

E-games in Kingdom of Saudi Arabia

- Industry
- Technologies
- E-games

Table of Content

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01



Overview of E-Games

02



Global E-game Market Size

03



Impact of E-games on World Economy

04



Current State of E-games in KSA

05



Key Efforts of the KSA in the E-games Industry

06



Saudi Investments and Future Trends in the
E-games Industry

Overview of E-Games

E-games have gained immense popularity in the modern era, becoming an integral part of the lives of millions worldwide. E-games have redefined the landscape of entertainment, offering an immersive fusion of technology and social engagement. Their remarkable versatility and ability to captivate players from all backgrounds have elevated this once-leisurely pastime into a lucrative investment landscape.

What are E-games?

According to the definition provided in the Oxford Advanced Learners Dictionary, e-games, also known as computer games, are interactive entertainment activities that utilize electronic devices such as computers, smartphones, or other modern electronic devices that require an internet connection. These servers enable users to play either individually or with other players for recreational purposes.



E-games Throughout History

The concept of games has captivated humanity since ancient times, with passionate enthusiasts and devoted players across cultures and eras. One such example is "Mehen," an ancient Egyptian game resembling the modern "Snake" game, unearthed from ancient tombs. This enduring fascination with games has fueled continuous innovation and evolution, manifesting in diverse forms and artistic expressions throughout history. Ultimately, it culminated in a pivotal moment that set the stage for the revolutionary era of e-games we witness today.

E-game Revolution in the 20th Century

1950

In 1950, mathematician Claude Shannon devised the idea of developing a computer game to play chess. Scientists' endeavors to develop electronic games persisted, aiming to utilize them as technical demonstrations in their research and scientific endeavors. In 1952, a milestone was reached with the release of the first electronic computer game, aptly named OXO.



1962

In 1962, Steve Russell from MIT developed "Spacewar!", the first e-game to be played across multiple devices. Despite these groundbreaking developments, electronic games remained a luxury for most people due to the high cost of computers. In contrast, televisions were becoming a common fixture in homes, and this realization struck engineer Ralph Baer: why not bring e-games to the television screen? With this vision in mind, he embarked on a mission to develop the first-ever e-game console.



1977

The realm of e-games witnessed a whirlwind of advancements during this era. In 1977, Atari unveiled a revolutionary home e-game console controlled by joysticks, marking a pivotal moment in gaming history. As computers became more accessible, the world was introduced to the wonders of 3D gaming. Subsequently, coin-operated e-game consoles, also known as arcade games, emerged, captivating players with their immersive and interactive experiences.

E-games in the Current Era

Driven by an unwavering passion for e-games, developers have continuously pushed the boundaries of innovation, leading us to the present era, where e-games have undergone a remarkable revolution and experienced exponential growth. This transformation has been fueled by the introduction of specialized gaming consoles, such as the PlayStation and Xbox, and the widespread availability of games across the internet, mobile devices, and various social media platforms.

The meteoric rise of the e-game industry has fueled the emergence of a dedicated gaming market, attracting substantial investments that rival the budgets of entire nations.

E-game Market Size

Electronic games have emerged as **one of the fastest-growing and most influential industries in the global economy**, driven by remarkable advancements, fierce competition among industry giants, and substantial investments in this burgeoning market.

With the recent outbreak of COVID-19, the gaming market in the region has witnessed a significant growth due to the increased use of online games. Furthermore, the surging popularity of mobile gaming and casual games has emerged as a significant catalyst for market growth. The revolutionary developments in AR-powered games and applications are expected to unleash a wave of exciting opportunities within the market. To gain a deeper understanding of the industry's scale, let's examine the current market size of e-games.



The Global E-game Market Size reached

in 2022

881

Bn SAR

According to the estimates of Newzoo, the e-games and gamer data leader

in 2023

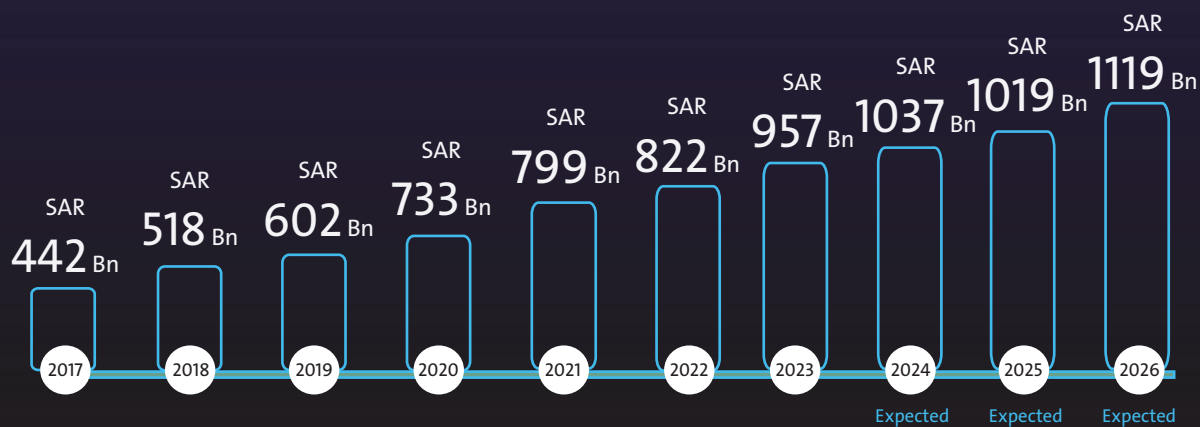
957

Bn SAR

According to the statistics portal for market data, Statista.



Global e-game Market Size (SAR Bn)

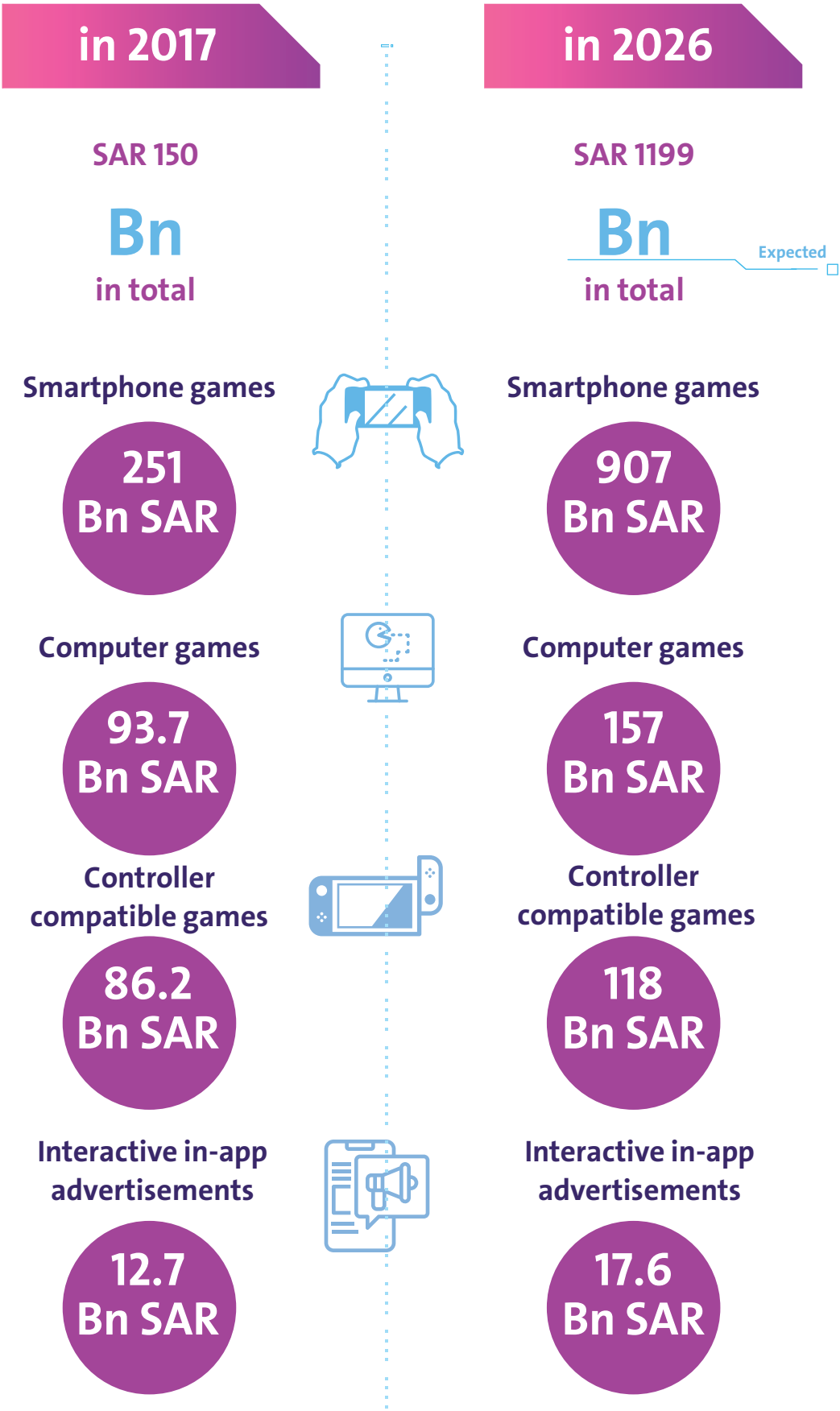


Based on current growth trends and advancements, the global electronic gaming market is projected to reach a staggering SAR 1199.6 Bn by the year 2026. This remarkable forecast paints a picture of an industry poised for continued expansion and exponential growth.



The market is expected to grow at an annual rate of 9.32% between 2023 and 2028, leading to an expected market size of approximately SAR 1,421 Bn by 2028.

Expected revenues from the e-game industry until 2026



Impact of E-games on World Economy

Motivated by the desire for entertainment and recreation, many individuals allocate substantial funds towards electronic games. However, these games, played by youth on computers, the internet, and mobile devices, have also evolved into a lucrative avenue for income generation and wealth accumulation.

Having witnessed the remarkable growth of the global e-game market over the past years, it would have been unimaginable that e-games, once considered a mere pastime for teenagers, would evolve into **significant contributors to diverse economies**. With the world's recognition of the immense value of e-games, their economic impact has become profound and far-reaching.



Electronic games play a crucial role in **developing critical and creative thinking skills**, encouraging scientific thinking, enhancing intelligence, promoting quick thinking, and instilling a sense of accomplishment among players. Electronic games additionally play a role in fostering initiative and planning skills, while stimulating focus and attention.

E-games present a wealth of opportunities stemming from **the technological and service innovations** developed for entertainment games, which are subsequently being leveraged in non-entertainment sectors and domains. This opens up vast avenues for the exchange of knowledge, information, and software related to game development.

Moreover, the organization of global electronic gaming tournaments with **multi-million dollar prizes** has significantly contributed to the surge in popularity and the expansion of the player base for these games. This trend has even prompted the establishment of university scholarships and specialized academic programs dedicated to the field of video gaming.



Amidst the surging demand for e-games and the fierce competition among leading companies, each vying for global dominance by developing a game that captures a significant share of the user base, **the adherence to ethical guidelines and the consideration of the psychological impact on players** often fall by the wayside. This presents a significant challenge for companies in complying with these restrictions during game development, which in turn affects the game's reception by users and consequently the projected revenue and profits.

Current State of E-games in KSA

The Kingdom of Saudi Arabia has witnessed a remarkable leap forward in diverse areas and industries in recent years, driven by the implementation of a comprehensive array of empowering initiatives and incentives. Undeniably, the e-game sector stands as **one of the most compelling and promising industries that the Kingdom has set its sights on**. This is fueled by the burgeoning popularity of digital games, especially among the adolescent and youthful demographic, as well as the sector's remarkable and rapidly escalating revenue streams and profits, as we have earlier alluded to.



The Saudi Esports Federation stated that the Kingdom has currently become home for more than

23.5

Mn

e-game enthusiasts

which represent around

67%

of the population



The number of professional gamers in Saudi Arabia exceeds

100

professional gamers

available to participate in eSport tournaments locally and globally on a full-time basis



The Social Development Bank data indicate that the e-game market in KSA is estimated at around

3.7

Bn SAR

The Kingdom aims to increase its market value to

9.3

Bn SAR

by 2030



In recent years, a number of Saudis have achieved remarkable feats and successes in the field of esports globally. Among them is prominent gamer Musaed Al Dossary, who emerged as the FIFAE World Cup champion for two consecutive years in 2017 and 2018. This victory marked him as the first Saudi to claim the FIFAE World Cup title and the Saudi eMBS Cup champion. Notably, he stands as the only player in FIFA history to have secured the FIFAE World Cup championship back-to-back.



In a heart-stopping three-round clash against the Chinese national team, the Saudi squad valiantly fought their way to victory, securing the Overwatch World Championship title and establishing themselves as the undisputed champions of the world. The Saudi national team has also previously achieved victory in the Overwatch World Cup over Japan with a score of 2-0, and with the same score over the USA and France. It also won over Spain with a score of 3-0, and beat Finland with a score of 3-2.

Key Efforts of the KSA in the E-game Industry



2017

The Establishment of the Saudi Esports Federation

Given Saudi people’s great passion for e-games, the Kingdom decided to establish the Saudi Esports Federation. The Federation has organized many local and international tournaments and events at the highest levels, and has attracted large investments from the Kingdom’s private sector. It has also worked hand-in-hand with international developers to create local content in Saudi Arabia.

The Saudi Esports Federation also **launched the Saudi eLeague in 2022**, which organized professional competitions in most of the competitive games between the most prominent esports teams. Rocket League, Overwatch, Rainbow 6 Siege, and Call of Duty Vanguard are some of the most prominent games that entered the Saudi eLeague competitions, in addition to the FIFAe football games. The Saudi eLeague championships included about 55 tournaments, with a total prize pool of up to SAR 5 Mn, while the number of participating teams reached 50 and included more than 400 gamers, of whom only 40 won in the end.

The eLeague also announced the launching of **the Saudi eSports Academy in 2022**, which is an e-learning platform that grants amateur gamers the opportunity to improve their skills and become professionals, moving ahead to major global e-sports forums. It also allows gamers to acquire knowledge in all e-sports areas, so that they build a professional career that would make them future leaders within the e-sports sector.

Further, the Kingdom **hosted the Global Esports Games (GEG) 2023**, in Riyadh, in collaboration between SEF and Global Esports Federation. This exhilarating tournament achieved resounding success, resonating worldwide.

Turki Alfawzan, SEF’s CEO, affirmed, “GEG 2023 held in the capital city of Riyadh was a phenomenal success. We take great pride in hosting this global event, which solidifies Riyadh’s position as a global esports hub.”





2023

National Gaming and Esports Strategy

The Kingdom of Saudi Arabia has embarked on a relentless pursuit of excellence in the field of electronic gaming, spearheaded by the National Gaming and Esports Strategy. This comprehensive investment initiative aims to achieve a multitude of objectives that will propel the development of the gaming and esports industry, fueled by the immense passion and enthusiasm of Saudi gamers. With a visionary aspiration to transform the Kingdom into a global gaming hub by 2030, the strategy outlines a roadmap for success.

The National Gaming and Esports Strategy includes:

- ▶ Improving gamers' experience and taking it to a professional level.
- ▶ Creating new and quality entertainment opportunities.
- ▶ Leading to the contribution of the gaming and esports industry by about SAR 50 Bn to the GDP.
- ▶ Creating more than 39,000 job opportunities by 2030.
- ▶ Reaching global leadership in the digital gaming sector and improving the Kingdom's position on the global scene.
- ▶ Producing more than 30 games in the Kingdom's studios capable of competing globally.
- ▶ Raising the rank of the Kingdom to the top three countries globally in terms of number of professional esports players.

The Kingdom intends to implement this strategy through 86 initiatives spanning the entire value chain, which will be launched and managed by approximately 20 government and private entities. These initiatives include establishing business incubators, hosting major gaming and esports events, founding educational academies, and developing incentivizing regulations to ensure alignment with the rapid growth pace of this sector.

HRH Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud:

"The National Gaming and Esports Strategy is driven by the creativity and energy of our citizens and gamers, who are at the heart of the strategy. We are delivering on the ambitions of the gaming community in Saudi Arabia and around the world, with an exciting new career, and unique entertainment opportunities, aiming to make Saudi Arabia the ultimate global hub for this sector by 2030."





2023

Establishment of Saudi Gaming & Esports Authority (SGEA)

Under the visionary leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, the Council of Ministers announced the establishment of the Saudi Gaming & Esports Authority. This monumental leap propels the world of esports to new heights and positions Saudi Arabia as a global pioneer in this domain.



2023

Esports World Cup

In an exciting development, the Kingdom announced the launch of Esports World Cup, set to take place annually in Riyadh starting from the upcoming summer of 2024. This groundbreaking tournament aims to elevate esports sector to new heights and solidify the Kingdom's position as a leading destination for top-tier sporting and international competition.

Additionally, HRH Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud announced the establishment of Esports World Cup Foundation, a non-profit organization tasked with organizing the tournament. This foundation will serve as the driving force that propels this sector into a new era of collaboration among all partners and stakeholders in gaming and esports ecosystem, harnessing its true potential and promoting growth and sustainability of the industry.

HRH stated, "The Esports World Cup is the natural next step in Saudi Arabia's journey to become the premier global hub for gaming and esports, offering an unmatched esports experience that pushes the boundaries of the industry,"





Ongoing

Efforts of MCIT in the Esports Sector

The Ministry of Communications and Information Technology (MCIT) has launched a series of diverse initiatives and programs aimed at stimulating innovation and entrepreneurship in the world of esports. These initiatives aim to equip developers, innovators, and gaming enthusiasts with the necessary skills to navigate the ever-evolving landscape of this cutting-edge industry. These efforts support the Kingdom's ambition to establish itself as a major global hub for esports, leveraging its robust digital infrastructure to achieve leadership in this dynamic field. As part of its initiatives and programs aimed at motivating programmers, designers, marketers, and artists to innovate and lead in the world of esports, showcasing successful experiences in this field, and qualifying and developing competencies in the field of video game industry and establishing Saudi game studios that create local games that are exported globally, the ministry hosted the "Players Without Borders" tournament, Hemah Games development camp, digital meetings in electronic games, and "Make it, Play it" for Juniors" in **ThinkTech**.

MCIT also established the "Center of Digital Entrepreneurship" "**CODE**" to empower entrepreneurs and startups in the digital sphere. CODE fosters digital business growth by offering initiatives, programs, and business accelerators that support interested entrepreneurs and emerging tech companies throughout the establishment, growth, and post-maturity.

Saudi Esports Investments



Savvy Games Group

Through PIF-owned Savvy Games Group, the Kingdom is determined to invest approximately SAR 142 billion, covering various types of investments and acquisitions, to transform into an esports hub by 2030. SGG planned to spend around SAR 50 billion to acquire and develop a world-class esports platform, along with SAR 70 billion for acquiring stakes in several gaming companies, SAR 20 billion in leading esports players, and SAR 2 billion across diversified investments in specialized gaming and esports startups.



Gamers8

Gamers8 Season stands as a clear testament to the progress and advancement of esports in Saudi Arabia in recent years, with its remarkable popularity and immense global appeal. According to the Saudi newspaper Asharq Al-Awsat, the inaugural edition of Gamers Season witnessed the participation of 113 professional teams from around the world in multiple tournaments featuring the most renowned esports globally, with a total prize pool of SAR 56 million. The season hosted around 400 of the world's best esports players and enthusiasts from 60 different countries. Additionally, events attracted approximately 1.4 million visitors, while the live broadcasts were watched by around 132 million viewers worldwide.



Esports at NEOM

NEOM is creating a regional hub, a focal point for industry, talent, creatives and collaboration. A fully integrated campus, unlike any other, harnessing cutting-edge technologies and advanced practices to stimulate creativity and foster business and project development opportunities.



Qiddiya Investment Company (QIC)

Qiddiya unveils world's first gaming and esports district, as part of the massive Qiddiya project, the Kingdom's emerging capital for entertainment, sports and culture located in Riyadh. This real-world manifestation of gaming worlds spans an area of 500,000 sqm, hosting 30 regional headquarters of +30 leading e-game companies. The district will foster Saudi Arabia's position as a global esports leader by attracting enthusiasts from all around the globe.

Undoubtedly, the esports sector has emerged as one of the most rapidly evolving sectors globally, attracting a significant influx of investments that drive countries to invest in. Saudi Arabia, being a pioneer in this field, has directed and unified efforts across various sectors to become the foremost player in this industry.

References



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