Charting the Transformation

of Saudi Arabia's Cultural & Creative Industries

A comprehensive landscape mapping report

Contents

The cultural and creative industries are major economic drivers in developed and developing countries. They generate $2,250 billion each year and create some 30 million jobs worldwide.[1]

Most countries recognize the importance of these key sectors of the economy and Saudi Arabia is no exception. Now, more than ever, the Kingdom is witnessing a deep transformation of its cultural and creative sectors. Given the growing social and economic importance of these industries, we feel it is necessary to document this development. By doing so, we can better understand their potential and what drives them.

In this context, the King Abdulaziz Center for World Culture, or Ithra, in collaboration with the Ministry of Culture and other local partners, is proud to put its research capabilities to use. Together, we have collected and consolidated data on the topic in order to provide stakeholders with suitable tools and methodologies to support strategizing and decision-making for the sector.

Foreword

This research report aims to describe the current state of Saudi Arabia's cultural and creative industries. Further, it highlights key insights, provides information and analyzes aspects of production, consumption and empowerment.

This report is complementary to one published in 2020 by the Ministry of Culture, which gave an overview of the status of these industries in the Kingdom. It can also be read as an addendum to another one of Ithra's reports entitled "Culture in the 21st Century: Mapping Consumption Patterns in the MENA Region," which analyzed the current state of the cultural offerings and consumption in 10 major cities in the MENA region.

In this Saudi Arabia-focused report, Ithra's discussions with key market experts and stakeholders conveys a hopeful message that the Kingdom's cultural and creative industries will grow significantly in the coming years. This creates opportunities to trace progress from its starting point and encourage further development.

This report brings together data and insights from different sources to create a study that complements efforts undertaken by the Ministry of Culture. Today, we issue this report in its first edition with the plan of updating it regularly. We hope that all stakeholders and interested parties will find in this publication a clear and complete overview of the creative and cultural industries, allowing them to better understand their contribution to the economy, employment, and society as a whole, as well as better identify how they can best serve their development going forward.

1. UNESCO. 2018. "Investing in Creativity."
2. Ministry of Culture. 2021. "Report on the State of Culture in the Kingdom of Saudi Arabia: Digitalization of Culture."
3. The Economist Intelligence Unit. 2021. "Culture in the 21st Century."

Executive Summary 01

Across the world, cultural and creative industries (CCI) play significant roles in national economies growth.
In Saudi Arabia, they generate approximately $15 billion per year.[4] The CCI's GDP is growing more than 10% each year in the Middle East and North Africa (MENA) region,[5] and 13% in Saudi Arabia alone.[6]

However, the impact of these industries is not limited to economic development. It is also acknowledged that culture can have an intangible impact on society as a whole, raising levels of wellbeing and pride.

Recently, Saudi Arabia has begun to experience a major transformation of its CCI. While the CCI have always been present in Saudi Arabia, recent developments are expected to unleash significant growth and a profound societal transformation.

With this in mind, this report aims to capture the baseline of that transformation. The information can then provide stakeholders with the tools to assess and track future progress, enabling them to better understand how to support its development and identify opportunities.

This report presents the results of the Kingdom of Saudi Arabia Cultural and Creative Industries (KSA CCI) Index, which was created for this purpose. The index is composed of nine dimensions and 34 indicators, each of which assesses key aspects of production, consumption and empowerment in Saudi Arabia's CCI. The index also ranks Saudi Arabia's culture and creative industries in 2020, thus establishing a baseline to compare against in future editions of the report.

KEY FINDINGS:

- The index highlights the **potential for further development.** Given the emerging nature of the CCI in Saudi Arabia, the dimensions assessing the enabling factors (talent development and education, openness, diversity and tolerance, public policies and regulation, and accessibility, infrastructure and clustering) have a higher score than the dimensions assessing the output of the CCI (human capital and employment, cultural offering, cultural engagement, creative production, and cultural influence abroad). This suggests that recent efforts to develop the CCI may take several years before they come to fruition.
- A significant example of the efforts to support the CCI is **the establishment of the Ministry of Culture.** Within its current mandate (2018), the ministry aims to implement a national cultural strategy and create 11 commissions to lead the development and regulation of new cultural sectors. However, a gap remains between the development of enablers and the development of the sector itself.
- Around 38,000 students—roughly 16% of the total student body—graduate each year from **culture-related fields of study.** But only 36,000 full-time employees report working in private sector cultural and creative fields.7 This represents less than 0.5% of the total workforce in the country.8 Furthermore, available university pathways to the sector focus mainly on languages, literature and libraries.

4. Oxford Economics. 2018.
5. World Bank. 2017. "Mentoring the Creative Industries Sector in Kuwait."
6. Euromonitor International. 2019. "Country report: Recreation, Entertainment and Arts in Saudi Arabia."
7. General Organization for Social Insurance (GOSI) statistics. 2019.
8. Due to the current data collection approach, the number of employees in the cultural and creative sectors does not include public sector employees, NGO workers or visiting professionals at this time.

“Less than 1% of all Saudi imports are dedicated to cultural goods and services.”

Photo: Shutterstock

This represents 62% of students, while less than 0.2% of all graduates in the country specialize in music, fashion, culinary and performing arts.

- The Saudi population appears open to **culture from within and from abroad**.
  We find 84% of Saudis agree that expats enrich Saudi cultural life.[9] However, less than 1% of all Saudi imports are dedicated to cultural goods and services.[10]

- Saudi Arabia has **less than 10 cultural institutions - such as movie theaters or museums - per one million inhabitants**.
  This is below that of countries such as France (40), the United Kingdom (99) or Spain (123). Even though most of the Saudi population say they have participated in out-going activities and at-home activities (mainly through watching movies or listening to music),[11] this suggests a gap needs to be filled between the supply and demand of certain cultural content and activities.

- While the CCI in Saudi Arabia are still in a nascent stage of development, they have grown noticeably **in the past decade**, particularly since 2016 when the government started funding and supporting many of their associated sectors. **Future investment may lead to further surges**. Already, Saudi Arabia is positioning itself as a key future player in the culture and creative fields. Saudi Vision 2030 — **an ambitious** strategic framework to reduce Saudi Arabia's dependence on oil and diversify its economy—pledges to invest in arts and culture. It sets the ambitious objective for the CCI to reach 3% of GDP in the next decade, up from 2.38% today. A multitude of initiatives are being launched that are attracting public and professional attention to in the Kingdom.

SECTOR TAKEAWAYS

The index features 21 sectors, each of which is identified as a component of the CCI in Saudi Arabia. However six (listed below) were selected for a more detailed view based on their economic potential, recent development trends and strategic importance in Saudi Arabia.

The economic contribution and potential of these different sectors vary, but most show signs of development across different indicators and key figures.

- **Video games** in Saudi Arabia exceeded $1 billion in revenue in 2019, growing by 41% since 2017.[12]

- **Internet podcasting** is very popular in Saudi Arabia, especially video podcasts. The country is the biggest user of YouTube per capita worldwide.

- **Fashion** in Saudi Arabia has grown through the introduction of events and the emergence of local brands. New local brands are gaining recognition both locally and internationally.

- The Arabic **language** is strongly associated with the Saudi identity. There are several ongoing efforts to preserve the Arabic language and promote it internationally. As for **literature**, Saudi novels are trending and local production is capitalizing on this. Some Saudi novels are also gaining recognition globally.

- **Visual art** in Saudi Arabia is following regional development trends for the sector, with multiple commercial spaces opening across the country. This movement is accompanied by multiple initiatives launched by the non-profit and private sectors, as well as the government.

- The **film** sector in Saudi Arabia is growing rapidly from a previously blank page. Following the lifting of the ban on cinemas, among other initiatives, consumers are eagerly consuming movies on the big screen. Local film production is growing in parallel, with 23 feature films released between 2017 and

March 2020.[13]

LEAPFROGGING TO SUCCESS

Based on the index findings, we believe that Saudi Arabia does not need to go about its cultural and creative transformation in the traditional way. Mainly, it can achieve its aims through investment in the kind of cultural infrastructure found in well-established or Western cultural economies. There is an opportunity to leapfrog the usual development stages and define a more innovative model. This is based on recent consumption, trends that shift increasingly towards digital channels and content.

The Covid-19 pandemic has pushed such consumption trends further. Saudi Arabia, we believe, is well-positioned to move to a multi-purpose, digitally advanced infrastructure. The Kingdom's cultural ecosystem can become one that provides both digital and physical cultural hubs and focuses on new forms of cultural production and consumption, as well as lived experiences of culture.

The KSA CCI Index and this report will be updated on a regular basis to track the progress of the industries in the Kingdom. It is our hope that future monitoring and data collection as identified in this report will help future

A pre-Covid-19 baseline

This report is based on information collected prior to the global spread of the Covid-19 pandemic. It therefore provides a baseline for Saudi Arabia to better understand and analyze the potential impact of the pandemic on cultural production and consumption trends in the Kingdom.

"Saudi Arabia is positioning itself as a future key player in the culture and creative fields."

9. Consumer Sentiment Survey (n=2400), Saudi Arabia, March 2020.
10. UNESCO Institute for Statistics. 2016.
11. Consumer Sentiment Survey (n=2400), Saudi Arabia, March 2020.
12. Ovum video games analysis. 2019.
13. General Authority for Statistics (GASTAT). 2019-2020. Statistical Yearbook.

Introduction

02

stakeholders find the best ways to support these industries and unleash their potential.

National and regional leaders around the world are recognizing that culture and creativity have an important role in society. Unlocking their full potential has become a priority. Many policymakers, for example, are embracing a sophisticated new range of investment opportunities, including partnerships with businesses, investors, schools and universities to contribute to CCI development.

This is not entirely an altruistic exercise. It is shown that investing in the CCI drives economic growth. In the United Kingdom, for example, the CCI generated $122 million in 2016; representing year-on-year growth of 7.6%, compared with 3.5% for the United Kingdom's economy as a whole. These industries also significantly contribute to its cultural identity and social cohesion.

However, the economic and social impact of the CCI in Saudi Arabia are still only partially circumscribed, and sometimes misunderstood and undervalued. This is why Ithra, in collaboration with the MOC and other partners, decided to contribute to local efforts to valuate it. We have achieved this by publishing a national mapping report on the economic and social performance of the CCI in the Kingdom.

THE REPORT HAS THE FOLLOWING OBJECTIVES:

- To clarify the economic and social role of the CCI in the Kingdom both as a whole and based on individual sectors
- To produce a comparable, quantitative and qualitative analysis tool for the CCI in the Kingdom to track their evolution over time
- To support and guide the development of the Kingdom's CCI through data and insights for policymakers and industry players

DEFINING CULTURAL AND CREATIVE INDUSTRY SECTORS

This study aims to address a wide range of cultural and creative activities. This includes the creation, production and distribution of cultural and creative products, services and experiences.

The definitions of CCI vary across nations. However, in this report, the definition of these industries and their associated sectors is based on the UNESCO classification. It has been adapted and aligned to the Ministry of Culture classification and organization for ease of reference and adaptation to the Saudi context.

In its framework for cultural statistics,15 UNESCO lists and provides a definition of 30 sectors that cover the full scope of the CCI. Of these, 24 sectors are within the portfolio of the Ministry of Culture. We have reshuffled them slightly, combining some sectors and renaming others to arrive at 16 cultural sectors that serve as the basis for the strategy. For this report, another five sectors were added that are not covered by the Ministry of Culture but fall under the portfolio of other entities.[16]

The rituals sector listed by the UNESCO is not covered by this report. This is part of the intangible cultural heritage that focuses on traditions and rites linked to religious practices.

Ultimately, this report covers 21 sectors, presented in Exhibit 1.

WHY CULTURAL AND CREATIVE INDUSTRIES?

While the CCI have always been present in Saudi Arabia, recent developments are expected to unleash significant growth in the cultural and creative space, which will have a strong economic impact in the Kingdom. Indeed, between 2017 and 2019, the CCI in the Kingdom grew by 13%.[17]

However, the impact is not limited to economic development. It is also acknowledged in a growing number of countries that culture has an intangible impact on society overall. For example, culture and creativity-driven initiatives generate advanced development outcomes through quality education, job creation, inclusive and equitable economic growth, environmental sustainability, promotion of understanding and tolerance, among other things.

Culture also has the potential to strengthen pride and identity, thus developing soft power both within the country and abroad. Increasingly, measures of health and wellbeing and social cohesion are being used as key performance indicators (KPIs) for culture at local levels. It is to be expected that a flourishing cultural and creative scene in Saudi Arabia will reshape and reaffirm national identity. This will also shape a new perception of Saudi Arabia, one that remains true to its values. These developments can also be viewed as an opportunity to increase cultural communication and diplomacy within Saudi Arabia and abroad.

Understanding the current performance of the CCI in Saudi Arabia and how to best further its development thus appears as a critical focus area. This research aims to unlock the potential of a key part of the economy whose indirect impact can be witnessed in different aspects of society.

WHY AN INDEX?

An index was determined to be the best way to present the assessment of the CCI in Saudi Arabia. Indeed, an index is a good way of determining a score based on a variety of quantitative and qualitative factors. As such, indices provide an analytical tool to assess economic and social impacts and measure the effectiveness of public policies.

Additionally, through composite scoring, the index provides a relatively stable and consistent method to assess both the performance and potential of the CCI in Saudi Arabia over time.

Culture is recognized in universal policy agendas

The 2030 Agenda for Sustainable Development, adopted by the United Nations in September 2015, refers to culture as an important component of its 17 Sustainable Development Goals.

In outlining the new agenda, the UN writes: "We acknowledge the natural and cultural diversity of the world and recognize that all cultures and civilizations can contribute to, and are crucial enablers of, sustainable development."

14. Department for Digital, Media, Culture and Sport. 2017. "Sectors Economic Estimates."
15 UNESCO. 2009. "The 2009 UNESCO Framework for Cultural Statistics (FCS)."
16 Namely TV and radio, podcasting, video games, graphic design, and advertising services.
17 Euromonitor International. 2019. "Country report: Recreation, Entertainment and Arts in Saudi Arabia."

EXHIBIT 1: Classification and listing of sectors

A Cultural and natural heritage
- Museums (including virtual)
- Archaeological and cultural sites
- Natural heritage

B Performance and celebration
- Performing arts
- Music
- Cultural festivals and events

C Visual arts and crafts
- Visual arts
- Heritage

D Books, press and literature
- Books and publications
- Libraries (including virtual)

E Audio-visual and interactive media
- Film and video
- Internet and podcasting
- TV and video
- Video games (including online)

F Design and creative services
- Fashion design
- Architecture and design
- Graphic design
- Advertising

G Intangible cultural heritage
- Language and translation
- Food and culinary arts
- Literature

Photo: Shutterstock


JERAISY RIYADH HOUSE

Photo: Shutterstock

Approach and Methodology

03

The KSA CCI Index was designed to measure the performance of the cultural and creative industries (CCI) in Saudi Arabia. It covers 21 relevant industry sectors and evaluates environments that foster them.

INDEX MAPPING

This index was compiled through extensive research and benchmarking of existing indices. Several indices have been developed specifically in relation to the CCI in different parts of the world. In the design of our index, international and academic indices were analyzed to leverage their successes and to get a better understanding of the potential for creating a new one. It can be noted that a significant share of international indices are city-based rather than country-based. The list of indices benchmarked can be found in the appendix.

The index is informed by insights from a collection of international experts.
In March 2020, a workshop of local representatives from the public, private and non-profit sectors was organized in Dammam, Saudi Arabia to collect their input.

Based on the recommendations from local industry experts and insights gleaned from existing indices, the KSA CCI Index revolves around nine dimensions, each focusing on a key aspect of industry development. The dimensions are divided into two categories. Four are categorized as "enabling" dimensions, meaning they assess aspects linked to enablers for the industries. The remaining five are categorized as "core dimensions," which assess the activities of the industries, covering aspects of both production and consumption.

WEIGHTING

Current knowledge of the CCI in the Kingdom does not allow us to prioritize either type of dimension. So both "enabling" and "core" dimensions are weighted equally in order to avoid bias when mapping the industries. This weighting may be revised in future editions if some dimensions emerge as more critical than others.

"It is to be expected that a flourishing cultural and creative scene in Saudi Arabia will contribute to re-shaping and re-affirming national identity."

The KSA CCI Index Dimensions Definitions

“ENABLING” DIMENSIONS	
Talent development and education	Both formal and informal education and training offerings and demand in CCI-related fields both and at all levels, from primary school up through vocational training, within the country and abroad. This dimension also assesses diversity and the quality of the offerings when data is available. This also ideally includes matching educational offerings to the sector’s employment needs by assessing the level of employment of CCI-related graduates in CCI-related positions.
Openness, diversity and tolerance	Level of openness, diversity and tolerance in society in general and the CCI sector in particular, enabling innovation and flow of ideas, measured through a combination of subjective indicators captured through surveys (e.g., trust, identity) and quantifiable data (e.g., gender and nationality diversity in the CCI workforce). This includes aspects pertaining to identity and culture, the openness and trust of others and foreigners, and freedom of expression and diversity.
Public policies and regulation	Level of public support and contribution to the CCI sector through funding but also the definition and implementation of relevant strategies and initiatives. This dimension also includes the assessment of the regulatory framework to define the right balance between protection and incentives for the sector as well as liberalization to foster innovation.
Accessibility, infrastructure and clustering	Level of connectedness and accessibility to CCI sites and/or activities for the population through infrastructure and spatial organization of the sector in clusters. This dimension also includes forms of accessibility other than spatial, ideally measuring if sites/activities are accessible to physically or intellectually impaired customers and accessible to all socio-economic classes (e.g., through free or discounted entrance charges).
“CORE” DIMENSIONS	
Human capital and employment	Those working in the CCI (“creative class”), including both direct/core employment and indirect employment created in support functions and measuring full-time, part-time and freelance shares of the total employment to assess the level of professionalization of the sector. This dimension also assesses the level of entrepreneurship in the sector through the number of CCI enterprises and their growth trends.
Cultural offering	Number of cultural and creative sites, activities, events offered for public consumption. This dimension also ideally includes an objective quality assessment of cultural offerings through indicators.
Cultural engagement	Level of household consumption of cultural goods, services and activities, both through out-going visits and at-home activities, taking into consideration both physical and digital engagement modes, measured in terms of both time and money spent. This dimension also pertains to the population’s awareness of cultural offerings as well as their satisfaction with them, which is gleaned using subjective indicators captured by surveys.
Creative production	Production level and total value add of all goods and services produced by the cultural and creative industry for local and international consumption. This process involves everything from generating ideas and assembling teams by hiring the right talent and relevantly skilled people to seeing the project through to the final stages of production and distribution.
Cultural influence abroad	Measure of the soft impact of the CCI by assessing the influence and attractiveness of the Saudi culture in other cultures and populations from around the world. This dimension includes both subjective indicators capturing perception (through surveys) and quantitative indicators (e.g., number of tourists coming for cultural tourism).

INDICATORS

Each dimension is comprised of three to five indicators, for a total of 34 (see appendix for a complete list and definitions). Indicators were selected to give a comprehensive representation of the industries and to capture different aspects of their assessment.

Before arriving at a final selection of 34 indicators, a long list was assembled based on benchmarked indices and inputs from both local and international stakeholders and experts. From that list, each indicator was assessed using a combination of three criteria: relevance to the dimensions assessed, measurability and availability and accessibility of data.

The final indicators capture various inputs, outputs and outcomes, combining quantitative data with more subjective and soft information collected through surveys. Moreover, some indicators capture aspects often under-represented in existing CCI indices, such as informal forms of cultural and creative activities. For example, one indicator assesses the share of the population that participated in informal CCI-related forms of training. Other indicators capture the soft power and intangible social impact of the CCI within the Kingdom and abroad. For example, one indicator captures the national pride associated with the Saudi culture.

SCORING

To get to the overall scoring, each indicator has been assessed and given a score from 1 (the lowest) to 10 (the highest), signifying the level of development or performance.

The scoring is based on international comparison, in most cases, and theoretical minimum and maximum levels of development for the remaining indicators. The most advanced level of development or performance – either theoretical or based on the theoretical maximum – corresponds to the score of 10.

Those indicator scores have been aggregated at

EXHIBIT 2: Index structure with all indicators

1 Talent development and education	Cultural training	CCI-related offering	Cultural and artistic education	Informal training	
2 Openness, diversity and tolerance	Identity and pride	International CCI workers	Cultural imports	Openness to others	Freedom of expression
3 Public policies and regulation	Public spending	Public policy	Intellectual Property Rights	Business climate	
4 Accessibility, infrastructure and clustering	Distance	Transportation Infrastructure	Smartphone penetration	Fixed broadband	
5 Human capital and employment	CCI employment	Cultural & creative enterprises	New cultural and creative enterprises		
6 Cultural offering	Sites	Products	Events		
7 Cultural engagement	Engagement	Digital engagement	Cultural participation	Cultural spending	Satisfaction with cultural offerings
8 Creative production	Culture GDP	Culture turnover	Trade in cultural goods and services		
9 Cultural influence abroad	International visitors	Tourism	Cultural influence		

Scale for dimension scoring

the dimension level to give each of the nine dimensions a score ranging from 1 to 10. These scores are then aggregated again to constitute the overall scoring of the industries.

It should be noted that for the first edition of the report and index, only Saudi Arabia's CCI have been scored. Benchmarked countries have only been used to calibrate the scoring scale for some indicators and no countries other than Saudi Arabia have been assessed against the complete set of indicators. The overall scoring of Saudi Arabia's CCI in 2020 does not aim to be compared comprehensively with other countries, but rather to establish the starting point against which future progress will be tracked.

DATA SOURCES AND COLLECTION

Several sources were used for the indicators. The majority use public data published in local or international open sources, such as the Saudi General Authority for Statistics or the UNESCO Institute for Statistics.

Around one third of the indicators are based on surveys conducted in March 2020. One survey of 2,400 respondents focused on consumption and perception indicators. Another short survey of a representative basket of 14 cultural and creative entities in the country was also conducted to collect additional data. A few indicators are based on proprietary data that are not published online.

"The team supporting the index development will continue addressing data gaps."

The complete list of indicators presented in the appendix also outlines the data source used for each of them. It can be noted that out of the 34 indicators, two have not been populated with data for this first edition due to lack of availability of information.

Indeed, one major challenge remains: the lack of publicly available data that was encountered across a number of key dimensions. Exhaustive and comparable data on cultural and creative activities are often not available due to their elusive nature, such as listening to music at home. This is a challenge recognized by many countries that spend years establishing the relevant data collection and accounting methodology. This effort is in the initial phase in Saudi Arabia. The team supporting the index development will continue addressing data gaps so that, in the years to come, the data is publicly available. Indeed, one of the aims of this index and the governance designed around it is to increase the level of transparency and data availability.

Ranking Saudi Arabia's Cultural and Creative Industries

04

Photo: Shutterstock

RESULTS OF THE INDEX

Each of the nine dimensions assessed through the KSA CCI Index cover a key aspect of CCI. Assessing each of them allows us to give a comprehensive view of the current status of these industries in Saudi Arabia.

As it is the first edition of this report and these industries are still nascent in the Kingdom, this assessment establishes the CCI's performance baseline. It is against this starting point that future progress and developments will be assessed.

The careful calibrating and analysis of data collected across dimensions and indicators led to an overall score of 4 out of 10 for Saudi Arabia's CCI in 2020. Dimensions measuring enabling aspects (dimensions 1 through 4) score higher than the core aspects measuring output and outcomes (dimensions 5 through 9).

Overall, the index shows a clear margin for improvement, and highlights the CCI's early stage of development in the Kingdom.

ENABLING ASPECTS

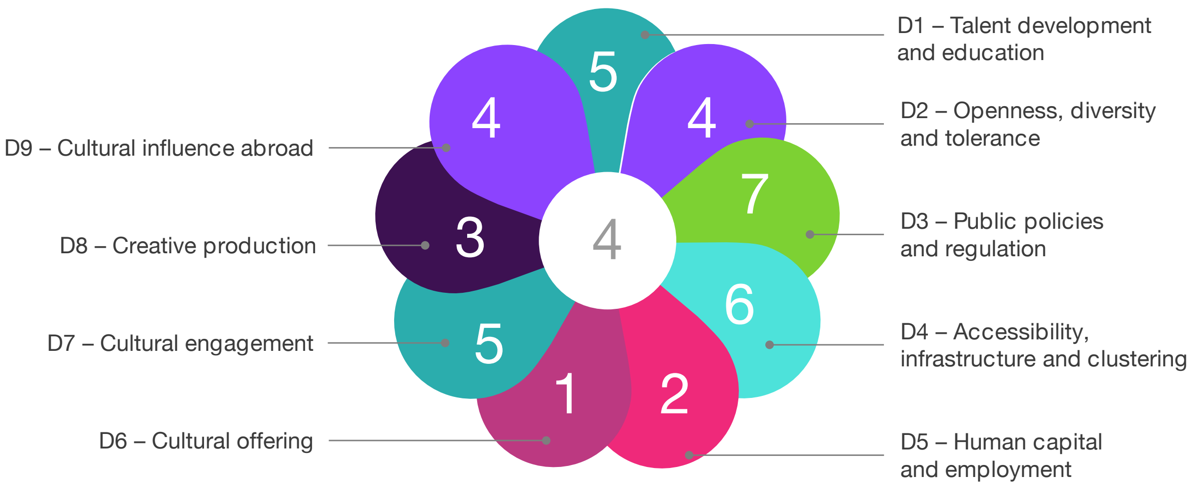
As the index illustrates, in recent years, these industries have been bolstered by key public policies and funding that supports sector development. This is reflected in dimension 3, assessing public policies and regulation, which has the highest score.

The government is also developing infrastructure that enables physical and digital consumption of cultural content. This helps to explain the high score of dimension 4 (accessibility, infrastructure and clustering). Dimension 1, which covers talent development and education, also ranks strongly. This is largely due to recent efforts and the strong political will to support the development of the industries.

CORE ASPECTS

The low scores of dimensions 5 to 9 do not show the whole picture. It is expected that in a few more years they will reflect the progress from ongoing efforts.

EXHIBIT 3: The KSA CCI Index has overall score of 4 out of 10



Scale for dimension scoring

For example, the cultural offering in Saudi Arabia (dimension 6) currently scores below international standards. This is verified by the number of cultural sites (e.g., museums), cultural products (e.g., books, movies) as well as cultural events (e.g., festivals) nationally. This limited offering impacts cultural engagement. Yet a large part of the population does consume cultural content, either at home or at a dedicated venue. Moreover, creative production in Saudi Arabia is still at an early stage with limited local production and a high reliance on imported cultural goods and services. Nevertheless, cultural influence abroad (dimension 9) already shows some positive signs, with an overall positive perception of the Saudi culture on the international stage.

"An overall score of 4 out of 10 for the cultural and creative industries in Saudi Arabia in 2020."

Baseline of the cultural and creative industries in Saudi Arabia

DIMENSION 1 – TALENT DEVELOPMENT AND EDUCATION

SCORE

5/10

Although talent development programs are on the rise, Saudi Arabia has a low number of formal cultural and creative course offerings.

Talent development and education is one of the key drivers of the CCI. Creative talent is necessary to develop a creative economy as well as the ability to scale. In fact, the CCI are largely defined by the talent and creative skills of its people.

KEY INSIGHTS

Talent development and education in Saudi Arabia

Strengths:

- **Share of student body graduating from culture-related fields on par with international standards (16%)**
- **Initiatives from the private and non-profit sectors help to compensate for the lack of formal offerings**

Challenges:

- **Only 37 out of 64 universities and vocational schools offer CCI-related programs, excluding language and literature**

Today in Saudi Arabia, talent development remains underdeveloped due to limited training offerings, particularly within the formal sphere. Only 75% of universities and vocational schools offer programs related to cultural and creative fields. If we exclude language and literature pathways, the proportion is only 58%. The remaining programs are largely linked to advertising, architecture and design.

However, a steady increase of cultural and creative programs (excluding language and literature) has been recorded: from 350 courses to 580 courses between 2014 and 2018[18]. However, there are still limited programs for film production, music-related careers or fashion.

The low number of course offerings is reflected in the number of students enrolling and graduating in those fields. In 2018, a total of 38,000 students graduated from culture-related fields of study in Saudi Arabia, which represented 16% of the total student body nationally.[19] This proportion is on par with international benchmarks. It is, however, skewed by the predominance of students in languages, literature and libraries pathways, which represent 62% of students studying CCI-related fields. Less than 0.2% of all graduates in the Kingdom are specializing in music, culinary arts, fashion or the performing arts.

This trend is expected to change in the coming years, with recent efforts by the Ministry of Culture and the Ministry of Education to diversify the cultural education curriculum in Saudi Arabia. For instance, the Design and Arts College at the Princess Nourah Bint Abdulrahman University introduced two new bachelor's degree programs in filmmaking and animation in 2020.[20]

Moreover, accurate and reliable data is not currently available to assess how many of those students are working in the industries after graduation. An initial qualitative assessment indicates that many students following humanities programs (such as literature and languages) do not work—and do not plan to work—in the CCI.

It must be acknowledged that while the number of cultural graduates is low, formal training is not an absolute indication. A lot of countries rely on self-taught artists, as well as the professionally trained. However, we can use the percentage of graduates as an indication of the level of professionalization within these industries.

POSITIVE ATTITUDES TOWARDS CULTURE

This low proportion of cultural and creative students and formal courses can be explained by the nascent nature of the industries in Saudi Arabia. Until recently, the Kingdom did not offer many job opportunities after graduation. There is an expectation that with the growth of opportunities in the sector, the talent development and education scene will change in the years to come. Thus, we anticipate an expansion in both the availability of and enrollments in cultural and creative-related courses.

Nevertheless, it is noteworthy that the current perception of cultural- and creative-related fields of study is fairly positive. We see that 62% of the population agree that "pursuing a career in a cultural or creative field is well-received by society in Saudi Arabia."2[1]

AN INTERNATIONAL BOOST

Given the limited offering within Saudi Arabia, some students pursue their passion and specialize in this field internationally. In 2018, 269 Saudi students were enrolled in culture and creative-related fields in international universities and schools abroad.[22] Some of these students are supported by the Ministry of Culture, which offers scholarships to students pursuing culture and arts courses at international institutions as part of an initiative announced in December 2019.[23]

Photo: Ahmed Al Thani

18 General Authority for Statistics (GASTAT). 2018.
19 General Authority for Statistics (GASTAT). 2018.
20 Saudi Ministry of Culture. 2021. "Report on the State of Culture in the Kingdom of Saudi Arabia: Digitalization of Culture."
21 Consumer Sentiment Survey (n=2400), Saudi Arabia, March 2020.
22 Ministry of Education on students supported by the Government, not including students pursuing education at their own expense. 2018.
23 Arabnews.com. 2019. "Cultural scholarships on offer to Saudi students in an educational first."

Furthermore, the Ministry of Education launched the "Path of Excellence Scholarship" in October 2020, which includes cultural majors, such as culinary arts and archeology as eligible categories.24

Given the current level of course offering, developing the next generation of Saudi talent for these industries will require at least a few more years. However, this is partially being compensated by imported talent from abroad: almost 30% of a representative sample of the cultural and creative workforce is non-Saudi.25 This talent attraction is expected to increase in time with the improvement of livability in Saudi Arabia.

"We anticipate an expansion in both the availability of and enrollment in cultural and creative-related courses."

Photo: Shutterstock

INFORMAL EDUCATION ON THE RISE

Initiatives launched by sectors in the private and non-profit sector are offering programs in the informal sphere. Among them is the Misk Art Institute, established in 2017 by the Misk Foundation to encourage grassroots artistic production in Saudi Arabia. This artist-centered cultural organization developed a wide range of initiatives. Several of them focus on education and training through in-school programs for children and further education initiatives, as well as professional development opportunities for young Saudis. It also focuses on training programs in collaboration with local and international partners.

Art Jameel, another independent organization that supports arts, education and heritage in the Middle East, announced in 2018 the opening of the first residency for the Arts Writing and Research program in the Middle East. Targeted towards writers, critics, art historians, artists and curators from or based in Turkey, North Africa and the Middle East, grantees received the opportunity to join a three-month residency in the Jameel Arts Center and to reach out to Jameel Arts Center's extensive network of academic, arts and cultural organizations.

BENCHMARK: TRAINING FOR LIFE AS AN ARTIST – IN CULTURE AND BEYOND

When it comes to training, programs must often go beyond building technical skills in order to prepare artists to survive financially. As a prime example from which the Kingdom can hope to learn, is Canada's Music Incubator, an entrepreneur program for artists. It brings together stakeholders from across these industries (with government backing) to provide subsidized business education on topics such as music copyrighting, social media marketing, and signing with recording companies.

"Talent attraction is expected to increase in time with the improvement of livability in Saudi Arabia."

Similarly, in New York City, the Mayor's Office of Media and Entertainment is building skills locally by working with CCI on training programs intended to boost the skills of those already working in these industries and to encourage young people to enter them. Initiatives include a production assistant program that gives unemployed city residents training and entry-level placements in film production, and a program for media company employees that covers up to 70% of the cost of training in technical, creative and business skills.

24 Saudi Ministry of Culture. 2021. "Report on the State of Culture in the Kingdom of Saudi Arabia: Digitalization of Culture."
25. Survey of a basket of 14 cultural and creative entities, Saudi Arabia, March 2020.

DIMENSION 2 – OPENNESS, DIVERSITY AND TOLERANCE

SCORE

4/10

The Kingdom is quickly evolving into an open and tolerant nation. Saudis have strong pride in their own diversity and are increasingly welcoming of influences from abroad.

Tolerance of diversity and openness is a crucial factor for the generation and flow of innovative ideas. It is argued that arts and creativity are more likely to flourish in societies that are open to multiple perspectives.[25] An open-minded country is also able to attract talent from different fields, welcome people with different cultures—including migrants and refugees—and enable the exchange and undertaking of creative endeavors.

KEY INSIGHTS

Openness, diversity and tolerance in Saudi Arabia

Strengths:

- **Diverse culture historically based on the integration of foreign people, in particular around ports**
- **High level of trust among the population (83%)**

Challenges:

- **Limited level of freedom of expression based on international standards**
- **Low level of imports of cultural goods and services despite recent growth**

Overall, Saudi Arabia appears to be a welcoming country with 83% of the population agreeing that the people around them can be trusted. Additionally, Saudis agree that expats contribute a lot to the country (90%) and that expats enrich Saudi cultural life (84%).[27]

Openness to other cultures is also measured through the share of imports of cultural goods and services from abroad. At the moment, this share is still low. Less than 1% of all Saudi imports are dedicated to cultural goods and services.28 However, the absolute value of cultural imports has increased significantly in recent years, growing from $2.3 billion in 2010 to $3.9 billion in 2014.[29]

Furthermore, Saudi audiences consume a considerable amount of cultural or media content from abroad, through TV broadcasts and digital channels. The United States, Turkey, the United Arab Emirates, Egypt and Lebanon are among the top exporters of cultural goods to Saudi Arabia.

In terms of freedom of expression, while international perception and assessment still show a large margin for improvement,30 it is well perceived locally: 82% of the population agree that freedom of expression is guaranteed for artists within the Kingdom. However, no survey exists at this time to capture the perception of artists and members of the creative community themselves, therefore it is difficult to assess levels of self-censorship.

THE KINGDOM HAS ITS OWN RICH DIVERSITY

Culture is also recognized as having a soft impact on society, especially in terms of social inclusion and feelings of pride. It is interesting to note that even though the CCI are still nascent in Saudi Arabia, people still have a strong sense of pride and identity. More than 94% of the population agree that they are proud of Saudi culture and identity. Moreover, 30% of Saudis list language and 22% list culture among the top three factors that create a feeling of community among nationals and residents, coming only after religion (61%), values (34%) and history (25%).

Saudi culture is diverse and composite, bringing together different local cultures and more than 40 dialects. It is also a traditional welcoming ground for different people, especially around the main ports of the country. Arrivals from the Anatolian Peninsula, Central and South Asia, as well as East Africa in Saudi society over the centuries has given the Western region, Makkah and Al Madinah in particular, a rich and diverse culture unmatched elsewhere in Saudi Arabia. The languages, identities and cultural practices were integrated to produce a unique Hijazi culture in the country.

THE FUTURE IS BRIGHT

While diversity, tolerance and openness have historically been one of the barriers to growth of the CCI, today this dimension is witnessing an improvement that enables cultural and creative production. The continuous improvement in revisiting some of the regulatory restrictions that were imposed in the past and the development of cross-border collaboration and opportunities will allow for better scoring in this dimension in years to come.

Photo: Shutterstock

"Saudis agree that expats contribute a lot to the country (90%) and that expats enrich Saudi cultural life (84%)."

26. Florida, R. "Cities and the Creative Class." 2005; Landry, C. and Bianchini, F. "The Creative City." 1995.
27. Consumer Sentiment Survey (n=2400), Saudi Arabia, March 2020.
28. UNESCO Institute for Statistics. 2016.
29. UNCTAD. 2019. "Creative Economy Outlook. Trends in international trade in creative industries."
30. Reporters Without Borders. 2020. World Press Freedom Index.

DIMENSION 3 – PUBLIC POLICIES AND REGULATION

SCORE

7/10

The Kingdom's commitment to growing the CCI is reflected in its public investments and the establishment of dedicated commissions. An increase in private investment would help strike a more sustainable funding balance.

A mix of public and private investment drives national cultural economies, and Saudi Arabia is no exception. Culture in the Kingdom includes organizations that wholly belong to the private sector as well as a range of charitable, non-profit and public sector organizations. In the Kingdom, the public sector remains a major stakeholder of the CCI.

KEY INSIGHTS

Public policies and regulation in Saudi Arabia

Strengths:

- **Strong political will to support CCI**
- **Significant public funding of initiatives**

Challenges:

- **Remaining overlap on mandates of some public entities due to the recent reshuffling of roles and responsibilities**

ESTABLISHING LEADERSHIP

As part of efforts to realize Vision 2030 objectives (see Exhibit 4), the Saudi Arabian government set clear priorities to uplift the cultural and creative industries. This involved the establishment of sector-governing entities, which regulate the overall sector and provide the necessary catalyst funds for its development.

In 2018, The Ministry of Culture was given a new mandate to implement the national cultural strategy. The ministry became the key policymaker and regulator of the CCI, as well as a facilitator of support operators in this field. It quickly announced the establishment of 11 commissions to lead the different sectors' development and regulation. Those commissions are progressively being set up.

Each commission is in charge of defining sector direction (i.e. implementing sector strategies by reviewing laws and regulations), licensing and monitoring, and sector development (encouraging investments and funding across the sectors; organizing conferences and exhibitions; cooperating with culture organizations regionally and internationally; developing educational programs and granting scholarships; encouraging investments and funding across the sectors, and so on).

The Ministry of Culture is not the only entity playing a role in the development of these industries. Others include the General Commission for Audiovisual Media (GCAM), which is tasked with regulating and developing the audio-visual sectors. Additionally, the General Entertainment Authority (GEA) plays a regulatory role in the national entertainment sector, coordinating all festivals and feast calendars across Saudi Arabia. As another example, the Ministry of Tourism oversees some aspects of the archaeological and cultural landscapes sector.

Entities operating in the cultural sector have evolved in recent years, sometimes at the risk of overlap and without clarity of responsibility. The establishment of the 11 commissions by the Ministry of Culture will hopefully increase visibility and alignment to the national strategy.

EXHIBIT 4: VISION 2030

Vision 2030 is an ambitious strategic framework to reduce Saudi Arabia's dependence on oil, diversify its economy and improve the quality of life of its citizens.

"Promoting culture and entertainment" is one of its key objectives, which is split into two categories:

- **Develop and diversify entertainment opportunities to meet the population's needs**
- **Grow Saudi contribution to arts and culture**

In particular, these cultural objectives are being addressed by the Quality of Life program. The definition of a national strategy also allowed for dedicated funding in this field.

NEW COMMISSIONS ESTABLISHED BY THE MINISTRY OF CULTURE

- **Museums Commission**
- **Visual Arts Commission**
- **Culinary Arts Commission**
- **Architecture and Design Commission**
- **Theater and Performing Arts Commission**
- **Film Commission**
- **Music Commission**
- **Fashion Commission**
- **Libraries Commission**
- **Heritage Commission**
- **Literature, Publishing and Translation Commission**

TARGETED INVESTMENT

Since 2016, the government has put tremendous effort into uplifting the CCI in Saudi Arabia. Indeed, the government has invested heavily in the availability of cultural sites and activities. Among other initiatives, Quality of Life established five national funds with a total value of $35 billion, the former Saudi Commission for Tourism and Heritage launched more than 50 handicrafts initiatives with a total fund of $17.6 million, and the Ministry of Culture invested in 27 initiatives across the sectors in its first batch of projects.

Indeed the Kingdom's CCI are still largely government funded. The strong involvement of the public sector in the development of the CCI in Saudi Arabia is a strategy that has been observed in other countries with a nascent cultural and creative economy (such as China a decade ago or South Korea 20 years ago). However, in countries with more advanced cultural industries, the role of the public sector usually decreases towards less direct investment and less regulation.

BENCHMARKING – FINDING A BALANCE BETWEEN PUBLIC AND PRIVATE FUNDING

Funding systems implemented in other developed countries can help to guide the Kingdom's approach.

The United States, for example, has very low levels of public (government and state) investment in culture. It relies on commercial, market-led development. And it has a long track record of business support and philanthropy through foundations and endowment.

On the other hand, in some European countries, like the United Kingdom, France and Germany, public investment is high – but not as high as Saudi Arabia. In these countries, arts councils, local and regional governments, and specialist cultural agencies primarily drive strategic public investment. The model largely operates through independent cultural organizations, often set up as companies and charities.

Cultural and creative businesses in Europe also benefit from a mix of digital research and development, tax credits, publicly-funded training, and specialist conservatoire development for the different industry sectors.In the UK in particular, there is an increasing reliance on National Lottery funds to supplement government funding. This is routed through national distributors for the arts, heritage, sports and charities with various grant schemes targeted at production, participation and capital.

Of course, some publicly-funded organizations tend to combine elements of earned income (e.g., box office and sales) with public investments, such as donations or sponsorship income from individuals, trusts and foundations and businesses. A mixed economy also naturally operates within cultural industries, such as film and broadcasting.

In the United Kingdom, there is a drive to diversify funding sources to make art organizations more sustainable. The government introduced incentive funds designed to encourage businesses to raise charitable income. For example, the Cultural Development Fund is a government initiative designed to stimulate cultural and creative development in key cities and regions by requiring each project to show how they plan to grow the economic baseline.[31]

Most governments now adopt an approach to identify areas where public investment can address gaps and help to accelerate growth of the CCI.

DIMENSION 4 – ACCESSIBILITY, INFRASTRUCTURE AND CLUSTERING

SCORE

6/10

Accessibility to physical and digital infrastructure is fairly strong for most of the Saudi population. Looking forward, the Kingdom hopes to provide a more welcoming and supportive environment for future creatives to collaborate and grow.

In addition to traditional cultural events and landmarks, much of today's cultural and creative content is accessible and enjoyed digitally, such as video and online games. Therefore it is critical to ensure that everyone has access to both physical and digital content.

Infrastructure is often a key part of accessing both physical and digital, and should facilitate cultural consumption as well as production. Accessibility of culture is also to be assessed in regard to people with disabilities.[32]

KEY INSIGHTS

Accessibility, infrastructure and clustering in Saudi Arabia

Strengths:

- **High share of the population having access to cultural sites in major cities (less than two hours from their home)**
- **Advanced level of development of transport and communication infrastructure**

Challenges:

- **Limited evidence of clustering phenomenon**

31. Arts Council England. 2020. Retrieved from https://www.artscouncil.org.uk/fund-ingfinder/ cultural-development-fund.
32. For the first edition of the report, no data was available t0 include an indicator to assess accessibility for disabled persons in the index. It is however planned to be included in future editions.

PHYSICAL AND DIGITAL INFRASTRUCTURE ON THE RISE

The Saudi geography and demographic division is often a cause of spatial disparity. Nevertheless, 86% of the population has access to a physical cultural site less than two hours from their home (by any means, mainly by driving). This proportion stays roughly the same (85%) if the Kingdom's three major cities (Riyadh, Jeddah and Dammam) are excluded.[33]

The development and quality of transportation infrastructure between cities and within them provides a good level of connectivity that is expected to further increase in the future. Among key transportation projects, two are notable for their expected impact: the metro system in Riyadh (has opened in 2020) and the new train lines on the West Coast.

The ongoing development of telecommunication infrastructure is also of great importance to support the increase in digital cultural consumption. Indeed, Saudi Arabia has above-average smartphone penetration (a rate of 46% in 2018[34] vs. 39% the same year worldwide) and reports 20 fixed Internet broadband subscriptions per 100 inhabitants (vs. 14 worldwide on average). However, this could be increased further: some countries have a smartphone penetration rate above 70% and more than 35 broadband subscriptions per 100 inhabitants.

CLUSTERING

The CCI are often described as an ecosystem or ecology with a high degree of interaction and inter-dependence between publicly supported cultural industries and commercial digital creative industries. There is a dynamic exchange of talent, Research and Development (RandD) and co-investment. These ecosystems can be digital but are still often geographically-concentrated in clusters.

Cultural and creative clustering is important not only for the CCI's development, but for their economic contribution to regional economies. In a cluster, there will be competition between businesses, high degrees of collaboration, social interaction and a greater proximity to the supply chain. Successful creative clusters can be the catalyst for supporting industrial transformation and innovation strategies.

There are currently a limited number of creative clusters in the Kingdom. As these industries grow, it is expected that more clusters will be created. Ongoing cluster projects of note include centers such as the Hayy: Creative Hub in Jeddah. This project was launched by the independent institution Art Jameel, and is planned as a 1.7-hectare development. It will be Jeddah's first bespoke home for the arts and creativity.

"86% of the population has access to a physical cultural site less than two hours from their home."

33 Consumer Sentiment Survey (n=2400), Saudi Arabia, March 2020.
34 Newzoo. 2018. "Global Mobile Market Report."

Photo: Shutterstock

BENCHMARKING – CULTURAL CLUSTERING VERSUS GENTRIFICATION

In developed countries such as the United Kingdom, 95% of creative businesses employ fewer than 10 people and tend to be clustered in urban areas. That is largely because urban areas provide close networking, infrastructure, local creative supply and value chains, affordable workspaces and a vibrant cultural life.

Creative clusters tend to be organic at first, developing in old industrial or less affluent areas, which tend to be more tolerant of the diversity required for creative entrepreneurship. Culturally vibrant clusters also emerge in places where access to NGOs, commercial cultural facilities and education attracts creative talent.

However, cluster dynamics are complex. Over time these "creative quarters" tend to attract a wealthier middle-class seeking excitement and cultural amenities. This can result in the creative quarter becoming too expensive for the artists and start-ups that created the environment, who likely look to relocate to new areas or the fringes of a city.

To avoid this "gentrification" and eventual shut out of the creative talent, we look to countries that have found a balance. One prime example is Shenzhen: over two generations, the Chinese government transformed the small fishing town into a Special Economic Zone focused on digital creative industries. With strategic government investment and planning, Shenzhen has become the biggest continuously urbanized area in the world with an average annual growth rate of 27%. It is now a UNESCO designated City of Design.

At the heart of Shenzhen is the OCT-LOFT, a sprawling complex of abandoned electrical manufacturing factories that first began to attract and cluster artists, creatives and digital entrepreneurs. To avoid the problems of gentrification, the government planned for a mixed economy that includes high-end shops, restaurants and housing alongside cafes and subsidized housing and workspaces for the creative people and businesses who first grew the cluster. The OCT-LOFT is now the focus for international festivals and attracts tourists while remaining an affordable hub for creative industries.

DIMENSION 5 – HUMAN CAPITAL AND EMPLOYMENT

SCORE

2/10

The Kingdom reports a low number of established cultural entities and employees in the cultural and creative industries. This may be partially due to historic challenges around the relevant data capture.

The CCI cannot grow and perform without talented people to work within them. The livelihoods of an estimated 30 million people worldwide, according to UNESCO, depend on the cultural and creative industries in all of their shapes and sizes: from the weaver in a local cooperative to the crew of a major film production. It brings together everyone from technicians and management professionals to artists and designers.

KEY INSIGHTS

Human capital and employment in Saudi Arabia

Strengths:

- **A high share of SMEs (92%) among cultural and creative enterprises**

Challenges:

- **Limited share of cultural and creative employment in total workforce (less than 0.5%)**
- **Low availability, comprehensiveness and reliability of employment data**

Yet many countries, including Saudi Arabia, lack the data to develop policies to help these industries become engines for sustainable economic growth.

An estimated 36,000 full-time private sector employees work in the cultural and creative fields in Saudi Arabia, according to the General Organization for Social Insurance (GOSI) statistics. This represents less than 0.5% of the total workforce in the country.[35]

WHO ARE THE CREATIVES?

Worldwide, the creative workforce is characterized by a high level of education (including a higher share of academics), and by a high level of flexibility, as well as mobility.

The cultural and creative sectors are an important employer for young people: in 2013, in Europe, almost one fifth of creative persons employed were aged between 15 and 29 years old – the highest share of all sectors. Another characteristic of these industries is the high percentage of self-employed persons ("one-person-enterprises" or OPEs and freelancers) as well as small and medium enterprises (SMEs). In Saudi Arabia, which is home to around 10,000 cultural and creative establishments, 92% count less than 20 employees and 58% less than five. Overall, cultural and creative establishments represent only around 1.4% of all establishments registered in the Kingdom.

CHALLENGES WITH ESTABLISHING A CULTURAL ENTITY

The low number of cultural entities in Saudi Arabia can be partially explained by the challenges in creating and licensing them. For example, Non-Governmental Organizations (NGOs) or non-for-profit establishments are required to follow a 60-day process and multiple regulatory requirements.

35. Due to the current data collection approach, the number of employees in the cultural and creative sector does not include public sector employees, NGO employees or visiting professionals at this time.

Among the requirements, NGOs are obliged to count a minimum of 10 Saudi founders (even though the majority of cultural establishments are of limited size), to have a physical center, to hire a legal accountant, to provide financial and performance reports to the ministry and agree with the ministry on international engagements.

These registration hurdles limit small NGO sign-ups. And overall, the challenges make it difficult to identify and track employment in the CCI.

LOW EMPLOYMENT STABILITY

The structure of cultural and creative enterprises has an impact on employment prospects. In particular, the lack of large enterprises in the sector contributes to lower levels of stability in these industries' job markets. That lack of social protection makes it less attractive to workers in some domains.

This is less true for established sectors, such as architecture or more recently graphic design, which rely on more traditional business models and therefore offer attractive employment opportunities. It is more strongly felt in artistic fields where the profitability of the business model is less certain.

NGOs struggle to increase private donations

NGOs and not-for-profit organizations in Saudi Arabia generally suffer from a lack of private sector donations. Individual donors generally associate donations with religious purposes, especially during holy seasons (e.g., Ramadan, Hajj and Eid), rather than the support of cultural entities. This loss of income further complicates the sector's stability and its ability to retain its employees

BENCHMARK – SUPPORTING CULTURAL AND CREATIVE SMES AS A PRIORITY

To better build and sustain employment in creative sectors, Saudi Arabia can learn from example initiatives abroad. For example, to support video game companies in Canada, the provincial government of British Columbia established a venture capital (VC) fund that co-invests in the technology sector as a limited partner through eight VC fund managers. Most of Canada's gaming companies are SMEs with limited budgets that require financing to develop and sustain a large portfolio of games. The fund has so far supported more than 30 local gaming companies and helped to create more than 1,000 new jobs.

In South Korea, SMEs face difficulties in attracting talent—most graduates set their sights on entering "chaebols" (large conglomerates)—as well as gaining access to financing (as of 2012, early-stage funding for South Korean start-ups was almost non-existent). This is why the government, in collaboration with the private sector (60% public, 40% private), is setting up a $1billion financial vehicle to promote, assist and accompany start-ups as they innovate. Some of the money is used for intellectual property rights to protect SME innovations.

"An estimated 36,000 full-time private sector employees work in the cultural and creative fields."

DIMENSION 6 – CULTURAL OFFERING

SCORE

1/10

Saudi Arabia has a low number of cultural offerings, but it is making great strides and has ambitious targets. Currently, the nation supports a limited number of large events, but as these industries develops the number of offerings is expected to rise exponentially.

Cultural infrastructure such as museums, galleries, festivals, and event venues and cultural offerings such as exhibitions and performances, are a primary way for populations to access cultural and creative content and for creators to channel and distribute their productions.

KEY INSIGHTS
Cultural offering

Strengths:

- **Numerous initiatives and ambitious plans to develop additional cultural infrastructure**
- **Recent growth and success of festivals and cultural events ("seasons")**

Challenges:

- **Limited number of cultural sites compared to the international benchmark**

RAPID DEVELOPMENT IS PLANNED

In Saudi Arabia, the development of cultural offerings is progressive. Strong progress has been observed and ambitious objectives are set for the next decade.

Saudi Arabia currently has less than 10 cultural infrastructures per million inhabitants. This ranks the nation well below others such as France (40), the United Kingdom (99) and Spain (123).

However, by the end of 2020, Saudi Arabia opened 11 new museums to reach a total of 106 in the country. The number of public libraries was also set to expand (13 new buildings planned will bring the national total to 97). Cinemas are also a new kind of cultural infrastructure in Saudi Arabia: the first Saudi-based cinema chain was launched in 2020 across the Kingdom.

RECENT SUCCESS

The Kingdom has used multiple initiatives to offer cultural and creative products through alternative channels. Notably, the government's focus on digital offerings has led to successful initiatives such as the Saudi Digital Library. This is now the largest academic gathering of information sources in the Arab world, with more than 310,000 scientific titles, in contract with more than 300 global publishers. Furthermore, digitization of cultural offerings enables the preservation of cultural heritage. It results in effective archiving and wider accessibility of content through the creation of digital copies.[36] Temporary infrastructures are also being set up for particular occasions. Many public areas, streets, stadiums and parks are closed and equipped with temporary infrastructure to provide citizens with various offerings. For example, in preparation for Saudi Seasons, multiple temporary infrastructures are put in place to offer performing arts, music festivals and high-end food and beverages pop-ups. Moreover, historical districts are being transformed into cultural spaces, as was the case for Jeddah Al-Balad, which utilized the old Jeddah district to provide open areas for performers and artists to showcase their skills and products.

36. Saudi Ministry of Culture. 2021. "Report on the State of Culture in the Kingdom of Saudi Arabia: Digitalization of Culture."

The EIU report highlights that improvements in existing cultural offerings are highly valued by consumers. More than 40% of people who felt that cultural offering has improved in their city cited improvements in existing cultural sites, such as improved exhibitions, as the main reason.[37]

Furthermore, the number of Saudi Arabia's annual festivals grew from 70 in 2014 to 254 in 2018 according to the General Entertainment Authority.[38] Notable festivals include:

- Janadriyah National Festival is Saudi Arabia's biggest folk and cultural festival. It takes place for two weeks every February in Janadriyah, about 30 miles from Riyadh's historic center. It offers a wide range of activities and performances, such as horse and camel races, a book fair and poetry evenings.
- Saudi Seasons is a cultural initiative launched by different public entities. It consists of 11 festivals in different Saudi regions, each offering different cultural activities. The first season of the initiative took place in 2019 and shed light on the Saudi culture and heritage.
- Souk Okaz Festival is a major cultural festival in Saudi Arabia that aims to blend Arab heritage with modern culture. Located near Ta'if, the festival serves as an occasion to honor writers and intellectuals from inside and outside Saudi Arabia with lectures, competitions, poetry, artwork, and items for sale.
- Ithra launched a more recent annual initiative, the Tanween festival, which started in 2018. It is a two-week long creativity festival bringing together international and local innovators, emerging talent and creativity enthusiasts from across different sectors, including art, design, film, theater, science, technology, food, gaming and fashion, with a focus on cross-cultural exchange.

A LONG WAY FROM REACHING INTERNATIONAL TARGETS

Despite this steady growth in events, the overall number of festivals and other cultural events remains below international standards. Elsewhere, they are typically counted in the thousands each year.

However, many countries have a more mature CCI, and their events are largely organized at the initiative of a grassroots movement. Many of those events are of limited size. In contrast, cultural events and festivals in Saudi Arabia have, until now, mainly been large events organized by public entities such as the General Entertainment Authority, which was established in 2016. The number of events will therefore only be able to grow exponentially once the non-profit and private sector base is developed enough to take the initiative to launch smaller-scale events.

BENCHMARK – EDINBURGH AND ITS SCOTTISH FESTIVALS

Festivals can make a major contribution to a range of cultural and creative-related indicators, including participation, economic impact, international reputation and human capital. Scotland, is a prime example of this. Despite its relatively small population (5.5 million) it holds more than 400 annual festivals with particular strengths in literature, music and film. The capital, Edinburgh, has 12 main festivals including ones that feature science, film, theater, visual arts and a military performance.

The umbrella agency, Festivals Edinburgh, has carried out two major impact studies with deep dives into aspects of the festivals, such as audience development, internationalism and environmental impact. Its findings, supported by 30,000 survey respondents and published in the 2015 Festivals Edinburgh Impact Report, confirms Edinburgh Festivals makes a significant

37 The Economist Intelligence Unit. 2021. "Culture in the 21st century."
38 The Economist Intelligence Unit. 2021. "Culture in the 21st century."

contribution to the international reputation and economic strength of Edinburgh and Scotland.

Key findings from the study show that Edinburgh festivals attracted audiences of more than 4.5 million in 2015, generating a significant economic impact of 280 million ($350 million) in Edinburgh and 313 million ($391 million) in Scotland. Furthermore, the report shows that the festivals played a major role in year-round audience development. According to the survey, 68% of respondents stated that attending the festivals made them more likely to attend another cultural event. The festivals also help to position both the city and the region as a leading international destination with 94% of respondents stating that the festivals are part of what makes Edinburgh special as a city.

Edinburgh Fringe Festival
Photo: Shutterstock

DIMENSION 7 – CULTURAL ENGAGEMENT

SCORE

5/10

Much of today's cultural consumption is digital, and reports suggest a limited number of people are visiting permanent sites like libraries and museums. But as the number of diverse, seasonal cultural events on offer rises, so will the Saudi population's cultural engagement.

Cultural participation and engagement includes a wide range of practices and activities that are sometimes difficult to define and delimit. The complexity of this concept is illustrated by the handbook published by UNESCO, "Measuring Cultural Participation," presented as "a resource for organizations interested in measuring cultural participation, as well as a tool for raising awareness among policymakers."[39] Despite the challenges, understanding and measuring cultural participation is critical to guiding the development of the cultural and creative economy in a given country.

KEY INSIGHTS

Cultural engagement in Saudi Arabia

Strengths:

- **High level of cultural participation overall among the population (90%)**
- **Strong engagement through digital channels**

Challenges:

- **Limited participation in numbers of museum visitors or cinema tickets sold compared to international benchmarks**

ENGAGEMENT IN AND OUTSIDE OF THE HOME

Cultural engagement is often heavily correlated with the cultural offering. And indeed, in Saudi Arabia, reported increases in cultural offering went hand in hand with a higher level of cultural participation. Overall, 81% of the population says that they have participated in either cultural activities outside the home, while 90% have participated in at-home cultural activities (mainly through watching movies or listening to music).[40]

Furthermore, over 75% of respondents in the MENA region saw cultural participation as more important than comparable entertainment options such as watching or playing a sport.[41]

In terms of out-going activities, consumption numbers show Saudi consumers have a clear preference for social events, live shows and film screenings. For example, in 2019, throughout the five days of Eid, more than 5 million people attended 350 festivals and 900 shows spread across 90 cities within Saudi Arabia. The same year, as a more localized example, the Culture and Arts Association in Dammam hosted 310 live performances and cultural activities and attracted more than 130,000 visitors.

According to the survey conducted by the EIU, most visited events like festivals are typically attended by all age groups. People look forward to family-friendly activities that are relevant to younger and older age groups.[42]

On the other hand, some perennial cultural activities are less popular among the Saudi population. For example less than 4% of Saudis have visited libraries and less than 6% have attended fine arts, crafts, or photography events.[43]

39. UNESCO Institute for Statistics. 2012.
40. Consumer Sentiment Survey (n=2400), Saudi Arabia, March 2020.
41. The Economist Intelligence Unit. 2021. "Culture in the 21st century."
42. The Economist Intelligence Unit. 2021. "Culture in the 21st century."
43. General Authority for Statistics. 2018.

EXHIBIT 5: Saudi cultural consumption preferences

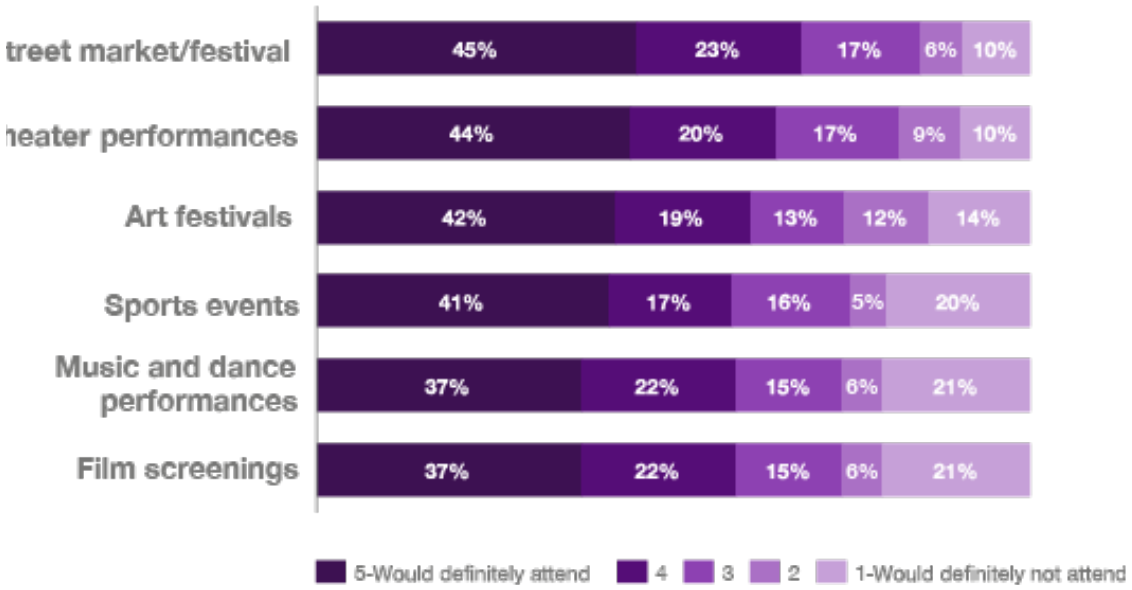


Photo: Adobe Stock

A WORLD LEADER IN DIGITAL CONSUMPTION

Despite the encouragingly large proportion of the Saudi population that consumes out-of home cultural content or participates in cultural activities, there is much room for improvement. Common indicators of cultural engagement such as number of museum visitors, number of cinema tickets sold, number of books sold, etc., remain overall below international benchmarks.

On the other hand, a large proportion of Saudi cultural participation is done through digital channels: 91% percent of those who have consumed cultural content digitally in the past 12 months and 85% say they subscribe to an online platform such as Netflix or Spotify.[44] The Saudi population is very engaged with online and TV offerings. Saudi Arabia is the biggest user of YouTube per capita worldwide, with different watching preferences in terms of format and content, such as podcasts, video games, music, fashion and learning.

Additionally, social media is emerging as a key enabler for digital engagement. Over a third of the population in the MENA region leverages the social media pages of cultural institutions to remain informed about events and activities.[45]

FURTHER ENGAGEMENT AREAS FOR IMPROVEMENT

There are other targets by which to mark improvement. For example, in Saudi Arabia, households spend on average 2.8% of their total expenditure on cultural goods and services, which is aligned with the European average of 2.7%, but below countries such as Sweden (4.6%) or the United Kingdom (4.1%).[46]

However, the EIU report findings show that income level is correlated to cultural engagement. While this trend is observed across the entire MENA region (except for Cairo and Dubai), it is most prominent in the Saudi Arabian cities. For example, 75% of high-income respondents expected to visit cultural sites in the future, compared to 50% of low-income respondents. Such disparity in participation calls for an intervention from the government and private sector to tackle the issues of accessibility and affordability.[47]

Furthermore, around 10% of the population state that they are not fully satisfied with the quantity, quality and diversity of the offerings available around their place of residence, indicating that local demand is growing faster than supply. We see this as an emerging opportunity for private players to answer this demand.[48]

"In Saudi Arabia, reported increases in cultural offering went hand in hand with a higher level of cultural participation."

44. Consumer Sentiment Survey (n=2400), Saudi Arabia, March 2020.
45. The Economist Intelligence Unit. 2021. "Culture in the 21st century."
46. Eurostat. 2015.
47. The Economist Intelligence Unit. 2021. "Culture in the 21st century."
48. The Economist Intelligence Unit. 2021. "Culture in the 21st century."

Photo: Adobe Stock

DIMENSION 8 – CREATIVE PRODUCTION

SCORE

3/10

Different sectors of the cultural and creative industries are small, however they are steadily growing. The private sector is progressively developing in these industries to complement heavy investment from the government.

The creative economy is made up of many CCI sectors. Together they generate annual revenues of $2,250 billion and global exports of over $250 billion worldwide per year.[49] According to recent forecasts by UNESCO, these sectors will represent around 10% of global GDP in the years to come, showing the important economic role that these industries can play in a country.

KEY INSIGHTS

Creative production in Saudi Arabia

Strengths:

- **Strong ambition to reach 3% of Saudi GDP in the next decade**
- **Recent local production success stories**

Challenges:

- **Low level of local production**
- **Extremely low level of cultural goods exports**

Today, the CCI make a limited but growing contribution to the Saudi economy, where it represents 2.38% of GDP. Vision 2030 sets the ambitious target for this to reach 3% in the next decade.

CULTURAL IMPORTS AND EXPORTS

The Saudi CCI still rely on imports of cultural goods and services. These represent more than double the exports of the same category of products based on the latest data available in 2016.[50]

Cultural goods represent only 0.3% of all Saudi exports. The sector is therefore still mostly import-driven with little local production.

Movie offerings in cinemas can be used as an illustrative example of the import-export balance. The vast majority of movies are foreign productions despite a few recently successful Saudi box office films, such as Masameer, an animated movie developed by the Myrkott Animation studio. Local large production firms are yet to develop, which would introduce greater investment into the high-economic-contribution sector of film production.

THE LIMITS AND OPPORTUNITIES OF LOCAL PRODUCTION

Weak production capabilities (e.g., limited movie production studios) explain the low score for the creative output dimension in Saudi Arabia, but initiatives have been implemented to change this trend. In the film industry, for example, the Ministry of Culture announced in 2018 plans for a film festival, a film school and a national film archive to foster the local film industry.

Focusing on the production aspect, initiatives include a film fund and a co-production scheme. All film initiatives are in an embryonic stage, but signal new impetus. In the private sector, Ithra is one of the largest film production houses. Moreover, in the past year at least three major funds have been announced to support production.

Similar support for local production can be observed in other cultural and creative sectors. For example, rising support for the creation of video and multimedia content to be broadcast on TV or online. And some companies are focusing on creating furniture and craft inspired by Saudi traditions.

In the publishing sector, the number of publishing houses remains low—16 in 2018—accounting for 1,431 books published the same year. However, there are positive and encouraging signs, such as the notable authorship boom over the past 15 years after the publication of 'Girls of Riyadh', a successful Saudi novel that contributed to catalyzing production.

"Cultural goods represent only 0.3% of all Saudi exports."

49 UNESCO. 2018. "Investing in Creativity."
50 UNESCO Institute for Statistics. 2016.

DIMENSION 9 – CULTURAL INFLUENCE ABROAD

SCORE

4/10

As tourism and cultural offerings are on the rise, Saudi culture is increasingly being showcased on the international stage.

Culture is a strong vector of soft power and influence beyond the borders of a country. Many countries understand the opportunities that cultural influence represent and try to leverage and maximize them. This is the main reason for the establishment of cultural centers and institutes abroad.

KEY INSIGHTS FOR CULTURAL INFLUENCE ABROAD

Strengths:

- **Recent developments to open the country to tourism**
- **Numerous international partnerships in the cultural and creative fields**

Challenges:

- **Perception of Saudi culture abroad potentially impacted by overall perception of Saudi Arabia and Saudi politics on the international scene**

SAUDI CULTURE ON THE GLOBAL STAGE

Despite its early stage of development, the CCI in Saudi Arabia already benefit from a certain cultural aura. The country is ranked 40th (out of 73 countries assessed) in terms of cultural influence by the US News Best Country report.[51] This is aligned with the 62% of foreign residents in Saudi who consider Saudi culture to be well perceived in their country of origin.[52]

Thanks to religious tourism, the country also attracts more than 15 million international tourists annually. It is also important to note that this number was registered for 2018, before the country opened to tourism for purpose other than religion in September 2019. Just 10 days after the implementation of instant tourist visas, 24,000 foreign visitors entered Saudi Arabia.

Since then, advertising campaigns to attract tourists have been launched by public entities worldwide to put Saudi cultural and natural assets in the spotlight. Among them, Al Ula archaeological and natural sites and the Red Sea coast were featured in Paris, London and other capitals. The survey conducted by the EIU also indicates the potential for developing regional tourism. Some 70% of respondents in the MENA region expressed willingness to visit museums, as well as archaeological and historical sites.[53]

Saudi Arabia's overall number of tourist trips is projected to hit 93.8 million by 2023, up from 64.7 million in 2018, according to research conducted by Colliers. The Ministry of Tourism has started to send tourism visa applicants a survey at the end of their trip. This data will be highly valuable in tracking the perception of Saudi Arabia abroad and assessing the level of attractiveness of cultural tourism in the country.

The recent opening to international tourism flows is expected to have a strong positive impact on the perception of Saudi Arabia abroad, as can already be witnessed through some international media coverage of the Saudi cultural scene.

51. US News. 2020. "Best Countries – Cultural Influence."
52. Consumer Sentiment Survey (n=2400), Saudi Arabia, March 2020.
53. The Economist Intelligence Unit. 2021. "Culture in the 21st century."

INTERNATIONAL PARTNERSHIPS

The influence of the Saudi culture abroad will also grow through international partnerships fostered by Saudi cultural and creative entities. Many key non-profit and private sector stakeholders have already partnered with cultural entities abroad.

Among numerous examples is the Misk Art Institute's partnerships with Art Dubai, the Palace of Versailles in France or Art Jameel's partnerships with the Metropolitan Museum of Art in New York and the Victoria and Albert Museum and the Prince's Foundation School of Traditional Arts in London. Ithra also launched Bridges, a cultural export program that counted 500,000 visitors to 10 major exhibits, through collaborations with major institutions. Furthermore, in recent years, Saudi Arabia has increased its presence at different biennials and international art exhibitions through national pavilions.

RISING DEMAND FOR SAUDI CONTENT

Signs of a growing international appetite for Saudi cultural products can be witnessed. For instance, as part of the Bridges program, Brooklyn Museum requested an extension of the exhibit at their own expense to answer demand. Saudi participation at international cultural and creative events has increased with growing interest from international museums to own and showcase Saudi art through their own curation. Moreover, Saudi films are starting to win major international awards, and in 2019 one Saudi film was accepted into the Sundance Film Festival.

Saudi cultural influence abroad seems to be more developed than the Saudi level of cultural production. Nevertheless, cultural influence is expected to grow in the coming years as Saudi Arabia develops its CCI locally. The more content the country produces, the more it will be able to reach other countries.

BENCHMARK – "HALLYU" PHENOMENON: SOUTH KOREAN CULTURAL INFLUENCE FROM THE KOREAN WAR TO K-POP

Since the mid-1990s, the Korean Wave called "Hallyu" has become a global sensation. Several Asian countries, including Japan, China and Vietnam have absorbed South Korean popular culture and cultural genres. Consuming South Korean television programs and films have become major cultural activities in these countries. The South Korean culture has also started to penetrate European and North American countries with popular music (K-pop) and online gaming.

The Korean Wave has been a unique phenomenon illustrating the growth of local creative industries in the midst of globalization. Once peripheral and small, South Korean creative industries have unexpectedly developed their own local cultural products and services, and South Korea's creative industry has been among the most successful contributors to the national economy.

The Korean Wave notably owes some of its success to the development of digital technologies and social media, such as YouTube, social network sites (SNSs), and smartphones in the 21st century. These digital technologies, as new driving engines of the Korean Wave, have initiated and supported the popularity of local culture in many countries. Unlike Hallyu 1.0, which emphasized the export of local cultural goods to East Asia between the late 1990s and 2007, the growth of social media has uniquely influenced the South Korean creative industry. A few media outlets, such as YouTube and SNSs, have become significant parts of the new Korean Wave (Hallyu 2.0). In fact, online gaming and K-pop have become the two most significant cultural genres in the South Korean creative industry.

The development of the Hallyu phenomenon has been closely linked to a proactive government cultural policy to shift the country to a "creative economy" since 2002. With different support initiatives to different players, the government allowed for a string of development within the CCI. This, in turn, produced cultural and creative content that met growing local demand and has been exported across the world. The South Korean government also established 32 cultural centers in 27 major countries to spread the popularity of K-pop and South Korean culture globally.[54]

In short, Hallyu changed the international image of South Korea. A few decades ago, it was primarily known for the Korean War. Now it is the country of K-pop, prestigious films and popular video games.

"Saudi cultural influence abroad seems to be more developed than the Saudi level of cultural production."

54. Korean Culture and Information Service. 2020.

Photo: Shutterstock

Examining Select Cultural and Creative Industry Sectors

05

SECTORS OVERVIEW

The CCI in Saudi Arabia have grown noticeably in the past decade, especially since 2016 when the government started funding and supporting many of their sectors. The overall CCI turnover is now estimated to be around $15 billion per year.

To better understand the source of growth and the future of these industries, this index report compiles economic data and key indicators across 21 sectors. Each sector has been identified as a component of today's CCI in Saudi Arabia. Data availability at sector level is limited but allows us to draw a few important insights (see the Appendix for individual scorecards with key figures available for each sector).

NOTABLE ACHIEVEMENTS ACROSS 21 SECTORS

The economic contribution and potential of the different sectors vary, but most show signs of recent development across different Key Performance Indicators (KPIs). For example:

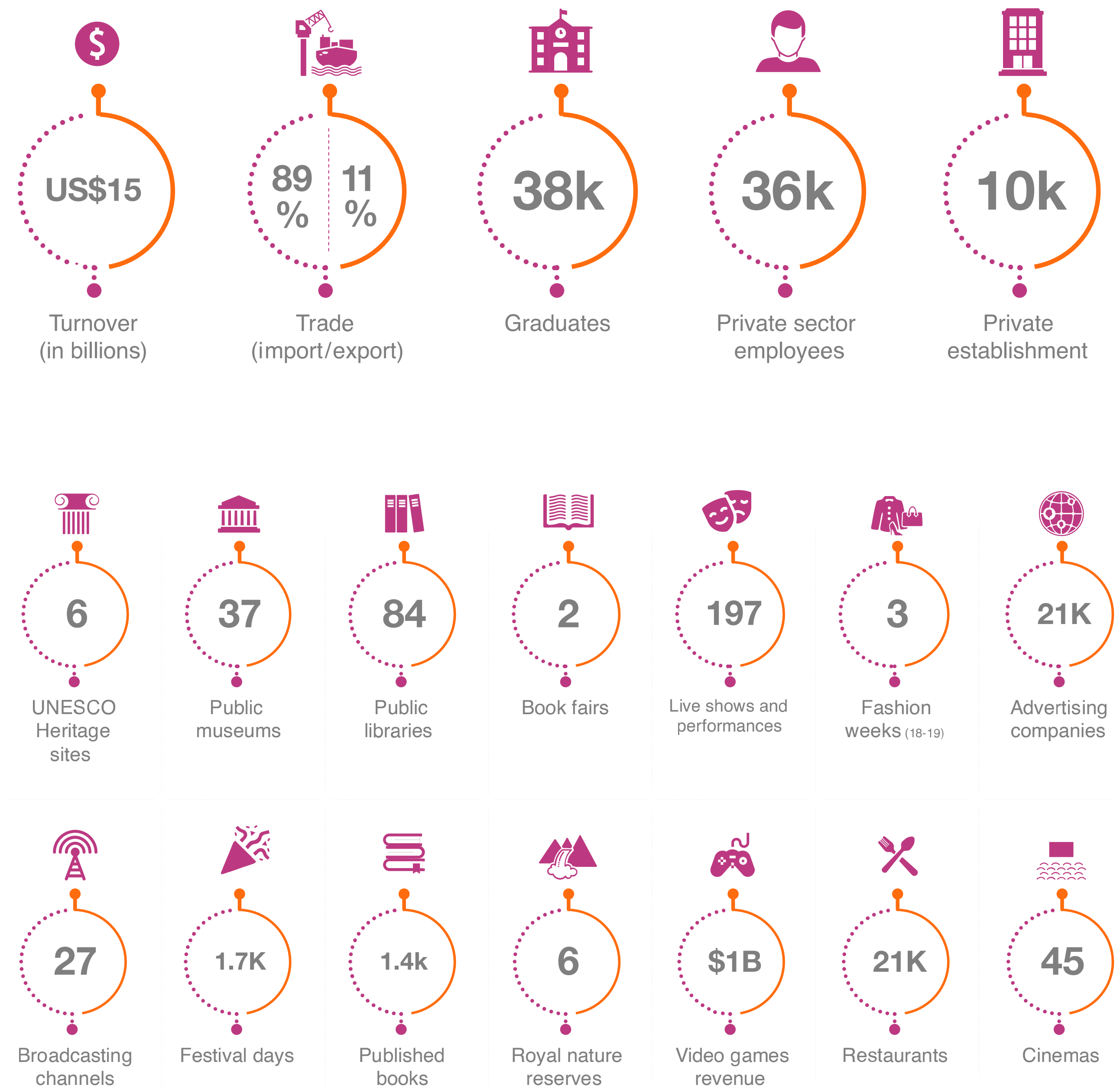
- Saudi Arabia counts five **archaeological and cultural heritage** sites listed by UNESCO and 11 other sites were added onto their tentative list in the past six years. Additionally, the country recognized its natural heritage by establishing six royal reserves.
- The country experienced a significant jump in the number of **cultural festivals and events** reaching up to 1,700 festival days a year across the different regions.
- In **fashion design**, the country started growing the sector by hosting multiple events like fashion weeks and fashion expos, promoting local talent and attracting international stakeholders.
- The **film and video** sector, which was nearly non-existent a few years ago, now boasts of 23 feature films since 2017.
- **Video games** revenues in Saudi Arabia exceed $1 billion, growing by 41% between 2017 and 2020.
- In **internet podcasting**, Saudi Arabia consumes a high volume of video podcasts, making it the biggest user of YouTube per capita worldwide.
- **Novels** are trending among literature consumers. Offerings are increasing with some products becoming globally recognized.

Based on the data collected, six of the 21 sectors have been selected for more detailed analysis in this report because of their economic potential, recent developing trends or strategic importance in Saudi Arabia.

The selected sectors are: (i) video games, (ii) Internet podcasting, (iii) fashion design, (iv) language and translation (grouped with the literature sector (v) visual arts and (vi) film and video. For each sector overview, we cover the current state of the sector in Saudi Arabia, key trends, challenges, opportunities, key players in the sector and a few illustrative success stories.

Photo: Ahmed Al Thani

EXHIBIT 6: Key indicators



VIDEO GAMES

The global video games sector is growing rapidly with the continued advancement of technology and digital infrastructure. Worldwide, the sector's revenue is currently worth more the $195 billion and it is expected to grow 5.5% annually for the next four years. Mobile games are driving more than 45% of the sector's revenues, significantly exceeding the revenue of other platforms due to its high accessibility for consumers.[55]

In Saudi Arabia, the sector's revenue exceeds $1 billion Mobile games are responsible for 82% of overall revenue—far above the international average.[56] This significant revenue is enabled by high smartphone penetration (62% nationally) and high engagement with online content (Saudis spend 6.75 hours daily online).[57] Moreover, Saudi consumers are high spenders on paid games and in-app purchases. The average revenue per paying user (ARPPU) is $270, putting Saudi consumers among the highest spenders globally.[58,59]

Gamers at play

The video games sector covers the development and market for different types of digital games platforms.

EXHIBIT 7: Video games global revenue per channel

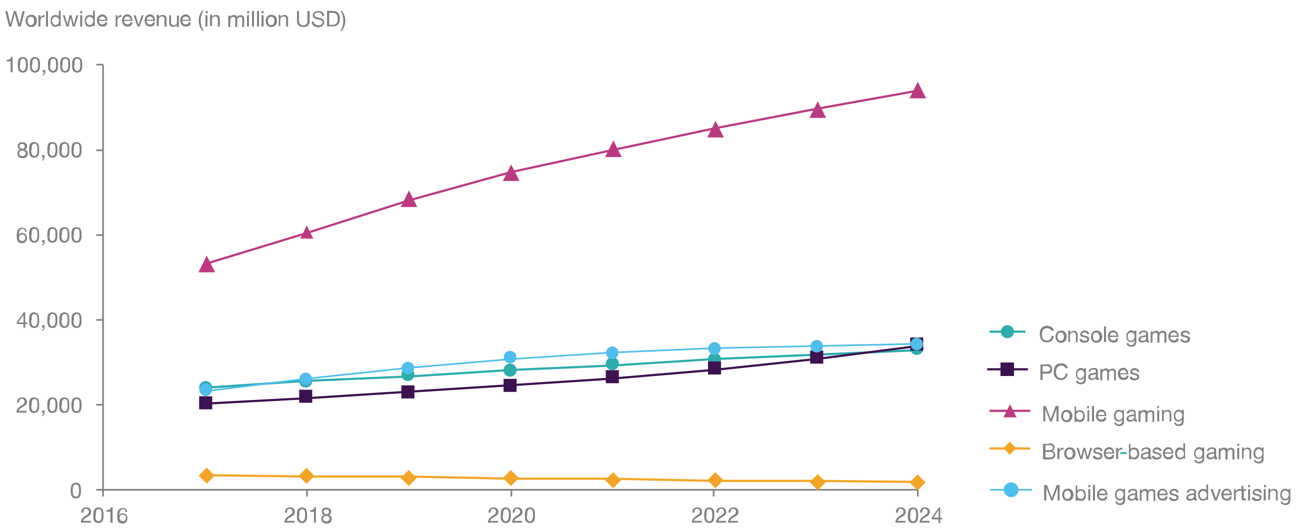
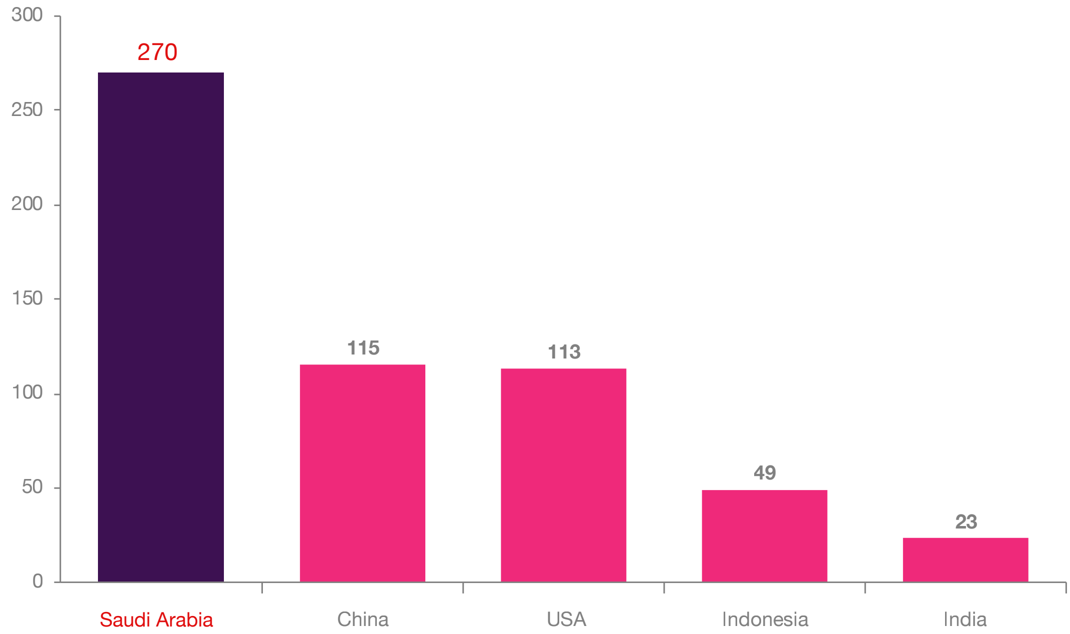


EXHIBIT 8: Average annual spend per paying mobile gamer (2019)[60,61] in USD



The national market is under-represented, but growing fast

With such high consumption, Saudi Arabia has a strong attraction for game developers. In fact, Saudi Arabia's mobile games consumption is mostly driven by international games, with local production severely under-supplying Saudi consumers. Offerings from local gaming applications represent less than 1% of the top 1,000 most downloaded video games in the country.[62]

Even though the sector's local production is still nascent, local game producers managed to capture local consumers' attention by offering altered products that best-fit with Saudi culture and preferences. For example, Ibtikar Technologies attracts local card-playing consumers through its application "IBaloot"—it reports more than 150,000 active users. Additionally, Lamsa provides parents with an interactive and entertaining application for their children, offering rich content in Arabic.[63]

Gaming is also leveraged as a social experience. Key initiatives have been undertaken by government agencies to capitalize on this. In 2017, the Saudi Arabian Federation for Electronic and Intellectual Sports was launched to offer a platform for all video game enthusiasts to connect and compete. Additionally, through the Quality of Life vision realization program, the government is committed to conducting 38 e-sports tournaments by 2030 across the Kingdom. Such initiatives create a social experience that supports the local gaming community and enables networking among gamers, while simultaneously increasing attention for the sector's potential opportunity to produce local content.[64]

55. Ovum video games analysis. 2019.
56. Ovum video games analysis. 2019.
57. Bain & Company. 2019. "E-Commerce in MENA."
58. Newzoo. 2018. "Global games market report."
59. Pocketgamer.biz. 2019.
60. Newzoo. 2018. "Global games market report."
61. Pocketgamer.biz. 2019.
62. App Annie. 2020.
63. App Ibaloot. 2020.
64. Saudi Vision 2030. 2016. Quality of Life Program.

Photo: Shutterstock

BENCHMARKING - THE SOUTH KOREA VIDEO GAMES SUCCESS STORY

In a competitive and growing market, South Korea's video games sector is ranked fourth internationally,[65] adding $5.1 billion to its national economy. The industry is responsible for more than 67% of South Korea's national exports, making it one of its most internationally influencing sectors.[66]

This tremendous success started in the 1990s, when video games became a "cool" social trend in South Korean society. In 1999, the government recognized the sector's potential and took drastic actions to bolster the sector.
It established the Game Promotion Center, which is devoted to promoting its domestic games industry. It also rolled out multiple policies and incentives to develop the sector and incubate businesses. Those policies and enablers helped attract sector stakeholders and increased private investments. For the past 20 years, the government has paid close attention to the sector and continuously adapted its policies and support to market needs.[67]

Multiple factors are behind the sector's success including advanced digital infrastructure, a supportive regulatory framework and an encouraging business environment. However, what is worth highlighting is how South Korea managed to attract gaming enthusiasts and create a wide base of consumers across different platforms and segments of society.

First, the country invests in physical infrastructure, allowing gaming enthusiasts to connect and compete in video games. The Nexon Arena, for example, is an e-sports stadium that can host 400 visitors to attend and participate in e-sports tournaments. Second, the country hosts and organizes multiple e-sports tournaments across different video games. These attract athletes and gaming enthusiasts with massive media coverage that promotes the overall sector. These events connect game developers directly with consumers, fostering a better understanding of consumer behavior and engagement to enhance video game features and develop more engaging games. Additionally, e-sports tournaments can generate significant revenue through advertising, ticket sales, licensing, sponsorships and merchandising.

Finally, the country invests in developing e-sports athletes through multiple training camps and coaching programs. High-level athletes are financially encouraged to participate in tournaments in order to win prizes and sponsorships from private companies. In fact, South Korea is ranked third internationally in the total value of earnings won by e-sports athletes, with more than $90 million worth of prizes overall, as of March 2020.[68]

"Local game producers managed to capture local consumers' attention by offering altered products that fit best with Saudi culture and preferences."

65. Newzoo. 2018.
66. Invest Korea. 2020.
67. Korean Ministry of Strategy and Finance. 2014. "Modularization of Koreas Development Experience."
68. Esportsearnings.com. 2020.

INTERNET PODCASTING

ONLINE VIDEO

The Saudi population is highly engaged with online video. In fact, Saudi Arabia is the biggest user of YouTube per capita worldwide. The platform attracts 24.7 million users to consume its content,[69] making it the most popular social media platform in Saudi Arabia. Additionally, YouTube visitors are highly engaged—they spend an average of 26 minutes per visit, compared to the international average of 11 minutes 24 seconds.[70]

YouTube is also the key platform used by local content creators to monetize their video channels and benefit from advertising revenues. The platform drives 52% of all online video advertising revenue in Saudi Arabia, significantly exceeding the world average of 19%.[3] This indicates that other online video platforms remain limited with an opportunity for further development especially from local media outlets.

Tuning in

Internet podcasting is defined by audio-visual products that can be consumed through the web or applications, such as YouTube.

EXHIBIT 9: Online video advertising revenue per platform (2019)[71]

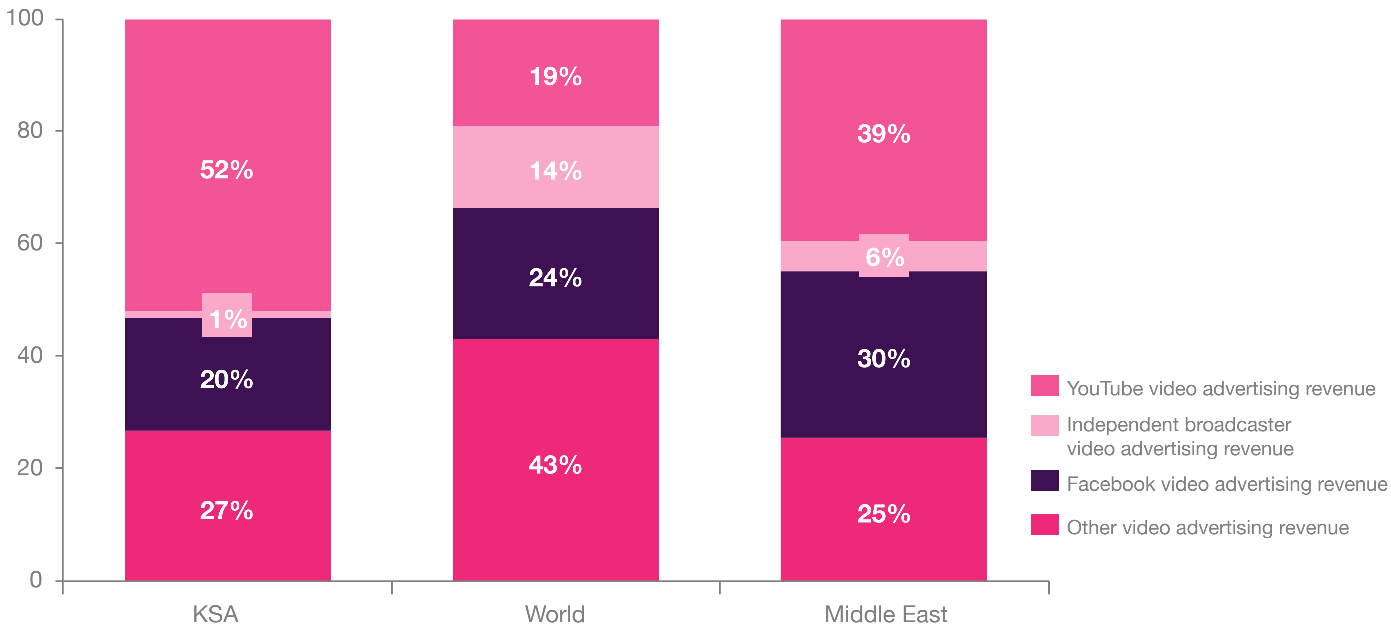
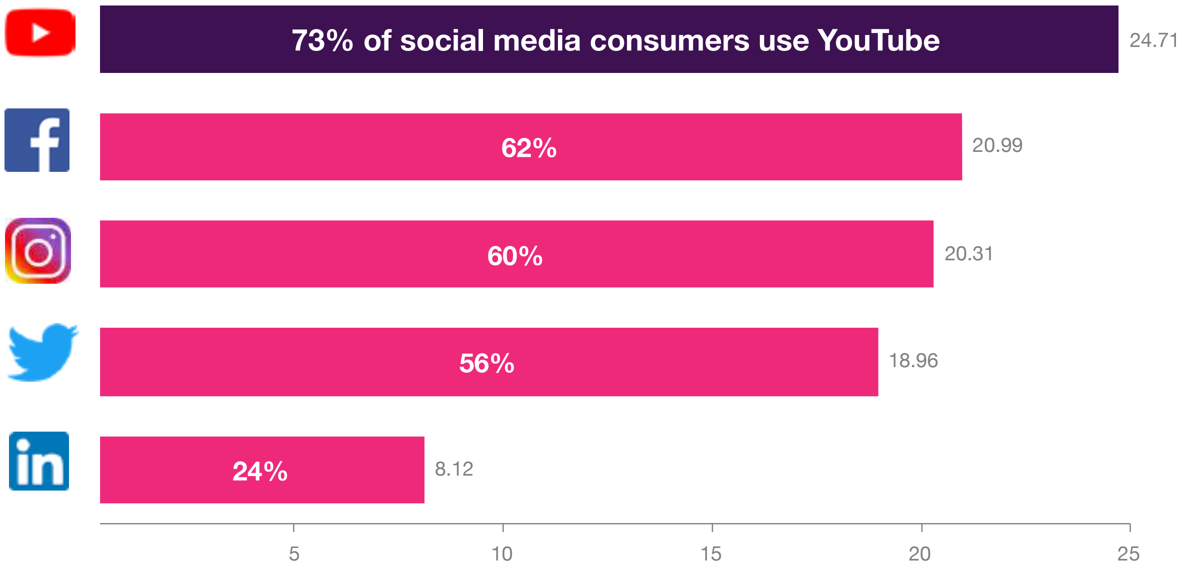


EXHIBIT 10: Number of users per social network platform (2019)[72]



Saudi Arabia is globally recognized for its content consumption. It is ranked 14th worldwide by number of subscribers to its local channels.[73] Eighty percent of Saudi Arabia's offering is focused on three key categories: General Entertainment, People and Blogs and Gaming.

Local offerings typically have a simple nature with an overall low production cost yet are highly focused on local and regional preferences. For example, Mohamed Moshaya, Saudi Arabia's most subscribed channel, posts his daily life with his kids on his channel, featuring home challenges, trips and other daily activities.[74]

"Saudi Arabia is the biggest user of YouTube per capita worldwide."

69. Global Media Insight. 2019.
70. Hootsuite. 2019.
71. Ovum video broadcasts analysis. 2019.
72. Global Media Insight. 2019.
73. Medium. 2019. "YouTube's Top Countries."
74. NoxInfluencer. 2020.

EXHIBIT 11: Top 25 countries ranked by number of YouTube subscribers[75]

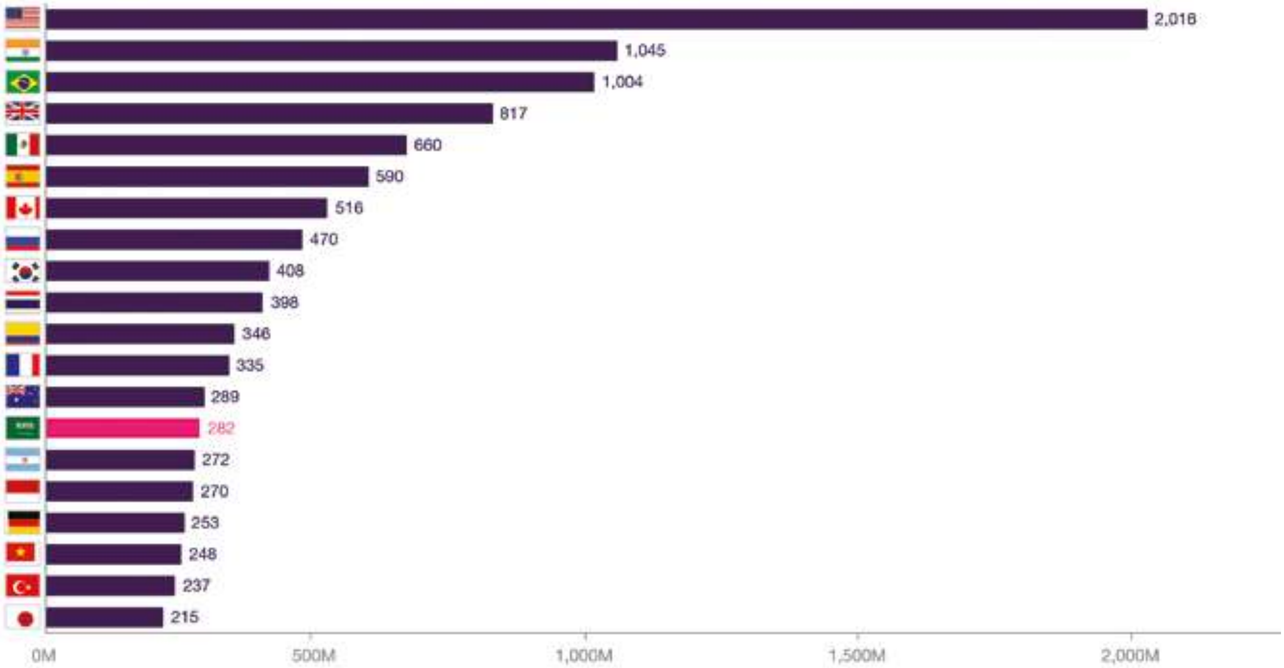
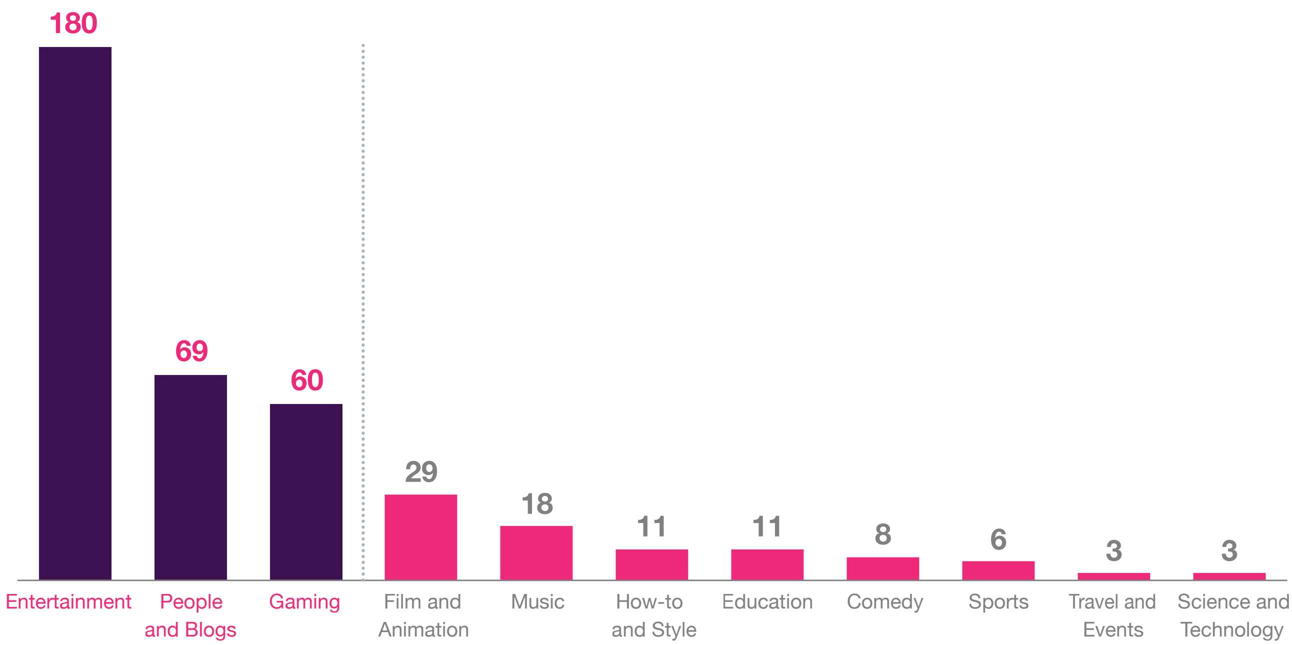


EXHIBIT 12: Number of YouTube subscribers per category[76]



75. YouTube. 2019.
76. NoxInfluencer. 2020.

PODCASTS

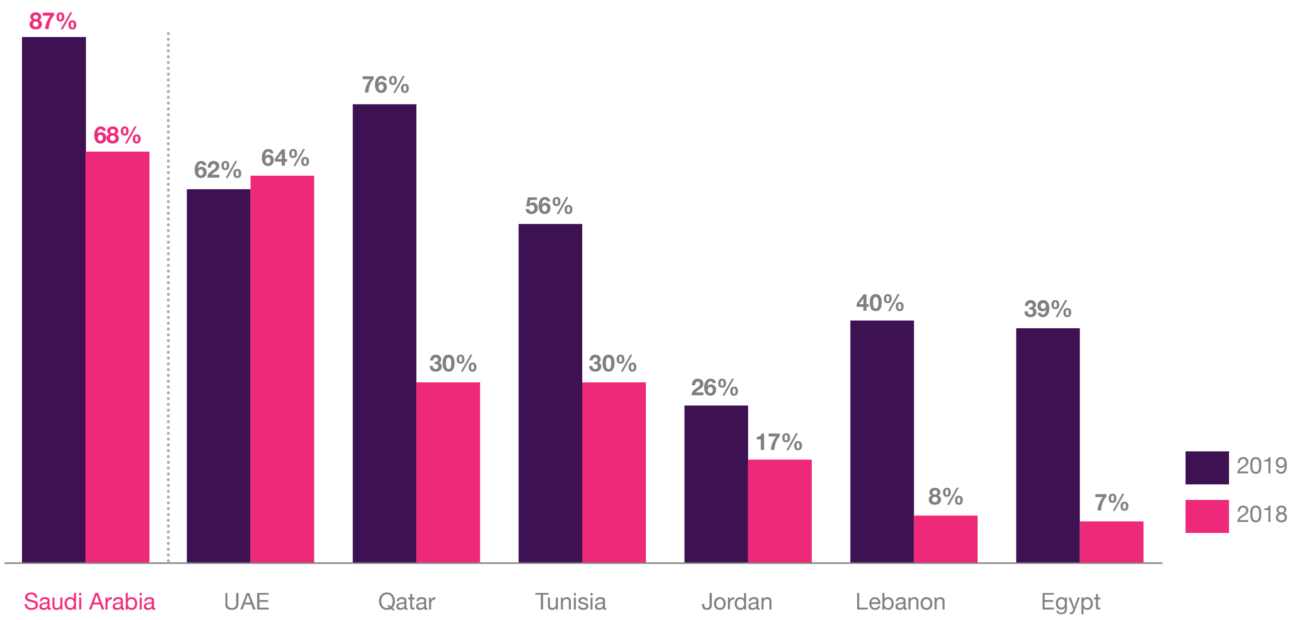
When it comes to audio podcasts, Saudi Arabia is witnessing significant consumption in online podcasts compared to its regional peers (see Exhibit 13): 86% of Saudi adults listened to a podcast during the year, and 31% consumed podcasts daily. In terms of offering preference, 90% of local podcast consumers listen to Arabic podcasts, and 66% prefer locally produced podcasts. This consumption pattern highlights the importance of local content for Saudi consumers, creating an opportunity to further invest in locally-altered offering.[77]

Saudi Arabia's podcasting industry started early in 2008 with a couple of enthusiastic podcasters who discussed video games. Between 2014 and 2016, there was a significant increase in Saudi podcasts covering various topics, such as culture and society, comedy, sports, business and video games.

Around the same time, the first Saudi podcast network MSTDFR was launched. After starting their first show in 2015, the network creators started to capitalize on local consumption and gradually increased the number of offerings by different podcasters, reaching up to 14 different shows.[79] In addition to MSTDFR, multiple Saudi podcast companies have launched their own network to supply demand for Arabic podcasts, including Mohtwize, Thmanyah and Micspod company.

The largest age group for listeners used to be individuals over 26 years. Now, the majority of listeners are 18 to 26 years. Most Saudis consume podcast at home (48%) or in a car (26%).[80]

EXHIBIT 13: Percentage of adults who have listened to a podcast before (2019)[78]



77. Northwestern University. 2019. "Media Use in The Middle East."
78. Northwestern University. 2019. "Media Use in The Middle East."
79. The Arab Gulf States Institute in Washington. 2019.
80. Mohtwize. 2019.

CONTRIBUTOR INSIGHTS

The potential for audio podcasts in Saudi Arabia and its key challenges

Khalid Al-Kenaa

Mohtwize محتوايز ,
Founder and CEO (Riyadh)

A significant jump in the number of listeners to audio podcasts is witnessed on a quarterly basis. The number of new Saudi listeners in the first quarter of 2019, equaled the total number of listeners in 2018. Furthermore, the number of listeners of audio podcasts from Saudi Arabia exceeds the number of any other GCC country. In fact, most audio podcast creators are Saudi or Saudi-based. Additionally, young people circulate podcast recommendations on social media, which leads more listeners to join this medium and make it a part of their daily routines.

Saudis are realizing the value of audio podcasts as it is suitable content to listen to while driving, walking or carrying out any other activity where visual content is not an option. Moreover, audio podcasts compete with Saudi radio and TV as they can be accessed on demand, have well-narrated content and provide educational and valuable information on topics that match the interest of their audiences.

There are many challenges facing the audio podcasts and companies in the sector. First of all, there is a lack of talent equipped with the necessary skills across the podcast value chain. This can be solved by providing funded training programs to fill gaps in the market.

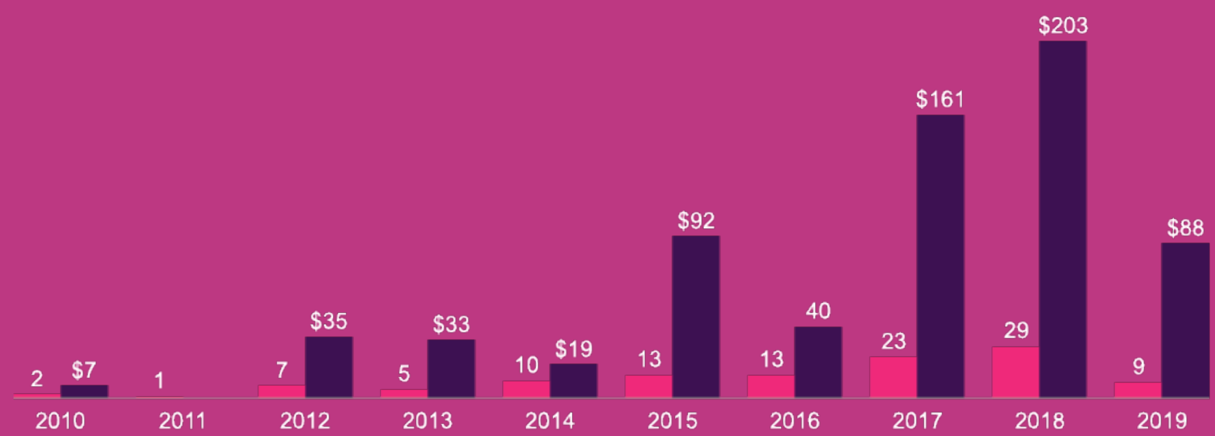
Secondly, public and private sector awareness of the importance of audio podcasts and their positive impact is low compared to other countries like the United States (see figure below). Joint efforts between the government (e.g., Ministry of Culture) and private sector to launch initiatives to educate the public about audio podcasts and content will have a huge positive impact on the industry.

Thirdly, more protection and a better legal framework for the copyright of any content included in audio podcasts is necessary to give companies more reassurance to enter this medium.

Finally, there is a lack of investment in audio podcasts and content in general. Providing incentives to local and global investors to invest in podcast companies will allow local companies to expand their reach and impact internationally and provide a sustainable cash flow to continue production at this stage of the market.

There is constant growth in the number of audio podcast listeners in Saudi Arabia, and it is a medium that can influence public opinion. Providing the necessary support for content creators and podcast companies will ensure the sustainability and growth of this sector.

EXHIBIT 14: Investments in podcasting companies in the United States (2018)[81]



FASHION

Fashion is one of highest market value sectors of the creative economy and one of the most highly utilized products in a person's life. On average, Saudi households consume 3.8% of their expenditure on fashion-related items.[82]

Fashion can be segmented into clothing including haute couture or high-end fashion and prêt-à-porter or ready-to-wear fashion, footwear and accessories. For the purpose of this report, this section focuses mainly on the production (design) part of the sector with less emphasis on distribution and retail, which are covered extensively elsewhere.

The height of fashion

Fashion, as defined in this report, covers goods, services and activities related to the design of clothing, footwear, and fashion accessories.

FASHIONABLE MARKETS

The MENA region and Saudi Arabia have already seen significant growth in apparel retail with estimated growth exceeding 38% between 2015 and 2019. Retail space for fashion is also exploding across the region. In fact, the region constitutes 6% of total apparel retail globally. However, local fashion design and production in Saudi Arabia remains limited compared to the overall market.[83]

Saudi Arabia is quickly growing its capability and talent in haute couture and ready-to-wear fashion. Already, over 40 local designers and brands - such as Yahya Al Bishri, Arwa Al Banawi and Noura Al-Hamid - are contributing to the sector and have achieved recognition in fashion-savvy circles. Saudi designers usually develop their own collections and offer them online or through high-end fashion stores. Additionally, some designers have been recognized by global celebrities like Queen Rania and Prince William.[84] Most designers focus on womenswear.

Saudi Arabia started to position itself in the fashion sector and promote Saudi talent through fashion events such as Riyadh and Jeddah Fashion Weeks, Fashion Futures and the Fashion Show Expo. These events give local talent the opportunity to promote their work in the presence of international stakeholders and with coverage from global media. As a result, Saudi fashion designers have attracted unprecedented attention. Additionally, the government is establishing a fashion commission, under the Ministry of Culture, dedicated to supporting and promoting local fashion to further drive the sector's development and sustainability.

TRAINING AND EDUCATION

Most Saudi fashion designers have pursued their fashion education abroad due to the absence of local fashion programs. The maturity of international sectors can also enrich the learning experience. In order to enrich its local talent, the Ministry of Culture is offering fashion enthusiasts the opportunity to study abroad through its cultural scholarship program.

Some local fashion university programs have started to emerge, giving high school graduates more options to specialize in fashion without relocating abroad. For example, the Dar Al-Hekma and Princess Nourah Bint Abdulrahman universities are offering bachelor's degrees in fashion design for female students.

Additionally, the Institute of Culture and Arts for Training or "Thaqqif" at the Saudi Arabian Society for Culture and Arts launched a series of courses on fashion design aimed at beginners and amateurs.[85]

81. PitchBook. 2018.
82. General Authority of Statistics. 2018.
83. Dubai Design and Fashion Council. 2016. "MENA design outlook."
84. AboutHer.com. 2019.
85. Saudi Ministry of Culture. 2021. "Report on the State of Culture in the Kingdom of Saudi Arabia: Digitalization of Culture."

MASS-PRODUCED PRÊT-À-PORTER

Saudi Arabia faces challenges in the creation of mass-market production for non-traditional fashion. This is largely due to the existing established global market players with scale and brand recognition that dominate the local markets. Furthermore, the Ministry of Culture report sheds light on intellectual property rights issues in Saudi Arabia's fashion sector. Local designers struggle with intellectual property theft in the absence of stringent protection policies.[86] Altogether, the current market revenue for fashion accessories, men's, women's and children's clothing and footwear is worth SAR58 billion ($15.4 billion) in the Kingdom.

Local businesses usually partner with international brands to promote and sell their products in their local countries. Al Bandar Trading Co., Al Hokair Group and Alshaya Group are currently responsible for more than 30% of market revenue through international brand offerings like Zara, H&M and Splash.

The sector is recovering from a recent overall slowdown as the total units sold decreased 4.5% between 2017 and 2019. However, the increase in female employment and relaxation of female clothing regulations had an opposite influence on the market. Even though adult Saudis depend heavily on national dress in their daily life, non-traditional outfits are witnessing growth in consumption, and the number of units consumed is expected to grow by 14% by 2024.[87]

THE NATIONAL DRESS

The national dress is the most commonly worn outfit among male and female nationals, and could be considered a key competitive advantage for the country in the fashion industry. Saudi males mostly wear *thobe*s and *ghutra*s, with significant jumps in demand around occasions and holidays. For example, for Eid festivities, Saudis consume more than 15 million meters of textile for ready-made and tailored *thobe*s.[88] Saudi females mostly wear *abaya*s, which witnessed a recent shift in its offering, moving from traditional black designs to more modern and colorful designs. Driven by local consumption, the *abaya* market is estimated to be SAR2 billion ($530k).[89]

Multiple mass-production companies, tailoring SMEs, designers and high-fashion brands contribute to the national dress industry in Saudi Arabia. Different stakeholders are currently offering consumers a wide range of options, ranging from mass-produced to tailored high-end fashion products.

EMERGING PRODUCERS

Over 30,000 small enterprises specialized in manufacturing and tailoring apparels in Saudi Arabia in 2020. With less than 5 employees per entity, these enterprises make up more than 46% of small Saudi manufacturing enterprises, with an estimated revenue of SAR7.5 billion.[90]

As for ready-to-wear production, multiple companies exist and are growing, such as Al Bassam and Al Aseel. In such a mature scene, Saudi Arabia can further capitalize and strengthen its traditional fashion production, promote its national dress products internationally and limit foreign companies from dominating the local market.

86. Saudi Ministry of Culture. 2021. "Report on the State of Culture in the Kingdom of Saudi Arabia: Digitalization of Culture."
87. Euromonitor. 2020.
88. Al Madina Press. 2019.
89. Hia magazine. 2015.
90. General Authority of Statistics. 2018.

“Local fashion university programs have started to emerge, giving high school graduates more options to specialize in fashion without relocating abroad.”

Photo: Shutterstock

CONTRIBUTOR INSIGHTS

Brand management for emerging fashion designers in Saudi Arabia

Ghadi Ali

Saudi International Fashion Council, CEO

The fashion market is consciously changing in order to keep up with customers' dynamic behavior, especially now that customers are buying at a faster rate. To cope with the fast-paced dynamics, there is significant competition between industry stakeholders; the retail and e-commerce sectors are competing to reach customers and different brands are competing to capitalize on customer needs and create a better customer experience. In such a dynamic, competitive industry, it's important for emerging brand owners and fashion designers to properly build and manage their brands.

Yet, I notice many fashion brands in the region are not aware of the core brand management elements that should be built on a solid understanding of customer needs and behavior. I believe this is an important topic to highlight. Emerging fashion designers need to understand how to build and strategize their brands.

A brand is not just a product, logo or services; a brand is the overall experience that can create customer loyalty. They want their customers routinely seek out their branded products and spread positive words about it.

Therefore, building a brand strategy is the first and most important step to building brand loyalty. First, the fashion designer needs to define the following elements of their brand:

- **Purpose:** What is your brand purpose?
- **Value:** What does your brand stand for?
- **Story:** What is the story behind your brand?
- **Target:** Who is your target audience (customer)?
- **Promise:** What does your brand promise customers?
- **Competitive advantage:** Who are your main competitors in the market? And how does your brand stand out?

Building brand elements can help fashion designers understand why their brand exists, for whom and why it stands out among its competitors. This will help designers look deeper inside the customer journey, and know what problems, needs or opportunities are associated with the brand. For example, if the brand targets independent working women, the brand and designs could focus on helping them boost their self-confidence and inspire them to be more creative.

After building the brand elements and understanding the brand purpose, the fashion designer needs to build a brand image based on what the brand promises customers. In order to build lasting brand loyalty, it's extremely important for fashion designers and brands to deliver what they promise their customers.

Often, local brands have a successful start in the market, but over time fall short in keeping up their promises to customers. In my opinion, most of the current failures with branding stem from the following issues:

1. **A lack of a long-term vision that ensures sustainability**
2. **Inability to understand target customers and build products according to their needs**
3. **Unable to keep promises made to customers**
4. **Inadequate understanding of marketplace competition**
5. **Inability to enhance customer experience**

I believe that Saudi Arabia has a strong and growing fashion marketplace and a promising space for all brands and businesses to commercial success. Therefore, Saudi fashion designers need to understand how to build a successful brand strategy so they can upgrade their businesses to the next level and compete in the wider market.

LANGUAGE AND LITERATURE

Saudi nationals highly associate their culture with the Arabic language, the official language in Saudi Arabia. Arabic is used for all official correspondence and serves as the basis for the Kingdom's education system curriculum. Most elements of national identity are directly related to the language, including religion, heritage, science and oral history.

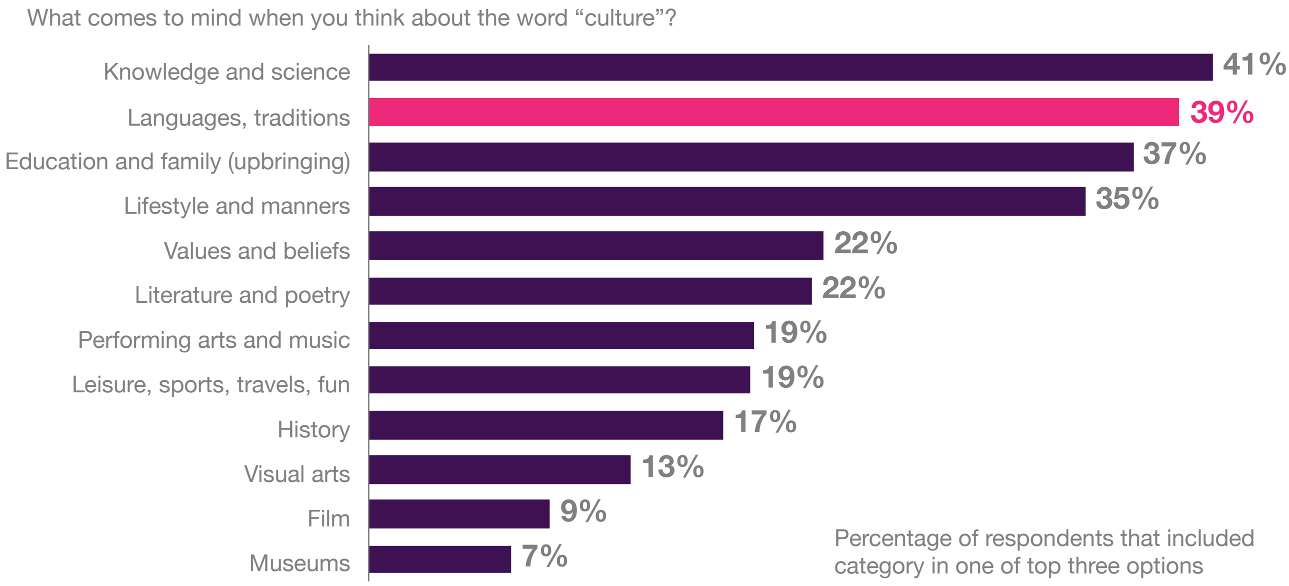
Even though Arabic is highly integrated in the national identity, Saudis speak 60 different Arabic dialects across the Kingdom.[92] The nuanced diversity is mostly driven by speakers' tribal origins and geographical locations. With such diversity, an amazing tradition of oral history, poetry and singing emerged, further enriching the Kingdom's cultural offerings. To preserve this diversity, the King Abdulaziz Foundation for Research and Archives (Darah) has made over 6,000 records of the different dialects in Saudi Arabia through extensive fieldwork across the Kingdom.[93]

What's in a name?

Language is considered a collection of speech varieties that are mutually intelligible. Arabic literature encompasses all poetry and prose written in the Arabic language.

91. BCG cultural consumption survey, 2018.
92. Al-Arabiya. 2016.
93. Arab News. 2018.

EXHIBIT 15: Saudi Arabian nationals' perspective of culture and its various manifestations (2018)[91]



The integration of Arabic into digital technologies is also proliferating in Saudi Arabia. The Ministry of Culture report emphasizes the progress made by the King Abdulaziz City for Science and Technology (KACST) in this field. KACST has developed an Arabic text-to-voice application and an automatic identification system for the Saudi dialect. KACST is also developing an automatic chatbot based on AI algorithms and Arabic symbol recognition to respond in customer queries in Arabic.[94]

Saudi Arabia also prioritizes the preservation and promotion of the traditional Arabic language and its classical dialect "*Al-fusha*". In 2009, the government established the King Abdullah bin Abdulaziz International Center for the Arabic Language, which aims to preserve and promote the Arabic language locally and internationally through various initiatives. The government has also established multiple international institutes to teach Arabic to non-Arabic speakers around the world, promoting the Arabic language and teaching it abroad.

The Saudi population heavily consumes and enjoys events and festivals that promote and celebrate Arabic. Souk Okaz, one of Saudi Arabia's most famous festivals, welcomed more than 800,000 visitors from the different Saudi regions to celebrate the ancient Arabic history of the region. The festival features multiple poets, performances and plays that offer authentic Arabic content for consumers.[95]

LITERATURE

There are two primary types of Arabic literature: prose (written literature) and poetry. In this section, the focus is on Saudi prose.

Prose witnessed a tremendous shift in the past two decades. The first Saudi novel was published in 1930 and until the early 2000s, the industry was underdeveloped with only 208 novels produced during that 70 years period.[96]

However, in the past two decades, Saudi authors have released themselves from formal Arabic writing style and traditional topics, adopting a more contemporary style that better captures modern Saudi readers' attention. The content of novels increasingly stems from the current social lifestyle and its challenges, speaking more directly to the younger generation.

Due to its new direction, the Saudi novel is becoming the most popular form of prose consumed by the public; the number of novels written each year has more than doubled than what was produced in the 1990s. Furthermore, multiple Saudi novelists have been recognized with international awards, like Mohammad Alwan and Abdo Khal. However, Saudi Arabia can further encourage local talent by offering local awards and competitions for emerging writers to showcase and promote their work.

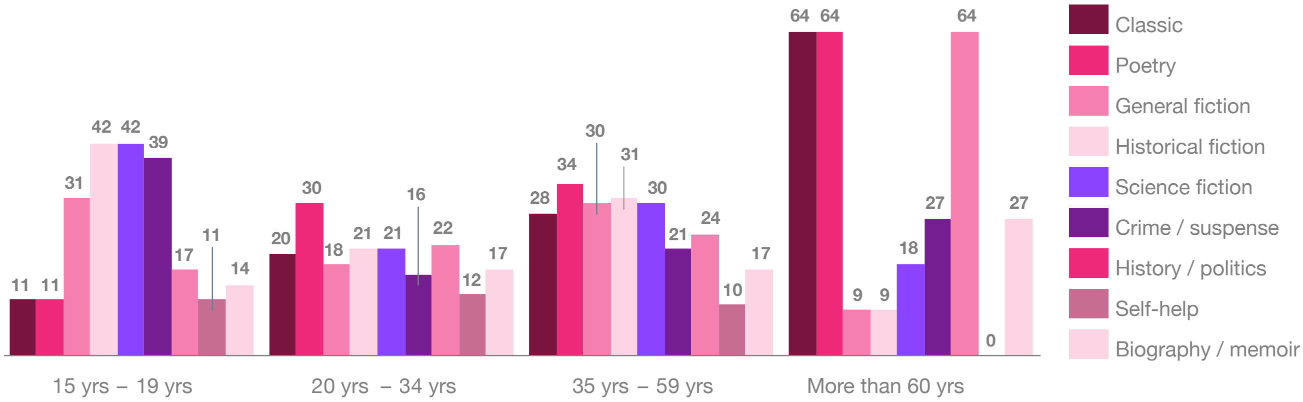
Saudi consumers are highly engaged with the new writing trends. In 2017, novels took the lead in number of books sold during the Riyadh International Book Fair.[97] Young readers are getting more engaged with content through reading clubs—a cultural scene that has emerged in recent years. These clubs are usually established through the initiative of Saudi youth and are estimated to total around 40 across the Kingdom. Members of such clubs typically meet on a weekly or monthly basis to discuss select literary and intellectual book titles.[98]

In terms of book genres, there are different preferences based on age groups. The younger generation prefers fiction and crime/suspense. Older consumers prefer classics and poetry. However, millennials do not seem to be engaged with books very much.[99]

94. Saudi Ministry of Culture. 2021. "Report on the State of Culture in the Kingdom of Saudi Arabia: Digitalization of Culture."
95. Al Madina Press. 2017.
96. Nidaulhind. 2016.
97. Okaz. 2017.
98. Al Eqtisadiah. 2018.
99. Independent survey. 2018.
100. BCG cultural consumption survey, 2018.
101. Saudi Vision 2030. 2016.

EXHIBIT 16: Genre preferences among Saudi population (2018)[100]

Stronger genre preferences among the young and elderly



GOVERNMENT SUPPORT FOR FURTHER DEVELOPMENT

The government named Language and Literature as key to enriching to enrich the national character of the people and build an engaged society. As part of Saudi Vision 2030, the National Character Enrichment Program aims to strengthen citizens' sense of national identity, where upholding the Arabic language is one of its direct objectives.[101] Additionally, the Ministry of Culture established the Literature, Publishing and Translation Commission, which aims to build an engaged society through empowering and fostering literature, publishing and translation across the nation.


Photo: Shutterstock

CONTRIBUTOR INSIGHTS

Supporting the Arabic Language and Literature in the Kingdom

Haila Al-Khalaf

Children's Literature Research Chair Professor, Princess Nourah Bint Abdulrahman University (Riyadh)

The Arabic language is becoming increasingly less common in daily communication among Saudi youth. Children are becoming less competent in using their native language. This is largely because families are enrolling their children in international schools after returning from international scholarships or because they believe international schools offer better education.

The decline is worrisome. There are some significant efforts to solve the problem through the establishment of agencies, organizations and independent initiatives. The key, stakeholders agree, is collaboration between all sectors and starting from an early age.

AT HOME

I believe it is important to focus on children from an early age. Reading to children in Arabic is key to raising a generation that reads, thinks, and leads with that language in the future. Awareness campaigns can be launched via social media, as well as in schools and universities, to shed light on the benefits and importance of reading and exposing children to their native language.

SCHOOLS

The education system must be modified to include more Arabic language courses that not only teach children how to read in Arabic but also how to think and write in their native language. Picture books can be used as a method of teaching some of the most important information to Saudi children, such as history, geography and how to perform religious rituals, like the Hajj. Schools can be encouraged to perform musicals in Arabic to promote the language and literature. A nationwide competition for public speaking is another initiative that can be launched. Also, structured curricula and after-school activities are important options to be analyzed and modified.

Another initiative is the "Drop Everything and Read" activity, where all school staff participate in a reading activity at the same time. Reports show that teachers should be trained to read aloud to children properly, as a large part of the child's engagement with a story is based on the way it is delivered.[102] Moreover, stronger collaboration between the Ministry of Education, Ministry of Culture and literature entities is very important.

UNIVERSITIES

Research projects can help examine the current situation and offer solutions to some of the most pressing problems in language acquisition and reading development. Literary and Arabic language clubs for students should have more funding by external parties in order for them to flourish and serve their purpose. Signing a memorandum of understanding with well-reputed universities can achieve many goals set by Ithra. Supporting Arabic theater in schools and universities can also serve to improve both language and literature in young generations.

SOCIETY

Social media content and entertainment can be effective tools for language inculcation. Arabic content in kids' entertainment products is lacking. We can learn from other experiences with good content such as "What's the Big Idea," a TV series that explains different ways to be kind in English. Something of that caliber can be produced in Arabic, but not using rigid classical Arabic.

In addition, by observing the literary scene in the Kingdom, I can say that published literary works have significantly increased in quantity but not in quality. To remedy this, creative writing workshops can be launched targeting potential writers either. Writing retreats can be established where young writers gather and discuss each other's works. More awards in different fields of writing and illustration can be launched. Examples of such are the International Prize for Arabic Fiction, the Sheikh Zayed Book Award and the Mohammed bin Rashid Arabic Language Award in the United Arab Emirates. Another strategy for promoting reading is working to make Riyadh a literary city, such as Edinburgh (City of Literature), Paris, and London or launching a "One City, One Book" initiative in Saudi cities, where participants take part in reading one book and discussing it on various platforms.

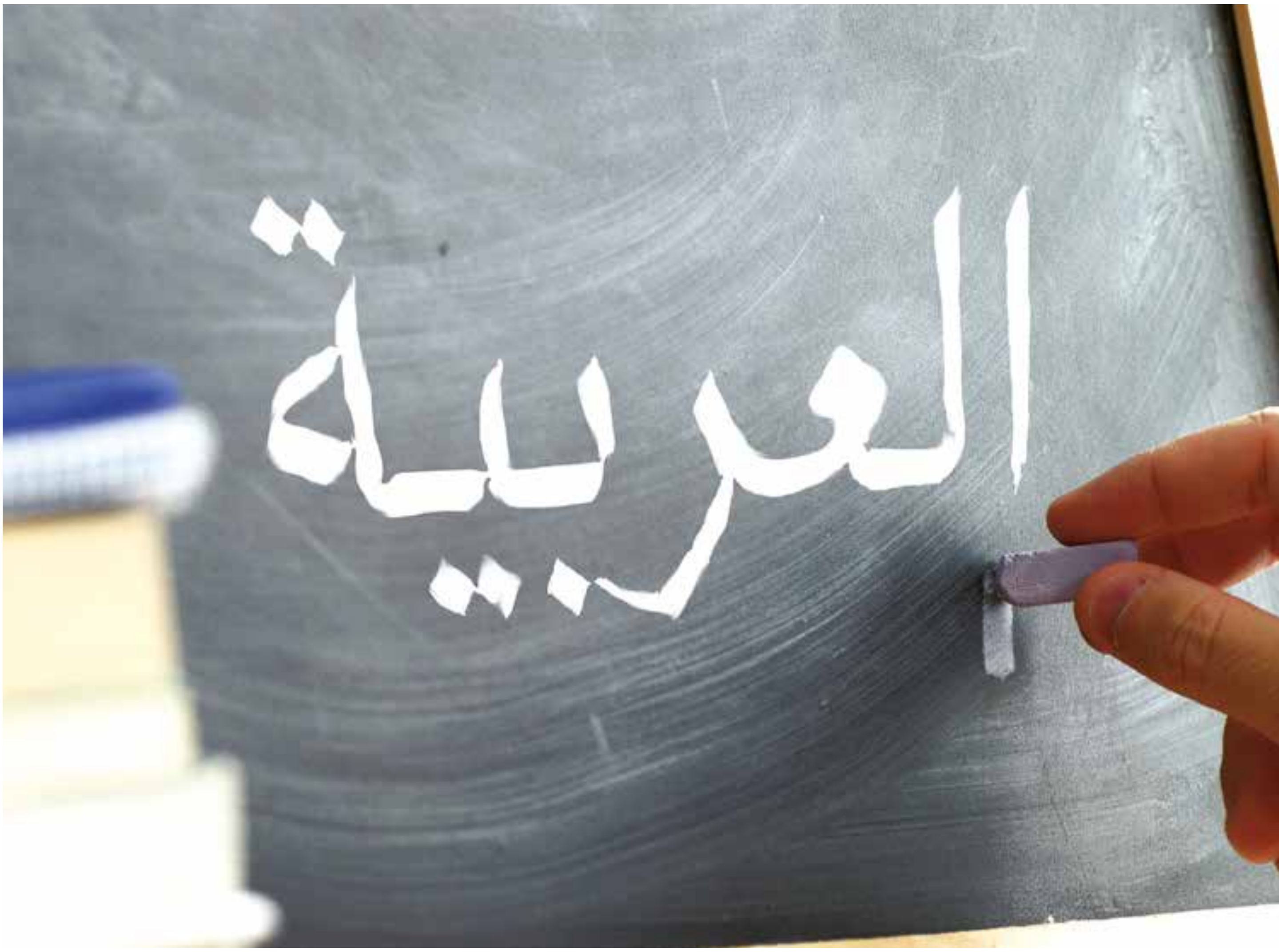


Photo: Shutterstock

VISUAL ARTS

In the last decade, the contemporary art scene in Saudi Arabia has been affected by regional economic and cultural developments, namely in Qatar and the United Arab Emirates. Today, Saudi Arabia is working to position itself as a key future player in arts and culture. This effort is supported by Vision 2030's pledge to invest in initiatives that draw attention to the Kingdom's growing arts and culture scene.

What do you see?

Visual arts encompasses works that are visual in nature and intended to appeal to the visual sense. It includes fine arts as well as photography. Commercial places where the objects are exhibited, such as commercial art galleries, are also included.

THE PLACE TO BE

Saudi Arabia's visual arts culture has been increasingly active since 2009, particularly in Jeddah (and lately in Riyadh) commercial spaces, such as the pioneering Athr Gallery and subsequently Hafez Gallery, both in Jeddah, remain strong references for established and upcoming talent. Other platforms include initiatives by the Saudi Art Council, founded in 2014, with the launch of the yearly art event 21,39 Jeddah Arts and recently the educational initiatives of Art Jameel ahead of the opening of Hayy, scheduled for late 2020. To date, and throughout the years, 21,39 Jeddah Arts remains a preeminent event in the Kingdom. It attracts the largest number of international art professionals from across the globe. In January 2020, over 2,300 visitors attended the 7th edition during opening week.

In the Eastern Province, after having started running programs in 2009, the King Abdulaziz Center for World Culture (Ithra) opened in 2018. The opening was an initiative from the private sector with the ambition of contributing to a new cultural impetus within the region. The center is actively engaging with the creative community through a series of exhibitions, workshops and prizes, like the Ithra Art Prize, which rewards emerging contemporary artists from Saudi Arabia. Other notable initiatives include Desert Design, a craft and furniture market, which has a gallery space where artists can exhibit and sell their work. However, beyond the center and other limited initiatives, artists from the Eastern Province voice concern over a lagging scene with limited grassroots initiatives. This shortage has driven some artists, like Manal Al-Dowayan and Sarah Abu Abdullah, to relocate to more artistically developed areas of the Kingdom or even internationally.

In contrast, Riyadh is rapidly developing its art and culture infrastructure with extensive support from the government. New spaces, such as JAX01, a 2,000-square-meter space located in Diriyah run by the Ministry of Culture, which was completed at the end of 2019 and started hosting exhibitions. At the same time, Misk Art reopened the 35-year-old, 5,600-square-meter Prince Faisal bin Fahd Fine Arts Gallery with a new vision to support visual arts and creative education.

Another notable development is the recent proliferation of art studios and collectives across the Kingdom, such as Ahmed Mater's Pharan Studio and AF Studio. There are other artist-led initiatives as well fostering the arts scene in Saudi Arabia, such as, Ahmed Angawi's Zawiya 97, a hub of activity serving the local and wider community of artists and craftsmen. It was launched in 2019 in Al Balad, Jeddah's Historical District.

Moreover, in 2019 and 2020, artist Basmah Felemban teamed up with fellow artists to occupy a studio space, which houses occasional talks and artist presentations.

RECOGNITION

Visual arts have increasingly gained momentum within young Saudi segments of society. This is exemplified by a recent wave of young emerging artists, including Marwah Al-Mugait and Moath Alofi.

Initiatives such as Young Saudi Artists, the yearly exhibition pioneered by Athr Gallery since 2011, have been instrumental in providing a platform to showcase new talent. A number of today's established artists graduated from Young Saudi Artists (YSA), like Nasser Al Salem and Dana Awartani. In the absence of proper art schools, academies, art programs, residencies and apprenticeships, YSA remains the most trusted source of young talent, together with Edge of Arabia.

TALENT DEVELOPMENT IS UNDERWAY

There are positive prospects for creative development following a program launched by Art Jameel within the context of Hayy Learning aimed at supporting emerging artists that are looking to develop their practices and explore opportunities. Concurrently, the Ministry of Culture is planning to launch a residency program in Jeddah's Al Balad district, curated and managed by Athr. It will target local and international artists, curators and writers. The program will act as a pilot experiment for similar initiatives.

As it stands, artists whose works have been collected by leading international museums and institutions remain the same dozen artists that are featured in international exhibitions. Of these artists, only five have secured international gallery representations, a reflection of the salability of their work. These artists included Manal Al-Dowayan (Sabrina Amrani and IVDE), Ahmed Mater (Galleria Continua), Dana Awartani (Franco Nero Gallery), Abdulnasser Gharem (Krinzinger Gallery) and Maha Malluh (Krinzinger Gallery and Selma Feriani). Others, such as Ayman Zedani and Filwa Nazer, are tapping into regional scenes, which benefit from the pioneering and visionary work of established initiatives, such as the Sharjah Art Foundation.

SUSTAINING THE LIFE OF AN ARTIST

For the majority of artists, it is still a challenge to survive on artwork sales. The collector base is not developing at the same pace as the creative sector. There is a need to foster a culture of support for the visual arts—and increase the limited collector pool—through corporations, institutions and governmental bodies, as well as building wider art appreciation among the general public. A recent survey conducted by the Ministry of Culture reveals a significant potential increase in the pool of collectors, with 27.1% of respondents saying they do not currently own any artwork but are interested in buying it. This indicates that the culture of owning artwork is on the rise.[103]

Professional art critics are also scarce in Saudi Arabia, due in part to a lack of art education and to the cultural traits of "saving face" or not inviting open criticism from the public.

Moreover, every thriving art scene needs a developing production infrastructure. The creative industry developing around the visual arts is still emerging, and many artists still need to resort to international fabricators to execute their ideas. Even photographers find it challenging to print their photos professionally in the Kingdom. Framers are still quite archaic in their approach to conservation and environmental responsibility, the latter advocated by several artists.

102. Ledger, S. and Merga, M. K. 2018. "Reading Aloud: Children's Attitudes toward being Read to at Home and at School."
103. Saudi Ministry of Culture. 2021. "Report on the State of Culture in the Kingdom of Saudi Arabia: Digitalization of Culture."

CONTRIBUTOR INSIGHTS

Towards an Art Education in Saudi Arabia

Maya El Khalil

Arts and Culture Consultant
Curator 21,39 Jeddah Arts - 7th Edition
Former Director Athr Gallery (Jeddah)

The development of a contemporary art scene in Saudi Arabia in the absence of art schools is a testimony to the resourcefulness and connectivity of a generation of creative talents. They have demonstrated the validity of alternative ways of developing their practice. Yet, at this stage, it is imperative to develop art programs and adaptive art education models that tap into three key characteristics of Saudi society: the sociable community based on the *majlis* or forum, a largely young population and the high digital connectivity of this young population.

Based on my 10 years of experience working closely with artists, the initial gap that any art education needs to fill is the transfer of techniques. For many artists practicing in Saudi Arabia today who did not benefit from attending art schools in the West, the recurrent challenge is how to execute their ideas. Artists need to learn how to become makers. This does not stipulate that artists need to learn to be painters, sculptors or photographers, but rather gain experience in manipulating different media: from working with different materials to printmaking, audio-visual and digital. Skills need to be acquired to allow the articulation of ideas, hence well-equipped studios with experienced technicians should be created.

Artists also need to learn about the history of art in the local and regional context, as well as in the rest of the world—what is art history? An introduction to the history of art together with a focus on artmaking in the first two years of an art education program will help develop skills and critical thinking—judgment, explanation, writing and displaying, regardless of whether they are displaying in a physical environment, in print or digitally. At this stage, students of art schools can decide whether they really want to become artists and pursue further education, which will develop their ability to engage in a process of conceptual inquiry and contribute to the intellectual artistic discourse.

As relatively few art students become successful artists able to survive from their practice, it is important that plans to develop art academies and schools in Saudi Arabia equip students with the ability to develop and work in other branches of art making such as exhibition design and the importance of display, art handling, framing, restoring, and so on.

An important point in today's world is that art education cannot be distanced from technology and sciences in general. Students of art should be able to choose to be exposed to scientific subjects within their years of study and within the context of the school. A multidisciplinary approach to art education has the potential to equip artists with practices that have a better and more impactful role in influencing society. Look at the contributions of artists like Tomas Saraceno or Ólafur Eliasson. The digital age of communication means that students do not need to be in the same locale to experience the benefits of an art academy or institution: students can meet in virtual rooms, share screens and work on digital files in real time. The possibilities are infinite. Artistic expression is changing. Science and technology need to be part of an art academy for it to survive the digital age.

FILMS

The film industry is one of the biggest and most established cultural and creative sectors internationally. In 2019, global box office revenue reached $42 billion, setting a new historic record.[104] The global film industry is largely dominated by the United States,[105] however, developing countries, such as India and Nigeria, are competing internationally and regionally, with significant film offerings and a wide audience base.

The big screen

Films cover motion picture and video that are primarily intended for distribution in cinema theaters; it does not include radio productions or videos that are produced for television broadcasting.

SAUDIS WELCOME CINEMAS

In Saudi Arabia, the film industry is nascent and growing. In 2017, the former Ministry of Culture and Information lifted the 35-year ban on cinemas operating in Saudi Arabia. During the ban, the industry's audience depended on online movie downloads, streaming services and TV broadcasting to consume movies. Since 2017, the country expedited the film sector's infrastructure development, licensing more than seven movie operators and opening 45 more cinemas by the end of 2020. Additionally, the Quality of Life program has set a target of 350 cinemas by 2030, which are estimated to generate $1.5 billion in total revenues, including non-admission sales like food and beverages.[106] In the presence of the new opening of the industry, the Saudi population is highly engaged. They are eagerly consuming the industry's offering on the big screen. New cinemas are witnessing 95% occupancy rates, among the highest in the world.[107] Furthermore, more than 95% of survey takers were excited about cinemas opening in Saudi Arabia.[108]

ON THE LITTLE SCREEN, TV STILL DOMINATES

As for production, Saudi filming is mostly driven by TV series and short movies, with minimal leveraging of feature films.

TV consumption in the Kingdom is dominant among the Saudi population, where more than 90% of the population watches TV and 67% classifies watching TV as one of their top choices during their free time.[109] However, international film festivals hosted in the Saudi Arabia are gaining significant traction amongst the Saudi population. The Red Sea International Festival was visited by 24% of the respondents in Jeddah, making it the most attractive cultural site in the city.[110]

Such consumption encourages media companies, like MBC, Rotana and SBC, to capitalize on producing engaging TV series, detracting investment, talent and focus from feature films. On the other hand, short movie productions are more appealing to independent

104. Billboard. 2020.
105. The Numbers. 2020.
106. PWC. 2018.
107. Zawya. 2018.
108. Ipsos and Motivate Val Mogan. 2019.
109. General Authority of Statistics. 2018.
110. The Economist Intelligence Unit. 2021. "Culture in the 21st century."

producers in Saudi Arabia, as short movies require significantly lower budgets than feature films, but can still have a representative local audience with an opportunity for global recognition. For example, Dunya's Day, a locally produced short film won the international fiction category at the Sundance Film Festival. Additionally, Six Windows in the Desert, a locally produced series of short films, has been featured on Netflix for local and global consumers.

Consequently, most Saudi talent does not seek feature films as a career due to the absence of clear direction in the industry and its potential growth. Instead, they mostly focus on TV-series and short movies.

INTERNATIONAL RECOGNITION FOR MOVING CONTENT

Despite TV's continued dominance, film has made significant advances and has increasingly captured local consumer attention. Between 2016 and 2019, 23 feature films were produced by different stakeholders, some of which have been globally recognized. For example, Masameer, an animated movie produced by Myrkott Animation Studio, has been shown on the big screen in local cinemas VOX Cinemas, and is featured on Netflix for local and global consumption.

It is worth highlighting that Saudi filmmakers have a valuable talent in addressing social issues related to Saudi society. Through engaging and entertaining mediums like film, they are delivering strong messages to Saudi locals and improving international perceptions of Saudi Arabia. Some of these films, which have strong messages for locals, have also been recognized globally, even nominated and winning international awards and being featured on international platforms like Netflix.

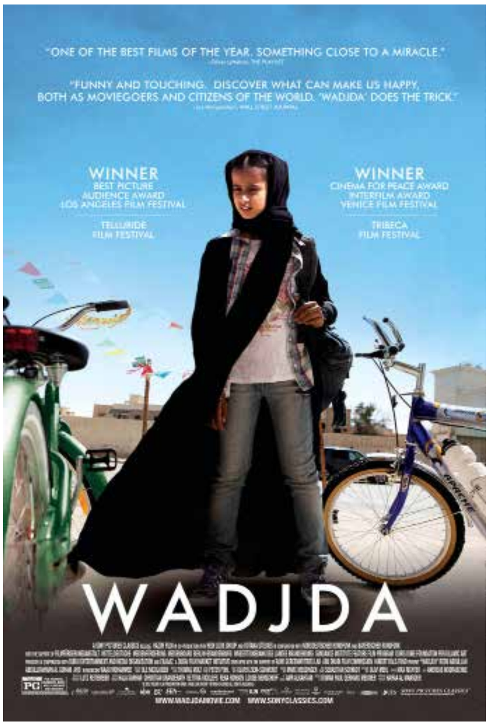
GOVERNMENT SUPPORT

In recognition of Saudi talent potential in film, the government has launched several initiatives to better enable the sector's production and develop local talent capabilities. Among these commitments, the government announced SAR278 million ($74 million) worth of grants to foster local film production. Additionally, it is establishing a media city designed to attract media companies and producers to the Kingdom and add new production stakeholders to the ecosystem. Furthermore, the government is establishing the Saudi Film Academy for documentaries, which provides a training and certification program for documentary film-making, under the supervision of King Abdulaziz University. Finally, the government is establishing a film commission, under the Ministry of Culture, aimed at enabling sector development.[111]

"The government announced SAR278m ($74m) worth of grants to foster local film production."

111. Saudi Vision 2030. 2018.

Globally recognized Saudi Arabian films capitalized on rich content and utilized the industry to deliver valuable messages



Wadjda (12)

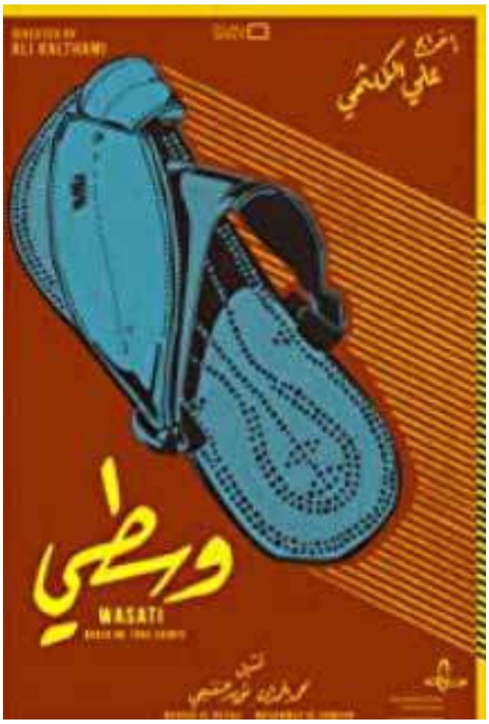
Female empowerment

An enterprising Saudi girl signs on for her school's Quran recitation competition as a way to raise the remaining funds to buy her dream bicycle

SAN FRANCISCO FILM CRITICS CIRCLE

LA FiLM FESTiVAL

22 global awards wins and 34 nominations



Wasati (16)

Tolerance

Wasati, based on true events, retells the story of a group of extremists who attack a theater and the play shuts down, highlighting the event from a different point of view

NETFLIX

WILLIAMSBURG INDEPENDENT FILM FESTIVAL

Two global award wins

CONTRIBUTOR INSIGHTS

Three key success factors to develop the ecosystem required to build a film industry

Tim Clawson

Amazon Studios, Head of Worldwide Production and Post Production

To establish a film production enterprise in an area historically absent of film production, there are three factors that lead to successful entry into the field.

The first is government incentives to support both the building of infrastructure and the funding of film production. These are usually established in the form of refundable tax credits but have also taken the form of grants or no-interest loans.

The second factor is the building of infrastructure. This comes in the form of multiple soundstage studios with ample warehouse space for costumes, set decorations and props and a mill for set construction.

Third, talent development is critical. It can take the form of training programs for local residents to develop both core skills, such as writers, directors, actors, as well as a support crew base that consists of technicians, carpenters, art department personnel, and drivers. These core skills are usually developed within colleges and universities with an industry outreach both inside and outside the country. The support skills are based on a more trade school environment that works with skilled labor to adapt their skills to the specialty of film production. Both training initiatives are needed to grow an industry.

All three success factors must be present and work together to stoke the fires of growth. Government support provides the seed money for building and production, the infrastructure provides the means for the productions to operate but equally as important sends a message to the community inside and outside the country that there is a serious dedication and commitment to film production.

Finally, growth will only come with development of a workforce dedicated to this industry. The foundation of the workforce is the training; the sustainability of the workforce comes from the confidence in that workforce that this industry is here to stay. This is the ecosystem required to develop a film industry.

"Talent development is critical. It can take the form of training programs for local residents to develop both core skills, such as writers, directors, actors, as well as a support crew base."

LEAPFROGGING TO THE CULTURAL AND CREATIVE INDUSTRIES OF THE FUTURE

Rapidly emerging technologies such as the Internet of Things (IoT), artificial intelligence (AI), wearables, robotics, additive manufacturing and blockchain, among others, are changing the business landscape. These technologies are spurring new production techniques and business models that will profoundly disrupt most manufacturing and global supply chains.

These disruptions are also likely to impact CCI, potentially opening opportunities for countries with a nascent creative economy, such as Saudi Arabia.

We believe there is a great opportunity for the Saudi CCI to leapfrog usual development paths and build their own innovative model leveraging available technology.

EXAMPLES FROM ABROAD

China is a clear example of how a country can benefit from technological revolution to fast-track its development. Since the 1980s, 800 million people in China have been raised out of absolute poverty and the Chinese economy is now the biggest in the world. The newness of the country's wealth has resulted in "leapfrogging," whereby non-participation in an older technology and infrastructure spurs early adoption of the latest technology. In this case, because the personal computer revolution spread in the Western world before the new era of wealth in China, many Chinese consumers went straight to smartphones. In turn, some people outside the big cities had no experience of supermarkets and shopping malls that typically emerge in growing economies, so they moved directly to using apps to order online.[112]

This "leapfrogging" strategy was also implemented in China's cultural industry. It aimed to change the growth model by focusing on fostering cultural enterprises, boosting spending on cultural products and services, promoting technological innovation and developing a cultural industry with unique features. This approach seems to have been successful. China saw more than 500,000 newly registered cultural enterprises in 2018, an increase of 6.9% from the previous year. The number of cultural firms reached 3.09 million by the end of 2018, accounting for 8.9% of the total businesses across the country. At the same time, the value of China's CCI rose 12.8% over the previous year to account for 4.23% of GDP.

South Korea is another example of leapfrogging, showing how technological advances can jump-start development. In the late 1990s, South Korean company Samsung used the shift to digital television technology to overtake Sony, its Japanese rival, which had dominated the market for analogue TVs. While Japanese companies developed the analogue-based HD (high definition) TV in the late 1980s, Korean companies leveraged this evolution and learned from new technologies. Rather than following behind the Japanese industry, South Korean companies tried a leapfrogging strategy of developing an alternative and emerging technology: digital technology-based HD TV. Thanks to a public-private R&D consortium, South Korean firms were able to move ahead of Japan in the global display market.

112. PIIE. 2018. "How China Leapfrogged Ahead of the United States in the Fintech Race."

THE KINGDOM'S UPPER HAND

Drawing lessons from the above, Saudi Arabia does not necessarily need to go about its transformation in the traditional way. In order to develop a strong cultural and creative economy in the 21st century, there is no need to focus solely on building an extensive network of theaters, galleries and opera houses that mature cultural economies inherit from the past. As shown in this report, Saudi Arabia is below international standards in terms of cultural sites and venue numbers in the country. This current situation can be leveraged as an incentive to create a new development model for the CCI rather than for Saudi Arabia to try and "catch-up" to other countries in a linear way.

Indeed, digital cultural consumption does not require a physical environment for cultural experiences, thus the opportunity for leapfrogging. Books, for example, are increasingly being accessed digitally. In fact, library visits have been decreasing globally at a rapid pace. Even museums and art galleries have found ways of integrating virtual and augmented reality to reduce the need for physical space and reach a new audience.

Non-cultural buildings and infrastructure can be re-purposed for cultural activity rather than requiring new builds. For example, the Tate Modern in London is housed in a former power station. Offering cultural experiences should be the focus over building traditional cultural venues. Moreover, even though it is still too early to understand all the consequences it will have, the events linked to the Covid-19 pandemic that impacted the world in 2020 are likely to reinforce the current trends towards more digital forms of consumption for cultural content. The announcement in March 2020 of numerous museums across the world making their collections accessible online and for free is an illustration of the type of changes that pandemics can spur.

Rapid technological advances open windows of opportunity for trailing or nascent economies to quickly take leading positions in prosperity-sustaining industries without having to replicate the paths taken by more established competitors. Saudi Arabia is well positioned to move to a multi-purpose, digitally-advanced infrastructure. It can provide both digital and physical cultural hubs and focus on new forms of cultural production and consumption, as well as lived experiences of culture.

LOOKING AHEAD: UNLOCKING THE DEVELOPMENT OF THE CULTURAL AND CREATIVE INDUSTRIES IN SAUDI ARABIA

The assessment of the cultural and creative industries in Saudi Arabia has illustrated its strong potential. With these industries still at an early stage of development, there are some strong indications that they will keep developing in the coming years, pushed by proactive policies led by the government as well as growing investment from the private sector, which is beginning to understand the opportunities offered by the growing demand. The enabling environment is rapidly transforming in all aspects, from the regulatory landscape to the local perception of culture.

This first edition of the Saudi cultural and creative industries mapping report will hopefully enable readers to benchmark and monitor progress of the CCI's performance in the Kingdom across a range of measures that cover the diverse key dimensions of its development.

As an assessment and monitoring tool, the "Indexing the Transformation of Saudi Arabia's Cultural and Creative Industries" report makes it possible to measure the local performance of the CCI, establishing the baseline for 2020 as a starting point. While initial progress occurred in the previous few years, it cannot be measured at this stage. Moreover, due to the global context of

Photo: Adli Aahid for Unsplash

the Covid-19 pandemic, 2020 will be a particular year in terms of data but might also mark a turning point in certain trends, especially in cultural content consumption. While it remains too early to assess the complete impact of the pandemic, it is highly probable that the constraints on physical movement linked to it will increase the shift towards more digital forms of consumption and production, as well as highlight their importance.

This index and mapping report will be updated every two years; the second edition is planned for release in 2022. In this process, numerous stakeholders will once again be leveraged to share input, insights and data on the CCI. The next edition of the report will be the occasion to better document the new trends and recent progress in Saudi Arabia and globally in the CCI.

APPENDIX 1: DETAILED DEFINITION OF INDICATORS

DIMENSION	INDICATOR	DEFINITION	DATA SOURCE
1 – Talent development and education	1.1 Cultural training	Number of students graduating from post-secondary courses in CCI-related fields as percentage of total post-secondary students	Ministry of Education / GSTAT
	1.2 CCI-related offering	Share of universities and vocational schools offering CCI-related programs (degree or pathway) in total accredited universities and vocational schools	Ministry of Education / GSTAT
	1.3 Cultural and artistic education	Percentage of instructional hours dedicated to mandatory cultural education in primary and secondary public schools based on national curriculum standards, in relation to the total number of instructional hours	Ministry of Education
	1.4 Informal training	Percentage of the population attending at least one form of informal CCI-related training in the past three years (e.g., short courses, amateur courses, informal sharing of knowledge)	Survey March 2020[113]
2 – Openness, diversity and tolerance	2.1 Identity and pride	Percentage of the population who very strongly agree with the statement: "I am proud of the Saudi culture and identity"	Survey March 2020
	2.2 International CCI workers	Share of non-local core CCI workers among total CCI workforce	Survey CCI entities March 2020[114]
	2.3 Cultural imports	Share of cultural goods and products in total imports	UNESCO - UIS
	2.4 Openness to others	Percentage of the population who very strongly agree with the statement: "Overall, immigrants enrich Saudi cultural life (art, music, food etc.)"	Survey March 2020
	2.5 Freedom of expression	Ranking in World Press Freedom Index	Reporters Without Borders

DIMENSION	INDICATOR	DEFINITION	DATA SOURCE
3 – Public policy and regulation	3.1 Public spending	Proportion of public expenditure devoted to cultural and creative activities	Data not available as of March 2020
	3.2 Public policy	Checklist of availability and implementation of a national culture strategy	Ministry of Culture
	3.3 Intellectual property rights	Sub-score of the Intellectual Property Rights Subindex within the International Property Rights Index	International Property Rights Index
	3.4 Business climate	Ease of "Doing Business" scoring	World Bank – Doing Business
4 – Accessibility, infrastructure and clustering	4.1 Distance	Share of population living less than 2 hours from a cultural site or venue	Survey March 2020
	4.2 Transportation infrastructure	Level of transportation infrastructure quality according to the World Economic Forum ranking	Global Competitiveness Index - WEF - Transport quality dimension
	4.3 Smartphone penetration	Penetration rate of smartphones in population	Newzoo's Global Mobile Market Report
	4.4 Fixed broadband	Number of fixed internet broadband subscriptions per 100 inhabitants	International Telecommu-nication Union, World Telecommunication/ ICT
5 – Human capital and employment	5.1 CCI employment	Share of CCI workforce in total Saudi Arabian workforce	GOSI / GSTAT
	5.2 Cultural and creative enterprises	Total number of CCI enterprises as part of total enterprises	GOSI / GSTAT
	5.3 New cultural creative enterprises	Number of new CCI enterprises per capita	Data not available as of March 2020
6 – Cultural offering	6.1 Sites	Composite indicator of number of museums, public libraries and theaters per million people	GSTAT / Ministry of Culture
	6.2 Products	Composite indicator of number of published books, movies produced and radio stations per million people	GSTAT / Quality of Life
	6.3 Events	Number of cultural events per million people	GSTAT / Quality of Life

DIMENSION	INDICATOR	DEFINITION	DATA SOURCE
7 – Cultural engagement	7.1 Engagement	Share of the population engaged in outgoing cultural and creative activities (e.g., attending festivals, events, cinemas) and at-home cultural and creative activities	Survey March 2020
	7.2 Digital engagement	Percentage of households reporting practicing cultural activities through a digital channel (e.g., e-books, streaming of music/films) in the last 12 months	Survey March 2020
	7.3 Cultural participation	Number of annual visitors to museums per capita	Statistica
	7.4 Cultural spending	Share of household expenditure devoted to cultural activities, goods and services	Oxford Economics
	7.5 Satisfaction with cultural offering	Percentage of population that is very satisfied with cultural facilities	Survey March 2020
8 – Creative production	8.1 Culture GDP	Percentage of GDP attributable to cultural and creative production	Euromonitor
	8.2 Culture turnover	Value added and turnover of enterprises in the cultural sectors as a percentage of total business economy	Oxford Economics
	8.3 Trade in cultural goods and services	Exports of cultural goods and services as a percentage of all exports	UNESCO - UIS
9 – Cultural influence abroad	9.1 International visitors	Percentage of international visitors to pre-defined sites (vs. local visitors)	Survey CCI entities March 2020
	9.2 Tourism	Number of international tourists arrival	World Tourism Organization, Yearbook of Tourism Statistics, Compendium of Tourism Statistics and data files
	9.3 Cultural influence	Ranking in international influence ranking published by US News – Best countries – Cultural influence sub-ranking	US News Sub-ranking - Cultural influence

APPENDIX 2: DETAILED METHODOLOGY

PRESENTATION OF THE INDEX

The KSA CCI Index assesses the performance of the CCI in Saudi Arabia across nine dimensions and 34 indicators. It can be updated on a regular basis depending on availability of updated data sets.

The index scores only Saudi Arabia's CCI and does not score any other country. The objective of the index is to monitor Saudi CCI performance over time and make progress visible through the evolution of the scoring in future editions.

Ranking different countries is, at this stage, not the main objective of the index. However, other countries wishing to be included in the index can be added, pending data collection for all the indicators of the index.

METHODOLOGY

Scoring

- Scoring range: each indicator is scored from 1 (lowest) to 10 (highest).
- Indicators are aggregated at dimension level using a geometric mean. Dimensions scores are rounded at the unit level.
- Dimension scores are aggregated to obtain the overall scoring using the geometric mean.

Normalization

- The preferred normalization method for each indicator is the unity-based method (also called min-max feature scaling) that gives a score from 0 to 1 that is then converted to a 1 to 10 scale.
- Data was collected for each indicator across different countries when available. As much data was collected as possible to include best performing countries (to set a reliable maximum data point – score of 10 out of 10) as well as low performing countries (to set the minimum value).
- Countries used in data sets vary by indicator depending on the available data.
- When comparable data is not available, or the range of the data set is not wide enough, theoretical minimum and maximum levels have been set to normalize Saudi Arabia's data points. When a data set did not include low performing references (for example when the data set used for normalization is sourced from Eurostat and only presents data for European countries that are medium to high performers), a theoretical minimum has been set (usually 0 for most indicators).

Weighting

- For the first edition, it was decided that all indicators would be equally weighted within each dimension, and similarly for the different dimensions within the overall score.

Update

- The KSA CCI Index will be updated on a regular basis.
- Updates can include additional data points than the ones included as they become available.

- Updates can also include the addition or substitution of some indicators in future editions depending on data availability. Overall, only marginal changes should be made to allow comparability of scoring through time. Nevertheless, some indicators were identified during the index design as relevant for the index even though no data was available to be included for the first edition. It is, for example, the case for an indicator that would assess the level of cultural or creative field-related graduates that work in a cultural or creative field three years after graduation. This indicator would be relevant for Dimension 1 – talent development and education, however this data is not collected as of March 2020.

Data source

- For each indicator, the data sources used are mentioned in the table above (Appendix 1).
- Depending on available data, one or several data sources were used for Saudi Arabia and the other data points. A single data source was always made the priority.

APPENDIX 3: REFERENCES

General reports and publications

Bakhshi, H., and Throsby, D. (2010), Culture of Innovation: An Economic Analysis of Innovation in Arts and Cultural Organizations

Boston Consulting Group (2018), How Governments Are Sparking Growth in Creative Industries

Cooke, P., and Lazzeretti, L. (2008), Creative Cities, Cultural Clusters and Local Economic Development

Creative Industries Federation (2018), Growing the United Kingdom's Creative Industries. What creative enterprises need to thrive and grow

EY (2015), Cultural Times. The First Global Map of Cultural and Creative Industries

France Créative (2019), L'économie mosaïque, 3e Panorama des Industries Culturelles et Créatives en France

KEA (2006), The Economy of Culture in Europe, European Commission

KEA (2015), Feasibility Study on Data Collection and Analysis in the Cultural and Creative Sectors in the EU, European Commission

OECD (2008), The Impact of Culture on Tourism

UNCTAD (2013), Creative Economy Report 2013 Special Edition

UNCTAD (2016), Creative Economy Outlook. Trends in International Trade in cCreative iIndustries. Country Profiles 2005-2014

UNESCO (2009), The 2009 UNESCO Framework for Cultural Statistics (FCS)

UNESCO (2019), Culture. 2030 Indicators

113. Consumer Sentiment Survey (n=2400), Saudi Arabia, March 2020.
114. Survey of a representative basket of 14 cultural and creative entities in Saudi Arabia: Art Jameel, Athr Gallery, Desert Designs, Habbar, Hafez Gallery, King Abdulaziz Center for World Culture (Ithra), Misk Art, Myrkott, Naila Art Gallery, Obeikan, Rotana Music, Telfaz 11, The National Museum, Zadk Culinary Academy.
115. United Nations. 2015. "Sustainable Development Goals."
116. As per UNESCO definition, contemporary visual arts that may include multidisciplinary art forms such as "virtual art" are not included in this category as they are included in "Audio-visual and Interactive Media."

Reports and academic papers of benchmarked indices

Acs, Z., and Megyesi, M. (2009), “Creativity and Industrial Cities: A Case Study of Baltimore,” Entrepreneurship and Regional Development

ARC Centre of Excellence for Creative Industries and Innovation (2012), “The CCI Creative City Index 2012,” Cultural Science Journal

Bowen, H., Moesen, W., and Sleuwaegen, L. (2008), “A Composite Index of the Creative Economy,” Review of Business and Economics

Correia M. and da Silva Costa J. (2014), “Measuring Creativity in the EU Member States.” Investigaciones Regionales

European Commission (2009), The Impact of Culture on Creativity, KEA

Landry, C., and Bianchini, F. (1995), The Creative City

Florida R. (2003), “Cities and the Creative Class”

Florida, R., Mellander C. and Stolarick K. (2011), Creativity and Prosperity: The Global Creativity Index, Martin Prosperity Institute

Fukuoka Benchmarking Consortium (2008), Comparison of Cities (Creative City Index)

Hong Kong Special Administrative Region Government (2004), A Study on Creativity Index, HKSAR

Kloudova, J., and Stehlikova, B. (2010), “Creativity Index for the Czech Republic in Terms of Regional Similarities and Geographic Location,” Economics and Management

Knight Foundation, Americans for the Arts, the City of San Jose Office of Cultural Affairs and Cultural Initiatives Silicon Valley (2002), Creative Community Index, Cultural Initiatives Silicon Valley

Montalto, V., Tacao Moura, C. J., Langedijk, S., and Saisana, M. (2019), The Cultural and Creative Cities Monitor

Saudi Arabia and sector-specific references

About Her Fashion News (2019), 9 Times Saudi Fashion Designers Dressed Global Celebrities

Al-Arabiya (2016), How Many Dialects are Spoken in KSA?

Al Eqtisadiah (2018), Reading Clubs - Saudi Youth Breaks the Elite Monopoly

Al Madina press (2019), Eid Thobe - Swiss Tops, Japanese Comes Second

Al Madina Press (2017), An Exceptional Success for the Okaz Market Session, and 800,000 Visitors Enjoy the Event

Arabnews (2018), King Abdulaziz Foundation for Research and Archives (Darah) Archives Around 6,000 Interviews with Saudis

Billboard (2020), 2019 Global Box Office Revenue Hit Record $42.5B Despite 4 Percent Dip in U.S.

Boston Consulting Group (2018), Culture Consumption Survey

Dubai Design and Fashion Council (2016), MENA Design Outlook

Esportsearnings.com (2020)

Euromonitor International (2019), Country Report: Recreation, Entertainment and Arts in Saudi Arabia

General Authority of Statistics (2018), Household Income and Expenditure Survey

General Authority of Statistics (2018), Entertainment and Culture Survey

General Authority of Statistics (2018), Establishments Survey

Global Media Insight (2019), Saudi Arabia Social Media Statistics

Hia Magazine (2015), Saudi Arabia “Abaya” market reaches SAR2 billion

Hootsuite (2019), Digital 2019 Saudi Arabia

Invest Korea (2020), Cultural Content Report

Ipsos and Motivate Val Mogan (2019), KSA Cinema Survey

Knowledge Sharing Program (2014), Modularization of Korea's Development Experience

Korea Creative Content Agency (2019), Korean Game White Paper

Medium.com (2019), YouTube's Top Countries

Mohtwize (2019), Investing in Podcasts

Nidaulhind (2016), Novel Development in KSA

Northwestern University (2019), Media Use in the Middle East

NoxInfluencer (2020), Top 100 Most Subscribed YouTubers in Saudi Arabia

Okaz (2017), Riyadh Book Fair Sales Amounted to 72 Million Riyals... and Novels Top the List

Passport by Euromonitor International (2020), Apparel and Footwear in Saudi Arabia

The Arab Gulf States Institute in Washington (2019), Podcast Production in the Gulf Arab States: The Surge of Saudi Podcasting

The Numbers (2020), Top 100 Worldwide Box Office Movies

PWC (2018), Cinemas in Saudi Arabia: A Billion Dollar Opportunity

Vision 2030 (2016), Saudi Vision 2030 Report

Zawya (2018), New cinemas in Saudi Arabia Record 95% Occupancy

APPENDIX 4: SCORECARDS PER SECTOR

Economic data and key indicators were collected across 21 sectors. Each sector has been identified as components of the CCI in Saudi Arabia to give a picture of the landscape in 2020. Data availability at the sector level is limited but allows us to draw the insights presented below.

Libraries (including virtual)

Libraries in Saudi Arabia have low admissions and the number of libraries per million capita is low (2.4). Recently, the Ministry of Culture launched a new commision to oversee libraries in Saudi Arabia and develop the sector.

Key Players

Economic Contribution	Establishments	Education
TBD	**102** establishments	**731** students
% of total Economic Contribution	0.02% of total establishments	0.285% of total student body

Consumption	Offering	Infrastructure
٪3.39 of Saudis visited libraries (2018	SDL offers 310,000 scientific references (2020)	84 public libraries in Saudi Arabia (2017)
54,000 Saudis visited public libraries (2017)	King Fahd National Library offers 2.33m Resource (2016)	
٪35.4 of Saudis have a home library (2018)		

TBD: To be defined or limited data availability - to be updated in future CCI report.

Performing Arts

Performing arts are mostly focused on theater plays and the sector has recently witnessed a significant jump in diverse offerings. The recent establishment of the Theater and Performing Arts Commission by the Ministry of Culture is expected to support sector development.

Key Players

Economic Contribution	Establishments	Education
TBD	**311** establishments	**0** students
% of total Economic Contribution	0.03% of total establishments	0% of total student body

Consumption	Offering	Infrastructure
1.5m live shows and theater attendees (2018)	197 live shows and theater performances	59 theaters (2017)
100% of theater attendees went to a show only once (2018)	742 event days for live shows and theater performances (2018)	
	23 circus shows (2018 - 2019)	

Visual Arts

The visual arts scene in Saudi Arabia has been developing since 2009, with the establishment of multiple independent offerings in various regions of the Kingdom.

Key Players

Economic Contribution	Establishments	Education
TBD	**311** establishments	**420** students
% of total Economic Contribution	0.03% of total establishments	0.164% of total student body

Consumption	Offering	Infrastructure
1,546 visitors to art galleries (2018)	Flagship 21,39 Jeddah arts offered the work of 60 local and international artists (2020)	2,519 photography studios (2018)
5.9% of Saudis attended fine art, craft or photography events (2018)	Ithra Art Prize to reward artists (2017)	
890,000 exhibition atendees (2018)		

TBD: To be defined or limited data availability - to be updated in future CCI report.

Film and videos

The film industry in Saudi Arabia is nascent but growing. 23 feature films have been produced since 2016, and recently the Ministry of Culture established the films Commission to build production talent and capabilities.

Key Players

Economic Contribution	**Establishments**	**Education**
TBD	203 establishments	753 students
% of total Economic Contribution	0.02% of total establishments	0.294% of total student body

Consumption	**Offering**	**Infrastructure**
59,000 movie theater attendees (2019)	23 Saudi full-length feature films produced (2016 -2019)	973 cinema seats (2018)
39.62% of total entertainment visitors say they visited cinemas (2018)		7 licensed cinema operators (2018)
SAR135m ticket sale revenues (2019)		

Internet podcasting

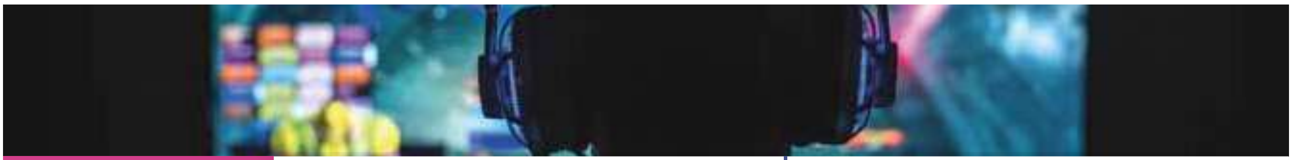
The Saudi population consumes video podcasts significantly, with the country ranking number 1 for YouTube consumption per capita. Most production is focused on entertainment videos. Audio podcasts have witnessed a recent increase in production and consumption, leading the MENA region.

Key Players

Economic Contribution	**Establishments**	**Education**
TBD	643 establishments	199 students
% of total Economic Contribution	0.06% of total establishments	0.078% of total student body

Consumption	**Offering**	**Infrastructure**
24.7m users of the YouTube platform (2019)	Saudi Arabia is ranked 14th by the number of subscribers	TBD
Average time spent per YouTube visit: 26 min (2019)	Entertainment offerings are the most popular among consumers with more than 180m subscribers (2020)	
31% of the population consumes audio podcasts daily (2019)		

TBD: To be defined or limited data availability - to be updated in future CCI report.



Video Games (also online)

The Saudi population has extensive involvement with video games across different age groups, especially mobile games. Yet video games production is still nascent with low presence in the Saudi market. Additionally, the market is witnessing a jump in physical arena infrastructure and the number of e-tournaments.

Key Players: GCAM, tamatem, ZERO LATENCY

Economic Contribution

$1bn in revenue

% of total Economic Contribution

Establishments

0 establishments

TBD

Education

0 students

TBD

Consumption

3.95% of population engaged in entertainment actvities stated video games as top 3 activity (2018)

33.7% of gamers spend 48 hours per week playing games (2018)

Offering

3 out of top 1,000 most downloaded mobile games are produced in Saudi Arabia (2020)

Insomnia Gaming Festival (2019)

3 e-sports tournaments (2018)

Infrastructure

TBD

Fashion Design

The sector is nascent and growing. Multiple new designers and brands are emerging, and the recent establishment of the Fashion Commission by the Ministry of Culture is expected to support sector development.

Key Players: وزارة الثقافة Ministry of Culture

Economic Contribution

$324m in revenue

TBD

Establishments

32,000 establishments

3.2% of total establishments

Education

1,478 students

0.577% of total student body

Consumption

21.5 of Saudis read fashion magazines (2018)

1.2% of event attendees were fashion- related (2018)

SAR359 avaerage household expenditure on fashion (2018)

Offering

6 fashion events between 2018 and 2019

Infrastructure

TBD

TBD: To be defined or limited data availability - to be updated in future CCI report.

Music

The sector has a significant consumer base with the emergence of new streaming apps and music events. Additionally, Saudi consumers are highly engaged with live music events by international and local artists.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

203 establishments

0.2% of total establishments

Education

0 students

0% of total student body

Consumption

83,000 attendees at GEA music events (2017)

12.81% of Saudis who engaged in entertainment activities say they attended music concerts (2018)

5.13m active paying music streaming customers (2019)

Offering

52 music events in GEA calendar (2019)

Saudi National Band debut performance (2018)

Infrastructure

TBD

Architecture and design

Architecture and interior design is private sector driven in the presence of mega infrastructure projects and real estate development across the Kingdom, where the sector has high dependency on exported designs.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

2,352 establishments

2.3% of total establishments

Education

875 students

0.498% of total student body

Consumption

0.1% of event attendees attended architecture-related events (2018)

0.22% of event attendees attended landscape and interior design-related events (2019)

SAR1.47bn architecture market revenue (2018)

Offering

Index design Saudi Arabia expo, with 6,000 interior design professionals (2020)

Decofair design expo Riyadh with 150 global brands (2019)

Infrastructure

TBD

TBD: To be defined or limited data availability - to be updated in future CCI report.

Graphic Design

Saudi Arabia is one of the key MENA players, it is responsible for 17.7% of the MENA region's total graphic design sector revenue, and 70% of work includes image design.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

2,352 establishments

2.3% of total establishments

Education

875 students

0.498% of total student body

Consumption

Design Magazine, first design magazine in Saudi Arabia, with more than 40,000 copies distributed around the Kingdom (2013)

Offering

Saudi Design Week (2014)

Poster Design Content (2018)

Infrastructure

TBD

Museums (including virtual)

Saudi Arabia's museum sector is underperforming with three public museums per million people. Yet, the number of museums is expected to increase to 56 by 2030, and sector development will be led by the new Museums Commission under the Ministry of Culture.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

192 establishments

0.2% of total establishments

Education

2.178 students

0.85% of total student body

Consumption

303,000 private museum visitors (2018)

Offering

TBD

Infrastructure

195 private museum (2019)

37 public museum (2019)

232 total museum (2019)

TBD: To be defined or limited data availability - to be updated in future CCI report.

Cultural Festivals and Feasts

With the introduction of the General Entertainment Authority and Saudi Seasons, festivals and events witnessed a significant jump in the quantity and quality of shows across the different occasions and regions.

Key Players

Economic Contribution	Establishments	Education
TBD	**1,943** establishments	**240** students
% of total Economic Contribution	1.94% of total establishments	0.1% of total student body

Consumption	Offering	Infrastructure
17m festival attendees (2018)	254 festivals (2018) 1,778 festival days (2018)	TBD

Heritage

The Kingdom has a rich tangible and intangible heritage due to its history, where the government is aiming to preserve promote intangible heritage (i.e. crafts) where production has potential value that is not organized or promoted.

Key Players

Economic Contribution	Establishments	Education
TBD	**192** establishments	**2,178** students
% of total Economic Contribution	0.2% of total establishments	0.85% of total student body

Consumption	Offering	Infrastructure
TBD	+3 traditional market around the Kingdom (2014) SAR812m exports of arts, antiques and collectors' pieces (2018) 1,778 festival days (2018)	33 antiquities, heritage and history museums (2019)

TBD: To be defined or limited data availability - to be updated in future CCI report.

TV and Radio

TV and Radio have a very wide consumer base in Saudi Arabia, as almost all Saudis watch TV. Yet the local broadcasting production is not significant, despite the multiple regional broadcasters that are now contributing to the market.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

643 establishments

0.06% of total establishments

Education

753 students

0.294% of total student body

Consumption

92% of Saudis watch TV (2018)

39.4% of Saudis listen to the radio (2018)

64% of individuals watch TV or listen to the radio more than eight hours per week (2018)

Offering

16 Saudi ground and satellite TV Channels (2018)

11 national radio channels (2018)

Infrastructure

TBD

Natural Heritage

Saudi Arabia natural reserves cover 12%-15% of the Kingdom overall land area. The government started to pay close attention to the development of these preserves by launching six royal reserve councils and other initiatives under Ministry of Environment, Water and Agriculture.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

0 establishments

TBD

Education

145 students

0.12% of total student body

Consumption

22.7% of the Saudi population visited natural heritage sites (2018)

Offering

2.5% of protected marine (2018)

4.8% protected terrestrial areas (2018)

20+ natural reserves, occupying 12%-15% of Saudi Arabia's land area (2019)

Infrastructure

TBD

TBD: To be defined or limited data availability - to be updated in future CCI report.

Books and Publications

Publishing industry growth is limited in Saudi Arabia due to the low readership and absence of incentives for writers and publishers. Now the Ministry of Culture has established a new commission that will further enable the sector.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

828 establishments

0.08% of total establishments

Education

26,151 students

10.6% of total student body

Consumption

54% of the population reads newspapers and magazine (2018)

14.2% read poetry/literature books (2018)

SAR42.2 monthly household spend on stationery, books and newspapers (2018)

Offering

1,431 books published (2018)

444 local magazines (2017)

16 literary clubs (2017)

Infrastructure

16 publishing houses (2018)

8 public universities offering literature, publishing and journalism specializations (2017)

Literature

Saudi literature is currently driven by novel production and consumption. This marks a shift in direction in the past two decades, as consumers have become captured by new writing styles.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

828 establishments

0.08% of total establishments

Education

8,447 students

3.52% of total student body

Consumption

14.2% read poetry/literature books (2018)

Novel accounts for the most books sold at Riyadh Book Fair (2017)

Fiction is the most popular genre among young Saudis (2018)

Offering

1,431 books published (2018)

40 reading clubs (2018)

16 literary clubs (2017)

Infrastructure

TBD

TBD: To be defined or limited data availability - to be updated in future CCI report.

Langauage and Translation

Arabic is the official language in Saudi Arabia for all formal communication, and the education system's curriculum is based on it. Translation is mostly driven by commercial translation and the government's mega-translation projects.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

828 establishments

0.08% of total establishments

Education

24,198 students

10% of total student body

Consumption

TBD

Offering

10,700 employees registered as translators or interpreters (2015)

1,046 translated books published in Saudi Arabia (2000 - 2015)

4 mega-translation projects (2000 - 2015)

Infrastructure

TBD

Advertising Services

Influenced by the significant consumption of online content and internet penetration in Saudi Arabia, digital marketing is contributing significantly to the sector, leveraged by both the public and private sectors.

Key Players

Economic Contribution

$2.2bn in digital advertising spend

% of total Economic Contribution

Establishments

3,687 establishments

3.6% of total establishments

Education

3,159 students

1.373% of total student body

Consumption

10.6% of Saudis read advertising press out of total press readers (2018)

6 Facebook ads clicked per month per Saudi individual (2019)

Offering

2,030 advertising companies operating in Saudi Arabia (2018)

Infrastructure

TBD

TBD: To be defined or limited data availability - to be updated in future CCI report.

Archaeological and Cultural Landscape

Saudi Arabia has important archaeological and cultural landscapes. Multiple companies have been recently established to preserve them, develop the suurounding areas and register sites with UNISCO.

Key Players

Economic Contribution

TBD

% of total Economic Contribution

Establishments

192 establishments

0.02% of total establishments

Education

2,178 students

0.91% of total student body

Consumption

178,000 visitors to archaeological. historical and historical sites (2018)

16.93% of Saudis visited a natural cultural festival (2018)

84.7% visited archaeological and historical sites including museums 13- times (2018)

Offering

2,030 advertising companies operating in KSA (2018)

Infrastructure

8,499 archaeological, cultural and historical sites (2019)

5 UNESCO World Heritage Sites (2020)

11 sites on UNESCO World Heritage tentative list (2020)

TBD: To be defined or limited data availability - to be updated in future CCI report.

ACKNOWLEDGEMENTS

Ithra would like to thank the many government officials and business executives for contributing their time and insights to this report.

We also thank the following individuals and entities for participating in workshops and for sharing inputs on the index and report structure:

- Dr. Noha Kattan, Ministry of Culture
- Dr. Maha Alsenan, Ministry of Culture
- Ms. Reem Alsultan, Misk Art Institute
- Dr. Sumaya AlSulaiman, Imam Abdulrahman bin Faisal University
- Tariq Sangorah, Product Care
- Andrew Dixon
- Dr. Jonothan Neelands, Warwick Business School (WBS)

Ithra also gives special thanks to all the experts who shared their opinions for this report.

Supported by

BOSTON CONSULTING GROUP