

INVEST  
SAUDI



# SAUDI ARABIA

IS WELCOMING INVESTMENTS

رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

March 1<sup>st</sup> - 2022



# ALL ENABLED BY A MODERN DIGITAL INFRASTRUCTURE

**95.7%**

Internet usage penetration, versus 53.6% globally and 51.6% in the Arab world

**53%**

Homes connected to fibre optics in 2019

**77.55 Mbps**

Average mobile download speed  
Ranked 5th globally, Q3 2020

**131%**

Mobile subscription penetration rate in Q1 2020

**4<sup>th</sup>**

Globally for 5G network deployment in 2019

**2<sup>nd</sup>**

Among G20 countries for spectrum allocation in 2019

**30%**

5G coverage on national level in 2020

**1<sup>st</sup>**

Digital Riser among the G20 countries in 2020

# UNIQUE DEMOGRAPHICS



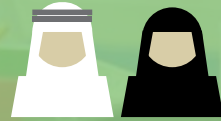
## SIZEABLE

**60%**

of GCC population

**14%**

of Middle East population



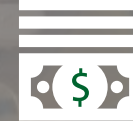
## YOUNG

**6%**

Saudi workforce annual growth

**58%**

of Saudi population under 30 years old, against a 49% global average



## AFFLUENT

**~\$23k**

GDP per capita in 2019

**5<sup>th</sup>**

largest GDP per capita in the MENA region

# Social Media Users



30 M



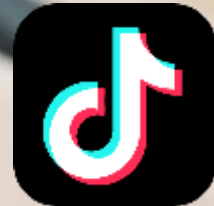
24 M



25 M



14 M



15 M



26 M



18 M





# KSA HAS A VIBRANT MEDIA SECTOR

Digital Media has been growing sharply at

**>20% p.a.**

in the last 5 years

Internet ads market out-pacing regional growth at

**>25% p.a.**

in the last 5 years

VOD segment has been growing at a staggering

**>27% p.a.**

in the last 5 years

Overall media market in 2019 sized at

**17.4 Bn**

expected to grow from strength to strength

**2<sup>nd</sup> largest**

Digital Video market in MENA region with size of **SAR 600 Mn** (2019)

# KSA HAS A MORE VIBRANT GAMING SECTOR

**89%**

Adult Saudis consider themselves gamers



**\$1.09 Bn**

In 2020, Saudi Arabia was still ranked as the 19<sup>th</sup> biggest by game revenues in the world.

**9.5b SAR**

Market share by 2030



**21.2 Mn**

21.2 million gamers.

**1.2k SAR**

Avid gamers spend monthly spending



**\$21 Bn**

Saudi Arabia aims for the broader gaming industry, this would equate to annual revenue of around \$21.3 Billion.

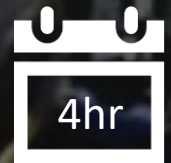
**Largest**

video games market in MENA region with size of **SAR 2.6 Bn** (2019)



**60%**

60% of Saudi gamers play video games on PCs and consoles, and 36% of them buy between 1-10 games each month, thereby making the Saudi user profile a global target.



**40%**

Almost 40% of Saudi gamers spend more than 4hr/week with 3% exceeding beyond 25h/week playing video games.

# IGNITE Program – Digital Content



Advertisement



Video



Gaming



Audio

**ignite!**



**ignite!**

**“ELEVATING  
DIGITAL  
CONTENT”**



# 36 Initiatives Under Ignite!

<b>I</b>	<b>Invigorate</b> digital content creation in KSA	Establish dedicated video fund	Establish dedicated gaming fund	Create content admissibility & classification regulations	Regulate service continuity and quality		
		Create institutionalized rights protection organization	Develop local content quotas and policies	Develop regulations to create RPO entity			
<b>G</b>	<b>Grow</b> the investment potential in digital media	Scale up local incubator/accelerator for start-ups	Incentivize digital content creators	Accelerate e-sports growth	Create clear and transparent licensing	Create fair competition policies	Confidential
		Establish a Saudi TV champion	Facilitate creation of Saudi social gaming platform	Set up large-scale digital media events	Ease ownership / company set-up requirements	Update copyright / anti-piracy law	
<b>N</b>	<b>Nurture</b> a local digital advertising market	Establish Saudi dig. adv. champion	Develop digital ad guidelines	Develop user data protection & privacy regulations			
		Set up MRC for KSA digital media sector	Develop market research and reporting guidelines				
<b>I</b>	<b>Improve</b> access to digital media talent	Create digital media practitioners' community platform	Create apprenticeship opportunities	Establish digital media academy - Gaming	Introduce flexible labor laws and permits		
		Create access to education in digital media	Establish digital media academy - Film	Establish digital media academy - Advertising			
<b>T</b>	<b>Transform</b> KSA's digital media infrastructure	Build Data Hubs in KSA	Develop creative city	Regulate carrier and network neutrality			
<b>E</b>	<b>Enable</b> effective governance of private & public digital media stakeholders		Create and operationalize the Digital Content Council	Expand CITC mandate to regulate digital media platforms	Amend laws & regulations related to the digital media sector <sup>9</sup>		

## SCALE UP LOCAL INCUBATOR/ACCELERATOR FOR START-UPS

### Initiative Goals

- Enable value creation within sector through best-in-class incubator / accelerator facilities
- Elevate potential of success for young, innovative digital media start-ups in KSA

### Initiative Description

- Build on current digital media hub effort in Riyadh, to expand highly-structured program across 3 additional cities including Jeddah, Dammam and Neom
- Design world-class structured programs
- Create access to robust local and international digital media network
- Ensure synergies with local community, address sector needs, and complement respective cities' media city plans

### Initiative Leader



### Stakeholders



# INCENTIVISE DIGITAL CONTENT CREATORS

## Initiative Goals

- Create lure through offering targeted incentives to attract international players to set up physical footprint within KSA
- Elevate KSA beyond a consumer market, to become regional hub

## Initiative Description

- Expand on current incentives (available through Invest Saudi), and tailor them to become more attractive for digital media sector
- Provide support on talent development and production costs in addition to relocation incentives.
- Increase overall ease of doing business through provision of targeted information including market intelligence reports for high-value/strategic alignment companies

## Initiative Leader



وزارة الاستثمار  
Ministry of Investment

## Stakeholders



## ACCELERATE E-SPORTS GROWTH

### Initiative Goals

- Build on strong momentum of SEF events and global competitive e-sports success to establish global leadership in segment

### Initiative Description

- Grow e-sports segment within KSA through three strategic plays:
- Develop professional teams / players through providing training support to enable them to compete on the largest world stages
- Organize community leagues to engage larger e-sports fan community, semi-professionals, and identify new talent
- Create global game franchise to monetize on network of structured events and seasons

### Initiative Leader



### Stakeholders



وزارة الاتصالات  
وتقنية المعلومات  
MINISTRY OF COMMUNICATIONS  
AND INFORMATION TECHNOLOGY



# CREATE CLEAR & TRANSPARENT LICENSING

## Initiative Goals

- Enhance clarity, consistency, and conduciveness of existing licensing framework for digital platforms
- Improve control over digital platform's operations

## Initiative Description

- Enhance licensing framework for digital media players to firstly decide on areas that need to be regulated by licensing, and then define best-in-class license offerings aligned to market and value chain segments
- Introduce tiered licensing requirement to create conducive environment particularly for SMEs / start-ups
- Refine mechanisms for effective regulation enforcement, including refined list of offenses and penalties

## Initiative Leader



هيئة الاتصالات وتقنية المعلومات  
Communications & Information  
Technology Commission

## Stakeholders





# CREATE FAIR COMPETITION POLICIES

## Initiative Goals

- Regulate excessive power of dominant digital platforms
- Ensure sufficient competition that benefits both consumers and industry for the long-run

## Initiative Description

- Define initial presumption threshold of 'Significant Market Power' in the digital media markets
- Develop Codes of Conduct for dominant platforms (i.e., platforms with 'Significant Market Power')
  - Specify duties as dominant entities in the market
  - Define anti-competitive behaviors

## Initiative Leader



هيئة الاتصالات وتقنية المعلومات  
Communications & Information  
Technology Commission

## Stakeholders



وزارة الإعلام  
Ministry of Media



الهيئة العامة للإعلام المرئي والصوتي  
GENERAL COMMISSION  
FOR AUDIOVISUAL MEDIA



الهيئة السعودية للملكية الفكرية  
Saudi Authority for Intellectual Property



وزارة الاتصالات وتقنية المعلومات  
MINISTRY OF COMMUNICATIONS  
AND INFORMATION TECHNOLOGY

## ESTABLISH A SAUDI TV CHAMPION

### Initiative Goals

- Facilitate the establishment of a Saudi-owned TV champion (with Pay TV and VOD platform as key part of the business model) to challenge global players' dominance in KSA and capture the value from the growing digital video market

### Initiative Description

- Merge existing platforms to:
- Collaborate and compete as one champion
- Leverage broad capabilities create synergies
- Gain market share and reduce fragmentation / cannibalization
- Become dominant player within market to reduce revenue leakage and limit market share of international players in KSA

### Initiative Leader

**GCO**

### Stakeholders



الهيئة العامة  
للإعلام المرئي والمسموع  
GENERAL COMMISSION  
FOR AUDIOVISUAL MEDIA



وزارة الاتصالات  
وتقنية المعلومات  
MINISTRY OF COMMUNICATIONS  
AND INFORMATION TECHNOLOGY



هيئة الإذاعة والتلفزيون  
SAUDI BROADCASTING AUTHORITY

# FACILITATE CREATION OF SAUDI SOCIAL GAMING PLATFORM

## Initiative Goals

- Capture retention and export through addressing key needs of MENA casual gamers (esp. language and gameplay localization, and payments)

## Initiative Description

- Build company to serve MENA gamers, bridging global publishers to regional players by curating gaming experience
- Meet local needs, expectations and preferences in language, game play platform, payments, and community
- Stem leakage and tap into export opportunity of fast-growing (30% CAGR) gaming segment in KSA and MENA

## Initiative Leader

GCO

## Stakeholders







# SET UP LARGE SCALE DIGITAL MEDIA EVENTS

## Initiative Goals

- Ride on momentum of successful B2C events, especially in gaming and digital video sectors
- Host global B2B events in KSA in partnership w/ industry associations

## Initiative Description

- Organize digital media B2C events, targeted towards consumer-centric, high growth digital media sectors
- Invite large B2B events through major industry associations to KSA; partner with leading associations / events organizers to host MENA-chapter events within KSA

## Initiative Leader



## Stakeholders



# EASE OWNERSHIP / COMPANY SET-UP REQUIREMENTS

## Initiative Goals

- Promoting foreign direct investment (FDI) and removing barriers to entry into the market for international firms
- Facilitating the establishment of digital content companies and platforms in terms of procedures, time and cost

## Initiative Description

1. Modify ISIC codes to ensure full application of exempt foreign ownership restrictions
2. Establishment of a comprehensive licensing and corporate platform
3. Preparation of regulations and details on the tax system and determination (up to 100% tax reduction) of companies
4. Clarifying misconceptions about laws that address the roles, responsibilities and obligations of content companies

## Initiative Leader



وزارة الاستثمار  
Ministry of Investment

## Stakeholders



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



الهيئة العامة للإذاعة والتلفزيون



وزارة الإعلام  
Ministry of Media



الهيئة العامة للإذاعة والتلفزيون  
GENERAL COMMISSION  
FOR AUDIOVISUAL MEDIA



# UPDATE COPYRIGHT / ANTI- PIRACY LAW

## Initiative Goals

- Protect IP in digital environment through development of fast takedown mechanism and introduction of anti-piracy enforcement measures
- Raise awareness of issues connected to piracy

## Initiative Description

- Adjust reporting mechanism for copyright violations to address need for fast & simple resolutions in digital media environment
- Set-up enforcement mechanism to proactively fight piracy by adopting global standards in liability management, access blocking and consumer penalization
- Raise public awareness through targeted positive campaigns and school education

## Initiative Leader

الهيئة السعودية للملكية الفكرية  
Saudi Authority for Intellectual Property



## Stakeholders



الهيئة العامة للإعلام المرئي والمسموع  
GENERAL COMMISSION FOR AUDIOVISUAL MEDIA



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Ministry of Media



وزارة التعليم  
Ministry of Education



وزارة الثقافة  
Ministry of Culture



هيئة الاتصالات وتقنية المعلومات  
Communications & Information Technology Commission



THANK YOU