market. Aligned with

Qiddiya's vision to create a global entertainment destination, plans have been unveiled for a **futuristic and technologically advanced gaming and esports district**³ designed by Populous. This district will house four dedicated esports venues capable of hosting up to 25 esports teams simultaneously and attracting up to 10 million visits annually. It will incorporate cutting-edge technologies to deliver a highly immersive experience to gamers and spectators.

As the focus and popularity of gaming continues to rise, gaming events have evolved into platforms for diverse media collaborations. These model offer valuable insights for event foreign gaming and infrastructure developers, indicating numerous opportunities to design gatherings that appeal to a wide spectrum of demographics and interests.



Source: Saudi Esports Federation/Japanese Esports Union

		
<h3>Talent Development</h3> <p>The Sandbox and Sandsoft have partnered on talent development and attraction in the local video games sector. The collaboration aims to build a team of Web3 gaming experts to create partnerships with local public and private industry actors, and to empower local creative talent by educating and onboarding developers and artists into its ecosystem.</p>	<h3>Talent Development</h3> <p>The Saudi Esports Federation (SEF) has partnered with the British Esports Association and the Japan Esports Union (JeSU) to drive talent development and foster growth in the esports industry across their respective countries.</p>	<h3>Infrastructure Partnerships</h3> <p>Following the partnership between Qiddiya and the Esports World Cup to establish the city as the planned entertainment hub, the giga-project has teamed up with the global design firm Populous to launch an esports and gaming district in the city. This initiative is part of the sector-building efforts.</p>

Saudi gaming segment players have leveraged regional and international partnerships to grow the sector. Source: Arthur D. Little

1. <https://sandsoft.com/blog/the-sandbox-expands-to-saudi-arabia-through-a-partnership-with-sandsoft/>
 2. <https://britishesports.org/the-hub/press-releases/saudi-esports-agreement/> ; <https://www.eyefriyadh.com/news/details/saudi-esports-federation-and-japan-esports-union-finalize-new-human-resources-development-partnership>
 3. <https://qiddiya.com/press-room/qiddiya-unveils-world-s-first-gaming-and-esports-districts/>

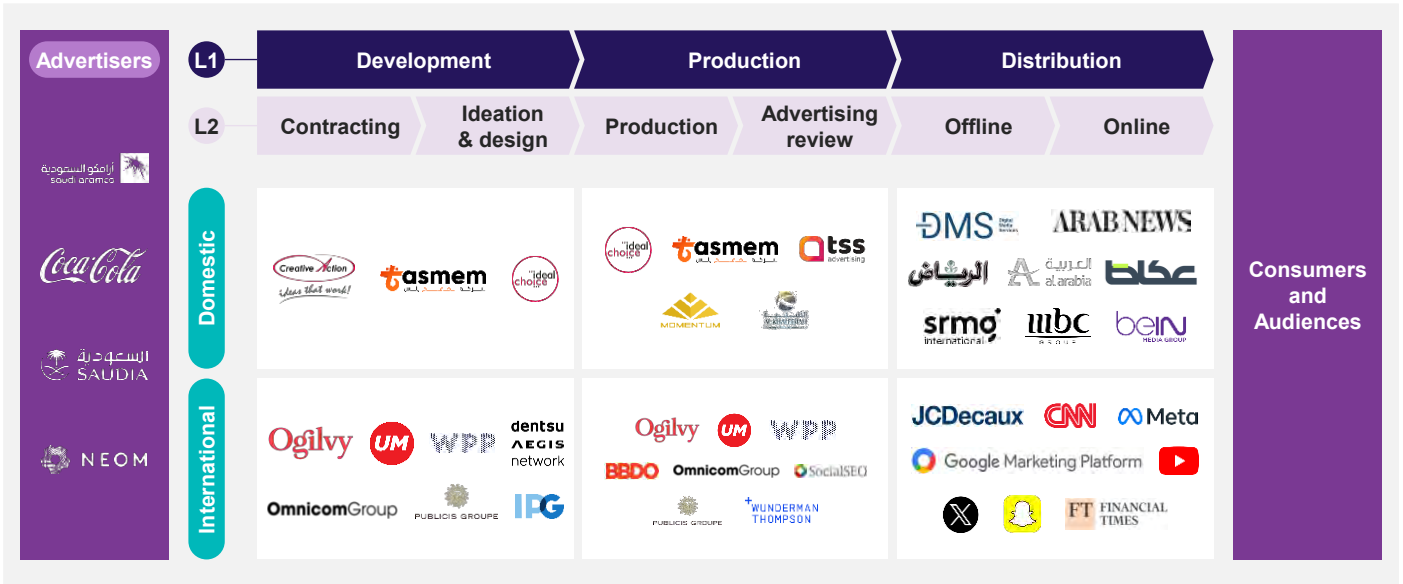
07

Advertising Segment

Saudi Arabia's advertising sector has seen remarkable growth, evolving from traditional outlets to online platforms, driven by electronic media and increased smartphone usage. This shift enables advertisers to connect more effectively with audiences. The move towards online advertising has opened new avenues for expansion and creativity, leading businesses and marketers to adapt and utilize electronic platforms' capabilities and reach.

Key national objectives of the advertising segment:

1. Streamlining the regulatory framework and approval processes for entry requirements and to scale the localization of advertising firms
2. Facilitating the transition toward digital advertising through digital infrastructure development
3. Limiting revenue leakage in the advertising sector
4. Empowering individuals with essential digital skills and fluency
5. Fostering partnerships between global digital advertising platforms and local content creators



KSA advertising segment's value chain. *Illustrative and non-exhaustive.* Source: Arthur D. Little

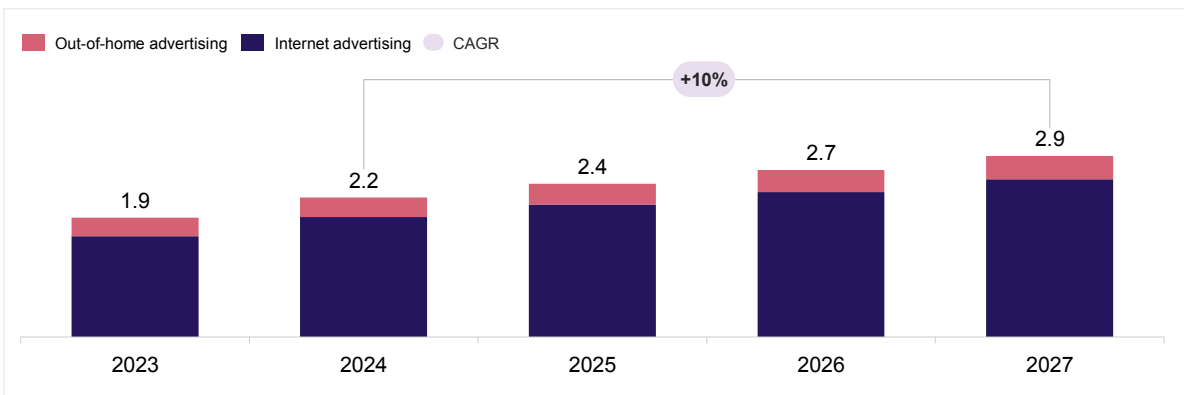
Market Size

By 2027, the advertising sector in Saudi Arabia is anticipated to achieve a **CAGR of approximately 10%**, elevating its total value to USD 2.9 billion (SAR 10.9 billion). This expansion is largely attributed to the surge in digital marketing, fueled by increasing degree of digital content consumption across media segments.

The COVID-19 pandemic initially led to a decline in the sector's value in 2020. However, it rebounded to pre-pandemic levels and resumed its growth trajectory, underscoring the resilience and adaptability of the market.

Online promotional activities are forecasted to witness a 11% CAGR, driven by **widespread mobile internet usage** in KSA and the increasing amount of time individuals spend on digital devices. Meanwhile, the growth of Out-of-home

(OOH) advertising from 2024 to 2027 is projected at a 6% CAGR, particularly due to digital OOH (DOOH) advertising gaining prominence. DOOH offers **enhanced viewership** in high-traffic areas and presents more dynamic content compared to its traditional counterparts.



Market size of KSA's advertising segment (USD Bn, 2023-2027). Source: Arthur D. Little estimate

Key Players

The advertising sector landscape is dominated by substantial, **multi-channel creative agencies** equipped to navigate the differentiated needs of advertisers across industries.

Key brands include global creative agencies operating in Saudi Arabia such as Memac Ogilvy, UM, BPG Group (WPP), OMD (Omnicom Group), Dentsu Aegis, and Publicis Groupe. These entities often maintain enduring partnerships with significant domestic corporations and state-owned enterprises, orchestrating comprehensive marketing campaigns.

Conversely, local advertisers, exemplified by TSS with its focus on events and outdoor promotions and **Tasmem Plus**, dedicated to digital marketing, represent the sector's specialized

niche.

As Saudi Arabia increasingly diversifies its economy towards non-oil activities and scales new infrastructural projects and smart-city endeavors, the advertising sector will leverage a mix of both traditional and digital channels and advertising outlets.

Global social media platforms, from giants like YouTube, Facebook, Twitter, and Instagram to traditional entities such as Arab News, television networks within the MBC Group, and outdoor advertising specialists like Al Arabia and JCDecaux, will play a significant **complementary role** in supporting the economic diversification path of the Kingdom towards consumer-facing industries.

Consumer Behavior

The consumer market in the Kingdom of Saudi Arabia is distinguished by **extensive use of digital platforms**, targeted marketing strategies based on gender, expanded reach through online channels, and relatively lower promotional expenditure per user compared to leading global markets. As the national economy advances, digital channels are set to further overshadow traditional advertising avenues. For most young Saudis, these platforms serve as the **primary means of obtaining information**, indicating a significant target for promotional budgets.

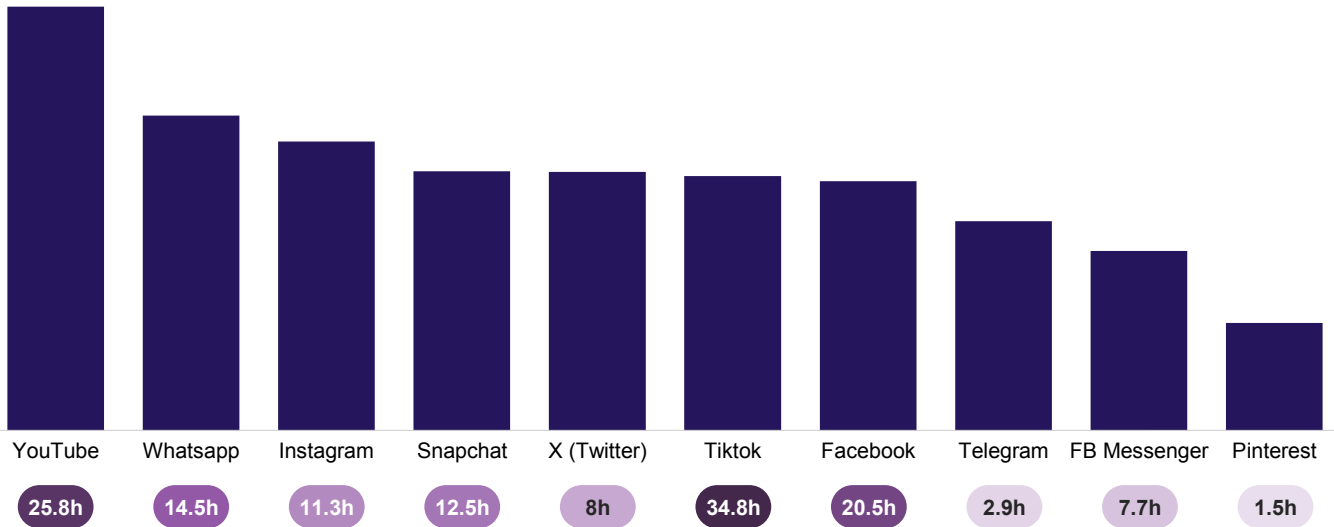
Individuals in KSA are **avid users of online platforms**, dedicating an **average of 7 hours daily** to internet activities, particularly to maintain social connections, leisure, and shopping. Among various platforms, video services command the most attention, with users dedicating roughly 35 hours monthly to TikTok and 26 hours to YouTube. An increasing trend shows Saudis turning to these platforms not just for entertainment but also as vital **sources for discovering and evaluating products**, thereby influencing their purchase decisions. Given the

varied interests, consumption habits, and content preferences across each platform, it's crucial for marketers to devise customized engagement strategies. For example, an integrated campaign that utilizes short video ads on YouTube, Facebook, and TikTok, alongside posts on Instagram, Snapchat, and Twitter, could be more effective than focusing on a single channel.



1. Ministry of Media proprietary data
2. [Saudi Arabia Social Media Statistics 2024](#)
3. [Digital 2023: Saudi Arabia](#)

Most popular social media platforms in KSA, active user count and average time spent per month, 2023



YouTube is by far the most popular social media platform in KSA. Source: Data Reportal, Global Media Insight

The online advertising landscape in Saudi Arabia is distinguished by its focus on specific gender and age groups.

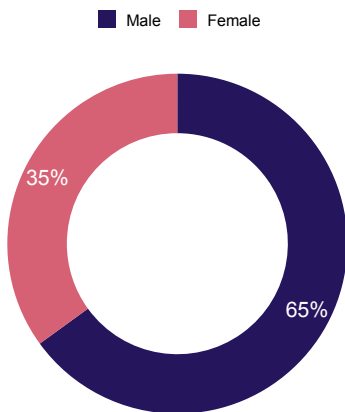
Digital marketing efforts predominantly cater to males, with data from Meta platforms (including Facebook, Instagram, and Facebook Messenger) showing that 65% of campaigns target this demographic.

This approach stems from traditional patterns where males typically had more autonomy over household expenditures. However, individuals aged **18-34 constitute the primary audience** for these online promotional campaigns.

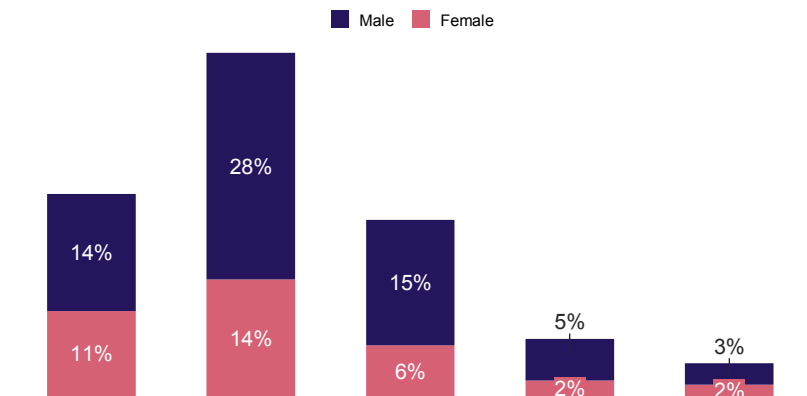
Given the growing presence of young females on digital platforms, there exists a **notable opportunity for marketers to diversify** their strategies by targeting this demographic.

As young women in Saudi Arabia become increasingly active online, gain economic independence, and decision-making power, their purchasing behaviors cannot be overlooked. Incorporating a gender-balanced approach to online advertising can help brands stay relevant and connect with the evolving consumer landscape in Saudi Arabia.

KSA's Social Media Advertising Audience 2024



Advertising audience on Meta platforms by age & gender

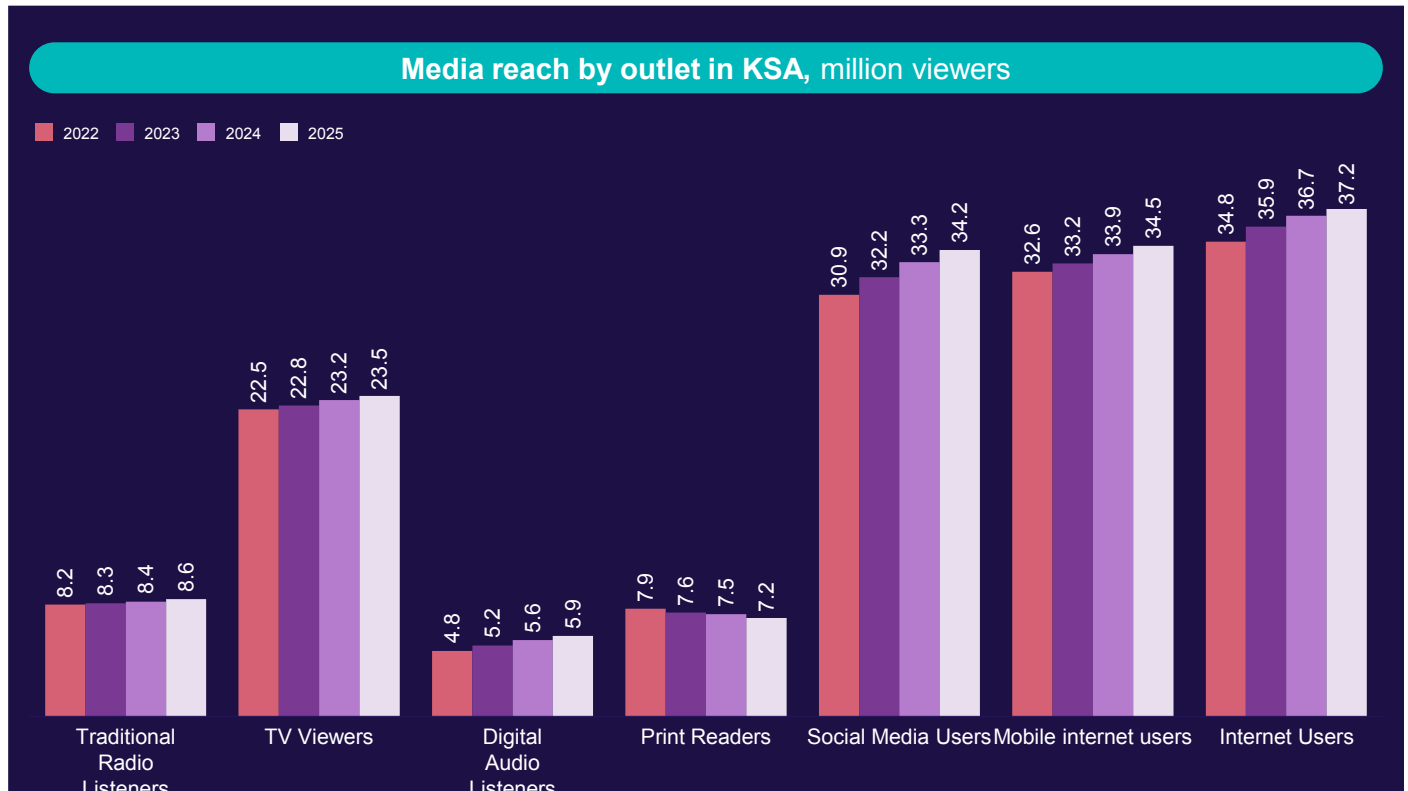


Gender and age trends of social media users dictates advertising spend in KSA. Source: Global Media Insight, Statista

1. Saudi Arabia Social Media Statistics 2024

The **widespread use of smartphones** in KSA has significantly expanded the reach of online platforms compared to conventional media channels, with consumer trends indicating a continued increase in the popularity of online channels. Advertisements on the internet, mobile devices, and social networks achieve the most extensive coverage, encompassing nearly the entire population of KSA¹.

While television advertising is also on the rise, it does not match the rapid growth seen in online platforms. Radio listenership is experiencing a modest increase, attributed mainly to individuals tuning in during commutes, yet digital streaming services for music and podcasts are gaining traction more quickly than traditional radio broadcasts. The only area witnessing a downturn is print media.



Digital media platforms have a significantly higher reach in Saudi Arabia than traditional ones.

Source: Communications, Space and Technology Commission

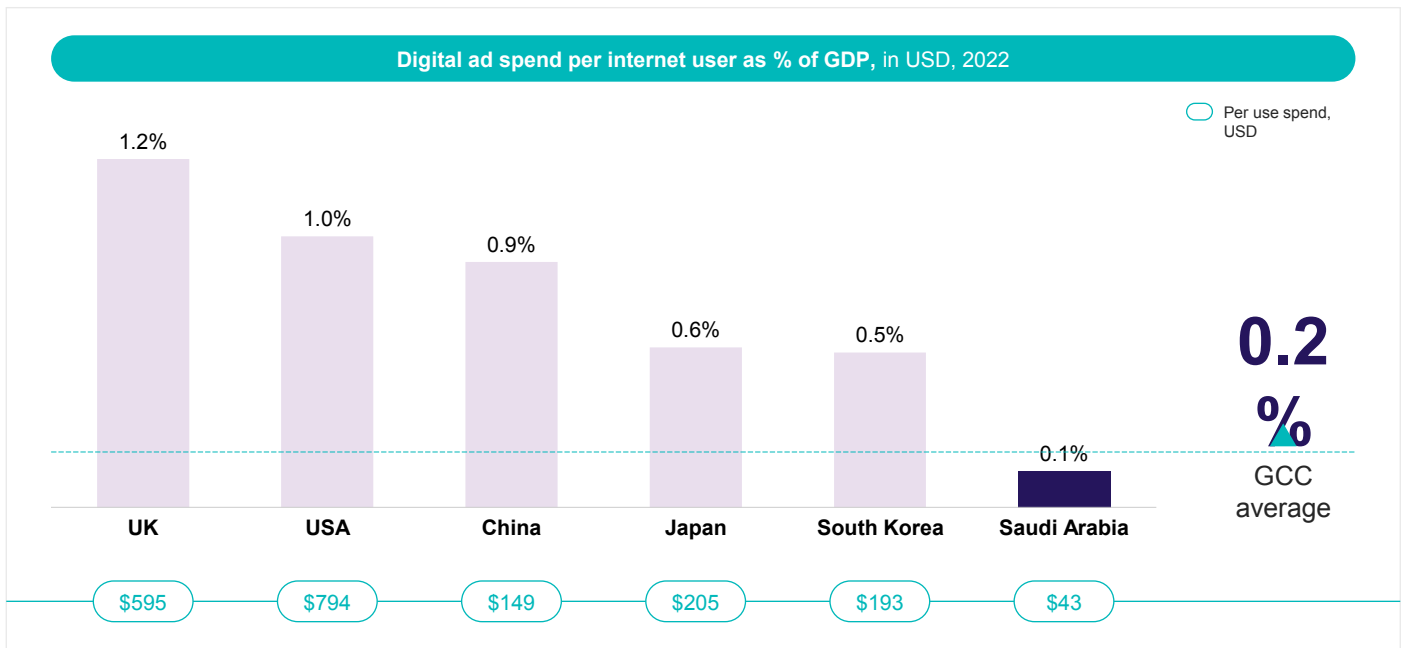
Despite the extensive reach achieved by online platforms, in Saudi Arabia the investment in digital advertising per user remains markedly lower compared to other leading economies and neighboring MENA countries. Saudi Arabia's digital ad spend, both as a percentage of GDP² and average cost per click on Google and YouTube³, is much lower. The MENA region's digital advertising landscape is **led by global players** such as Google and Facebook, which dominate search and social media advertising.

Meanwhile, smaller entities active in traditional media, over-the-top (OTT) services, AdTech, and

e-commerce are dispersed throughout the sector value chain.

The absence of a sizeable domestic competitor results in lower ad costs, exacerbating issues such as revenue losses, price wars, and ad surplus. The deviation from conventional pricing models, such as ad cards, is foster a highly competitive market with lower prices. This scenario presents a **substantial opportunity** for advertisers to leverage cost-effective ad placements and for ad providers to augment their revenues.

1. Saudi Internet 2022
 2. World Bank
 3. YouTube CPM Rates by Country in 2024



Digital ad spend in Saudi Arabia is lower compared to other economies. Source: World Bank

Key Enablers

Regulatory Framework

The regulatory framework applicable to the advertising sector in Saudi Arabia has played a pivotal role in enabling its growth and innovation by streamlining previously cumbersome approval processes and encouraging the establishment of both international and domestic firms through simplified entry requirements. The licensing system focuses on the formation of advertising

agencies and marketing offices, authorizing promotional content for cinema screenings, and granting permissions for the dissemination of advertising material on individual social media accounts. A list of licenses and registrations related to the advertising segment can be found in the Appendix.

Infrastructure

Saudi Arabia is focusing on key areas and initiatives to strengthen the supporting infrastructure necessary to enable the advertising sector to aid the diversification of the national economy and spur discretionary consumption.

The efforts are led by public sector companies that are partnering with private players to activate the direct and indirect foundational aspects of a world-class advertising sector. For example, in advanced media markets, multinational measurement firms like **Nielsen** and **Comscore** provide **comprehensive multi-channel viewership data** essential for market research, media valuation, and audience ratings verification. Such information and data are critical to advertisers in order to target consumers and channels. To this end, the **Saudi Media Rating Company (MRC)**¹ – that measures television viewership in the Kingdom, has launched a collaboration² with Nielsen Saudi Arabia that will provide the technology and innovative measurement approaches for a multi-channel viewership system collecting data across **more than 2,200 domestic households**, 150 collective channels, spanning 24 cities in Saudi Arabia so that precise insights into the size and demographics audiences and their content engagement are available. In addition to these

Funding and Financing

While the growth of the advertising sector has traditionally been funded by advertisers, much of the ad revenue in Saudi Arabia goes to the larger multi-channel players, who have established long-term retainer partnerships with key accounts. As a result, there is a need to grow the domestic creative agencies scene, especially by supporting through funding and financing small and medium-sized players the advertising inventory. Through the **\$1.1 billion IGNITE initiative**, one of the key tenets is to nurture KSA's digital advertising market. This includes funding to develop a Saudi digital advertising champion, serving as a one-stop advertising aggregation platform and retain the ad value within Saudi Arabia. In terms of financing, Saudi

advancements, MRC is focused on further advancing the measurement infrastructure in Saudi Arabia, and it is conducting a pilot with Nielsen for mapping household's smart devices and using WiFi networks used to consume content for collecting measurement data. As the measurement infrastructure develops and larger and more accurate consumer data are collected, the advertising sector will have a significant opportunity to improve the ability to reach consumers and increase conversions.

On the current out-of-home (OOH) front, Saudi Arabia has partnered with private entities to launch new advertising formats outdoors, supplementing its current OOH marketing space³. For example, Riyadh city announced a **city-level advertising masterplan**, partnering with Remat Al-Riyadh Development Company to open new OOH advertising spaces on building fronts, along major roads and public transportation, complementing existing OOH billboards and digital ad boxes. Such initiatives offers interesting opportunities to advertisers for targeting and placement, especially in light the significant societal and market shifts currently underway.

Venture Capital Company (SVC), a KSA Government-backed VC established in 2018 by Monsha'at (General Authority for Small and Medium Enterprises), has invested roughly **\$700 million in early-stage investments in Saudi startups**, including in the advertising and



1. <https://mrcaudi.com/about/>
2. [Media Rating Company to roll out TV audience measurement with Nielsen in Saudi Arabia](#)
3. [Riyadh launches new ad opportunities on buildings, taxis and buses](#)

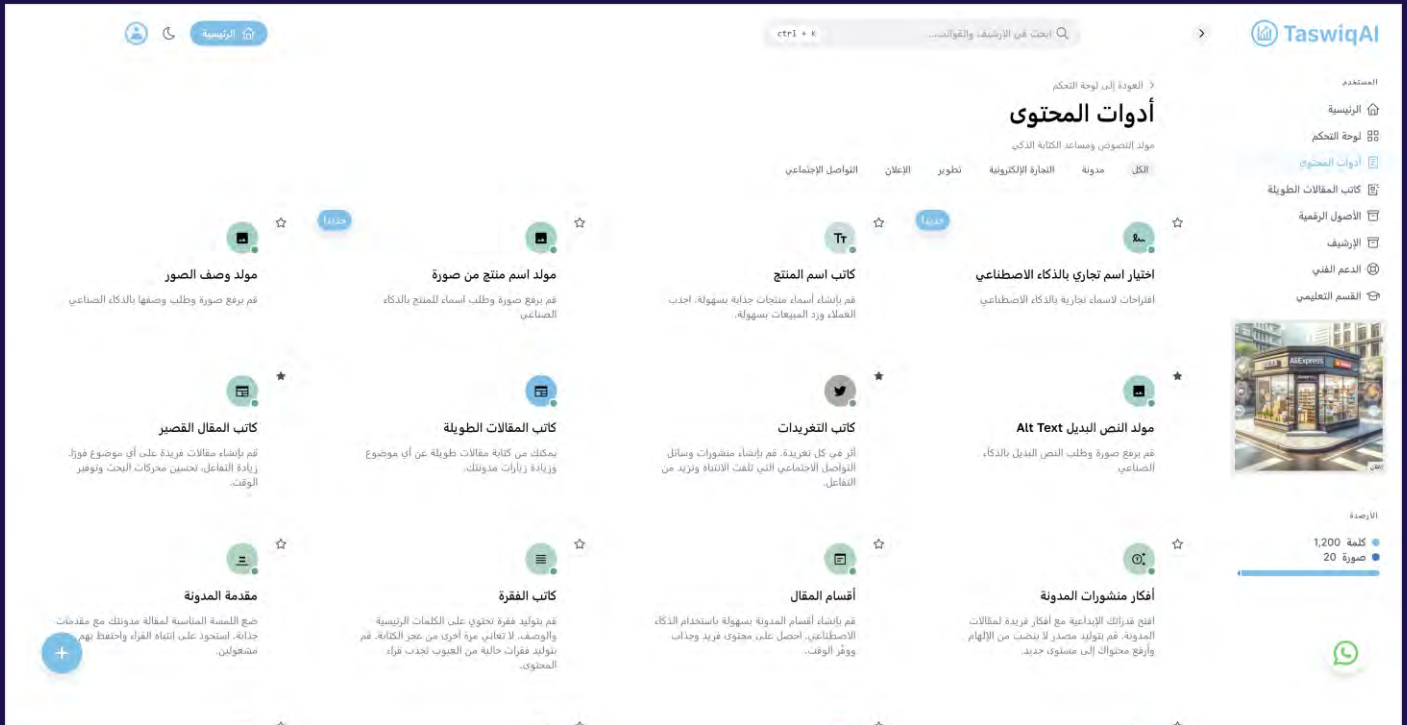
Technology

Artificial intelligence in advertising is currently at an early stage of development. Around the world, several applications are beginning to show the potential of **leveraging artificial intelligence** in the advertising technology sector. This includes utilizing machine learning algorithms for crafting personalized advertising suggestions and analyzing user engagement, deploying generative

AI for cross-platform promotional content, and developing ads with language or cultural nuances specific to local audiences using regionally focused AI. These technological advances **present significant opportunities for investors** to introduce groundbreaking applications and concepts into the KSA market, particularly those designed with Saudi consumers in mind.

In Saudi Arabia, tech startups are increasingly venturing into the **ad-tech domain** to develop AI-powered solutions for local retailers and e-commerce entities. For example, **Taswiq.ai**, a Saudi AI-driven SaaS platform, plays a significant role in enhancing promotional strategies by automating a business's advertising efforts. By analyzing an online store's inventory via its URL, Taswiq.ai utilizes generative AI to create tailored marketing content that aligns with the store's

unique branding and message across various channels. Leveraging technology similar to ChatGPT, this platform can devise a comprehensive marketing strategy, schedule content across multiple platforms, optimize for search engines, and manage social media engagements independently. Furthermore, Taswiq.ai facilitates influencer marketing by matching products with suitable influencers and predicting the impact of these partnerships



Taswiq.ai's web user interface. Source: Taswiq.ai

Talent Development

Advertising talent development in Saudi Arabia has been strengthened through higher education programs and capacity-building efforts. To foster local expertise in advertising, the **Communication Academy**, under the auspices of the Ministry of Media, was inaugurated in July 2023¹. This institution is dedicated to offering **digital advertising courses** designed to cultivate skilled professionals in the sector and enhance consultancy and research proficiencies.

Private institutions are capitalizing on the domestic potential. The **Saudi Ad School**, inaugurated in September 2023 as a sister institution to the Cairo Ad School, marks the **first Saudi vocational institute** dedicated to advertising, offering specialized training in copywriting, production, planning, and marketing². The future for educational partnerships in the creative industry remains promising, driven by the expansion of Saudi Arabia's advertising sector. International educational entities with top-tier creative programs have the opportunity to collaborate with local universities and academies, introducing best practices and facilitating student exchanges, thereby enhancing their own brand and market position. Also, the Saudization initiative has notably increased female participation in the workforce, particularly in creative and innovation-driven fields. This trend suggests a growing demand for educational programs tailored to prepare women for careers in the creative and advertising industries.

As part of efforts by the Ministry of Information to advance the advertising sector, Saudi Arabia will offer **executive media management courses** aimed at cultivating a new wave of media leaders. These programs are designed to equip them with the necessary skills to guide local and Arab media organizations and to refine their leadership capabilities within the media industry. Under the **Ignite initiative**, the KSA government will also facilitate skill development sessions in digital content production through **"Tawasul+"**.

1. [Saudi Arabia launches comms academy to enhance advertising sector](#)
2. [New ad school comes to Saudi](#)
3. <https://www.zawya.com/en/press-release/events-and-conferences/riyadh-set-to-host-athar-festival-the-kingdoms-largest-creative-marketing-extravaqanza-phisz9xi>

Collaboration and Partnerships

Partnerships between leading global digital advertising platforms and local content creators have played a significant role in expanding Saudi Arabia's creative industry. The advertising community in the Kingdom has actively organized events to foster collaborations and the exchange of innovative ideas, best practices, and the latest technological advancements.

The **Athar Festival**³, held in November 2023, became a landmark event for Saudi Arabia's creative industry, **drawing over 1,000 marketing and creative professionals**. This four-day festival featured more than 100 speakers, offered 12 workshops for creative professionals, and included a program specifically designed for women in the industry to support networking, partnership development, and knowledge exchange.

Furthermore, the **Step Startup Festival 2023**, renowned for spotlighting tech and startup innovations in Saudi Arabia, introduced a dedicated session on advertising technology within its digital segment. This session brought together **over 20 digital and creative industry leaders**, sharing insights on digital marketing strategies, online advertising channels, and customer engagement tactics, with a focus on experts and influencers.



Conclusion

The media sector in the Kingdom of Saudi Arabia is emerging as a promising field with considerable growth potential for international media firms. The synergy between government stakeholders and the private sector creates an attractive landscape for ambitious international investors eager to explore the dynamic changes underway.

Initially, overseas media entities have adopted a phased approach to entering the Saudi market, forming strategic alliances with local players and government bodies. These collaborations aim to integrate their innovative solutions with a nuanced understanding of the local market and its unique segments, thereby achieving gradual progress. Currently, Saudi Arabia offers an ideal setting for more decisive and bold initiatives by international investors, encouraging them to establish a presence and launch their ventures within the thriving Saudi media landscape.

As delineated in this report, the outlook for Saudi Arabia's media sector is exceptionally promising. Those looking to engage with what is rapidly developing into one of the most dynamic media landscapes globally will find no cause for regret.



09

Appendix

Table 1: Licenses and registration for video segment¹

#	Activity Name	Activity Description	Category	Service Fee (in SAR)	Processing time
1	Conducting research and studies on audio-visual media	Conducting research and studies on audio-visual media, and on the impact of the media on the public in KSA	Licenses	30,000	(30) days
2	Photography Activity License	Practicing activities related to normal or color photography, developing films on paper, fabric, or the like	Licenses	1,000	Immediate
3	One hour photo shops	One hour photo shops	Licenses	1,000	Immediate
4	License to register audio and video recording channels and programs	License to register audio and video recording channels and programs	Licenses	None	Immediate
5	Cinema films clearance and categorization	Clearance and categorization of cinema films according to the age, to be screened at cinema theaters	Clearance and Registration	2,000	(5) days
6	Cinema films clearance and categorization (non-profit)	Clearance and categorization of non-profit films according to the age	Clearance and Registration	2,000	(5) days
7	Cinema trailers	Clearance of cinema trailers, to be screened at cinema theaters	Clearance and Registration	N/A	(3) days
8	Cinema posters	Clearance of a cinema poster, to be placed at public spaces of cinema theaters	Clearance and Registration	N/A	(3) days
9	Visual content outside cinema theaters	Clearance of a visual content, to be placed at public spaces of cinema theaters	Clearance and Registration	N/A	(3) days
10	Clearance of public content	Clearance of public content on platforms and TV shows	Clearance and Registration	2,000	(5) days
11	Clearance of home films	Clearance of home films as (DVD/ Blu-ray)	Clearance and Registration	2,000	(5) days
12	Terrestrial broadcast station license	License to operate a terrestrial broadcast station capable of providing audiovisual content, via radio waves, to broadcast television/radio service	Licenses	Determined after application submission	(14) days
13	License to distribute or import movies, videos and TV shows	License to distribute cinema films or import films from outside KSA	Licenses	30,000	Immediate
14	VoIP Audiovisual Content Distribution Platform License	License to operate a cable and television distribution platform and video broadcasting services	Licenses	50,000	(14) days
15	Unscheduled audio or visual broadcast services license	License for distribution of audiovisual content using the video-on- demand system	Licenses	2,000	Immediate
16	Licensing of scheduled linear broadcasting service	License to transmit broadcasts at specific times, according to a schedule published through any media, including television stations with scheduled broadcasts, and other services with or without subscriptions	Licenses	2,000	(14) days
17	No-objection certificate (NOC) for establishing audio-visual training centers and institutes	NOC for this type of activity is not a replacement to the approvals of the competent authorities (Ministry of Education - Ministry of Culture - the authorities supervising educational institutes and centers in KSA)	NOC	2,000	Immediate
18	No objection certificate for conducting a TV or radio competition	Certificate granted for activities or services that require a no-objection certificate, in accordance with the controls it specifies	NOC	2,000	Immediate
19	No-objection certificate to establish a cinema	Certificate granted for activities or services that require a no-objection certificate, in accordance with the controls it specifies	NOC	2,000	Immediate

1. General Authority of Media Regulation

Note: There has been a transfer of mandate from Gmedia to Film Commission; Issuance and management of some of these licenses will now be managed by the Film Commission as per the latest mandate

Table 2: Licenses and registration for audio segment¹

#	Activity Name	Activity Description	Category	Service Fee (in SAR)	Processing time
1	Audiovisual content production license	License to produce TV and radio programs, films, audiovisual media content, video games, cartoons, dubbing, subtitling, editing, graphs, and written texts for audiovisual media works	Licenses	2,000	(14) days
2	Retail audiovisual content production license	License to sell and rent visual and/or audio content and it also applies to all electronic stores that practice this activity in the Kingdom	Licenses	2,000	Immediate
3	Clearance of audios	Clearance of audio media content	Clearance and Registration	2,000	(5) days
4	License to operate a production studio	License to provide audio-visual media services	Licenses	2,000	(14) days
5	License for radio broadcasting service	License to provide radio service, including the transmission of audio programs via any media	Licenses	Via terrestrial station (100,000) Via other Means (2000)	(14) days
6	License for importing and distributing audiovisual media content	License to import, sell and distribute visual and/or audio content (Except for motion pictures, video and television programs), purchase of rights, redistribution and sale of utilities that provide the service of arcade games and all electronic stores practicing this activity	Licenses	20,000	Immediate
7	No-objection certificate for establishing audio-visual training centers and institutes	No-objection Certificate for this type of activity is not a replacement to the approvals of the competent authorities (Ministry of Education - Ministry of Culture - the authorities supervising educational institutes and centers in the Kingdom)	NOC	2,000	Immediate
8	Unscheduled audio or visual broadcast services license	License for distribution of audiovisual content using the video-on- demand system	Licenses	2,000	Immediate
9	No objection certificate for conducting a TV or radio competition	Certificate granted by the Authority for some activities or services that require a no-objection certificate, in accordance with the controls it specifies	NOC	2,000	Immediate

1. General Authority of Media Regulation

Note: There has been a transfer of mandate from Gmedia to Music Commission; Issuance and management of some of these licenses will now be managed by the Music Commission as per the latest mandate

Table 3: Licenses and registration for publishing segment¹

#	Activity Name	Activity Description	Category	Service Fee (in SAR)	Processing time
1	Printing license	Automatic printing of words and images on paper, fabric, or the like.	Licenses	2,000	(30) days
2	Retail license for books, magazines, newspapers, and teaching aids	To practice the activity of displaying, selling or renting newspapers, magazines, books and educational aids.	Licenses	1,000	(30) days
3	Publishing of paper books, dictionaries, atlases and maps (including import and production of written, illustrated or photographed intellectual objects)	This license enables beneficiaries to practice activities related to issuing, preparing and financing any written, scientific, cultural or artistic production for the purpose of circulation, as well as participating in book fairs.	Licenses	2,000	Immediate
4	License to publish newspapers and magazines	This license enables beneficiaries to practice activities related to issuing, preparing and financing any written, scientific, cultural or artistic production for the purpose of circulation, as well as participating in book fairs.	Licenses	2,000	(30) Days
5	Wholesale of books, magazines, newspapers and teaching aids (including: the import of written, illustrated or photographed intellectual production)	Marketing of all types of internal and external publications in various distribution points and participating in book fairs.	Licenses	2,000	Immediate
6	Electronic news agency activity	A website with a fixed address, that provides print, audio and visual press publishing services on the network, and allocates all or some of its pages to its subscribers, institutions and individuals, with specific monthly or annual financial fees, without non-subscribers being able to view the same pages that have been allocated to subscribers.	Licenses	None	(30) Days
7	Electronic magazine license	A website with a fixed address, which provides specialized press publishing services on the network that is issued periodically	Licenses	None	(30) Days
8	Licensing of copying and photocopying activities	Copying: The practice of photocopying documents. For commercial use. Photocopying: The practice of photocopying more than one copy for readable publications or images for circulation.	Licenses	1,000	Immediate
9	Electronic publishing house license	Responsible for issuing any scientific, cultural or artistic production in an electronic form for the purpose of circulation.	Licenses	None	(30) Days
10	Electronic press activity	A website with a fixed address, providing press publishing services on the network (sites that publish news, reports, investigations, articles etc.) that are issued on regular or irregular dates.	Licenses	None	(30) Days
11	Activities of calligraphers and painters	Practicing activities related to writing calligraphy of all kinds, ordinary or neon, writing and manufacturing billboards and advertisements, and practicing drawing, displaying and selling artistic paintings in all their forms. The preparation of seals is subject to a special license for that from the Ministry.	Licenses	1,000	Immediate
12	Pre-printing services activities	Practicing the activity of color sorting or grading, designing, or producing materials prepared for printing.	Licenses	2,000	Immediate
13	Retail used books license	Practicing the activity of displaying, selling or renting used books.	Licenses	1,000	Immediate
14	Publication Issuance License	This service allows beneficiaries to obtain a publications license (magazines and newspapers)	Licenses	None	(30) Days
15	No-objection certificate for the issuance of a photography permit	A certificate granted by the Authority for some activities or services that require a no-objection certificate, in accordance with the controls it specifies.	NOC	2,000	Immediate

1. General Authority of Media Regulation

Note: There has been a transfer of mandate from Gmedia to Literature, Publishing & Translation Commission; Issuance and management of some of these licenses will now be managed by the Literature, Publishing & Translation Commission as per the latest mandate

Table 4: Licenses and registration for gaming segment¹

#	Activity Name	Activity Description	Category	Service Fee (in SAR)	Processing time
1	Conducting research and studies on audio-visual media	License to conduct audiovisual media research in KSA Saudi Arabia.	Licenses	30,000	(30) days
2	Age categorization of video games	Authorization for age categorization of video games	Clearance and Registration	N/A	(5) days
3	Video Games Clearance	Inspection of the video game contents to ensure the classification properness	Clearance and Registration	2,000	(14) days
4	Video games cover	Inspection of game cover and advertising material to ensure placing the logo of the proper age categorization	Clearance and Registration	N/A	(1) day
5	Categorization of video games trailers	Inspection of a non-categorized video game trailer, for screening in public spaces	Clearance and Registration	N/A	(1) day

1. General Authority of Media Regulation

Table 5: Licenses and registration for advertising segment¹

#	Activity Name	Activity Description	Category	Service Fee (in SAR)	Processing time
1	Audio-visual media advertising offices, marketing offices and advertising agencies	Practicing activities related to designing and executing commercial, written, illustrated, graphic and speaking advertisements, and issuing calendars, diaries, commercial and economic guides, service guides, gifts and the like., as well as the preparing and implementing marketing campaigns for goods, services, and advertising and marketing facilities that promote goods or services through audiovisual media. This includes: supervising customer social media accounts and similar services.	Licenses	2,000	Immediate
2	Clearance and categorization of commercial advertisements, to be screened at cinema theaters.	Clearance and categorization of commercial advertisements according to the age, to be screened at cinema theaters.	Clearance and Registration	2,000	(3) days
3	Licensing for individual submission of advertising content through social media platforms	This License allows Individuals to provide advertising content by via social media platforms through websites and electronic applications that can be accessible online through an account created on any platform, for the purpose of viewing, displaying, or broadcasting content. It and includes any disclosure or advertisement, such as: audiovisual, audio, visual, motion or still pictures, or any scripts associated with an account(s) owned by the licensee on such platforms in the Kingdom. An exception to license issuance is an individual's advertisement for its own product/service through its personal account..	Licenses	1500	(14) days
4	Broadcasting via mobile phone or other electronic means	Broadcasting via mobile phones or other electronic means (messages - news - advertisements - images ... Etc.) and broadcasting on the mobile phone short messages through (SMS) and (MMS) services and others, whether they are news, advertisements, images, or others.	Licenses	None	(30) Days

1. General Authority of Media Regulation

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Ministry of Media
Music Commission

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NEOM Media
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stc Group
Telfaz11

Contributors and authors of this report:

Fahad AlNassar, Head of Strategy, Gmedia
Email: f.alnassar@gcam.gov.sa

Shahid Khan, Partner, Arthur D. Little
Global Head of Media, Entertainment, Sports, and Culture
Email: khan.shahid@adlittle.com

Rajesh Duneja, Partner, Arthur D. Little
Email: duneja.rajesh@adlittle.com

Paritosh Mukhija, Partner, Arthur D. Little
Email: mukhija.paritosh@adlittle.com

Contact information: Ministry of Media

Phone: +966 114 06 8888

Email: feedback@moci.gov.sa /
info@media.gov.sa

Fax: +966 114 42 5781

General Authority of Media Regulation (Gmedia)

Phone: +966 920 00 4242

Email: contact.us@gcam.gov.sa

Customer Service:

https://twitter.com/gmediacare_sa

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