

FEATURE ARTICLE

Saudi Arabia rebranding as global entertainment hub

With billions invested in sports events, theme parks and cultural experiences, Saudi Arabia's entertainment sector offers unique opportunities for private investors

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Long known for its rich oil deposits, Saudi Arabia is ambitiously pursuing the growth of a domestic entertainment sector that will foster regional talent and attract tourism. The transformation has been wide and clearly visible for its citizens, with massive projects involving multiple industries and numerous opportunities for private sector engagement. It is hoped that the changes will lead to the inclusion of three Saudi cities in the top 100 most livable cities globally. To reach these goals, the government has promised investment of \$64 billion to catalyze the social transformation project. Support will also come from the local private sector, with \$1.3 trillion expected to help diversify the economy. To facilitate foreign investment, the government launched the Events Investment Fund in January 2023, which is capitalized at more than \$3.7 billion. The entity is expected to provide high-return opportunities to private sector investors in the development of 35 entertainment venues in the country.

The focus on entertainment is a critical part of the country's Vision 2030 Quality of Life program, which aims to foster culture within Saudi Arabia and nourish local talent. By 2030, the program plans to develop 613 entertainment attractions, facilitating the employment of 143,746 employees in the cultural sector and 1.6 million employees in the tourism sector. The program also plans to boost the health of Saudi citizens, with a goal of 40% of individuals practicing sports and physical activities on a weekly basis. The government body in charge of the development of the entertainment sector is the General Entertainment Authority, which has facilitated growth by streamlining regulations in the industry while granting licenses at high volumes for entertainment events. The General Entertainment Authority has issued 11,000 permits since 2019, facilitating 76,000 events held over the same time period. The entity also offers financing to small and medium-sized companies eager to enter the sector, helping these businesses pay salaries while offering more job opportunities.

In Riyadh, the government is currently building four arts and sports center projects – King Salman Park, Sports Boulevard, Green Riyadh, and Riyadh Art – together worth more than \$23 billion, with private investment to comprise almost 60% of the developments. Additionally, industrial funding entity Public

Investment Fund and Six Flags Entertainment Corporation are building a multi-billion-dollar Qiddiya project, a 79-acre complex near Riyadh that will feature theme parks and art centers. Entertainment is also a key element in Saudi Arabia's \$500-billion NEOM City project in Tabuk Province. The country's flagship smart city will feature an array of leisure activities, including a virtual reality experience and an indoor ski hill. In addition to these new-build projects is the development of a UNESCO world heritage site, Riyadh's Diriyah Gate. The \$50-billion project provides locals and tourists with a window into the country's rich past.

Saudi Arabia has also made great strides in building up its sports industry. With the addition of soccer superstars such as Cristiano Ronaldo and Karim Benzema to its Saudi Professional League, the country hopes to become a worldwide tourism hub, with a goal of inbound visitors generating \$33.5 billion for the country by 2025. Yet perhaps the most dramatic manifestation of the country's entertainment transition can be seen in its film industry. The country plans to have 350 cinemas built by 2030, fostering a billion-dollar industry that will provide 35,000 jobs. In line with this goal, the Saudi government launched the Red Sea Film festival in 2019. The annual event held in Jeddah focuses on films produced in Saudi Arabia and the Arab world.