



UNITED ARAB EMIRATES
MINISTRY OF ECONOMY

| INVESTING IN MEDIA AND ENTERTAINMENT IN THE UAE



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THE ENTERTAINMENT SECTOR CONSISTS OF SEVERAL SEGMENTS

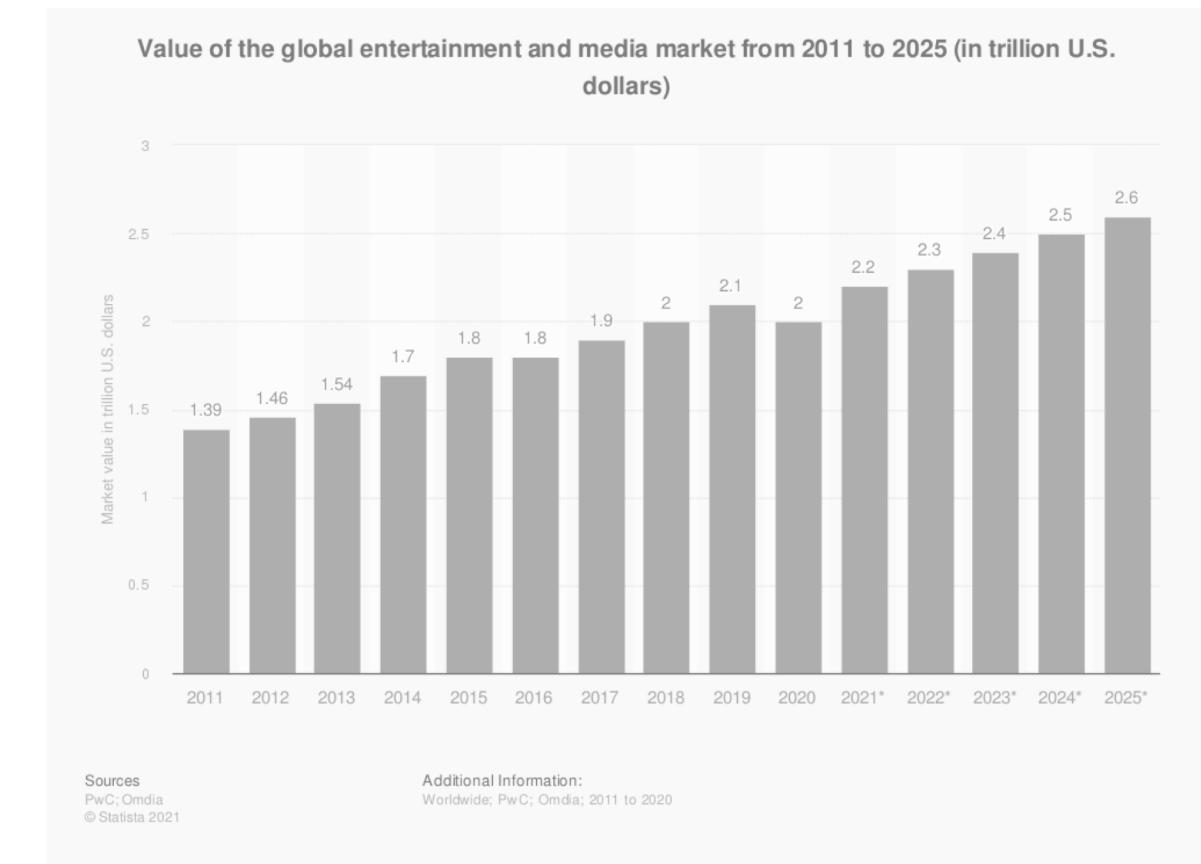
Radio	Advertising	Gaming*	Motion Picture
<p>The Radio industry consists of any companies or public service providers who are involved with the broadcast of radio stations or ancillary services.</p>	<p>The advertising industry is the global industry of public relation and marketing companies, media services and advertising agencies</p>	<p>The gaming industry involves the development, marketing, and monetization of video games. The industry has grown from focused markets to mainstream in the recent years.</p>	<p>The motion picture industry comprises the technological and commercial institutions of filmmaking, i.e., film production, film studios, cinematography, screenwriting, pre-production, post production, film festivals, and actors.</p>

Television Broadcasting	Music	Printing and Publishing
<p>The telephone broadcasting industry involves the distribution of video content to a dispersed audience via any electronic mass communications medium.</p>	<p>The music industry consists of the individuals and organizations that write songs and musical compositions, creating and selling recorded music and sheet music, presenting concerts, as well as the organizations that aid, train, represent, and supply music creators.</p>	<p>The printing and publishing industry involves book publishing, newspaper publishing, periodical publishing, and commercial printing. Publishing includes the commercial dissemination of literature or information in multiple copies and in multiple formats.</p>

*Gaming will not be elaborated in this heat map. A separate heat map is available for the Gaming Sector

GLOBAL ENTERTAINMENT INDUSTRY OVERVIEW

- The global media market reached a value of nearly **USD 2 trillion** in 2020, having increased at a compound annual growth rate (CAGR) of **3.8%** since 2015.
- The media and entertainment services market is poised to exceed **USD 1 trillion** in 2023.
- From 2020 to 2025, the entertainment industry is projected to experience a five-year **CAGR of 5.0%**, taking revenues to **USD 2.6tn** in 2025.
- The entertainment industry is further expected to grow at a **CAGR of 10.6%** from 2025 and reach **USD 4.41 billion** in 2030.
- Traditional TV/home video remains the largest entertainment consumer segment valued at **USD 219.0 billion**.
- The web content, search portals and social media segments will gain **USD 542.2 billion** of global annual sales by 2025.
- The television broadcasting segment will gain **USD 79.2 billion** of global annual sales by 2025.
- The film and video segment is expected to gain **USD 83.3 billion** of global annual sales by 2025.
- The newspaper & magazines publishers segments will gain **USD 32.6 billion** of global annual sales by 2025.



Source: Statista, Research and Markets, PwC

LOOKING AHEAD: FUTURE TRENDS IN ENTERTAINMENT

Simplified and customized experiences

- With so many consumers stuck at home, the surge in downloaded and streamed content led to some internet service providers reporting a 60% spike in data usage, and an overall figure of 30% more data consumed.
- In 2022, consumers will continue to seek out unique experiences and ubiquitous access to entertainment content.
- Consumers expect effortless interactions throughout the end-to-end customer journey, from sign-up to usage and billing. Accordingly, more companies will participate in the streaming value chain.
- Tech-savvy companies that harness valuable viewership data to give customers more of the content they want will enjoy a competitive advantage.
- Media companies with diversified businesses or innovative partnerships with third parties – including in the digital asset arena (e.g., non-fungible tokens, or NFTs) – will aim to create their own “flywheels” that provide a portfolio of offerings to their streaming subscribers, driving new sign-ups and adding stickiness to the D2C revenue model, extending the life of the customer relationship.

Content distribution

- A direct-to-consumer (D2C) pivot will continue to be the primary strategic priority for the industry in the coming year.
- Operators and investors alike are focused on subscriber growth and retention as the key performance indicators for services where switching costs for consumers are minimal.

Live Experiences

- A change that will hold in 2022 is the abbreviation of the exclusive theatrical window to approximately 45 days and, for some mid-size films, a day-and-date release approach that enables consumers to view new movies in the theatre or at home.
- Workarounds to COVID-19 restrictions such as drive-in concerts offered some semblance of the experience but there is a widespread expectation – and some evidence already – that the demand for live events will rebound strongly.

Source: EY, WEF

LOOKING AHEAD: FUTURE TRENDS IN ENTERTAINMENT

NFTs

- Excitement is building around NFTs as a vehicle for media companies to expand engagement with their content and IP and may provide a future monetization model as the market matures.
- Early adopters are purchasing NFTs linked to sports, art, collectibles and more, acquiring one-of-a-kind digital assets that are easily tradable and whose ownership and authenticity are recorded via blockchain technology.
- Media companies are forming relationships with NFT technical specialists and marketplaces to develop offerings that enable consumers to participate in an entirely new way with their favorite characters, movie and TV show scenes and other content.
- In 2022, the media and entertainment industry will undertake plenty of NFT innovation and experimentation.

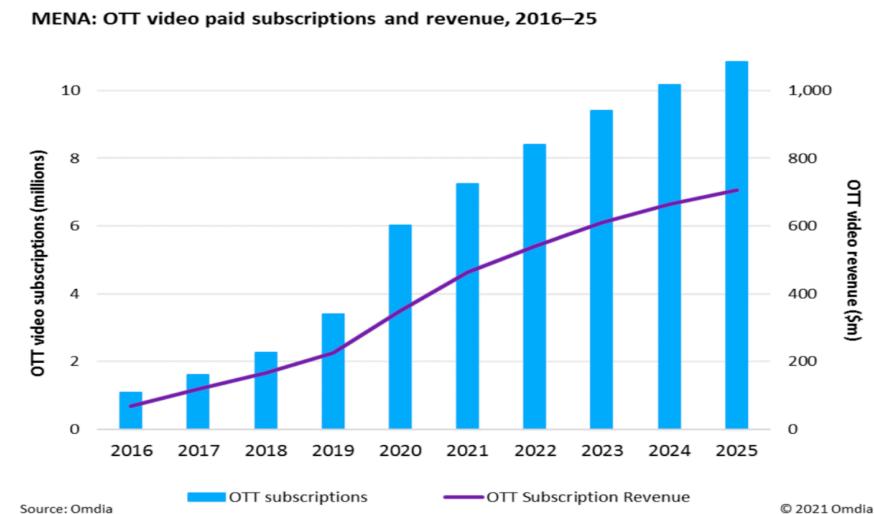
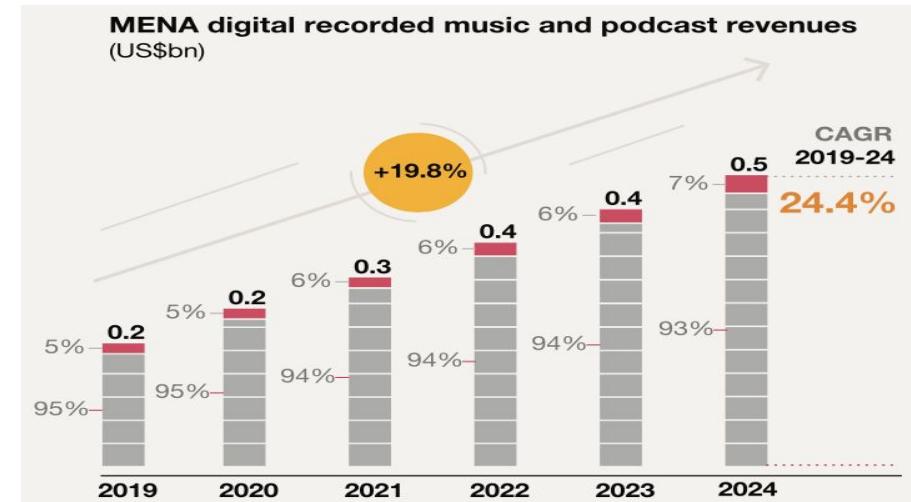
Growing M&A

- In 2022, the consolidation of studios and networks will continue as companies seek to build the content, capabilities and scale needed to battle the digital-native organizations who reap the benefits of financial and operational advantages.
- Cost savings realized through integration will fund future growth investment and boost profits, a key objective as the industry transitions from the stable, high-margin linear world to a streaming ecosystem that drives less-profitable revenue.
- Asset divestitures will be a key trend in 2022 in which activist investors will play a role in some of these transactions, serving as another catalyst for change.

Source: EY, WEF

ENTERTAINMENT INDUSTRY IN THE MENA REGION OVERVIEW

- The media and entertainment (M&E) industry in the Middle East has been one of the first business sectors to **steer digital disruption**.
- The Middle Eastern media and entertainment market was valued at **USD 30,349.4 million** in 2020, and is expected to reach a value of **USD 47,029.82 million** by 2026, registering a **CAGR of 7.4%** during the period 2021-2026.
- Growing trends around personalization and increased digitalization, significant growth in online Gaming, OTT, and internet advertising are some of the major factors driving the growth of the market.
- A report by PwC expects entertainment and media revenues to increase by **3%** in the region between 2019 and 2024, exceeding the 2% rise forecast globally.
- Digital revenue was expected to make up **42%** of total entertainment and media revenue in MENA in 2020, up from **37%** in 2019, and then to grow steadily to reach 46% of revenues by 2024.
- Online gaming in the region will mark a **CAGR of 8%** for 2019-2024, crossing the **USD 4 billion** mark in the process.
- Music and podcasts combined will set off on the highest **CAGR of nearly 20%** between 2019 and 2024 according to PwC, touching the **USD 500 million** mark in revenues.
- Paid OTT video subscriptions rose by nearly 77% year-on-year (YoY) in MENA in 2020, reaching just over six million at the end of 2020.
- Revenue generated by OTT subscription video services in MENA reached USD 350m in 2020, up 55% from 2019.



Source: PwC, Mordor Intelligence, Consultancy-ME, Kearney, TBI

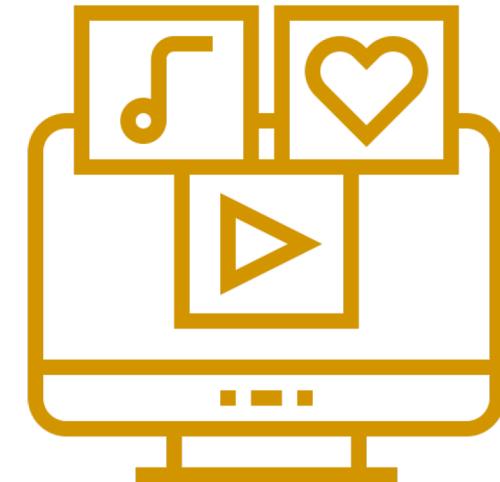


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ENTERTAINMENT INDUSTRY GROWTH ENVIRONMENT IN THE UAE

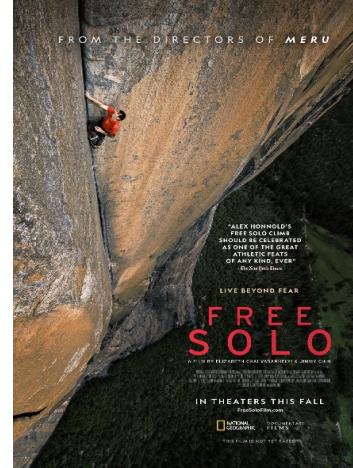
- The UAE entertainment industry is projected to expand at a **CAGR of 9.0%** from 2021 to 2028.
- **50%** of MENA users stream music daily via Digital Streaming Platforms.
- A report from Niko Partners estimated the games market across Saudi Arabia, the United Arab Emirates and Egypt to be worth **USD 1.76 billion** in 2021. The figure is expected to rise to **USD 3.14 billion** in 2025 at a 5-year **CAGR of 13.8%**.
- According to Nielsen, **95%** of the total UAE population aged 10 and above tuned into radio every week in first-quarter 2018, which is a **2%** increase (**135,000 listeners**) in reach compared to the previous quarter.
- A study conducted by SPC reveals that the UAE's publishing sector is expected to grow from **USD 260 million** to **USD 650 million** by 2030.
- **70%** of the Arab publishing market is taken up by translated English titles.
- Revenue in the Digital Music segment in the UAE is projected to reach **USD 62 million** in 2022. Revenue is expected to show an annual growth rate (CAGR 2022-2026) of **9.46%**, resulting in a projected market volume of **USD 89 million** by 2026.
- According to Mena Cinema Forum, the UAE is set to join the **world's top 10 leading markets** for global box office revenues by 2030.
- The UAE makes up 25% of the total OTT subscriptions in the MENA region, the second highest percentage.



Source: Mordor Intelligence, Niko Partners,
Nielsen, GulfToday

THE UAE IS RAPIDLY EMERGING AS A HUB FOR MOTION PICTURES

- The country is becoming a choice destination for Hollywood directors as American filmmaker Michael Bay worked with twofour54 and the Abu Dhabi Film Commission to shoot action thriller film "6 Underground" across the UAE.
- Other major titles like "Star Wars: The Force Awakens," "Fast & Furious 7," and "Mission: Impossible - Fallout" also having been filmed in the UAE.
- Abu Dhabi's Image Nation is the first UAE company to have multiple productions stream globally on Netflix.
- Through its partnerships, Image Nation has helped produce major motion pictures and documentaries, such as "The Help," "Contagion" and "Free Solo."



Source: UAE USA United

THE UAE HAS ALSO BECOME AN EMERGING HUB FOR ARABIC CONTENT

Major Players



Abu Dhabi Media (ADM) is one of the fastest growing, multi-platform media and entertainment organizations. It operates and manages 24 market-leading brands spanning broadcast, publishing, and digital media sectors

UAE-founded Starzplay provides premium content to over 1.8 million subscribers in 20 countries, including blockbuster movies, exclusive TV shows, kids content and Arabic series. It is the region's top streaming platform

An Emirati film production and media company that is a subsidiary of the governmental Media Zone Authority Abu Dhabi

Shahid is the first and leading VOD and SVOD streaming platform in the Arab world owned by MBC GROUP, offering premium content to Arab families, including binge-worthy exclusive Shahid Original Series; Shahid Premieres; Arabic movies fresh from the box-office; live TV channels in true HD quality; as well as international offerings.

Through its multiple media channels (press, radio and TV), Dubai Media Inc seeks to create an archive of distinctive Arabic media resources that represent creative and meaningful television content, while respecting social, cultural, and family values in the UAE.

PRINT/PUBLISHING AND RADIO IN UAE

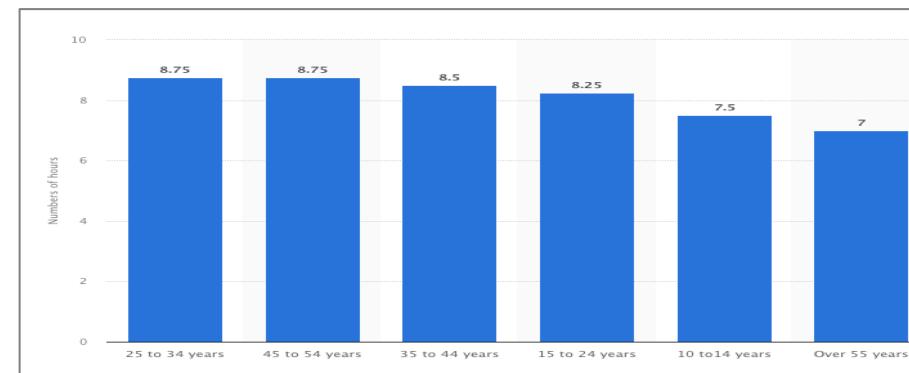
Print/Publishing

- The UAE's publishing sector is expected to grow from \$260 million to \$650 million by 2030
- 70% of the Arab publishing market is taken up by translated English titles, stressing this presents a key opportunity to reverse this practice by increasing the Arab market's share in global publishing through the production of valuable Arabic language content and export it worldwide
- The annual Sharjah International Book Fair attracts Nobel and Booker laureates, screenwriters of leading 21st-century shows, renowned authors, illustrators and creatives from around the world. The 2021 edition attracted 1,566 publishers from 83 countries
- The Emirates Airline Festival of Literature being recognised as one of the leading international literature festivals in the world are other key achievements.
- The Emirates Literature Foundation has announced the launch of a new independent publishing house, ELF Publishing. With an initial focus on fiction, the publishing house will begin accepting submissions for consideration during the Month of Reading in March 2022

Radio

- Radio in the UAE is still the most popular form of media, reaching an incredible 95 per cent of the population every week. In 2018, a survey revealed that 5% of the total UAE population aged 10 and above tuned into radio every week
- High levels of listening: 66.2 million hours of radio listened to across all seven Emirates in an average week, and with listeners each tuning in for an average of 8 hours 25 minutes every week. Indians have the highest time spent listening followed closely by Expat Arabs

Number of radio hours reach of audience majority in the United Arab Emirates in Q1 2018, by age group



Source: Nielsen, SPCFZ, Press releases

ADVERTISING IN UAE

Advertising

- Over the past 15 years, Dubai has come into its own as one of the Middle East's key centres for print, broadcast and digital media.
- The UAE is considered as the top advertising market in the region due to its leading role in digital media.
- According to TBWA, the United Arab Emirates is accounted for 46% of the total advertising spend.
- While newspaper advertising and pay-TV were the dominant media outlets for advertising up until 2018, digital advertising is on the rise in UAE

Value of the Digital Advertising Market in UAE

Total Digital Ad Spend



\$678.1 m

Spend on Digital Search Ads



\$152.9 m

Spend on Social Media Ads



\$171.2 m

Spend on Digital Banner Ads



\$162.4 m

Spend on Digital Video Ads



\$114 m

Spend on Digital Classified Ads



\$77.67 m

Source: Hootsuite; TBWA

IMPORTANCE OF DIGITAL MEDIA IN THE UAE

- People in the UAE spend **more than 7 hours a day** on average on the internet of which **2 hours and 57 minutes** are spent on social media, **3 hours 2 minutes** watching tv, **1 hour 26 minutes** streaming music, and **1 hour 25 minutes** on a gaming console.
- 99% of the population, or around 9.84 million, are internet users and active social media users.
- In 2021, UAE saw a **1.6% annual growth** in internet users. The usage of social media recorded a 0.0% change from the previous year.
- **9.12 million users** access social media through their mobile devices.
- The 2020 usage statistics show that the number of mobile social media users in the country recorded a **10.6% growth** with more than **932,000 new users added** than the previous year.
- The most used social media platform amongst citizens between the ages of 16 and 64 is YouTube, followed by Facebook and WhatsApp.
- The UAE has the highest penetration of fiber-to-the-home anywhere in the world, standing at 72% in September 2014.



Source: UAE USA United, Kearney

THE UAE GOVERNMENT HAS CREATED AN ENABLING ENVIRONMENT FOR THE ENTERTAINMENT SECTOR



- Dubai Studio City is the region's leading business community for film and television production, home to more than 270 companies and 2,500 people.
- The entertainment ecosystem features state-of-the-art infrastructure and purpose-built facilities including the largest sound stages in the Middle East that have supported major cinema projects including Star Trek Beyond and Mission Impossible: Ghost Protocol.



- Dubai Media City has cemented its position as the region's most credible media community that houses the largest global and local media brands. It's a community where freelancers, startups, SMEs and large enterprises co-exist, contributing to Dubai being named "The capital of Arab Media 2020."
- It also hosts companies like National Geographic and MTV.

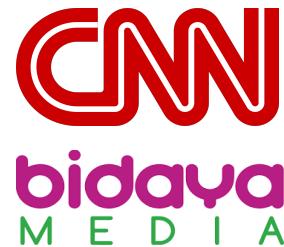


Source: UAE USA United

THE UAE GOVERNMENT HAS CREATED AN ENABLING ENVIRONMENT FOR THE ENTERTAINMENT SECTOR



- Abu Dhabi Media Free Zone Authority has set up **twofour54** - media free zone with the aim of becoming a center of excellence of Arabic content creation.
- **Sanad** is the Development and Post-Production Fund of twofour54, providing talented Arab filmmakers with meaningful support towards the development or completion of their narrative and documentary feature-length films.
- Twofour54 is involved in a variety of initiatives such as *tadreeb*, *ibtikar* and *intaj*.
- **Tadreeb** is the training academy of twofour54 targeting youth considering a career in media.
- **Ibtikar** ventures offers funding and support to startup and early stage media and entertainment initiatives across all platforms such as online, television, mobile, gaming and print.
- **Intaj** is a state of art production facility of twofour54. It is fully equipped with HD studios, latest production and post production technologies, media management, digital archiving, play-out and uplink services.
- **Tawasol** is a one stop shop for all the services related to setting up a business in twofour54
- **Yas Creative Hub** (upcoming): First industry-specific build for media, entertainment, and gaming in the GCC



Incentives Offered by Abu Dhabi

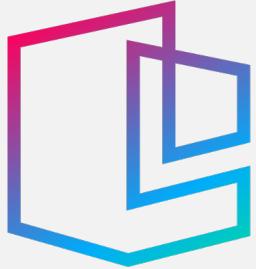
- The Abu Dhabi Film Commission offers the Middle East's first production incentive, providing access to a generous **30% cashback rebate on productions**, including feature films, television dramas (including series), commercials, other television formats, such as documentaries and telemovies shot in Abu Dhabi; and post-production, digital content services, visual effects (PDV) services for projects shot inside or outside Abu Dhabi.
- In 2019, Abu Dhabi started offering a new batch of foreign direct investment incentives, offering to **waive licence and registration fees for new companies** and freelancers for two years



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ECO SYSTEM COMPONENTS – TALENT DEVELOPMENT



**CREATIVE
MEDIA
AUTHORITY**

- The **Creative Media Authority** works to accelerate the growth of Abu Dhabi's multidisciplinary creative sector.
- The entity oversees a range of talent development programmes to nurture the next generation of skilled professionals working in sustainable creative careers, as well as grow the gaming and esports sector in the emirate, and support and launch prizes that contribute to the development of media production and interactive media.



- AFS is raising the profile of the UAE's rapidly evolving film industry, positioning Abu Dhabi as a creative hub for the region, and helping the region's next generation of filmmakers to get behind the camera and tell their stories.
- AFS offers multiple training programs and workshops. They also collaborate with NYUAD for a 3-week workshop in film-making for young Emiratis

INCUBATORS AND ACCELERATORS



- This media zone provides the infrastructure and services to attract international, regional, and local media businesses.
- It offers everything from customizable office space, world-class production facilities and services, talent development initiatives, and training to business support services.
- It provides start ups with support to get their business up and running such as marketing and networking or support services like logistics and travel arrangements.

600+

Media Companies

1000+

Freelancers

130+

Entrepreneurs

5000+

Media Professionals



- They help businesses raise capital through their Raise Capital program.
- They match businesses with a wide network of angel investors, VCs, and other funding sources.
- FasterCapital has a huge network of global angel Investors and ecosystem partners (incubators, accelerators and VCs).

498

Supported Startups

USD 88.5 million

Invested in startups

995

Entrepreneurs



- Womentum is a feminist media company that creates inspiring and compelling women-focused content to build a lasting impact.
- Womentum launched Womentum, an early-stage accelerator for female founded startups, afFirst of its kind in the Middle East & North Africa (MENA) region.

ECO SYSTEM COMPONENTS – VENTURE CAPITAL



- **International Media Investments**, established in Abu Dhabi Media Zone Authority, is a privately owned investment company focused on building a portfolio of quality media assets across the globe.
- Producing digital first, relevant and responsible news content which connects with people is at the core of International Media Investments' mission.



- **Al Habtoor Investment (LLC)** is a subsidiary of the Al Habtoor Group, founded by Khalaf Ahmad Al Habtoor, a well-known UAE businessman and philanthropist. It is the international investment arm of the Group.

MAJOR MEDIA EVENTS AND FESTIVALS IN UAE



Emirates Short Film Festival (ESFF) – ESFF is the first independent short film festival in this region, now going into its 7th year and with over 500 short films and other award-winning content, produced by local and international talent.



The Premier Digital Marketing, Media and Advertising Conference & Exhibition in the Middle East held annually in Dubai, United Arab Emirates



The Middle East Film & Comic Con is an annual convention that takes place in Abu Dhabi. It has been going on for ten years and is the largest pop culture festival in the region. It brings together fans of science fiction and fantasy to celebrate the genres through film and comic books.



The Emirates Airline Festival of Literature is one of the world's leading international literary festivals. It is also the Arab World's largest celebration of the written and spoken word. The annual event in Dubai promotes books, reading and the richness of words in all forms. It brings an appreciation and understanding of different cultures and the ways in which literature enhances our lives. The festival also offers attendees a chance to meet local and world-famous authors, attend literary debates and workshops and participate in competitions.

MAJOR MEDIA EVENTS AND FESTIVALS IN UAE



The Abu Dhabi Film Festival (ADFF), powered by twofour54, is presented each October to help create a vibrant film culture throughout the region. With a focus on Arab cinema and the wealth of emerging and established film talent from around the world, ADFF has become one of the most anticipated cultural events in Abu Dhabi, helping to enhance the Emirate as a hub of creativity.



Abu Dhabi Festival is the festival of "Bilad Al Khayr", the land of blessings, the land of Zayed. The Festival embraces the values of dialogue, tolerance, respect and peace.

Crafting the Emirates State of Mind: Creation, Innovation and Joy has its roots from the spirit of Bilad Al Khayr, as the annual Festival commissions, produces, preserves and presents the greatest works of music and art to create rich cultural experiences in the UAE and beyond.



Sharjah International Book Fair is an 11-day international book fair held annually in Sharjah, United Arab Emirates. Its debut edition was launched in 1982 under the guidance and patronage of His Highness Dr. Sheikh Sultan bin Muhammad Al-Qasimi, the UAE Supreme Council Member and Ruler of Sharjah.



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ENTERTAINMENT REGULATORS IN THE UAE



<https://tdra.gov.ae/>

- Telecommunications and Digital Government Regulatory Authority (TDRA) implements the Internet Access Management Regulatory Policy (PDF, 500 KB) in the UAE, in coordination with National Media Council and Etisalat and Du, the licensed internet service providers in the UAE.
- The regulation policy consists of certain frameworks and categories in regards to the internet, which must be taken into consideration by internet service providers to ensure the security of the internet and protect end-users from harmful websites containing materials that are contrary to religious and ethical values of the UAE.
- TDRA monitors online content available to users in the UAE and will notify website operators based in the UAE of any potential breaches of the IAM policy. TDRA, in its enforcement of IAM, also monitors online advertising, including the advertising of medical and other specialised products and services.
- Etisalat and Du are required to block online content if so is requested by TDRA



<https://tdra.gov.ae/>



UNITED ARAB EMIRATES
MINISTRY OF CULTURE & YOUTH

- Media Regulatory Office includes two main departments:

- The Media Regulation Department, which is responsible for preparing research and foresight studies related to the media, formulating legislation, regulations, standards and foundations for organizing and licensing media and media activities.
- The Department of Media Licenses and Media Content Follow up, which is responsible for issuing licenses and following up on media content. It also implements legislations, regulations, and standards related to media services and media content.