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Film and beyond

Leapfrogging into the global screen industry

Ongoing transformation in the global screen industry has created an opportunity for GCC countries to establish themselves as prominent players. As the industry grapples with the future of content creation and the demands of a global audience, the combination of an appetite for investment in state-of-the-art technologies and media hubs, a focus on attracting investors and producers, a young and digitally-savvy workforce, and a culture rich with stories and landscapes could enable the GCC region to become a center of cinematic innovation. Success in this endeavor will require a collaborative effort between governments and the private sector to bridge the silos of geography, technology, and media industry verticals.

The screen industry, which has expanded beyond movies and movie theaters, is facing the uncertainties that accompany the impact of new technologies on its production value chain, particularly GenAI (simply defined here as artificial intelligence that can generate video content from text, image and video prompts). Video tools like Runway and Meta's Movie Gen, along with virtual production and other advancements, are raising questions: Will content be generated versus filmed? Will soundstages and physical locations still be needed? What talent and skills will be essential? How will budgets and timelines be affected? Creatives are soul-searching. Infrastructure investors are hesitating. Media conglomerates are experimenting. Big Tech is pouring billions into new tools. Yet the value is there to be captured. Strategy& forecasts that global video revenues—which includes cinema, over-the-top services, and TV—will increase by approximately $165 billion to $564 billion by 2028.

Simultaneously, audience and economic dynamics are changing, driven by shifting viewer preferences and industry budgetary pressures. Audiences are fueling demand for locally-produced content as they search beyond the once-dominant Hollywood-centric model in search of relatable storytelling, cultural representation, and authentic experiences. Film producers must do more with less as distribution and streaming platforms focus on profitability and tighten their budgets, thus making lower cost international content more appealing.

This uncertainty and the changing dynamics create an opportunity for the GCC's forward-leaning economies to position themselves as a global film production hub with five actions:

1 Link disconnected investments in technology startups, global media companies, AI models, media hubs, and skills improvement programs to create a next-generation pool of talent and infrastructure. Known for embracing technological innovation, the region is well-placed to lead in the provision of state-of-the-art resources and training programs for filmmakers. While other markets deal with legacy infrastructure and entrenched business practices, the GCC countries can be agile—building a talent pool and production hub for the screen industry's future, not its past.

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2 Tap into and highlight the region's rich cultural tapestry to produce compelling local narratives with global appeal. Whereas Egypt pioneered local storytelling, Saudi Arabia and the UAE can ride the global streaming wave and take their stories beyond regional borders. The opening of cinemas in Saudi Arabia has inspired a new generation of filmmakers. GCC countries can connect with wider audiences by honing this talent and investing in its development.

3 Use the GCC's under-exposed landscapes and central location as a differentiator. As virtual productions and generative landscapes become the norm, producers will value unique and under-used locations. The region's diverse blend of settings—historic and new, desert and coast—is complemented by a central geographic location and ease of access.

4 Maximize the attractiveness and ease of doing business for producers. GCC countries have already instituted substantial rebates for filmmaking, including 40% in Saudi Arabia and 35% in Abu Dhabi. Extending these incentives to cover a broader range of costs can improve the net rebate impact and compensate for the higher production costs in some areas. Additional financial tools, such as production loans, rebate advances, and national film funds, can boost the region's appeal. To accelerate attracting producers, the GCC countries should also streamline regulatory and production processes. The combination of broader financial incentives and ease of doing business can be packaged into tailor-made deals with international producers aimed at establishing production hubs and gaining regional spend commitments, thus assisting in developing domestic talent and ecosystems.

5 Reframe the view of GCC governments as standalone competitors to that of a cooperative ecosystem. The path to success in the global screen industry requires increasing the overall level of activity across the region, not in one country snatching business from another. The GCC needs an inter-connected regional ecosystem that transcends borders: aligned incentives, large service providers, multiple production hubs, and a fluid talent base. Such an ecosystem can overcome the challenges of talent retention, crew availability, cost competitiveness, and infrastructure gaps.

The global screen industry is on the cusp of a new era, an opportunity that GCC countries should grasp. With an attractive ecosystem that combines talent, incentives and infrastructure, GCC countries can become an international screen hub that promotes cultural exchange and drives economic growth.

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