

Media Market Description

General economic situation

Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses more than 20% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. 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. Roughly 5.5 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors. Unemployment is high, and the large youth population generally lacks the education and technical skills the private sector needs. Riyadh has substantially boosted spending on job training and education, infrastructure development, and government salaries. The inflation rate was estimated at 3.4% in 2007.

Performance of newspapers vs. other media

The media in Saudi Arabia have in recent years witnessed a gradual liberalization, due to the influence of satellite television and the Internet.

The government owned and operated most domestic television and radio channels. In domestically broadcast programs, government censors removed any reference in foreign programs and songs to politics, religions other than Islam, pork or pigs, alcohol and sex. Private, Saudi-owned satellite networks operated freely in the country. Local offices of the MBC, Orbit and ART media groups, while headquartered outside of the country, operated under a system of self-censorship. Many other foreign satellite stations broadcast a wide range of programs into the country.

Satellite television is widespread and an important source of foreign news. In January 2004, the government launched an all-news satellite channel, Al-Ikhbariya, to compete with Al-Jazeera. Al Arabiya's managers, notably general manager Abdel-Rahman al-Rashed, talked publicly of presenting more "balanced" coverage than Al-Jazeera. The US President George Bush chose Al-Arabiya over Al-Jazeera for an Arab media interview to answer charges of torture of Iraqi detainees at Abu Ghraib prison.

A joint University of Maryland and Zogby International poll of viewers in Egypt, Saudi Arabia, Jordan, Lebanon, Morocco and the United Arab Emirates in October 2005 found that Al-Jazeera was ahead with 65 percent of viewers, followed by a host of Saudi-owned or Saudi-friendly channels Al-Arabiya, with 34 percent, and MBC1, LBC, Abu Dhabi Television and the Egyptian Satellite Channel.

Some alledge that Saudi Arabia is attempting to dominate the world of cable and satellite television

media in the Arab world and steal the thunder of Egypt, once the leader of Arab media in the 1950s and 1960s with its Arab nationalist political ideology.

In contrast to Western media where newspapers frequently employ television personalities to contribute to their publications, the apparent phenomenon in the Arab world in general and in Saudi Arabia in particular is that print media has become a "gateway" to satellite news channels. Newspaper journalism is now considered the "womb" that breeds the future stars of television. Numerous television presenters on popular Arab satellite channels have reached their positions through their published opinion editorials and news articles.

It is alledged that Saudi Arabia launched the Middle East Broadcasting Corporation (MBC) – established as a private television enterprise by a brother-in-law of King Fahd, Walid al-Ibrahim – in response to negative press after the first Gulf war.

Showtime Arabia, one of the region's leading pay-TV networks, established in 1996, is not Saudi-owned. Kuwaiti company KIPCO has a 79% stake and the CBS Corporation has the remaining 21%.

BBC TV Arabic is set to restart soon, funded by the British taxpayers.

There are no private radio stations in the country.

The only news agency, Saudi Press Agency (SPA), is state-owned. The SPA is run by the Ministry of Information; its director is directly associated with the minister of information.

Performance of different types of newspapers

There are more than a dozen daily newspapers. Al-Riyadh is viewed as a semi-offical newspaper, while Al-Watan is more outspoken. In general, the content of all newspapers on important political issues is very similar.

Al-Madina is the oldest newspaper in the country. Its publishing house Al-Madina Press is one of the most prominent in Saudi Arabia.

Two Saudi-owned London-based dailies, Asharq Al-Awsat and Al-Hayat, are read widely, but they also tend to respect taboos. Al-Hayat is distributed throughtout Saudi Arabia and the diaspora. Three different versions are published in Saudi Arabia, Al-Riyadh (center), one in Jeddah (west) and one in Al-Dammam (east).

The Saudi Press Agency establishes the editorial line to be followed by the print media. Nevertheless, in the past



few years the print media has started to report on sensitive issues, such as terrorism, corruption, and the religious police.

Newspaper launches / closures

The privately-owned daily Shams was closed for a month on 16 February, 2007 and its editor dismissed for reprinting some of the cartoons of the Prophet Mohammed first carried by a Dutch newspaper in September 2005.

The sale of August 27, 2007 issue of the Al-Hayat daily was banned in Saudi Arabia. The ban on distribution coincided with an article about the alimentary intoxication of camels in the kingdom. The Al-Hayat has been banned in the kingdom on numerous occasions, sometimes for up to a month.

Advertising

As some 40-70% of the pan-Arab region's advertising is spent in Saudi Arabia (estimates differ), networks, TV channels and publications are not going to risk jeopardizing their cash flow by upsetting their prime advertising market in the region's largest economy. Al-Jazeera discovered this to their cost. It is claimed that Saudi Arabian companies will not advertise on Al-Jazeera for fear of annoying the Saudi establishment.

Circulation

In February 2007, the Saudi Research & Publishing Company (SRPC) put up thirty new Lexus cars in a bid to sign up more subscribers to its titles. SRPC is the publisher of the Arab News and Al-Eqtisadiyah dailies, as well as a number of Arabic newspaper and magazine titles. Subscribers got the chance to win one of the cars in a weekly draw over four months.

Readership

It is estimated that 78.8% of the population is literate. The Middle East on the whole is tuning into TV news rather than picking up a newspaper.

Online / Digital Publishing

The government restricted access to the Internet, and Saudi Telecommunications Company (STC) reportedly monitors e-mail and Internet chat rooms. During the year 2007, more individuals and groups exchanged views via the Internet, including by electronic mail and blogs. The government continued to block access to Web sites which it deemed sexual, pornographic, politically offensive, "un-Islamic", or disruptive because of controversial religious and political content.

Access to the Internet was available only through local government-monitored servers. According to the Communications and Information Technology Commission, there were approximately 2.3 million subscribers and users. Some citizens circumvented controls by accessing the Internet through servers in

other countries. The government had a process through which citizens could request reconsideration of a decision to block a particular Web site, and authorities reportedly at least partially unblocked some Web sites.

The law criminalizes defamation on the Internet, hacking, unauthorized access to government Web sites, and stealing information related to national security. At year's end there were no reported prosecutions.

Internet became available in Saudi Arabia in 1998 and is now widely available throughout the country. While there are about 22 Internet service providers, all connections are routed through a state server. The Telecommunication and Information Technology Authority is responsible for licensing the Internet service providers, filtering the Internet, and registering Saudi domains.

The Internet Service Unit (ISU) acknowledges publicly that it bars access to nearly 400,000 sites with the aim of protecting citizens from content that is deemed morally or politically inappropriate. Bloggers are frequently blocked and Saudi bloggers have organized community action in response.

Ownership

While the print media are privately owned, they are subsidized and often under the patronage of a member of the royal family.

Members of the royal family owned two London-based Arabic dailies. Asharq Al-Awsat is directed by Saudi prince Salman bin Abdul Aziz, half-brother of the king; Al-Hayat by Prince Khaled bin Sultan, leader of Saudi forces in the 1991 war, son of current Crown Prince Sultan and shareholder in the Lebanese Broadcasting Corporation.

Al-Riyadh is owned by a group of businessmen and thus officially independent, but it is in effect under the control of Riyadh governor Prince Salman.

Bin Talal is the Rupert Murdoch of media ownership in the Middle East, with his Kingdom Holding companies owning the region's largest music label (Rotana Records), six music TV channels (Rotana Clip, Rotana Music, Rotana Gulf, Rotana Cinema, Rotana Tarab, Rotana Zaman), and a stake in Lebanese newspapers An Nahar and Ad Diyar in addition to his stake in LBCI. Bin Talal, incidentally, is the third largest shareholder in Murdoch's News Corp., with 5.46% of voting shares.

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 legally be banned or



publication production temporarily halted if outlets are deemed to promote “mischief and discord, compromise the security of the state and its public image, or offends a man’s dignity and rights.” The government continued to restrict freedom of speech and press by interrupting publication and dissemination of news sources critical of the royal family or of Islam. Authorities prevented or delayed distribution of foreign print media, effectively censoring foreign print media and publications. During the year discussions took place that tested the boundaries of permissible topics for media coverage, including political and social reforms, domestic and child abuse, rights of women and human rights, corruption, drug and alcohol abuse, crime rates and violence, trafficking in persons, HIV/AIDS, and the religious police.

The government continued to enforce existing laws based on Article 12 of the Basic Law, which provides the state with the authority to “prevent anything that may lead to disunity, sedition, and separation.” In theory, 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.”

An unwritten, yet routinely followed media policy prohibits the dissemination of criticism of the royal family and the government. A 1982 government media policy statement urges journalists to uphold Islam, oppose atheism, promote Arab interests, and preserve the cultural heritage. The Ministry of Culture and Information must approve the appointment of and may remove all senior editors. The government provides guidelines to newspapers regarding controversial issues. The government-owned Press Agency reports on official government news. All newspapers in the country must be licensed by the government. Newspapers are created by royal decree.

The government may appoint and discharge editors, they can sack journalists who publish articles considered morally or politically inappropriate. The government routinely censors newspapers and self-censorship among journalists is widespread.

In 2002 a new press law was adopted. Although it was slightly more liberal, most of the original restrictions were upheld.

On August 27, the Ministry of Culture and Information prevented the distribution of Al-Hayat newspaper, confiscating 250,000 copies from retailers countrywide. According to a variety of news sources the halted distribution stemmed from the ministry’s disapproval of the Western-style format and criticism of local issues; others ascribed the shutdown to a specific article in the confiscated edition of Al-Hayat that implied a link

between respected religious scholars and terrorism. Al-Hayat was permitted to resume publication four days later.

In February Okaz newspaper reported that the Saudi Investment Authority, which grants business licenses to investors wishing to initiate business operations, received 30 applications for new, private media outlets in the country; however, the minister of culture and information had not approved the license requests. At year’s end these requests were still pending.

The government continued to ban books, magazines, and other materials that it considered sexual or pornographic. The Ministry of Culture and Information banned publications from being sold in the country on a case-by-case basis.

The Ministry of Culture and Information has banned government departments and agencies from publishing advertisements in newspapers in reply to any reports in the local press. The ban is applied on all government departments without exception. Aidha Al-Zahrani, acting assistant deputy minister for internal information at the ministry, said newspapers and journalists would have the right to take legal action against any government department for accusing them of telling lies, by publishing advertisements or any editorial matters. However, he pointed out such legal actions should be done through the ministry being the authority to take a decision on matters related to newspaper and magazines in the Kingdom. The ministry’s decision came after the Ministry of Social Affairs published an advertisement in a local newspaper in response to a report carried by another paper on finding a body of an old woman in Dammam after the House for Care – a government elderly care facility – refused to accommodate her. “No government department is allowed to level any accusations against any newspaper or journalist except in accordance with the Press and Publications Law and its executive bylaw,” the ministry said in a statement carried by Al-Eqtisadiyah Arabic daily. In accordance with the law, a committee at the ministry will look into violations committed by Saudi newspapers and magazines, the statement said, adding that higher authorities had given the ministry the power to look into such violations and take appropriate decisions. “The ministry has noticed these excesses and have instructed newspapers not to publish such advertisements in the future,” Al-Zahrani said. “Government departments can reply through editorial material not through paid advertisements. But they don’t have the right to publish advertisements for that matter, even if the report carried by a newspaper or written by a journalist was not correct,” he explained. The Ministry of Social Affairs published the advertisement to clarify its stand on the issue of the old woman.



Copyright

Asharq Al-Awsat is currently the only newspaper to own the Arabic copyright of international print syndications of the Washington Post, USA Today and Global Viewpoint.

Printing & Distribution

Asharq Al-Awsat is printed simultaneously in twelve cities on four continents. Asharq Al-Awsat was the first Arabic daily newspaper to introduce satellite transmission for simultaneous printing in a number of major cities worldwide.

Saudis prefer to get their newspapers from the local newsstands every day, whereas companies tend to buy subscriptions. The Al-Watan daily reported in February 2004 that Saudi newspaper sales have fallen to record lows and that papers are experiencing distribution problems.

Saudi Research & Publishing Co distribute in Saudi Arabia, United Arab Emirates, Kuwait, Bahrain, Qatar, Oman, Near East, North Africa, Europe and the U.S.A.

State Support

Print media are privately owned but frequently subsidized.

Al Nawda, a Mecca based Arabic daily, has been given a personal hand-out from King Abdullah, totalling around USD2.7m, reported the Arab News. The paper has been undergoing severe financial constraints and it has been unable to pay staff salaries for the past

three months. Culture and information Minister Iyad Madani confirmed the payment to the Saudi Press Agency.

Other Factors

In 2003 the government created the Saudi Journalists Association with the purpose to “boost the role of the press and its message, and to grant journalists more confidence, security, and a sense of responsibility towards their country and people.”

The Saudi Journalist Association operates under a government charter. Membership is voluntary and open to both men and women. Although theoretically noncitizen journalists working in the country were eligible to join as non-voting members, some foreign journalists alleged that the association was effectively open only to citizens. While noncitizens can technically become members, they have no voting rights, and may not attend the General Assembly.

In 2004 a nine-member board was elected, including five-editors-in-chief of the main Saudi newspapers and two women. The Ministry of Information registers all journalists and the Ministry must approve decisions of the Association. Most observers are skeptical that the Association will be an effective force for press freedom.

The Saudi Association for Media and Communication was founded in 2002 and has a membership of more than 1,200 media experts and journalists. It organizes training courses for journalists, conferences, and symposia.

Source: CIA – The World Factbook; US State Department; Menassat; ameinfo.com; Arab Press Network; Arab News; Asharq Al-Awsat; Al-Yaum; Dar Al-Hayat; Arab Media & Society; BBC; Allied Media Corp; Reporters Without Borders; Wikipedia



Map: CIA – The World Factbook

2.a Population by age and sex (2007)

Age	All individuals		Male		Female	
	000	%	000	%	000	%
0-14	10,532	38	5,369	36	5,163	41
15-64	16,406	59	9,317	62	7,089	56
65 +	663	2	349	2	314	2
Total	27,601	100	15,035	100	12,566	100

Source: CIA – The World Factbook

2.ca Households (occupancy) (2004)

Occupancy	Households	
	000	%
Total	2,976	100

3.a Number of titles

						Change (%)	
	2003	2004	2005	2006	2007	2007/03	2007/06
Total paid-for dailies	14	14	15	16	16	14.29	0.00
National paid-for dailies	14	14	15	16	16	14.29	0.00

Source: 2003 WAN assessment; 2004-2007 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 ZenithOptimedia; 2004-2006 CIA – The World Factbook

7.ab Gross domestic product per capita

	(Saudi Arabia, riyal, 000)				
	2003	2004	2005	2006	2007
GDP per capita	33.2	-	48.4	51.7	77.6

Source: 2003 ZenithOptimedia; 2005-2007 CIA – The World Factbook

7.ac Ad spend as a % of GDP

	(%)				
	2003	2004	2005	2006	2007
Ad expenditure	0.22	0.24	0.25	0.28	0.30

Source: ZenithOptimedia

7.ba Advertising expenditure per medium

	(Saudi Arabia, riyal, mln)							
	2003	2004	2005	2006	2007	2008	2009	2010
Press	1,383.7	1,691.2	2,295.0	2,557.5	3,018.7	3,480.0	4,151.2	5,032.5
Newspapers	1,275.0	1,590.0	2,182.5	2,415.0	2,876.2	3,337.5	4,008.7	4,890.0
Magazines	108.7	101.3	112.5	142.5	142.5	142.5	142.5	142.5
Television	142.5	285.0	236.2	247.5	285.0	315.0	356.2	405.0
Outdoor	258.7	292.5	371.2	622.5	686.2	753.7	870.0	956.2
Total	1,785.0	2,268.7	2,902.5	3,427.5	3,990.0	4,548.7	5,373.7	6,393.7

Source: ZenithOptimedia – PARC; OANDA

Includes pan-Arabian advertising, most of which is aimed at Saudis; before discounts, includes commission, excludes production and classified; exchange rate used: USD1 = SAR3.75 (2006)

7.g Top newspaper advertisers (2005)

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 (2007)

Title	Founded (year)	Language	Publisher	Circulation (000)	Format
Asharq Al-Awsat ¹	1978	Arabic	Saudi Research and Marketing Group	237 ³	Broadsheet
Al-Riyadh	1985	Arabic	Al-Yamama Press Establishment	150	-
Al-Watan	2000	Arabic	Assir Establishment for Press and Publishing	150	-
Al-Yaum	1964	Arabic	Dar Al-Yaum for Press, Printing and Publishing	135	-
Al-Jazeera	1960	Arabic	Al-Jazeera Corporation for Press, Printing & Publishing	110	-
Okaz	1958	Arabic	Okaz Organization for Press and Publication	110	-
Al-Hayat ²	1946	Arabic	Dar Al-Hayat Publishing Company Ltd. (Prince Khaled bin Sultan bin Abdul Aziz Al-Saud)	100 ⁴	-
Al-Madina	1936	Arabic	Al-Madina Establishment for Press & Publishing	60	-
Al-Eqtisadiyah	1992	Arabic	Saudi Research and Publishing Co.	60	-
Arab News	1975	English	Saudi Research and Publishing Co.	56	-
The Saudi Gazette	1976	English	Okaz Organization for Press and Publication	15	-
ShMS	2005	Arabic	ShMS Company for Publishing & Distribution	-	-
Al-Bilad	1932	Arabic	Al-Bilad Establishment for Journalism & Printing	-	-
Al-Nadwah	1957	Arabic	Makkah Establishment for Printing & Information	-	-
Arreyadi	1994	Arabic	Mashal Ali Al-Bulawi Establishment for Printing, Distribution & Publishing	-	-
Donya Al-Sharq	2006	Arabic	Eastern Company for Printing, Press & Information	-	-

Source: Menassat; Allied Media Corp.; Al-Yaum; Wikipedia; WAN from public sources

¹ Published from London; printed simultaneously on four continents in 12 cities

² Published from London

³ In Saudi Arabia, ABC Jan-June 2004; 89,000 in the world

⁴ Circulation in other continents/countries (000): Europe 16; United States of America 8; Bahrain 4; Egypt 10; Kuwait 5; Lebanon 9; Morocco 7; Qatar 3; Oman 2; Syria 4; Tunisia 1; United Arab Emirates 8; Yemen 8; other Middle East countries 6

12. Taxes (2007)

Tax	%
VAT on:	
Single copy sales	0
Subscription sales	0

Source: Distripress