



Saudi Arabia 2025 Music Report

Foundations for Success: Saudi Arabia's Music Industry

A man in a white thobe and ghutra is speaking into a microphone on a stage. In the background, there is an audience of men, some in traditional Arab attire and others in suits. The scene is dimly lit, with stage lights illuminating the speaker and the audience. A large, dark, irregular shape is overlaid on the image, containing the text "Summary Takeaways".

Summary Takeaways

1

Saudi Arabia already has the ingredients for its recorded music industry to succeed: half the population is under 35, one third carry iPhones, and the majority use YouTube. Demand for recorded music already outstrips supply.

2

Saudi could emulate Turkey's commercial success to grow its music subscribers from near-zero to almost 10 million by the 2034 World Cup.

3

Saudi's Ministry of Culture could expect a three-for-one tax return on investment, with recorded music revenue forecast to reach US\$0.5bn in less than 10 years.

Foreword



“If you don’t start somewhere, you’re gonna go nowhere,” remarked Bob Marley. For much of the past 50 years, Saudi Arabia, now the 19th biggest economy in the world, has had only fragments of a recorded music industry. That’s changing fast, and the pace of change is poised to get much faster.

Today, the Saudi Government is committed to investing in the development of a world-class recorded music industry. All major streaming platforms are gaining traction in the country and establishing local teams.

Soon, Saudi consumers and creators will feel the tailwinds of glocalisation, the rising phenomenon where local music thrives on global platforms.

All told, Saudi Arabia’s recorded music industry has the resources and potential to grow from near-zero to half a billion dollars by the 2034 World Cup. This annual report, the first of its kind, documents the progress, identifies opportunities, and provides tailored forecasts for the ongoing rise of Saudi Arabia as a music player on the world’s stage.

**— Paul Pacifico, CEO Music Commission,
Ministry of Culture**





Literature Review



Before assessing and identifying Saudi's foundations for a successful recorded music industry, it is useful to review what has been said about this unique market, and identify gaps in these studies.

Four titles merit review:

- (i) the IFPI Global Music Report;
- (ii) Music Ally's Saudi Arabia Country Profile;
- (iii) Arthur D. Little's 2024 State of the Media Sector; and
- (iv) Omdia's Digital Consumer Survey.

The IFPI Global Music Report

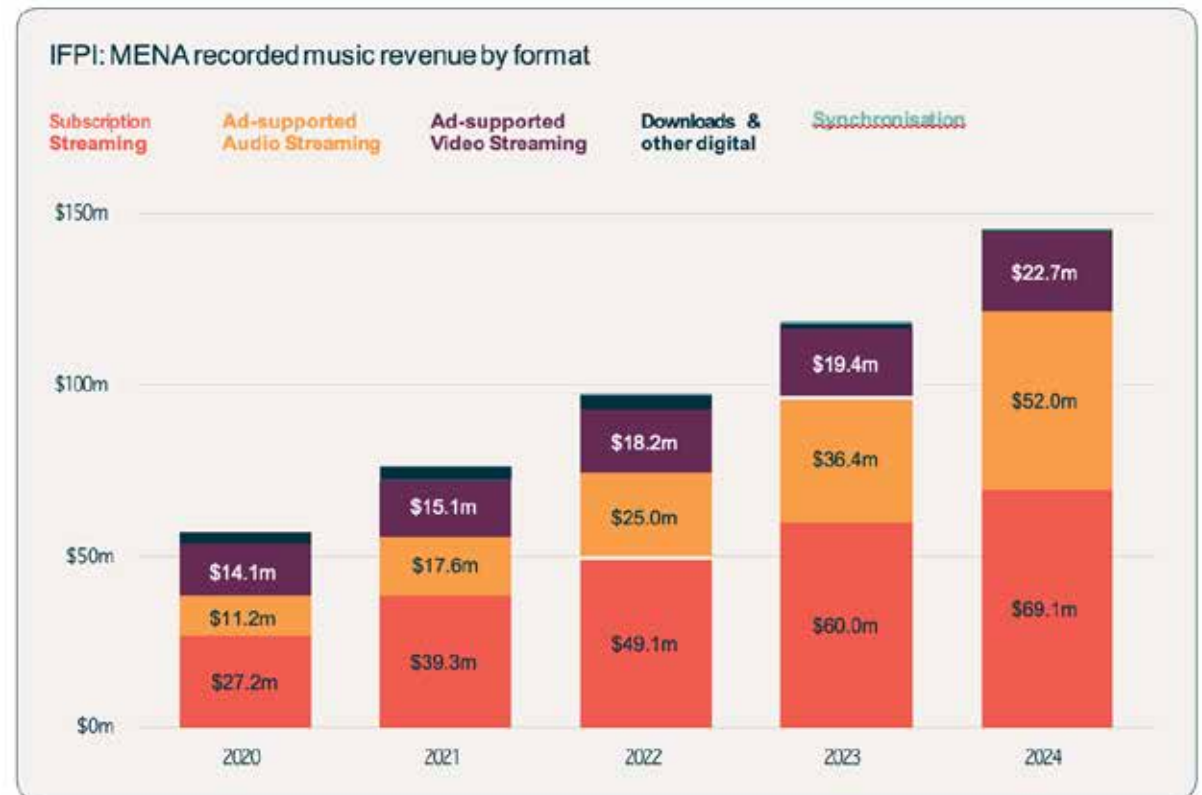
The International Federation of the Phonographic Industry (IFPI), a leading recorded music trade group, first formally recognised the Middle East and North Africa (MENA) region in its annual Global Music Report in 2022, and now regularly features a regional overview and country-specific data.

In the most recent report (published in March 2025), covering 2024, recorded music annual revenues in the MENA region grew to US\$144 million, a 22.8% increase that made it the fastest-growing region in the world. Streaming, which comprises nearly the entire market (99.5%), grew by \$28 million.

Ad-supported revenues comprised the majority of growth, up by 43% (\$16 million). The mainstays of YouTube, Spotify, and Anghami played a significant role, as expected, but the IFPI report also highlights contributions from social platforms TikTok and Meta.

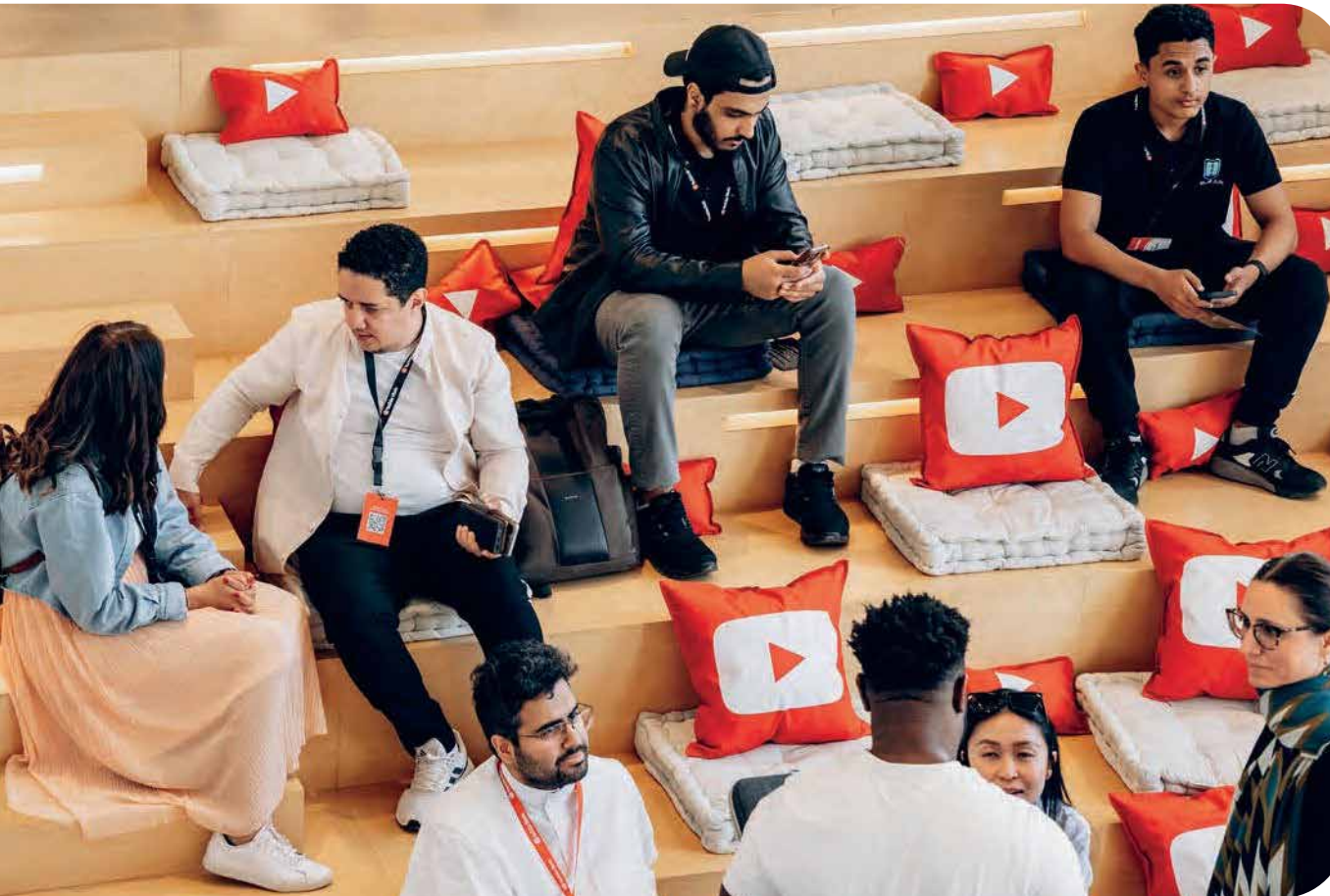
Glocalisation appears to be underway, as domestic artists captured seven of the top 10 tracks on the region's chart.

The 10 most-streamed tracks in Saudi Arabia were by artists from five countries: Egypt, Lebanon, Saudi, Syria, and Yemen. Notably, in Egypt, 13 of the 14 artists who reached #1 in 2024 were local. As discussed later in this report, Egypt's cultural relevance, evidenced by this performance, offers Saudi an aspirational benchmark.



Source: IFPI Global Music Report 2025

Music Ally's Saudi Arabia Country Profile



Music Ally, a respected UK-based consultancy, publishes a country profile series that helps raise awareness of foreign markets amongst industry executives in Europe and North America.

Its sole report on Saudi Arabia, published in 2022, cites the newly created Saudi Music Commission's plans to create 65,000 jobs and 130 recording studios by 2030.

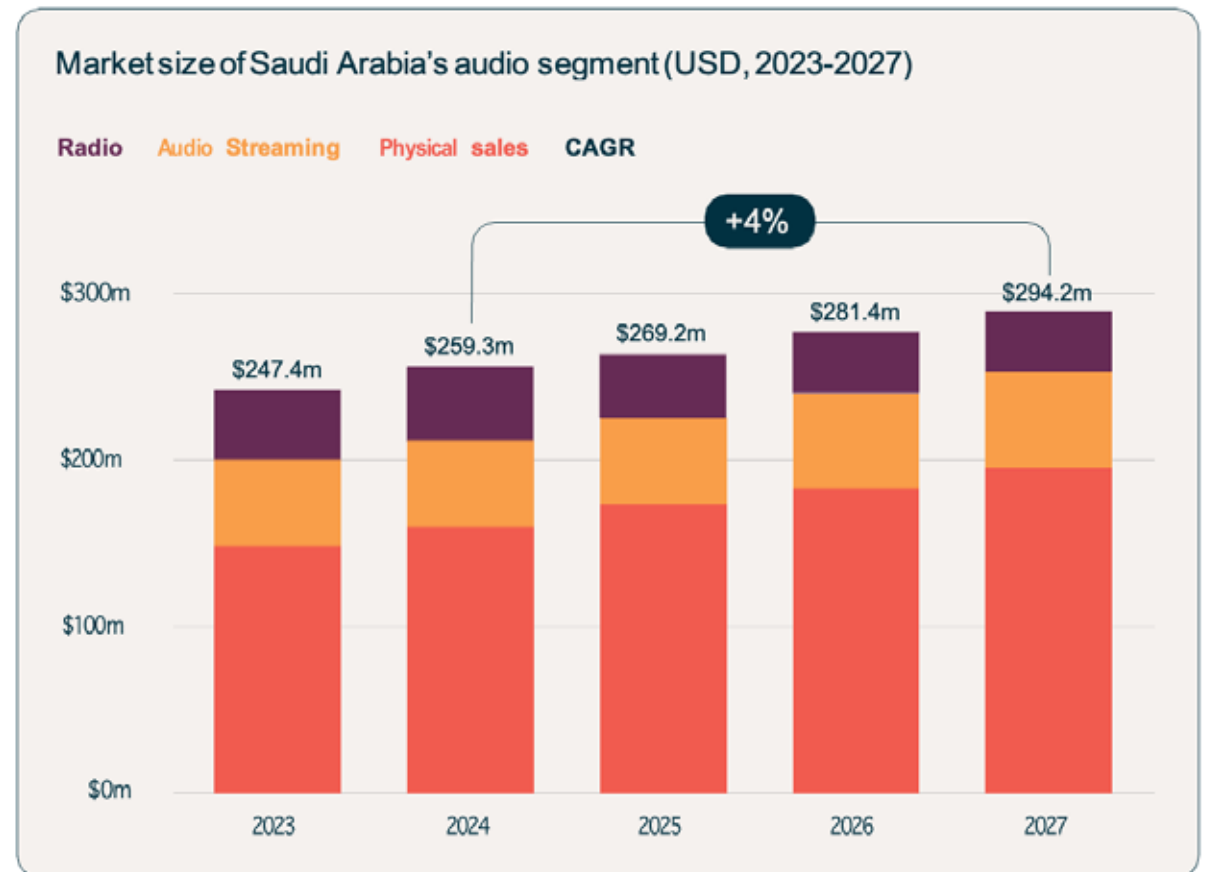
The profile sheds light on the presence and prominence of regional artists inside their own market, with Anghami claiming that Arabic content comprised 50% of the consumption on its platform.

YouTube consumption in Saudi is also highlighted as among "the highest usage levels in the world"

facilitated by the wide availability of competitive data packages from mobile operators. A more recent analysis using the latest data, however, is lacking.

The State of the Media Sector in the Kingdom of Saudi Arabia

Arthur D. Little published their State of the Media Sector in the Kingdom of Saudi Arabia report in 2024. It features many optimistic charts describing the market's potential, and forecasts revenues from radio, streaming, and physical sales to reach almost \$300m by 2027.



Source: Arthur D. Little estimate

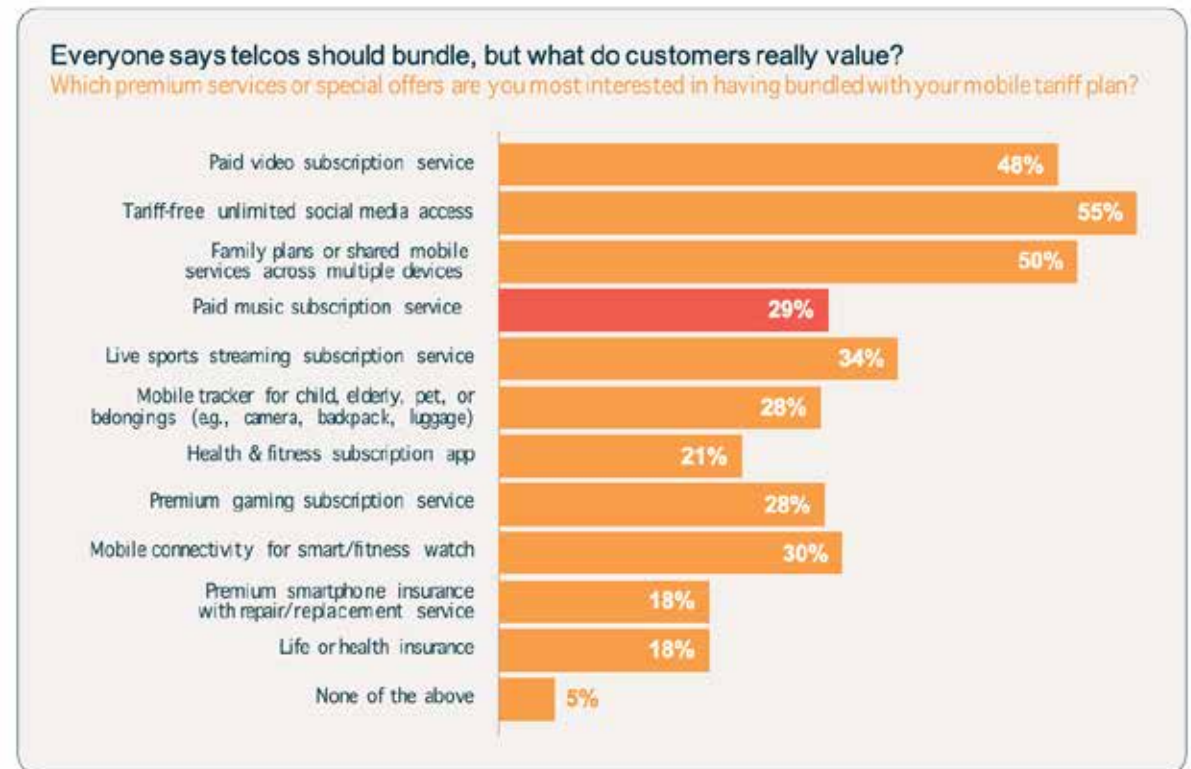
Omdia's 2024 Digital Consumer Survey Insights: Saudi Arabia

Omdia is a technology consultancy with a large presence across the MENA region. Its report is based on 1,000 survey Saudi respondents, predominantly aged 18-35.

Two themes emerge. First, the respondents expressed demand for 5G networks to support the country's digital economy.

Second, the prospects for bundling media with telecommunications ("telco") look promising. In the early days of streaming (circa 2008-2013) in western markets, telco bundling was a common feature of digital music platforms' launch strategies, meant to jump-start adoption of music subscriptions.

In The Netherlands, for example, the deal Spotify made with KPN in 2011 resulted in the Swedish streaming service reaching a quarter of the Dutch population within one year long before the company took off in the United Kingdom and the United States. Omdia's survey data suggest the telco-bundling approach could be a viable path in Saudi Arabia's early days of establishing its recorded music industry virtually from scratch.



Source Omdia

The data suggest that telco-bundles are particularly desirable for family and shared plans. As for which paid media services customers would most value, video ranked first with almost half of respondents, followed by live sports (34%) then music subscription services (29%). As we will soon see, Saudi Arabia, with its high smartphone (and especially iPhone) penetration, appears ripe for such a deal.

What's missing from the literature to date?

Numbers. All these studies lack the raw numbers to quantify the foundations for success.

Specifically, what is needed is an accurate measure of Saudi's addressable market in order to size the potential and set aspirations.

Without this, confidence will be tenuous as to whether investing in the industry can yield a sufficient return. The remainder of this report focuses on establishing a firmer, numerical overview of Saudi's recorded music market, which can then be deployed in a robust forecast methodology.



Setting Aspirations



To lay the foundations for Saudi Arabia's recorded music industry to succeed, a plausible benchmark is needed to establish where the country is at present, and to track progress in the future. The broad "MENA" category so often used in sectoral analysis comprises between 19 and 28 countries, ranging from Morocco to Yemen. A narrower focus is necessary.

To this end, this report suggests two markets: Turkey and Egypt. The former sets the regional bar for commercial success. Spotify launched in Turkey in 2013 and the country now boasts over 16 million digital service provider (DSP) music subscribers, far outpacing anywhere else in the region. Egypt, meanwhile, offers an aspirational cultural relevance, stemming from its 'first-mover' advantage tied to the rise of radio broadcasting and sound films starting in the 1930s.

Today, Egyptian artists dominate their local charts and their industry executives hold leadership positions across MENA music companies.

Although every nation is unique, the regional proximity makes both Turkey and Egypt reasonable comparisons for the Saudi market, and their relative success commercially and culturally, respectively, establishes them as worthy benchmarks.



Assessing Saudi Arabia's Total Addressable Market

A simple summary of Saudi's market potential is the recognition that it is relatively young and comparatively wealthy. A more granular analysis can be achieved by starting with the broadest definition of an addressable market (i.e. population) and narrowing in on the most specific (i.e. music subscribers). In between, a selection of categories helps to inform the roadmap and timeline for capitalizing on the market's potential. These illustrative slices are:

Potential Music Subscriber

Individuals with a Spotify-enabled phone (i.e. no BlackBerry) and the ability to pay for it (i.e. ownership of a debit or credit card).

YouTube Daily Active Users

Unique users of the platform, though **not necessarily for music**.

iPhone Population

Number of iPhones in use, based on shipment data; iPhone users are typically more willing to pay for music than their Android counterparts.

Qualifying Households

Households with at least one occupant **who meets the Potential Subscriber, YouTube, and iPhone criteria**.

Music Streamers

Anyone using any major DSP (e.g. Spotify, Anghami, YouTube Music) **excluding YouTube's free tier**.

Paid Music Streamers

Anyone already using **paid music subscription services**.

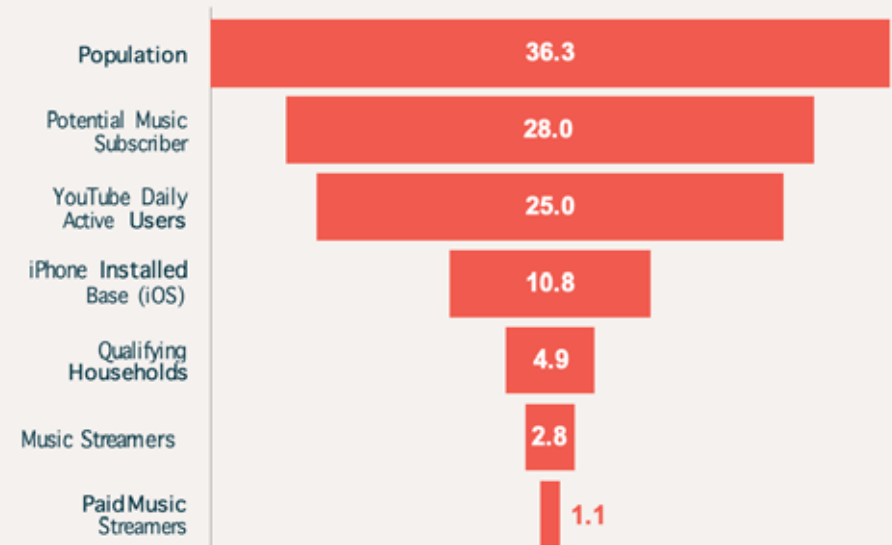




Saudi Arabia has a population of 36.3m, of which 28m (73%) are deemed addressable. Of that pool, a staggering 25m (95%) use YouTube on a daily basis.

The iPhone population is estimated at 10.8m and there are nearly 5m qualifying households. Compared to the almost 3m music users, of which over 1m are paying subscribers, there is plenty of room for growth.

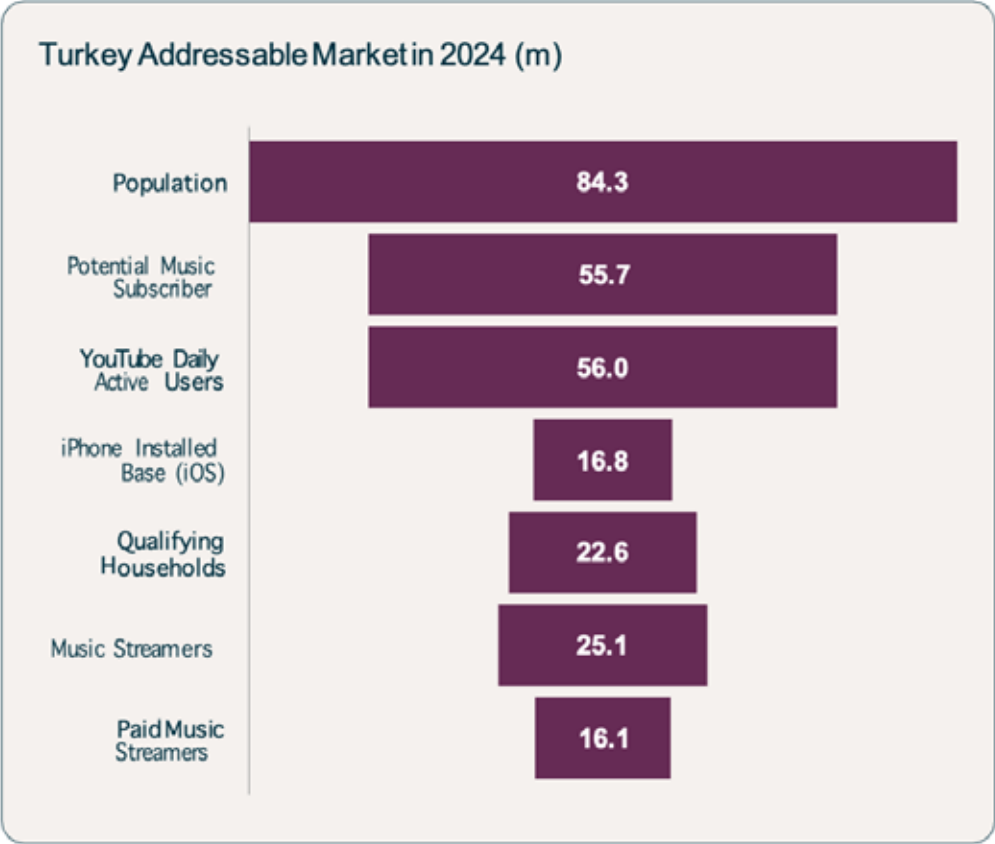
Saudi Arabia Total Addressable Market in 2024 (m)



Source: Omdia, authors own market intelligence

Turkey, by comparison, has a population of 84.3m, of which 55.7m (68%) are addressable. As in Saudi, virtually all of them use YouTube daily.

Notably, although Turkey's population is nearly triple Saudi's size, its iPhone population is only 50% bigger. Despite this, thanks to its decade-long head start since Spotify launched, Turkey has 25.1m music streamers, of which an impressive 16.1m (64%) are paying.



Source: Omdia, authors own market intelligence



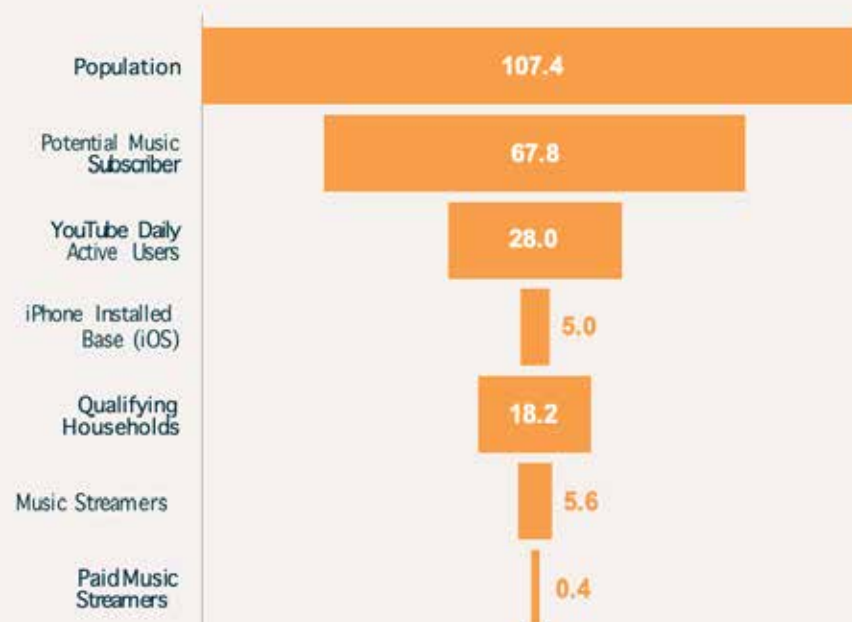


Image: Unsplash/Usen
Parmanov

Egypt, meanwhile, has a population of 107.4m, 67.8m (65%) of whom are deemed addressable, of which less than half use YouTube.

The iPhone population of only 5m may explain Egypt's challenges in growing a music subscriber base. Its current tally of music streamers is 5.6m, of which just 0.4m (23%) are paying many of whom are on a telco deal between Vodafone and Anghami.

Egypt Addressable Market in 2024 (m)



Source: Omdia, authors own market intelligence

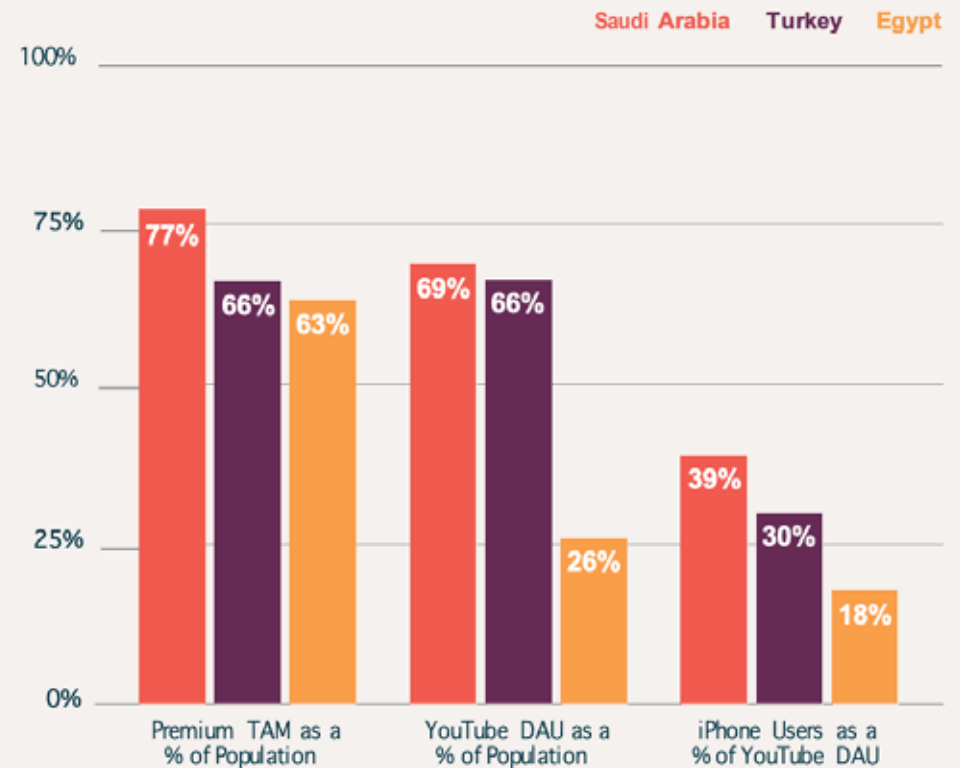
This analysis indicates **Saudi Arabia's three comparative advantages** over both Turkey and Egypt. It has

- (i) a higher share of its population considered addressable for music subscription services,
- (ii) higher penetration of YouTube among them, and
- (iii) a higher percentage of this addressable market on iPhones.

Alongside several economic tailwinds (e.g. a stable currency), these factors suggest Saudi Arabia has the foundations for a successful recorded music industry

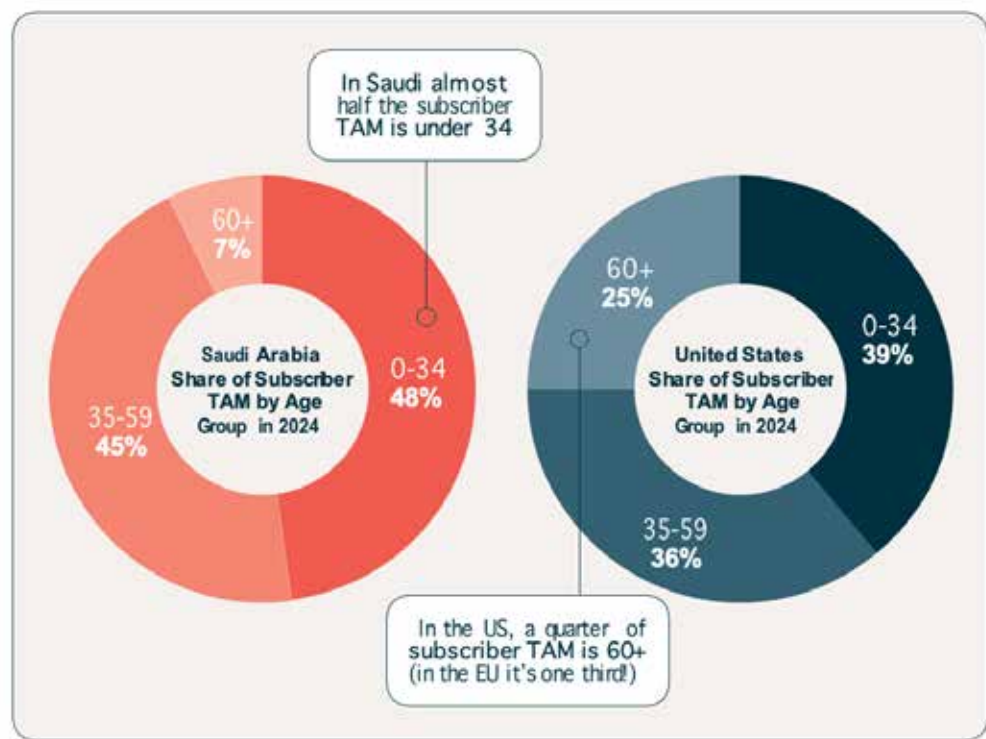


Saudi Arabia's Comparative Advantage



Source: Omdia, authors own market intelligence

We conclude this section by returning to our simplistic summary of the market potential: the Saudi population is relatively young and comparatively wealthy. Its GDP per capita is 10 times that of Egypt and almost three times that of Turkey. Almost half the Saudi addressable population is under 35 (comparable to the USA's 40%). Only 7% of Saudis are aged 60+ (compared to a quarter of Americans and around one third in Germany and Italy).



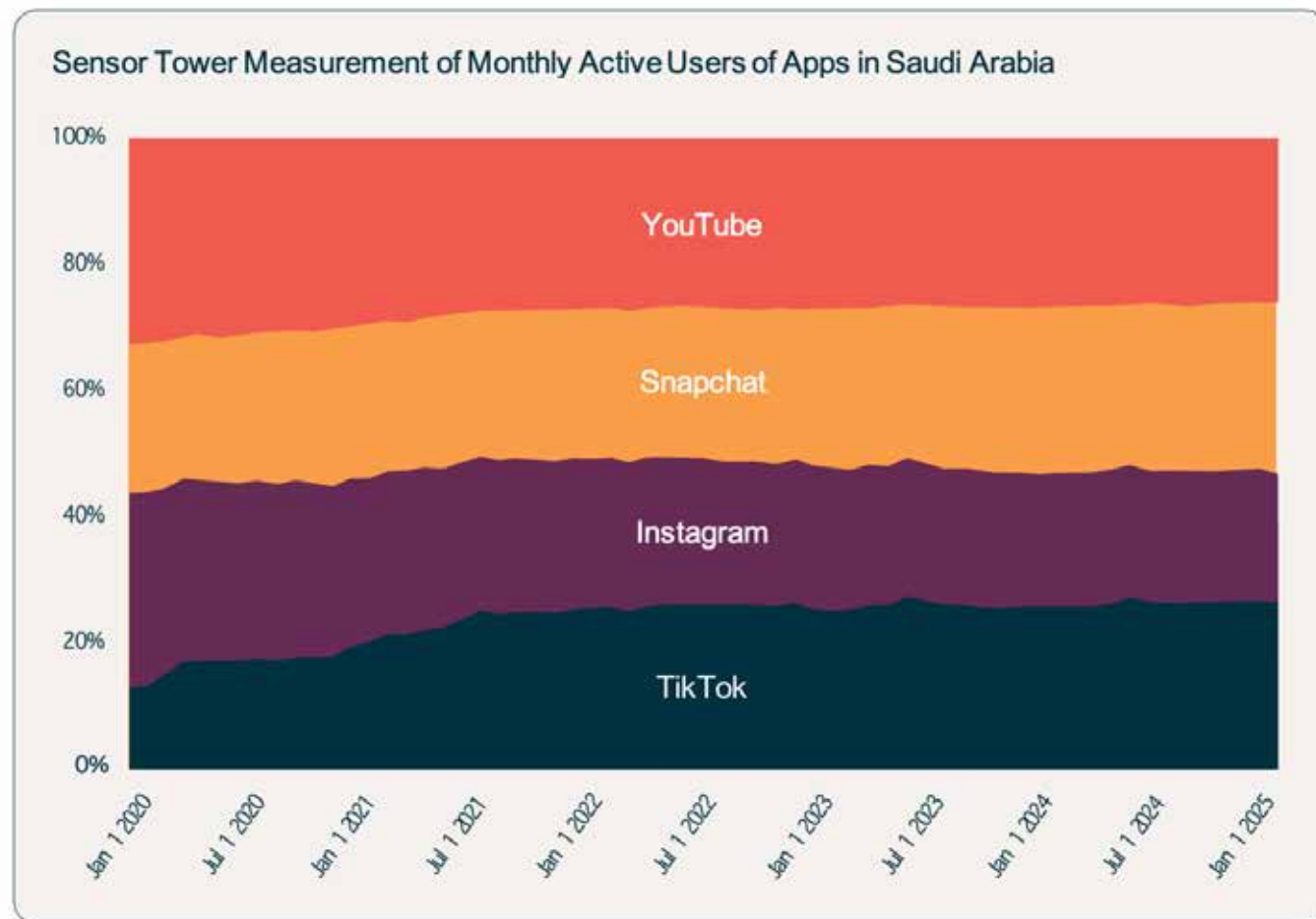
Source: Omdia, authors own market intelligence



Social Media Landscape

Another way to size the Saudi market potential is to examine the social media landscape, which across the world increasingly overlaps with the recorded music landscape.

Sensor Tower, the leading app analytics company, tracks monthly active users of the main social apps. In Saudi Arabia, data show YouTube and Snapchat close together at the top of the app usage rankings, followed closely by TikTok and then Instagram. All four companies have active music licensing strategies that could easily be scaled across the MENA region.



Source: Sensor Tower

Music Streaming Landscape

Luminate Data, the industry-standard music measurement platform, has only recently started tracking streaming volumes in the MENA region. As a result, data are available for only two quarters (2024 Q1 and 2025 Q1). A second shortcoming is that Luminate's YouTube data only tracks Turkish streaming, and not Saudi or Egyptian which explains why Turkish streaming volumes are forty-five times that of Saudi and Egypt.¹

Nevertheless, weekly trends of streams, both indexed and in absolute terms, offer some provisional insights for Saudi's future industry. First, Turkey's streaming volumes are broadly flat across the available time period, suggesting that after a decade of growth it may have reached saturation. Second, Egypt and Saudi Arabia (again, excluding YouTube) are each demonstrating only marginal signs of growth suggesting more investment (e.g. time, labour, and money) is needed to drive further engagement. Third, the sharp and sudden drop in streams in mid-February is most likely due to Ramadan.

This flatness in Turkey is a concern to Turkish record labels, although clearly a longer time-period would afford further inferences, while new layers of data would illuminate trends such as popularity by genre. But the most important takeaway here is to wait and see what the addition of YouTube data to Saudi Arabia and Egypt does to the trends.



Source: Luminate

¹ For the nascent Saudi market, Luminate now has the following DSPs on their system: Anghami, Apple Music, Spotify, Audiomack, Tidal, Boomplay, 7Digital, and Vevo. YouTube is not currently reporting for Egypt and Saudi Arabia, but this will likely change.

Domestic Music Landscape

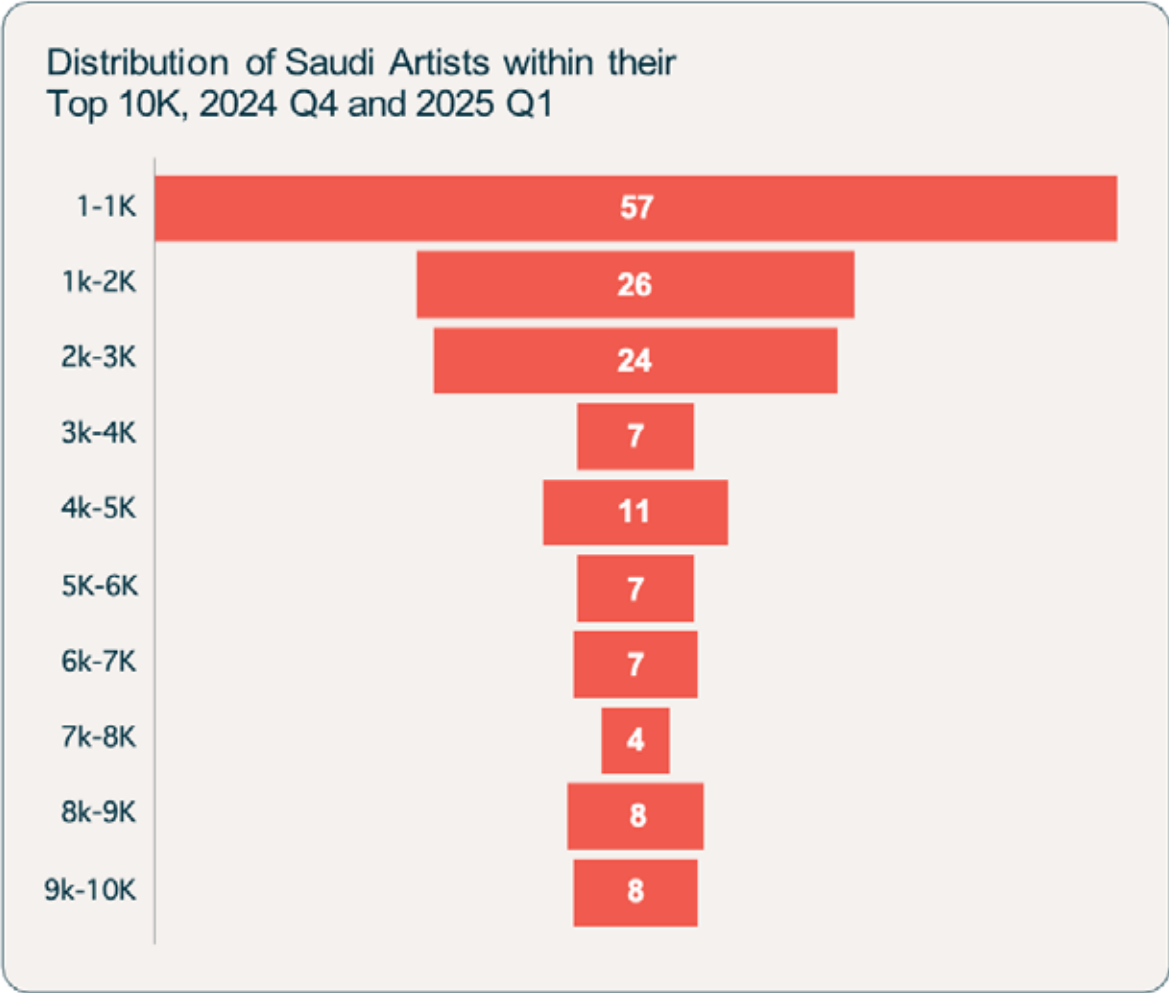
The final piece to establish Saudi’s foundation is the presence and prominence of domestic music. In this analysis, ‘presence’ refers to the proportion that a given country’s artists comprise of the 10,000 most popular as measured by listening data, while ‘prominence’ captures the relative popularity of those artists. The time period captured here is 2024 Q4 and 2025 Q1 combined.

The following charts plot the top 10,000 artists in a given country (capturing more than 90% of all streams) and show the number of local artists in each decile.

For instance, the highest decile shows how many local artists are in the top 1,000, based on domestic listening behaviour. If the chart bulges towards the top, then domestic artists are relatively more prominent among the most popular a good sign.

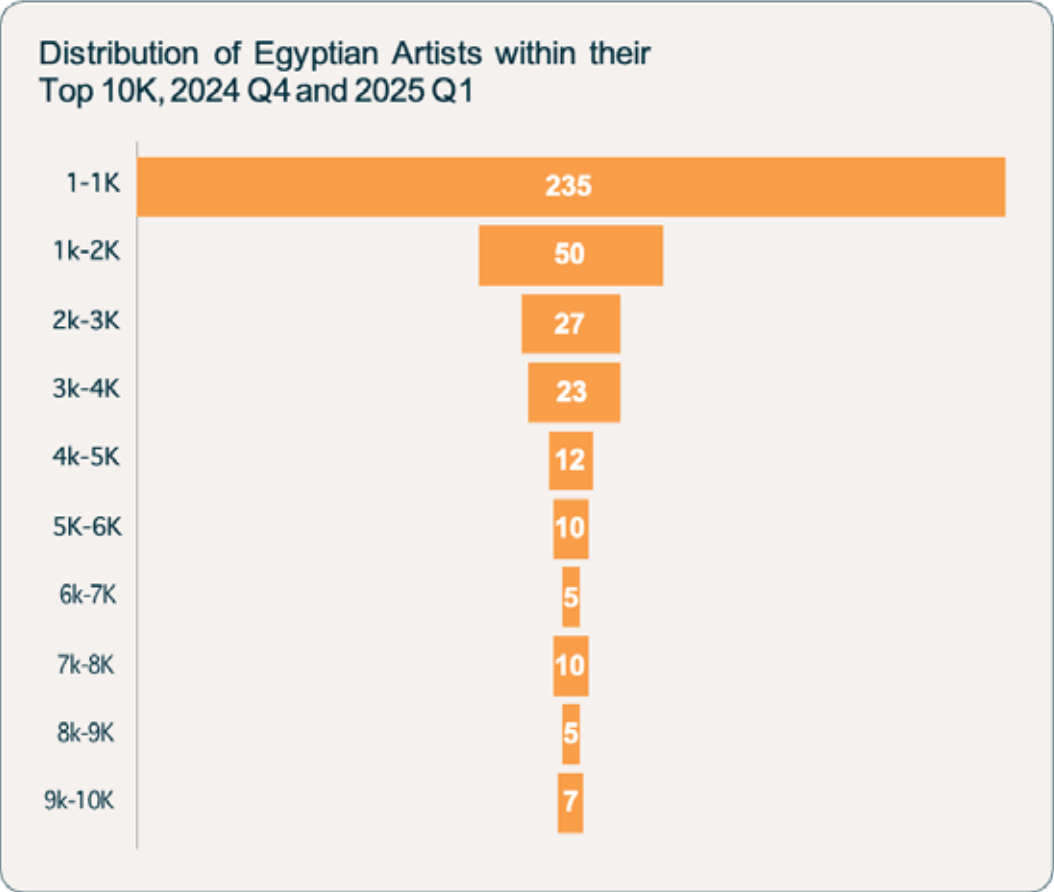
Saudi Arabia’s chart illustrates two things: (i) presence is fairly low, with only 159 observations among the top 10,000 (1.59%); but (ii) those artists are relatively prominent, capturing 5.7% of streams. This dynamic manifests in the bulge among the upper deciles.

So whilst the presence of Saudi artists in their own market is low, their prominence points to potential.



Source: Luminate

Egypt's story is a similar one of quality over quantity. Only 384 local artists appear in their domestic top 10,000 (3.84%), but they, too, have high prominence. In fact, the 235 Egyptian artists in the top decile captured half of all streams in the country.



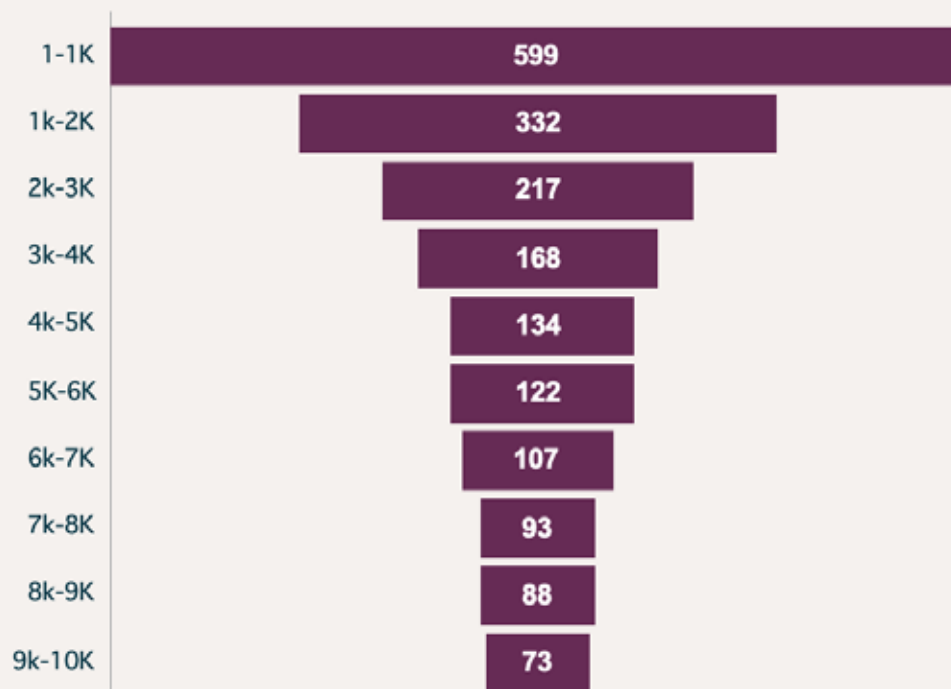
Source: Luminate





Turning finally to **Turkey** (which includes YouTube), the picture is one of domestic dominance, with local artists comprising almost 20% of the top 10,000, capturing an impressive two-thirds of all streams. More significantly, Turkish artists make up well over half (599) of the top decile, and secure almost 80% of all the streams in that top decile. For context, the domestic strength of Turkey is one of the highest in the world, on par with Japan, South Korea, and Brazil.

Distribution of Turkish Artists within their Top 10K, 2024 Q4 and 2025 Q1



Source: Luminate

Saudi's Four Pillars for Success



Four guiding insights have emerged from this analysis of Saudi's current recorded music landscape.

First, Saudi's population dynamics give it a comparative advantage, one that is likely to increase as the economy grows and digital inclusiveness rises.

Second, Saudi's vibrant social media landscape dominated by YouTube, Snapchat, and increasingly TikTok provides a runway for music to take off.

Third, the negligible growth of current streaming volumes (albeit excluding YouTube) underlines the need for investment to drive engagement.

Finally, Egypt and Turkey show the significant potential for Saudi streams to go to Saudi artists, allowing the money that comes into the DSPs to flow out to local labels and publishers.



The Road to Half a Billion Dollars



With a quantified foundation of the Saudi recorded music industry established, alongside several pillars for success, we must now consider how Saudi consumers, streamers, creators, and the government would define success. An economic model (detailed on p29) allows these various stakeholders to ask (and answer) dynamic questions, now and throughout the run-up to the seminal moment when the World Cup comes to Saudi Arabia in 2034.

Consumers must be convinced that it is worth it to pay for recorded music. Spotify's current pricing strategy in Saudi Arabia ranges from ﷲ10,99 for students to ﷲ33.99 for families. YouTube's pricing is similar, despite including video content. Focusing on the standalone price for an individual, both Spotify (ﷲ21.99) and YouTube (ﷲ26.99) cost about half as much as Netflix (49,00). In the US, the gap between Spotify and Netflix is narrower (\$11.99 vs. \$17.99) and is expected to shrink further.

Spotify Premium	Student	Individual	Duo	Family
Saudi Arabia	ﷲ10.99	ﷲ21.99	ﷲ28.99	ﷲ33.99
Egypt	£34.99	£69.99	£89.99	£109.99
Turkey	₺32.99	₺59.99	₺79.99	₺99.99
United States	\$5.99	\$11.99	\$16.99	\$19.99

Focusing on the individual Spotify price point of ﷲ21.99, it is useful to ask three questions:

(i) What if the pricing gap between Spotify and Netflix mirrored that in the US?

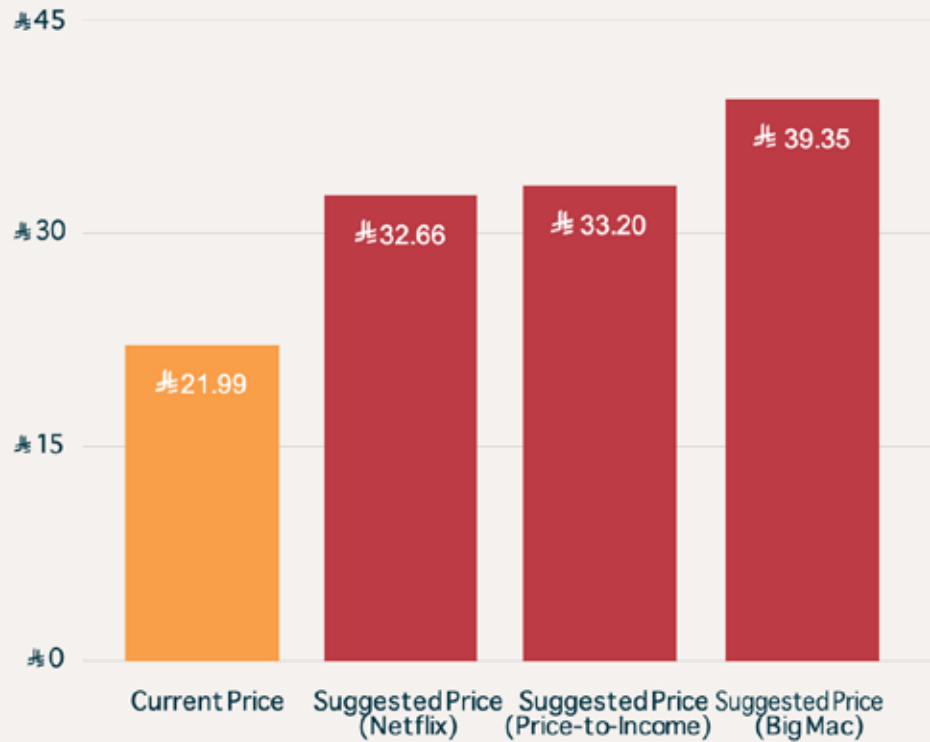
(ii) What if the price-to-income level ratio equaled that of the US? And finally

(iii) What if we used 'Big Mac guidance' on exchange rates to estimate where price should be? In all three instances, there is headroom to raise prices.

YouTube Premium	Student Music	Student Premium	Individual	Family Plan
Saudi Arabia	ﷲ10.99	ﷲ15.99	ﷲ26.99	ﷲ49.99
Egypt	£27.99	£38.99	£65.99	£119.99
Turkey	₺32.99	₺52.99	₺79.99	₺159.99
United States	-	\$7.99	\$13.99	\$22.99

Netflix	Basic	Standard	Premium
Saudi Arabia	ﷲ35.00	ﷲ49.00	ﷲ71.00
Egypt	£100.00	£170.00	£240.00
Turkey	₺149.99	₺229.99	₺299.99
United States	\$7.99	\$17.99	\$24.99

Saudi Arabia: Is the (current) price right?



Source: The Economist and authors own calculations

If Spotify in Saudi Arabia were to mirror the gap between Spotify and Netflix in the US, prices would climb 48%. Alternatively, if the price were mapped to the US figures relative to income levels, it would increase by 50%. Lastly, by anchoring to Big Macs, and observing that in America the price of one month of Spotify equals two Big Macs, the price would climb by almost 80%.

Pricing matters. Rights holders will scrutinize whether the price properly values their copyrights or leaves money on the table. DSPs will be concerned about churn, especially when the market is in a nascent stage. Consumers will practice mental budgeting the love of a round number and the awareness of alternatives. What this analysis tells us is that stakeholders can lean into price increases with confidence bringing more money that can be reinvested into the Saudi recorded music industry.

Introducing PCP

The Page Comparative Pricing (PCP) formula, named after the author, asks if the price in country X is either 'too high, too low or about right' when compared to a more successful country Y. In this example we compare relative price in the nascent market of Saudi to that of the established US. PCP factors in the relative spending power across a range of goods (not just a Big Mac) and controls for currency effects.



Streaming Platforms

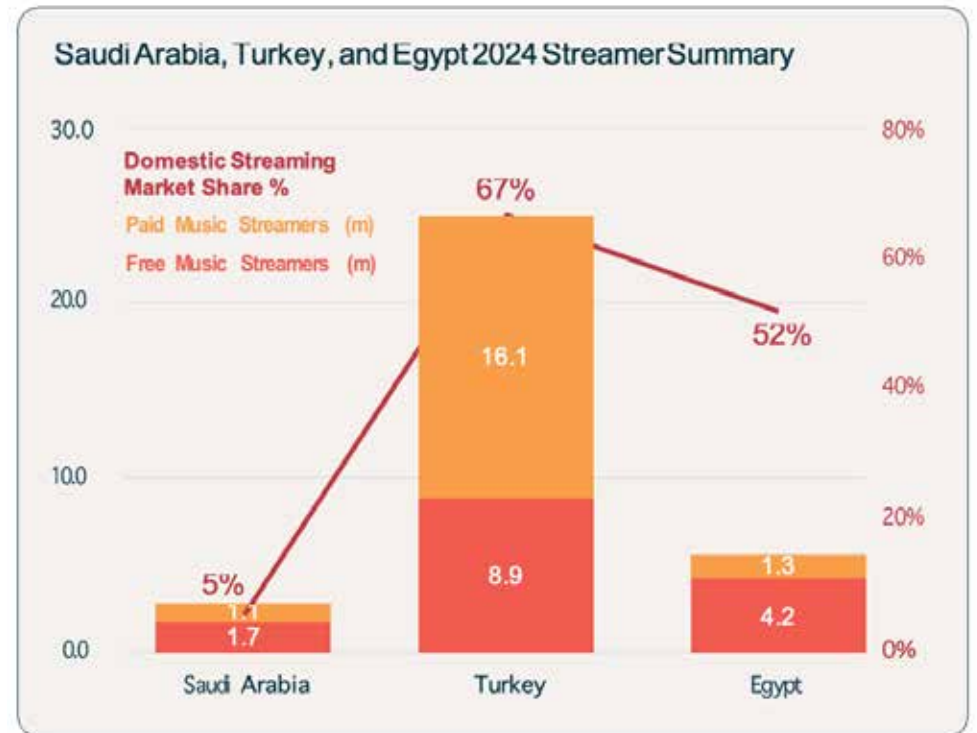


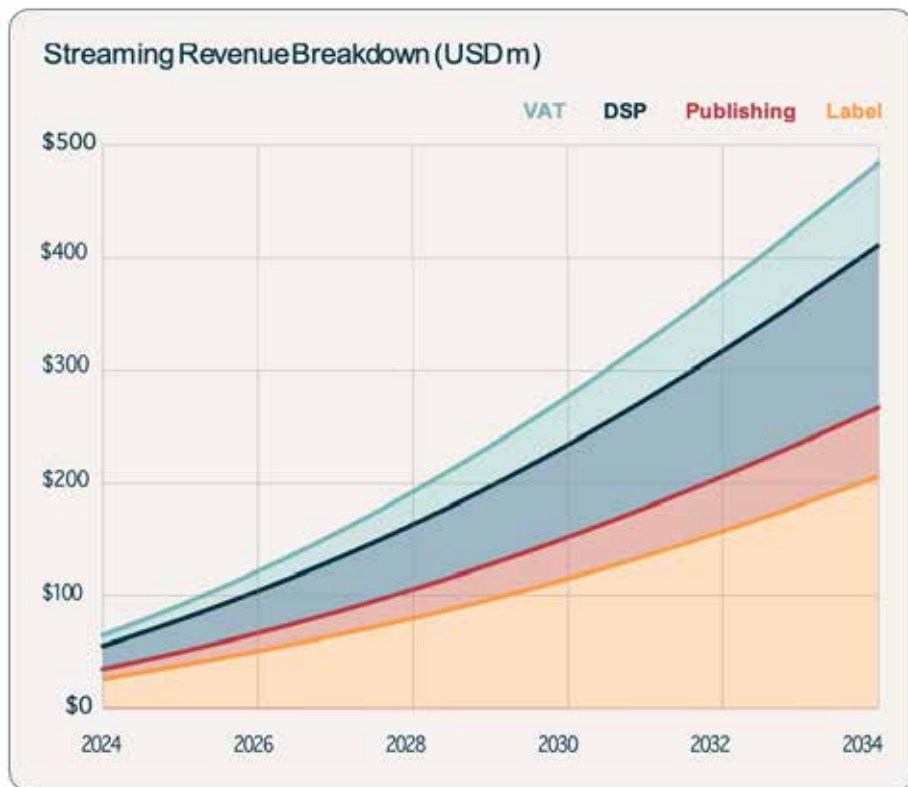
For the streaming platforms, if Saudi were to emulate Turkey's commercial success of converting music lovers into paying subscribers by the time the World Cup arrives, it would have 13.5m music users, of which 8.7m would be paying. Considering Turkey's decade-long head start, achieving this subscriber target is plausible.

Taking that 8.7m subscriber figure as a given, by 2034 Saudi consumers would be spending over half a billion dollars on recorded music. To offer some present-day context, that would put Saudi Arabia into the global top 20 markets on par with markets like Sweden today.

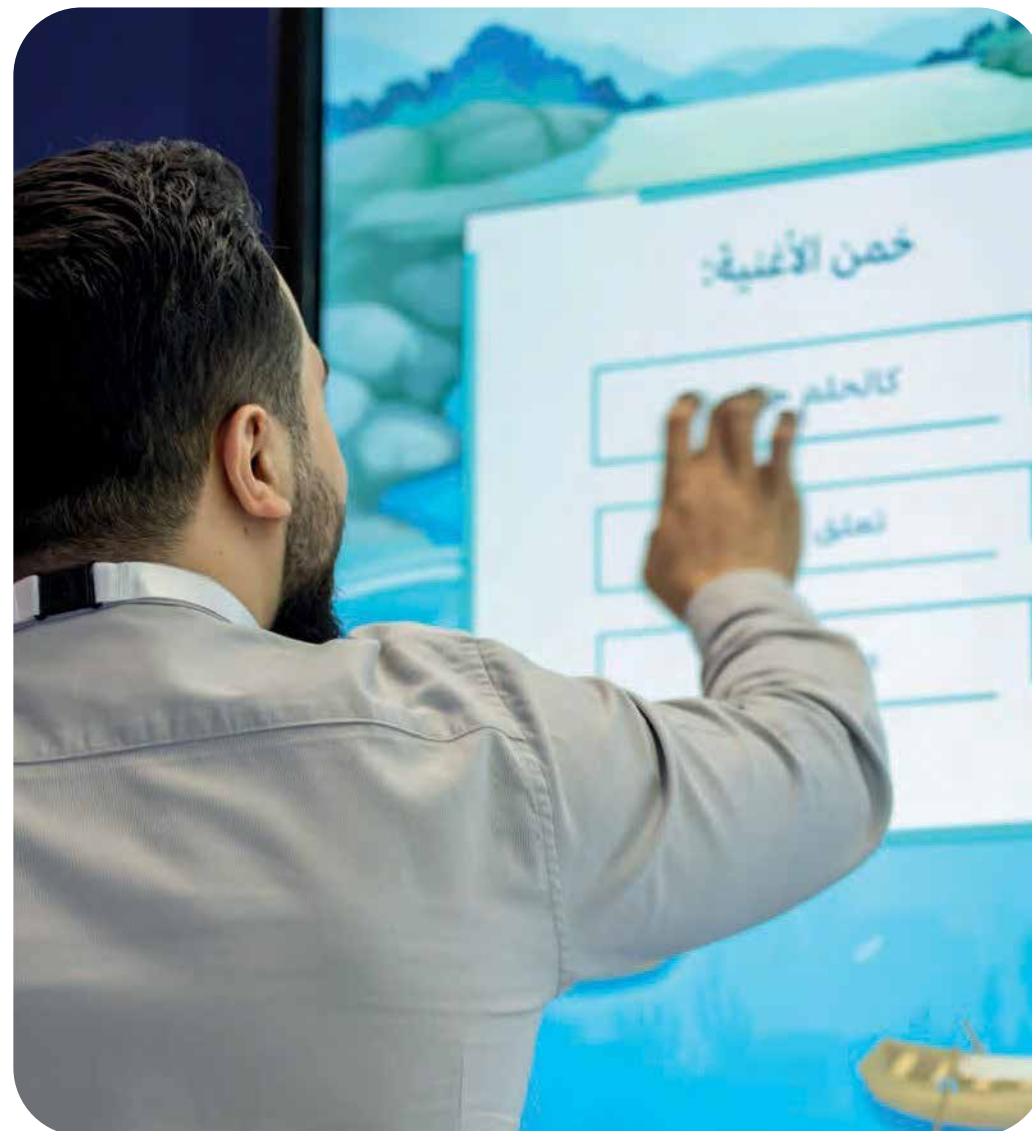
How we modelled our way to half a billion dollars

This economic model takes a bottom-up approach to forecasting Saudi Arabian recorded music revenues. It uses current fact-checked Average Revenue Per User metrics across free and paid tiers and then grosses up to include publishing, streaming margin, and value added tax.





As mentioned, the economic model underlying these forecasts is dynamic. This allows for adjustments that provide answers to questions, such as what if conversion from free to paid were to accelerate, or if prices could rise further without any evidence of churn. In both cases (and others), it is possible that Saudi could reach the \$0.5bn milestone faster than this report's baseline case.

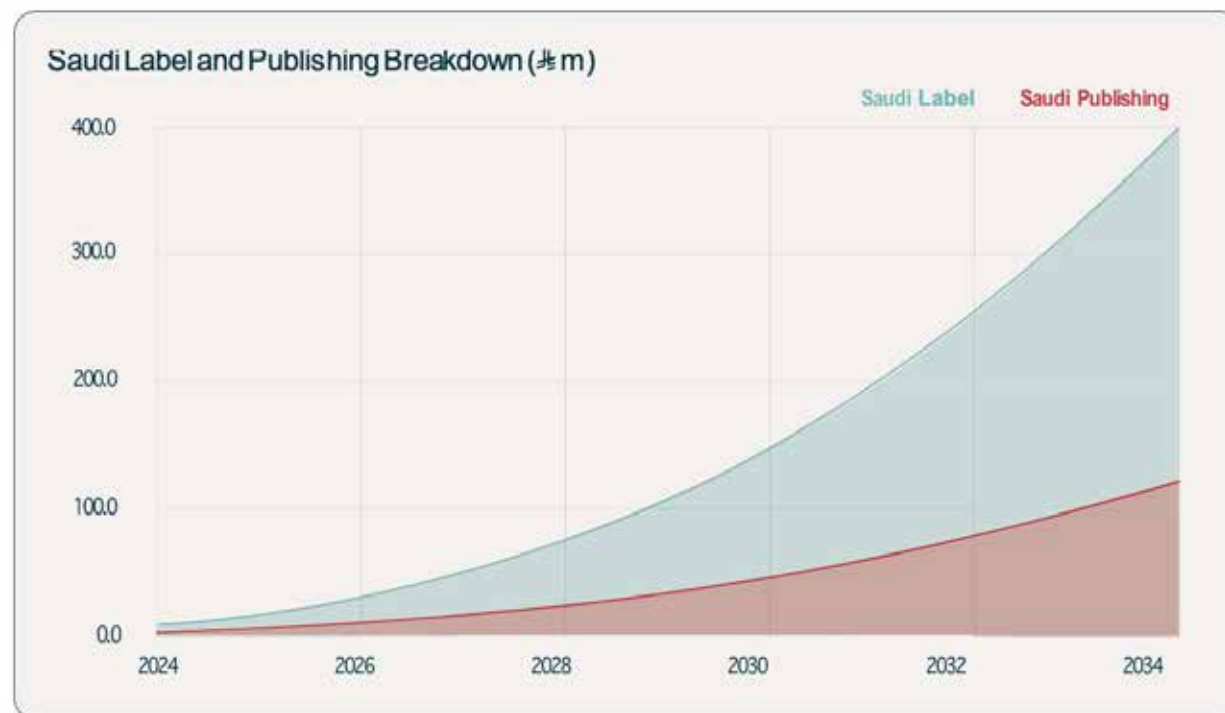


Saudi Record Labels and Publishers

To assess how much of that half a billion would flow back to Saudi labels and publishers, it is instructive to look again at Egypt. To do this we will intuitively flip the analysis from USD(\$ to SAR(ﷲ).

Recall that in Egypt, like in Saudi, presence is low (less than 5% of the top 10,000 artists were Egyptian) but prominence is high (just over half of all domestic streams were Egyptian). This suggests a viable path where Saudi competes on hits (quality) rather than output (quantity). Should this transpire, and Saudi were to emulate Egypt's cultural success, then over 400m could flow back to local rights holders by 2034.

Since this figure is gross payouts, rather than net collections, the true figure for publishers remains uncertain since it does not account for their cost of collection. Clarity will arrive when the Saudi Authority for Intellectual Property (SAIP) delivers the collective management infrastructure needed to properly and efficiently administer authors' rights. The cost of administration can be significant — in western markets, a fifth of gross revenue is eroded by admin costs.



Crucially, domestic streaming is not the entirety of the Saudi music economy. Also important are exports, live music, and employment. Using a separate forecasting model, it is possible to estimate revenues across each of these categories, assuming a given level of success of the domestic recorded music market. Generally speaking, the greater the presence of local labels and local streamers inside Saudi, the bigger each of these figures could become.

Assuming that for every SAR forecast to be generated at home by local artists an additional 25% is generated overseas, Saudi labels and publishers would see an additional 100m annually. What's more, this domestic and overseas success of Saudi recorded music would spill over into demand for labour. Today, the recorded music industry in Saudi Arabia employs barely 500 executives. This would likely grow substantially by 2034.

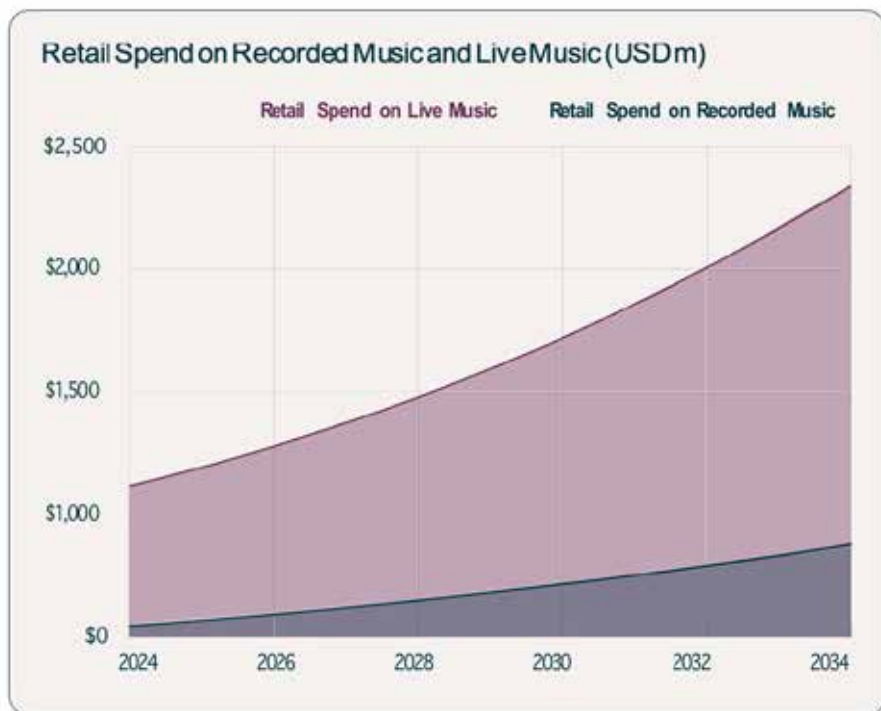


Arabic Music Exports: The Shape of Things To Come

Luminate Data tracks Arabic-language music outside of the MENA region, allowing us to estimate its export potential. Consider France (the sixth largest music market in the world), where the most popular languages for music are French, English, Spanish, and Italian. In 2024, Arabic overtook Portuguese for fifth.

It may well climb further in years to come.

We can also rank the top Arabic artists by exports and explore where they are being heard. Unsurprisingly, an Egyptian, Sherine, leads the pack. More surprising is her top export market: Indonesia. In second place is Algerian rapper Soolking, whose top export market is France. The bronze medal goes to Morocco's Saad Lamjarred, whose top market is India. Arabic music is truly global in reach.



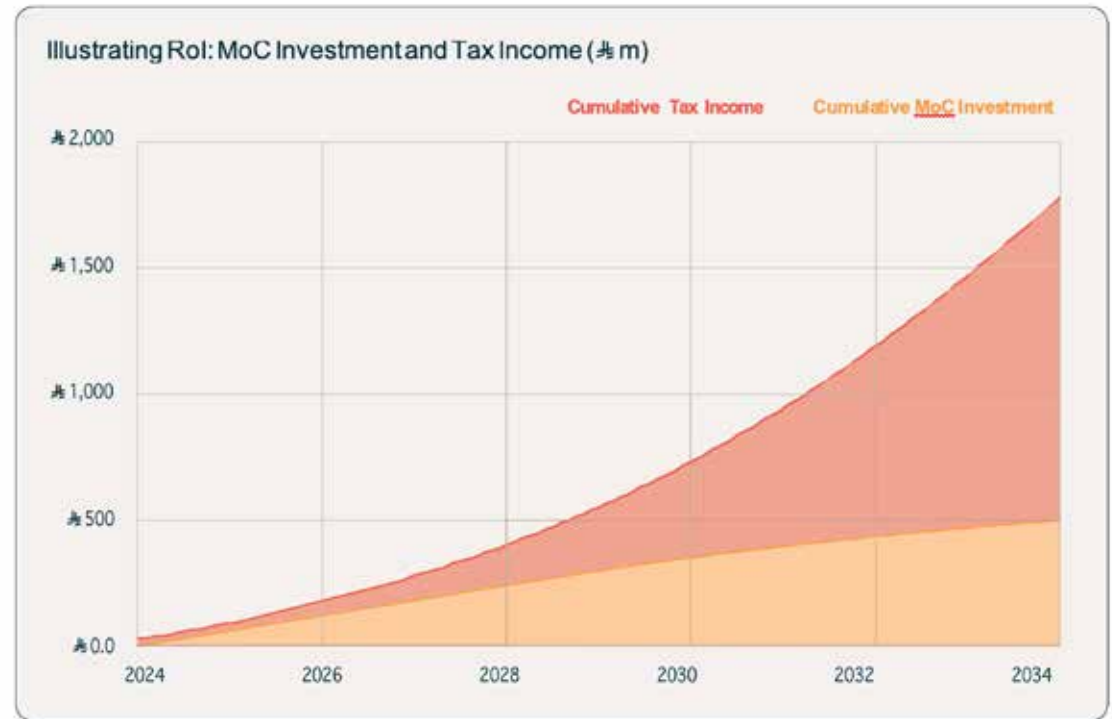
Finally, consider Saudi's booming live music industry. Take a festival like MDLBEAST's Soundstorm, which occurs in mid-December and welcomes over 400,000 festival goers – few events in Europe can match this.

There is little data available on the Saudi Arabian live music industry, however, so estimates have been constructed based on two approaches. Firstly, Astute Analytica estimated the value of the broadly-defined Saudi entertainment and amusement market at US\$2.08 billion in 2024. Industry experts reckon one third of this is attributable to live music. Second, to sense-check this, we can take the value of stadiums and festivals in the UK and adjust based on both Saudi's lower population and lower GDP per capita. Both approaches land at around \$700m, and this is forecast to grow at a CAGR of around 10% per annum. This takes live music to \$1.8bn by 2034.



Ministry of Culture

Last but not least are the interests of the Saudi state, which must be assured of a sufficient return to make the necessary investment. The Music Commission is requesting half a billion SAR across the decade for investment in initiatives to support the recorded music sector with ﷲ60m needed in each of the first five years to to cover upfront infrastructure, tapering down to ﷲ30m by 2034. Projecting these expenses and the resultant tax revenues in the 10 years until the World Cup in 2034 anticipates drawing in a cumulative ﷲ1.8bn in tax revenues more than triple what they will have invested.



Spillover Benefits of Cultural Influence



Beyond this forecast for Saudi Arabia's recorded music sector, a successful music industry can spur economic development in other sectors, such as tourism, transport, and real estate. Moreover, the soft power of cultural influence that would ensue from worldwide familiarity with Saudi artists would embolden a new generation of Saudis to champion their identity. This cannot be treated as merely a footnote, nor can it be best illustrated by the author, so we invite a renowned global expert to share why music matters so much more than can typically be measured.

The background image shows two men in traditional Arab clothing, including white thobes and ghutras. The man on the left is seated and playing a oud, a pear-shaped stringed instrument. The man on the right is seated at a table, playing a qanun, a trapezoidal stringed instrument. The setting appears to be an indoor space with framed pictures on the wall and a potted plant. The entire image has a warm, orange-toned overlay.

Center for Music Ecosystems

To elaborate on the multilayered benefits that developing a music industry has on economic development, this report now draws on a categorization elucidated by Shain Shapiro, the founder of the nonprofit Center for Music Ecosystems and a leading expert in this field. He divides these benefits into three categories: direct, indirect, and induced. To visualize this, imagine planting a seed. First, it grows into a tree that’s a direct benefit. Then, people eat its fruit that’s an indirect benefit. Finally, its presence nourishes the ecosystem that’s an induced benefit.

The table below further explains.

Center of Music Ecosystems Framework for Thinking about Economic Benefits

	Examples		
	Direct Benefits	Indirect Benefits	Induced Benefits
Recorded Industry	Jobs (musicians, producers, engineers, studio managers, marketers, distributors, managers); instrument purchases and manufacturing	Logistics and distribution; usage/subscriptions of DSPs; PR, advertising and other agencies; spending from new jobs flows across the broader economy	Combining direct and induced, plus the additional benefit to the economy, such as on local restaurants, transit, hospitality, and other ancillary sectors
Live Industry	Ticket sales; artist income; agent commission; promoter fees; direct tax from each event; local suppliers (e.g. catering, logistics, staging, transport)	Hotels, restaurants, minicabs, flight bookings, merchandise purchases, ticketing companies	Incremental economic activity, such as growth in manufacturing for staging equipment and other ancillary sectors, that would not have otherwise occurred

South Korea offers an illustrative case study, having grown its music industry from virtually nonexistent to a global, 'K-Pop'-fueled superpower in just three decades. The impressive result, described below, is that South Korea has become one of only four music net-exporters in the world.

Center of Music Ecosystems Case Study on Korea

Korea's Recorded Industry

In 1996, creating recorded music was illegal in South Korea. Today, it is valued at \$754m, according to IFPI. This is the result of intentional state policy to invest in music and cultural education as economic development, a response to stagnant economic growth that ultimately brought an IMF bailout in 1997. The country's first investment in music education and industry development occurred in 1999 and its first global hit, Gangnam Style, arrived in 2012. Now, investors are pouring money into South Korean entertainment firms and K-Pop continues to expand globally even as consumption in Korea is declining a healthy sign of growing cultural industry.

Korea's Live Industry

Korea's live music industry is focused on exports. Including recorded and live music, based on the Luminate Export Power Score, its export capacity is ranked 4th in the world. That means a relatively small country (by population) is competing for global attention a small fish thriving in a big pond. This is the result of two decades of public and private sector investment in developing local talent, importing international expertise, and creating a joined up approach between economic development and tourism.

Finally, for additional analysis, Shapiro offers economic multipliers, where an initial change in one part of the economy (e.g. music) catalyzes a larger overall change in the broader economy. He posits these multipliers to be 1.3 for recorded music and 1.5 for live. Using these figures, by 2034 the recorded and live industry would be worth \$3.4bn in that single year fifteen times the original investment.

A woman with long dark hair, wearing a light-colored button-down shirt, is playing a violin. She is looking intently at her instrument. The background is dark and out of focus, showing other musicians and instruments in an orchestra setting. A large, semi-transparent orange and red graphic overlay is on the left side of the image, containing the text "Time Starts Now".

Time Starts Now

We've reviewed the literature, laid the foundations, and constructed the forecast for the Saudi Music industry. If Saudi Arabia is going to realize its potential before the World Cup arrives, then clear focus and direction is needed. Objectives and Key Results ('OKRs') help to provide just that. Objectives describe what is intended to be accomplished, and the Key Results describe how to assess whether progress is being (or has been) made.

OKRs can be applied to accelerate Saudi Arabia's recorded music industry by parsing out the different goals for the consumer and the creator. One option is to draw again on Luminate Data, leveraging the in-depth surveys they administer across the MENA region, broken down by age group.²

The first proposed OKR aims at accelerating music subscription among **consumers**. Luminate's survey asks those who don't currently pay about the likelihood of starting to pay for a music subscription service.

Impressively, 41% say they are likely to pay. Notably, Saudi outperforms Egypt and Turkey. A credible objective would be to get this above 50% within two years, and to do so across all age categories, especially the older generations, who are most likely to pay the bill. This would likely set Saudi on a path to match Turkey's commercial success.

**Saudi consumers willing to pay for streaming:
41% of general population, by age group**

**Gen Z
41%**

**Millennials
48%**

**Gen X & Boomers
33%**

1 Luminate buckets responses into three categories: (i) Gen Z is a demographic born between 1997 and 2009; (ii) Millennials who are born between 1981 and 1996; and (iii) a combination of Gen X 1965 and 1980 and Boomers born between 1946 and 1964.

The second proposed OKR aims at **creators**, so as to boost interest in local Saudi record labels, publishers, artists, and songwriters. Currently, 36% of the respondents say they prefer to listen to music from their own country and in their own language/dialect. Again, Saudi's score is higher than that of Egypt and Turkey, further supporting the observation that demand is outpacing supply. A credible objective would be to get this above 50% within two years, as well, and to do so across all age categories. This would set Saudi on a path to match Egypt's cultural success.

Saudi Interest in Local Artists: '36% of general population **prefer to listen to music in own country language** or local dialects'

Gen Z
41%

Millennials
37%

Gen X & Boomers
30%

Source: Luminate Survey



If these creator objectives are to be met, the Saudi Music Commission will need to develop key projects designed for growing the creator population of songwriters and performing artists, to expand the output of local music and enhance the ability to compete for attention. Keeping the key-result data updated will show the extent to which this strategy is making an impact.

The overarching objective of this work can be broadly described as convincing nine million Saudis to pay for music. Given the success of Turkey over the past 10 years, this is plausible for Saudi over the next 10 years. But it will need to be a partnership between the Music Commission and global streaming platforms especially YouTube. Considering YouTube's free tier as a funnel for subscriber conversion means there are already 25 million Saudis within reach.

Once these initial objectives are achieved and majorities across all age groups support paying for music and listening to local artists, the OKR process can be iterated.

Instead of surveys, revised OKRs can be set against achieving a desired volume of net-subscriber growth (which accounts for churn). Similarly, by working with Luminate Data, an OKR of local artists' release volumes can be set.

Finally, the earlier-mentioned phenomenon of glocalization bodes well for Saudi's music industry ambitions. Local music is rising to the top of local charts on global streaming platforms contrary to what economists predicted. Worldwide recorded music has been transformed as a result. With its comparative advantages in demographics, iPhone adoption, and income levels, Saudi Arabia is well positioned to capitalize.



About the Author

Will Page is the author of the critically acclaimed book *Tarzan Economics*, which has been translated into five languages and published in paperback under the title *Pivot*. As the former Chief Economist of Spotify and PRS for Music, Will pioneered *Rockonomics* and shined a spotlight on *Glocalisation*, showing how and why local artists singing in their mother tongues are topping the charts on global streaming platforms. At Spotify, Will launched his ongoing and widely anticipated annual report on the global value of music copyright, and at PRS he saved BBC 6Music. A passionate communicator, he is a regular contributor to BBC, Financial Times, and The Economist. Will also serves as a fellow at the London School of Economics, Edinburgh Futures Institute, and the Royal Society of the Arts.

[Learn more](#)

About the Music Commission

The Music Commission was established in February 2020 in accordance with Council of Ministers Resolution No. 414. The Commission is working to establish a music culture infrastructure in the Kingdom that will allow everyone access to music learning opportunities and to discover, develop, and empower musical talents. It will also seek to raise community awareness of music culture and to establish a sector that contributes to the local economy by creating jobs for both genders, producing and governing live cultural performances, music recordings, and music education hubs for amateurs, reviving and documenting Saudi folklore and music performances to develop the national and social sense, developing the musical cultural identity of the Kingdom of Saudi Arabia and disseminating it regionally and globally, and emphasize the Kingdom's leadership position in the Arab and Islamic world to include musical cultural awareness among the requirements of quality of life.

[Learn more](#)

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