

Media Market Description

General economic situation

This is an oil-based economy with strong government controls over major economic activities. The petroleum sector accounts for roughly 75% of budget revenues, 45% of GDP, and 90% of export earnings. About 40% of GDP comes from the private sector. The government is promoting private sector and foreign participation in the power generation, telecom, natural gas, and petrochemical industries. The inflation rate was estimated at 1.9% in 2006.

Performance of newspapers vs. other media

The government owned and operated most domestic television and radio companies. Government censors removed any reference in foreign programs and songs to politics, religions other than Islam, pork or pigs, alcohol, and sex.

Although technically illegal, there were several million satellite-receiving dishes in the country, which provided citizens with foreign television programming. Access to outside sources of information, such as Arabic and Western satellite television channels and the Internet was widespread.

Performance of different types of newspapers

There is a dozen daily newspapers. Two London-based Arabic dailies, Al-Sharq Al-Awsat and Al-Hayat, continued to be owned by members of the royal family and were widely distributed and read in the country.

Advertising

All newspapers in the country must be licensed by the government. With a license, newspapers are allowed to carry government advertisements which accounted for the largest sources of revenue for the newspapers.

Online / Digital Publishing

The government restricted access to the Internet, and there were reports that the government monitored e-mail and Internet chat rooms.

The government blocked access to Internet Web sites deemed sexual, pornographic, politically offensive, “un-Islamic”, or disruptive because of controversial religious and political content.

Access to the Internet was available through local government-monitored servers. There were as many as one million Internet subscribers.

In October 2006, the Consultative Council approved the country’s first law to combat electronic crimes such as defamation on the Internet, hacking, unauthorized access to government Web sites, and stealing information related to national security.

Ownership

The Saudi Research and Marketing Group, publishers of Asharq Al Awsat, Al Eqitsadiah and Arab News among ten other publications, went public in April 2006 through an initial public offering of 4.8 million shares, which represents 30 per cent of the total stock. The Saudi Research and Marketing Group is the first Arab media company to go public in the Saudi stock market.

Media / Press Laws

The Basic Law does not provide for freedom of speech or the press, and the government generally did not respect these rights in practice. According to the Basic Law, the media’s role is to educate the masses and promote national unity. Media outlets can be banned if they promote mischief and discord, compromise the security of the state and its public image, or offend man’s dignity and rights.

The Print and Publishing Regulation of 1963 comprises 49 articles that deal with three categories: establishing media organizations, rights and responsibilities of journalists, and penalties.

Market entry appears to be governed by a group’s ability to put together adequate capital. Licensing fees are negligible – anywhere from USD267 to USD535 – and do not constitute a hurdle. But starting a newspaper, for example, requires initial capital of at least USD350,000 by some accounts. According to the law, an applicant must apply for a license from the Ministry of Culture and Information, be a Saudi older than age 25, have a good reputation, and hold an adequate degree. The Minister of Culture and Information has the right to suspend any of the requirements as he sees fit. Regulations can be accommodated for foreign organizations. However, in reality, starting a major newspaper would not be a feasible prospect without a protective connection to a person of importance and significant financial resources, generally a member of the royal family. The last significant newspaper to start up was Al-Watan, founded in 2000 with the involvement of two prominent princes, which is considered to be the boldest among Saudi Arabia’s dailies.

The Ministry of Information must approve the appointment of, and may remove, all senior editors.

The government continued to restrict freedom of speech and press and censored articles critical of the royal family or Islam. The authorities routinely censored foreign print sources.

The government enforced existing laws based on Article 12 of the Basic Law that provides the state with the authority to “prevent anything that may lead to disunity, sedition, and separation.” Accordingly, all public



employees are enjoined from “participating, directly or indirectly, in the preparation of any document, speech or petition, engaging in dialogue with local and foreign media, or participating in any meetings intended to oppose the state’s policies.”

The government banned books, magazines, and other materials that it considered sexual or pornographic. The Ministry of Information compiled and updated a list of publications prohibited from being sold in the country.

Other Factors

Media pay scales in Saudi Arabia start anywhere from USD24,000 to USD36,000 annually for reporters to USD180,000 for managing editors. This would appear to be high enough to prevent corruption. Nonetheless, it is common for reporters to receive gifts after covering a press conference and getting their piece into print. Gifts can range from pens to cell phones to checks for 2000 Saudi riyals, or about USD530. But usually they have an average worth of about USD50. Most of the time the gifts are “re-gifted.” Gifts also are sent after a story on the event has been published.

Source: CIA - The World Factbook; US State Department; APN; IREX - Media Sustainability Index



Map: CIA – The World Factbook

2.a Population by age and sex (2006)

Age	All individuals		Male		Female	
	000	%	000	%	000	%
0-14	10,321	38	5,262	36	5,059	41
15-64	16,055	59	9,159	62	6,896	56
65 +	644	2	342	2	302	2
Total	27,020	100	14,763	100	12,257	100

Source: CIA - The World Factbook

2.ca Households (occupancy) (2004)

Occupancy	Households 000
Total	2,976

3.a Number of titles

						Change (%)	
	2002	2003	2004	2005	2006	2006/02	2006/05
Total paid-for dailies	12	12	12	13	13	8.33	0.00
National paid-for dailies	12	12	12	13	13	8.33	0.00

Source: 2002-2003 WAN assessment; 2004-2006 WAN from public sources

3.b Total average circulation per issue

	(000)					Change (%)	
	2002	2003	2004	2005	2006	2006/02	2006/05
Total paid-for dailies	1,190	1,230	1,270	1,300	1,397	17.39	7.46

Source: 2002-2005 WAN assessment; 2006 WAN from public sources

7.aa Gross domestic product

	(Saudi Arabia, riyal, bln)				
	2002	2003	2004	2005	2006
GDP	706.0	804.0	1,079.3	1,276.9	1,402.5

Source: 2002-2003 IFS; ZenithOptimedia; 2004-2006 CIA - The World Factbook

7.ab Gross domestic product per capita

	(Saudi Arabia, riyal, 000)				
	2002	2003	2004	2005	2006
GDP per capita	33.6	33.2	-	48.4	51.7

Source: 2002-2003 IFS; ZenithOptimedia; 2005-2006 CIA - The World Factbook

7.ac Ad spend as a % of GDP

	(%)				
	2002	2003	2004	2005	2006
Ad expenditure	0.86	0.89	0.98	0.91	1.19

Source: IFS, ZenithOptimedia

7.ba Advertising expenditure per medium

	(Saudi Arabia, riyal, mln)								
	2002	2003	2004	2005	2006	2007	2008	2009	
Press	2,013.8	2,186.3	2,362.5	3,210.0	4,383.8	5,077.5	5,902.5	6,877.5	
Newspapers	1,335.0	1,496.3	1,912.5	2,606.3	3,611.3	4,260.0	5,036.3	5,958.8	
Magazines	678.8	690.0	450.0	603.8	772.5	817.5	866.3	918.8	
Television	3,847.5	4,717.5	6,438.8	6,787.5	9,457.5	10,035.0	10,650.0	11,302.5	
Radio	93.8	60.0	71.3	82.5	93.8	108.8	120.0	131.3	
Outdoor	153.8	138.8	292.5	371.3	480.0	528.8	581.3	641.3	
Internet	-	33.8	67.5	135.0	300.0	412.5	510.0	600.0	
Total	6,108.8	7,136.3	9,232.5	10,586.3	14,715.0	16,162.5	17,763.8	19,552.5	

Source: ZenithOptimedia; OANDA



7.f Top newspaper advertising categories (2001)

Advertising sector	Expenditure (Saudi Arabia, riyal, 000)
Retail	31,000
Vehicles	28,759
Government ads	25,673
Financial services	22,146
Publishing/media	22,008
Community/public services	11,913
Entertainment	8,677
Toiletries	6,739
Dairy products	5,825
Health & hygiene	1,994

Source: PARC

8.a Top publishing companies (2001)

Publisher
Saudi Research & Publishing Co.
Tihama
Okaz Group
Al Yamamah

Source: ZenithOptimedia

7.g Top newspaper advertisers (2003)

Advertiser	Expenditure (Saudi Arabia, riyal, 000)
Saudi Telecom	8,586
National Com. Bank	5,481
Toyota	5,124
Saudi American Bank	3,346
Al Rajhi	3,131
Nokia	3,034
Al Bassam	2,976
Saudi Line	2,916
Nissan	2,775
Hadeed - Sabic	2,642

Source: PARC

8.ba Top paid-for dailies (2006)

Title	Language	Publisher	Circulation (000)
Al-Sharq Al-Awsat ¹	Arabic	Saudi Research and Marketing Group	272 ²
Al-Riyadh ³	Arabic	Al-Yamama Press Establishment	170
Al-Hayat ⁴	Arabic	Al-Hayat Publishing Company Ltd. (Prince Khalid bin Sultan bin Abdul Aziz Al-Saud)	167
Al-Jazeera ⁵	Arabic	Al-Jazeera Press	155
Al-Watan ⁶	Arabic	Assir Establishment for Press and Publishing	150
Okaz ⁷	Arabic	Okaz Organization for Press and Publication	110
Arriyadiyah	Arabic	-	97
Al-Yaum ⁸	Arabic	Al-Yaum Organization for Printing and Publishing	85
Al-Madina ⁹	Arabic	Al-Madina Press Est.	60
Al-Eqtisadiyah ¹⁰	Arabic	Saudi Research and Publishing Co.	60
Arab News ¹¹	English	Saudi Research and Publishing Co.	56
Saudi Gazette ¹²	English	Okaz Organization for Press and Publication	15

Source: WAN from public sources

¹ Established in 1977, published from London² In Saudi Arabia; 89,000 in the world³ Established in 1964⁴ Established in 1946, published from London⁵ Established in 1972⁶ Established in 2000⁷ Established in 1948⁸ Established in 1965⁹ Established in 1937¹⁰ Established in 1992¹¹ Established in 1975¹² Established in 1976