

# Saudi Arabia is spending billions to become a global gaming hub. Some fans don't want to play

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Gaming fans dressed in cosplay outfits attend the Dubai Esports and Games Festival in Dubai, United Arab Emirates, Saturday, June 24, 2023. Saudi Arabia, the new home of some of soccer's biggest stars and a co-owner of professional golf, is proving to be no less ambitious when it comes to another global pastime, the \$180 billion-a-year video game industry. Credit: AP Photo/Kamran Jebreili

Saudi Arabia, the new home of some of soccer's biggest stars and a co-owner of professional golf, is proving to be no less ambitious when it comes to another global pastime—the \$180 billion-a-year video game industry.

Last September, the Saudi sovereign wealth fund earmarked nearly \$40 billion for a new conglomerate aimed at transforming the kingdom into the "ultimate global hub" for games and esports by 2030. In February, the Saudi fund became the biggest outside investor in Nintendo, and just this month the kingdom hosted a major gaming tournament with a record \$45 million prize pool.

That's made Saudi Arabia an increasingly important player in the industry and contributed to its breakneck transformation from an insular kingdom best known for oil and ultraconservative Islam into an emerging sports and entertainment powerhouse.

The move into gaming has sparked the same kind of backlash seen in soccer and golf, where critics accuse the Saudis of "sportswashing" [human rights abuses](#), including the 2018 killing of Washington Post columnist Jamal Khashoggi, a Saudi dissident.

With gaming, a kingdom that sentences people to decades in prison over a few tweets is joining a worldwide community dominated by the young and very online.



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"It's the Romans and the Colosseum all over again, and you have countries at the top layer using sports as a theater to display their wealth and their power," said Joost van Dreunen, a professor at New York University who has written a book about the business of video games.

"You have to ask the question: Who is the architect behind this, and what are the intentions of these architects?" he said.

Saudi Arabia's 37-year-old Crown Prince Mohammed bin Salman, reportedly an avid gamer himself, sees the foray into gaming as part of Vision 2030, his ambitious plan to overhaul the kingdom's economy, reduce its reliance on oil and provide jobs and entertainment for its youthful population.

"We are harnessing the untapped potential across the esports and games sector to diversify our economy," he said last September, when he announced the establishment of the Savvy Games Group.

Owned by Saudi Arabia's \$700 billion Public Investment Fund and led by CEO Brian Ward, an industry veteran, Savvy aims to invest \$39 billion in the gaming industry. It hopes to establish 250 local companies and create 39,000 jobs in the next seven years.



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Earlier this month, it completed the \$4.9 billion purchase of Scopely, the creator of "Monopoly Go," "Star Trek Fleet Command" and "Marvel Strike Force."

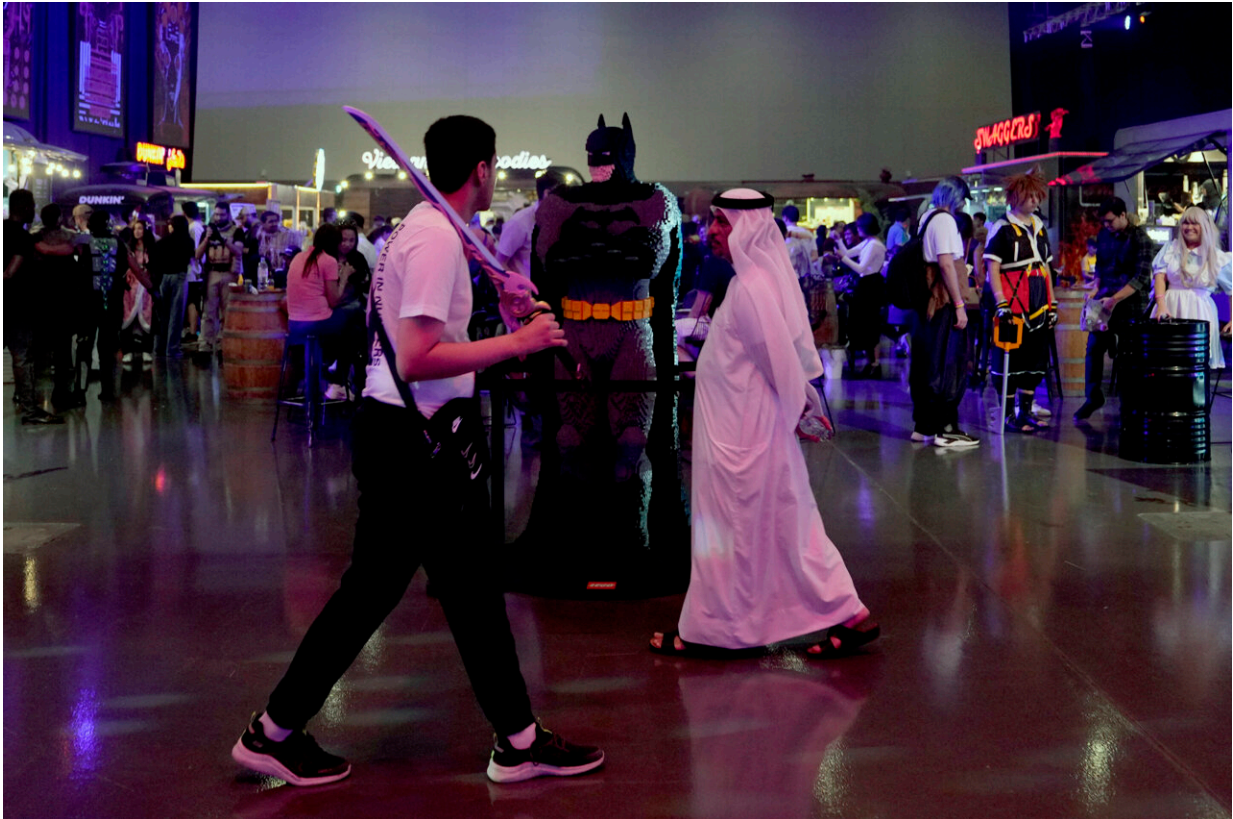
Gaming is a massive and fast-growing industry. Market research firm Newzoo says an estimated 3.2 billion people play games on PCs, consoles, mobile devices or cloud gaming services, with the industry generating \$184.4 billion in revenues in 2022. Gaming brings in more money than the combined earnings of the global box office, music streaming and album sales, and the top five wealthiest sports leagues, according to [a 2021 report by the Boston Consulting Group](#).

The kingdom is also breaking into the world of esports, competitions pitting the world's top players against one another in games ranging from battle royales and first-person shooters to "FIFA" soccer and "Madden NFL."

To the uninitiated, the prospect of watching other people play video games may seem unappealing, but [it's a huge business](#) with millions of fans, celebrity players and corporate sponsors. A 2021 esports tournament in Singapore drew 5.4 million concurrent viewers.

"When you invest in esports you are getting prime advertising opportunities, and of course, you are promoting the brand of your

country as a cool, forward-thinking, interesting place to go on holiday," said Christopher Davidson, a Gulf expert at the European Center for International Affairs, a Brussels-based think tank.



An Emirati man passes by a Batman character during the Dubai Esports and Games Festival in Dubai, United Arab Emirates, Saturday, June 24, 2023. Saudi Arabia, the new home of some of soccer's biggest stars and a co-owner of professional golf, is proving to be no less ambitious when it comes to another global pastime, the \$180 billion-a-year video game industry. Credit: AP Photo/Kamran Jebreili

"(Esports) is far younger and more global than any other sport," he added. "English soccer is popular everywhere in the West, but not really

in an average-sized Chinese city. But these esports are."

Last summer, Saudi Arabia hosted Gamers8, a weekslong tournament with a \$15 million prize pool. The event returned this month with a prize pool three times as large.

Saudi Arabia's wealthy Gulf neighbors are also looking to get in on the action. Dubai, in the United Arab Emirates, hosted a five-day esports festival last month. The Qatar Investment Authority recently purchased a minority stake in Monument Sports & Entertainment, which owns the Washington Wizards and Capitals, as well as esports holdings.

The growing involvement of autocratic Gulf states has sparked debate within the gaming community.

Riot Games, the developer of the popular "League of Legends," a multiplayer battle [game](#), and Danish tournament organizer Blast Premier both canceled partnerships with Saudi Arabia in 2020 following an outcry from fans. Blast went on to hold its world finals in Abu Dhabi, the capital of the UAE, [where it faced similar criticism](#).



A gaming fan dressed in Batman outfit attends the Dubai Esports and Games Festival in Dubai, United Arab Emirates, Saturday, June 24, 2023. Saudi Arabia, the new home of some of soccer's biggest stars and a co-owner of professional golf, is proving to be no less ambitious when it comes to another global pastime, the \$180 billion-a-year video game industry. Credit: AP Photo/Kamran Jebreili





Gaming fans take photo during the Dubai Esports and Games Festival in Dubai, United Arab Emirates, Saturday, June 24, 2023. Saudi Arabia, the new home of some of soccer's biggest stars and a co-owner of professional golf, is proving to be no less ambitious when it comes to another global pastime, the \$180 billion-a-year video game industry. Credit: AP Photo/Kamran Jebreili

Team Liquid, an esports organization that represents 60 champion players across 14 games, announced in December that it would donate half its winnings from recent competitions in Saudi Arabia and the UAE to an organization that helps LGBTQ+ individuals escape violence and persecution.

Homosexuality is considered taboo in most of the Middle East and is criminalized in Saudi Arabia and the UAE, though prosecutions are rare.

Both countries also outlaw any form of LGBTQ+ advocacy.

The Team Liquid statement acknowledged the financial and ethical trade-offs of accepting sponsorship from such countries.

"These events present real opportunities for our players, many of whom may have short careers with few guarantees," it said. "An outright boycott might not only end careers, it could end our involvement in some esports entirely."

Stanis Elsborg, a senior analyst at Play the Game, an international initiative that aims to promote ethics in sports, and who has written extensively on the intersection of esports and the Gulf's ambitions, says it's a dilemma that is likely to recur.

"Money talks," he said. "I think the esports scene will be following the same trajectory as we have seen in other sports, forming significant partnerships with state-owned companies from autocratic states."

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