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College of Arts and Sciences
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Gulf Studies Center

Saudi Arabia's Sport Investment Strategy: A Driver for Diversification, Empowerment, and Identity Construction Sebastian Sons

GULF STUDIES CENTER
Gulf Insights
Cluster: Economy and Energy
No. 85 December 2023



Saudi Arabia’s Sport Investment Strategy: A Driver for Diversification, Empowerment, and Identity Construction¹

Sebastian Sons

It was the next highlight in Saudi Arabia’s efforts to establish itself as a champion in international sport politics when [FIFA President Gianni Infantino](#) announced on social media that the kingdom will host the football world cup in 2034. Despite the fact that the Saudi bid to organize the tournament has not been officially approved, his statement shows how relevant the kingdom has become in international football. Since winter 2023, Saudi Arabia’s ambitious investments in international football stars raised tremendous international attention. In December 2022, Portuguese superstar [Cristiano Ronaldo](#) was transferred to the Saudi football club Al-Nassr, followed by a number of other stars such as Karim Benzema, Jordan Henderson, Roberto Firmino or Sadio Mané. Within months following the Ronaldo deal, stadium attendance had jumped from 8,000 to 10,000, as had TV ratings, while the number of Instagram followers of his new club had risen [from 850,000 to more than 9.7 million](#) in a matter of days. In addition, the revenues of the Saudi Pro League (SPL) are estimated to quadruple from the current [USD 120 million by 2030](#). Ronaldo alone is expected to earn USD 214 million per year under his contract

until 2025, making him the [best-paid soccer player](#) in the world. In general, stars from Europe’s top leagues are attracted with high salaries: Benzema is said to earn more than [USD 4.6 million](#) – per week – and in summer 2023, the SPL spent [USD 907 million on transfers](#) which was higher than top-European leagues and second only to the Premier League’s net transfer spend with a volume of USD 1.39 billion.

In total, Saudi Arabia investments in national and global sports amounted to more [USD 6.3 billion](#) since 2021 including football, [Formula 1](#), [golf](#), [winter sport](#), and [tennis](#). In international sports, Saudi Arabia follows the examples of Qatar or the United Arab Emirates (UAE) by investing into popular football clubs as indicated by the [take-over of the Premier League Club Newcastle United](#) in October 2021 by Saudi Arabia’s Public Investment Fund (PIF) which is headed by Crown Prince Muhammad bin Salman. Beyond football, the PIF also invested more than USD 2 billion in the professional LIV golf tour which provoked international criticism and also spurred [competition](#) with the US PGA Tour. Renowned golf professionals such as Brooks Koepka, Phil Mickelson and Bryson

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DeChambeau were paid up to [USD 100 million](#) to play for the LIV Tour. In July 2023, both LIV and PGA found a compromise and agreed to merge to a new golf league. Further examples are [Formula 1 races](#) in Jeddah since 2021, the [Riyadh Marathon](#), [wrestling](#) and boxing matches, plans to enter international tennis, and the hosting of the [Asian Winter Games](#) in 2029.

Such activities and investments show that Saudi Arabia has emerged as a regional and global hub for sports. However, such activities are oftentimes framed as [sportswashing](#) to divert attention away from [human rights issues](#) or other topics that are controversially discussed in US and European media such as the Saudi-led military campaign in Yemen since 2015. Similar to Qatar, Saudi Arabia is thus likely to face accusations of sportswashing in the future from parts of the “Global North”. Nevertheless, [the sportswashing argument is too one-dimensional](#) as the kingdom is highly interested to achieve three main goals with its strategic sport investments: Through those investments, the kingdom aims to enhance economic diversification, empower the young national population, and promote identity construction.

Football investments as Driver of Economic Diversification

Saudi Arabia’s sports policy had a strong impact on national economic development by developing a national

sports industry and creating jobs, encouraging the construction of new infrastructure and mega-projects and position the kingdom as a hub for a global sports industry as a core element of its diversification agenda. As Saudi Arabia needs to transform its oil-reliant economy, sport has been already identified as a sector for job creation: [Youth unemployment was 16.3% in the first quarter of 2023](#) and thus poses a tremendous challenge [as 67% are younger than 35 years](#). Creating jobs in non-oil sectors such as the sports industry has thus been defined as a main objective of Saudi Arabia’s development agenda “Vision 2030”. In this regard, sport investments aim to create jobs for young nationals to promote the “[Saudization](#)” of the labor force and provide the youth future professional opportunities in times of shrinking governmental alimentionation, introduction of taxes, and a cut in subsidies. Hence, it is estimated that the value of Saudi Arabia’s sports event industry is growing by [8% per year](#), rising from USD 2.1 billion in 2018 to an estimated USD 3.3 billion by 2024. In particular football provides an opportunity to attract foreign companies to invest in the Saudi market: With a population of 35 million, a long tradition of football culture, and the potential to raise awareness for the Saudi market through sports, the Saudi strategy aims to promote the SPL as an alternative model for football in non-European markets such as in Africa and Asia.

Furthermore, the government plans to invest in infrastructure projects that are related directly or indirectly to the hosting of prominent sport events: Over the next five years, the Ministry of Sport plans to invest a total of [USD 2.7 billion in the construction and expansion of sports stadiums](#). The majority of the projects are to be completed before the AFC Asian Cup 2027 that is taking place in the kingdom. So far, most of the projects are still in the planning phase. Four existing stadiums are to be expanded. In preparation of the Asian Winter Games in 2029, the planned winter sports resort of Trojena with estimated costs of more than USD 6 billion is scheduled for completion as early as 2026. Trojena is part of the NEOM megaproject and is located in the North-Western mountains with an altitude between 1,500 and 2,600 meters. As snow is rare there, it is planned to develop the infrastructure for the provision of artificial snow from December to February. So far, contracts worth USD 1.8 billion have been awarded and [other projects](#) with a total volume of USD 3.4 billion are currently in the tendering process. In light of PIF's investments in international Golf sports, it is aimed to add 20 Golf courts to the existing eight by 2030. For instance, the Diriyah Gate Development Authority and Golf Saudi are building the "[Greg Norman Championship](#)" golf course for USD 40 million. In doing so, Saudi Arabia wants to position itself as an attractive hub for the LIV Tour and

international Golf sports which also serves the main goal to promote the kingdom as a global business location and to gain access to attractive markets such as the United States and in Europe.

These investments are part of a long-term strategy aimed at promoting nation branding and position the kingdom as a successful model worldwide, but also at accessing new markets as indicated by the take-over of Newcastle United: As the hometown of the football club is located at the river Tyne and near the North Sea, it provides excellent potential for Saudi Arabia's efforts to [invest in the maritime infrastructure](#) and position itself as a champion in the logistical sector. At the same time, the region around Newcastle should emerge as a market for [England's renewable energy sector](#) which also provides [business opportunities](#) for Saudi Arabia's ambitions in energy transition.

Sport as a Driver for Youth Empowerment

As part of "Vision 2030", sport has been defined as an instrument to promote physical activity to counter wide-spread physical diseases such as obesity or diabetes. In total, [18.7% of the population \(aged 20 to 79\)](#) suffered from diabetes and more than 50% from obesity in 2019. Main reasons are excessive consumption of carbohydrate-rich fast food and too little

physical exercise. Against this backdrop, “Vision 2030” sets the goal to encourage an additional [40% of the Saudi population](#) to regularly exercise sport by 2030. The health care system needs to be relieved, and sport is to be seen as both a symbol of social agility and a trendsetter to improve professional efficiency and job resilience. Furthermore, the sports industry increasingly constitutes a significant business opportunity for Saudi entrepreneurs in different sectors and hence generates a nexus of shifting patterns regarding social cohesion, perceptions of social belonging in terms of identity construction and youth empowerment. Therefore, sport investments also need to be considered as a driver for human development in times of fundamental social transformation. In this regard, a variety of governmental and non-governmental in community sports has been introduced in recent years: In 2018, the Sports for All Federation (SFA) has been established to offer community sports activities and centralize and regulate national sport activities. For instance, local running groups such as the [Jeddah Running Community](#) or the [R7 Run Club](#) in Riyadh can register on the SFA platform to gather new members. [During the Corona pandemic](#), courses were held to raise awareness of physical exercise (“Move to Game”), walking and jogging festivals (“Step together”), or training courses for women (“Women’s Fitness Festival”),

among others. In 2022, the [first Riyadh Marathon](#) took place, which attracted more than 10,000 runners. The number of participants increased in 2023 to [15,000](#). In particular, sport activities for women are offered to promote female empowerment as an integral part of “Vision 2030”. In February 2023, for instance, the kingdom sent its first female tennis team to an [international tournament](#) in Sri Lanka, and in 2019, 24 women with and without intellectual disabilities became the first female athletes from Saudi Arabia to compete at the [Special Olympics World Games](#). Female football has also become a trend in wide parts of Saudi society. In particular, in the education sector, the introduction of school physical education for both boys and girls is intended to promote physical activity at an early stage of development, and create social awareness for physical and mental health through sports.

Sport as a Driver for Identity Construction and Power Consolidation

In times of fundamental socio-economic transformation, Saudi Arabia’s sports policy also aims to preserve social cohesion, collective resilience, and political legitimacy for the leadership. Against this backdrop, investments in the local football industry are framed as a symbol of national identity and unity. Through sports, the Saudi leadership provides its society with a comprehensive range of new

opportunities in terms of job creation, self-development, nationalism and patriotism. In this regard, Saudi Arabia is also aware that while the transfer of international football stars can trigger a short-term popularity boost, in the long term it is also necessary to invest in local talent. So-called “local heroes” could not only serve as identification figures for a domestic audience, but also help to strengthen the Saudi national team in preparation for the World Cup 2034. As a consequence, investments in talent scouting, training facilities, and youth empowerment are likely to be developed which further aims to strengthen national identity and inclusion through sports. In doing so, the notion of “[virtual enlargement](#)” and the creation of [soft power](#) play an important role in Saudi Arabia’s sports strategy on a domestic and international level. Hosting mega sport events and promote a national sports industry thus creates spaces of national pride and collectiveness and also aims to preserve the legitimacy of the Saudi leadership. As a consequence, [sport politics are a driver for power consolidation](#).

About the author

Dr. Sebastian Sons works as a senior researcher for the Center for Applied Research in Partnership with the Orient (CARPO). His Ph.D. thesis deals with labor migration from Pakistan to Saudi Arabia. He studied Middle Eastern Studies, Contemporary History and Political Sciences in Berlin and Damascus. He was further trained as journalist in print, TV, and radio media at the Berlin School for Journalists. In his academic and policy-oriented research, he focuses mainly on the countries of the Gulf Cooperation Council (GCC), their sport diplomacy, their migration policies, development assistance, political economy, energy transition, and socio-economic transformation. His newest book “The New Rulers of the Gulf and Their Quest for Global Influence” (in German) was published in October 2023. He is traveling to the countries of the Gulf Cooperation Council frequently since 2008.

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