

KSA Sports: On Track to Medal

Saudi Arabia plans further expansion of domestic sports sector in pursuit of Vision 2030 goals

As a top ten global industry, the economic potential of sport is evident, and Saudi Arabia has made it a central plank of its economic diversification strategy. The country is off to a flying start, with Crown Prince Mohammed bin Salman stating in a [September 2023 interview with Fox News Channel](#) that the sector has already delivered 1% growth in GDP. The Kingdom is aiming to achieve an additional 1.5% – which equates to approximately \$16.5 billion per year. While Saudi Arabia's many international sporting investments have put the country firmly on the sporting map, it is the growth of the domestic sector – which has been happening largely out of the spotlight to date – that will have a significant impact on the country's Vision 2030 goals, both in terms of economic diversification and social wellbeing.

The Kingdom has been laying the turf of its domestic industry for some time and is soon to announce a National Sports Strategy that draws together the different strands of community, amateur, professional, and elite sports in pursuit of Vision 2030 goals for economic diversification and quality of life. Vision 2030 aims for 40% of the 36-million-strong population to take part in physical exercise, and according to Prince Abdulaziz bin Turki Al Faisal, the Minister of Sport, sports participation in the Kingdom has more than [tripled since 2018](#), showcasing the interest in, and demand for, sports across society. The Kingdom has been [developing its domestic sporting infrastructure and institutions](#) to meet this demand, inaugurating three redeveloped stadiums in 2023 and planning to spend \$2.7 billion on upgrading and constructing new sporting facilities through to 2028. The Sports for All Federation, launched in 2018, drives community sports such as running clubs; in fact, the country's first marathon took place in 2022, with 15,000 runners taking part in 2023. At the other end of the spectrum, a programme aimed at developing elite athletes is underway.

Notably, the Kingdom has made strides in boosting the role of women in sports. Saudi female athletes participated for the first time in the 2012 Olympic Games, sports programmes for girls were introduced in schools in 2017 and now, more than 330,000 women are [registered as athletes](#). Female participation in sports has [increased by 149%](#) since 2019, and female athletes such as Olympic runner Yasmeen Al Dabbagh and martial arts competitor Tahani Al Qahtani have become household names. The Kingdom launched a women's football Premier League in 2022, sent its first women's tennis team to an international tennis tournament in Sri Lanka in 2023, and hopes to host the Women's World Cup in 2035. With female representation in nearly all 97 sports federations as well as in senior international sporting positions, such as Princess Reema bint Bandar Al Saud's role on the International Olympic Committee, investing in expanding female sports in Saudi is a core interest going forward – as it is across the international sporting world.

The Kingdom also launched in August 2023 SRJ Investments, a PIF-owned sports-focused investment company, to deploy Saudi capital in a way that creates local benefits from sporting investments, encourages widespread interest and participation in sports, and disrupts the global industry to bring something new to fans worldwide. The sector, like many others, is undergoing a digital revolution, and SRJ is taking particular interest in sports that are in the early stages of this journey. SRJ plans to use its funding to both innovate and inspire – for the country's economic and social benefit. Recent deals include a [\\$100 million agreement](#) with the mixed martial arts Professional Fighters League for a stake in the entity, involvement in shaping a new regional league due to launch this year, and hosting rights of super fight mega-events. The company is also in talks to establish a rugby academy in Saudi Arabia and [invest £60 million](#) (\$76 million) in four Premiership Rugby clubs.

One of the key benefits of focusing on the domestic sports sector is the growth that occurs in associated industries such as infrastructure and tourism, which contribute significantly to economic diversification and job creation goals. [A 2020 Ministry of Sports report](#) stated that over³14,000 jobs had been generated by the industry up to that point, and career opportunities in sports grew by 114% from 2018 to 2021. The Kingdom has won the hosting rights for major international sporting tournaments such as the AFC Asian Cup in 2027, the Asian Winter Games in 2029, and the FIFA World Cup in 2034, which will boost these numbers even higher.

The positive economic impact of such events can be seen in the experience of neighbour Qatar; the FIFA World Cup in November to December 2022 resulted in a 365% year-on-year increase in visitor numbers to the country during the event, and associated broadcasting revenues and visitor spending contributed an estimated 0.7-1% of the country's GDP, [according to the IMF](#). A similar effect can be expected for the Kingdom as it looks ahead to a full calendar of events over the coming decade.

Saudi Arabia is fast developing its tourism sector and in February 2024, achieved its [100 million tourist target](#) (27 million international and over 79 million domestic) – seven years ahead of schedule. If it can master the sporting experience, its new target of 150 million visitors by 2030 may be readily achieved. Success in sports tourism will likely result in repeat visitors as the Kingdom becomes a better known and easier to access destination. The GCC-wide tourist visa due to be rolled out through 2025 will also help in attracting international arrivals – who traditionally have a higher spending appetite once in-country.

Finally, the Kingdom's plans to further open the sports industry to the private sector chime with the global trend of rising private equity funding in sports. The government instituted in June 2023 the National Privatisation Programme, which has already borne fruit for the country's football Pro League. Vice Minister of Sport Badr Al Kadi stated at the Bloomberg Power Players summit in Jeddah on 7 March 2024 that a second wave of privatisation is imminent, and that foreign direct investment interest – from funds, individuals and corporate entities – is high. The Kingdom's Sports Investment Plan details 15 key areas for investment, including technology in sports, sports services, sports medicine, and sports tourism, among others, and the government expects the private sector to contribute [up to \\$5.3 billion per year](#) going forward.

These are welcome developments to add to an already diverse and sizeable sports portfolio, despite the Kingdom's status as a newcomer to the industry relative to regional neighbours. With plans to build and grow the industry even further, Saudi Arabia is becoming known not just for its international sports portfolio, but as a driving force in the future of global sports.