



GAMING AND ESPORTS SECTOR

FROM A DEVELOPMENTAL VIEW

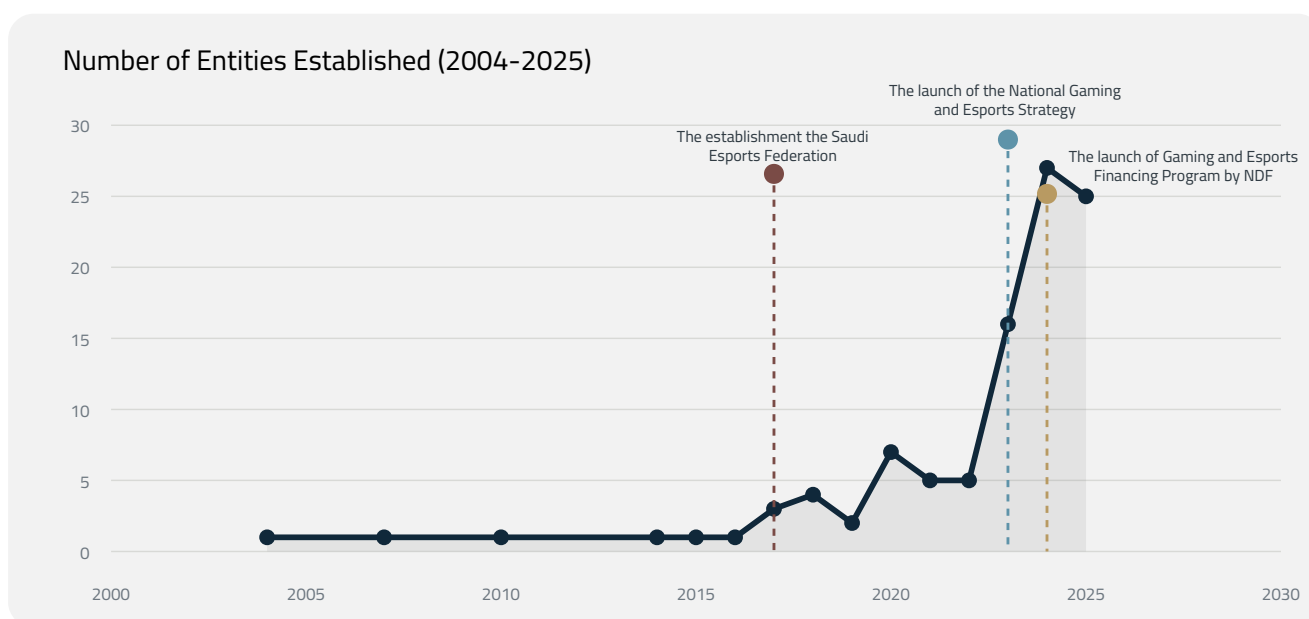


Gaming and Esports Sector from a Developmental View

Since the launch of Vision 2030, transformation plans have placed greater focus on several non-oil and emerging sectors, including gaming and esports. These sectors are receiving increasing government support, both monetary and non-monetary, while also attracting growing private sector interest to meet rising global and domestic demand. Collectively, these strategic plans lay the foundation for the development of these emerging sectors, led by the National Gaming and Esports Strategy.

Broadly known, gaming and esports are interrelated activities, however, gaming differs than esports in that it broadly refers to the designing, creation, and publishing of video games for entertainment purposes across different platforms, whereas esports was originally created to represent players in gaming competitions, but the sector has since evolved to include fostering competitive play, organizing tournaments and leagues, and hosting specialized gaming events. In recent years, the Saudi gaming and esports sector is receiving increasing attention and experiencing initial rapid growth, reflected in the significant increase in demand and the growing number of market entrants in recent years. This growth is supported by various government initiatives, sector-specific programs, broader industry development efforts, and regulatory reforms aimed at enhancing the business environment for emerging sectors, including gaming and esports.

Figure 1.1: Number of Entities Established (2004-2025)



Enablers for Building Self-Sustained Sector

Sustainable growth of emerging sectors depends on expanding market demand and structural transformation by improving the ease of doing business and attracting greater investments to better serve that growing demand. Structural transformation can take many forms, including strengthening business environment, expanding access to finance, improving market access, and attracting foreign direct investment (FDI). Additional forms of transformation should also include attracting, developing, and retaining talent to strengthen the sector's human capital. Technology represents another critical enabler as the availability of world-class digital infrastructure and the deployment of advanced technologies, such as AI and cloud computing, can support any sector's growth and accelerate its transition towards a self-sustained development pathway. Also, entrepreneurship education, business incubation, and accelerator programs can play a key role in supporting sectoral transformation. In addition, developing a strong supplier base and reducing barriers to market entry are equally important for fostering sustainable sector growth.

Gaming and Esports Financing Program

One of the major enablers of the gaming and esports ecosystem is the Gaming and Esports Financing Program offered by the National Development Fund (NDF). The program was established in early 2023 with the aim of supporting the Kingdom's ambition to become a global hub for gaming and esports by providing financial support through debt and equity financing to the entire gaming and esports value chain, from game developers and publishers to esports clubs and esports tournament organizers. The program has an allocated budget of SR 1.09 billion. Also, the program aims to de-risk investments in the sector, unlock private capital, scale sector operations, and support the sector to progress towards a self-sustained development pathway.

In addition, the program served as the anchor investor in the Kingdom's first venture capital fund dedicated to Gaming and Esports which is managed by Impact46. Impact46 has executed over 10 deals across the value chain of gaming and esports. The fund supports entities through early investment stages to drive growth and expansion, with an average ticket size of SR 3.75 million. Also, the program served as the principal investor in the largest venture capital backed gaming accelerator fund in MENA, managed by Merak Capital, which supports companies to grow, enter commercial market and compete. It is worth noting that Merak Capital operates through two channels. The first is its investment fund, which targets active, revenue-generating companies to help expand their operations. The fund has executed five deals involving gaming publishers and others in the value chain. The second channel is the Excel accelerator program by Merak, which supports early-stage gaming companies through an intensive program designed to improve product quality and commercial readiness. Through this accelerator, Merak Capital has supported 34 companies through two batches.

National Gaming and Esports Strategy

It is worth noting that the National Gaming and Esports Strategy, launched in 2022, aims to position the Kingdom as a global hub for gaming and esports while contributing to broader socioeconomic objectives, including economic diversification, job creation, and enhancing citizens' quality of life. The strategy seeks to maximize the sector's economic potential by fostering innovation, developing local human capital, and expanding access to opportunities across the gaming and esports value chain.

The National Gaming and Esports Strategy aims to generate an economic contribution of SR 50 billion to GDP, both directly and indirectly, by 2030. It also targets the creation of 39,000 direct and indirect jobs, while laying the foundation for the development of the necessary competencies for the sector to grow in a sustainable manner. In addition, the strategy targets having 250 gaming companies operating in the Kingdom, support the development of more than 30 globally competitive games developed by Saudi studios, and position Saudi Arabia among the top three countries worldwide in the number of professional esports athletes per capita.

From a developmental perspective, the long-term success of the sector will depend not only on continued government support but also on the gradual strengthening of market dynamics that enable private investments, entrepreneurship, and innovation to become the primary drivers of growth. As the ecosystem continues to develop, greater competitiveness may enable the Kingdom to expand its gaming-related services exports, strengthen its position within the global digital economy, and contribute to the broader objectives of Vision 2030. In this context, gaming and esports is no longer seen as emerging activities only, it is more seen as a sector with the potential of contributing towards a more diversified, digital and knowledge-based, and globally competitive Saudi economy.

Sources:

- 1 Innovation and Technology Today, Key Differences between Gaming and Esports
- 2 Gaming and Esports Financing Program Report (2025)
- 3 Akiwumi, Implementing Supportive Policies to Build a Vibrant Private Sector as A Driver of Structural Transformation, UNCTAD (2021)
- 4 National Gaming and Esports Strategy