



# Saudi Arabia's Cultural Sector

A NEW DRIVER OF ECONOMIC GROWTH

**S**audi Arabia's economic transformation is often defined by large-scale investments in infrastructure, energy transition, and the rapid rise of sectors such as tourism and advanced industries. Yet one of the Kingdom's most structural shifts is unfolding within a sector long perceived as intangible: culture. Under Vision 2030, culture is no longer framed solely as heritage preservation or artistic expression. It is being built as a measurable economic sector with defined value chains, capital structures, and long-term growth ambitions.

The targets are clear. By 2030, the cultural sector is projected to contribute approximately SAR 180 billion to GDP, create more than 346,000 jobs, generate SAR 24 billion in exports, and attract 22 million visitors annually to cultural events and destinations. Between 2019 and 2023, the sector recorded compound annual growth of roughly 18 percent, with projections indicating further acceleration toward the end of the decade. Together, these metrics signal the deliberate construction of a new economic pillar within the Kingdom's diversification strategy, positioning culture as a scalable and investable sector designed for long-term resilience.

What distinguishes Saudi Arabia's cultural strategy is not only scale, but structure. Within the Kingdom's cultural architecture, responsibilities are clearly defined across institutions. The Ministry of Culture leads the sector as policymaker and strategist. Eleven cultural commissions operate as regulators and development entities across multiple subsectors. Academic institutions play a supporting role in developing talent, advancing research, and strengthening the sector's knowledge base. At the financial core of this ecosystem sits the Cultural Development Fund (CDF), established as a development fund in 2021. Its mandate is distinct. While the Ministry shapes policy and the commissions guide sector development, CDF functions as the financial enabler and center of excellence supporting the emergence of culture as an investable economic sector.

As CEO Majed Al Hugail explains, the objective is clear: to transform culture from a creative expression into a creative economy. The emphasis is not on sponsorship or cultural patronage. It is on building financial sustainability, enabling creative industries to evolve into commercially viable businesses that attract institutional investment.

Unlike traditional grant-driven cultural funding models seen globally, CDF operates as a financial architect. Its approach integrates two complementary pillars: financial services and enablement services. On the financial side, the Fund provides structured financing through a suite of five specialized lending products—receivables financing, term loans, micro loans, revolving loans, and bridge loans. On the investment side, CDF deploys capital through both direct and indirect strategies, co-investing alongside private-sector asset managers and serving as anchor capital in sector-specific funds.

Simultaneously, the enablement pillar addresses a structural reality of creative industries: many participants enter the ecosystem as individual creators rather than institutional enterprises. Through incubators, accelerators, advisory programs, thematic grants focused on green innovation, artificial intelligence integration, and cultural exports, and structured capacity-building pathways typically spanning two to three years, CDF supports the transition from creative practice to commercial readiness. The objective is not only to deploy capital, but to expand the pipeline of bankable, scalable cultural enterprises capable of accessing mainstream financial markets.

In parallel, the Fund has adopted an accelerated deployment strategy designed to provide disciplined capital while crowding in private-sector participation through structured risk-sharing mechanisms.

Since its establishment, CDF has deployed more than SAR 750 million across loans, investments, and incentives, supporting over 160 cultural projects across 11 subsectors and seven regions of the Kingdom. These initiatives are expected to contribute more than SAR 4 billion to GDP and generate over 12,500 jobs. Private-sector participation alongside the Fund has exceeded SAR 1 billion, signaling growing institutional confidence in the sector's commercial viability.

That confidence is increasingly reflected in structured investment vehicles. To date, CDF has anchored three funds, including two focused on film and one dedicated to fashion. Among them is the Kingdom's first private equity fund dedicated to the fashion sector, valued at SAR 300 million and managed by Merak Capital, with CDF acting as anchor investor. CDF has also participated in financing the Cultural Assets Fund, marking a decisive step toward institutionalizing culture as an asset class.

This capital formation momentum is further reinforced through the Cultural Investment Conference in Riyadh, convened annually by the Ministry of Culture. The conference has developed into a working investment platform where partnerships are formalized and capital commitments take shape, signaling the sector's growing



institutional maturity. The next edition, scheduled for September 2026, will further consolidate this momentum as the ecosystem continues to scale.

Film, fashion, and culinary arts currently represent some of the most commercially sustainable subsectors, supported by expanding domestic demand, scalable value chains, and increasing private-sector engagement. Yet the broader ambition extends beyond headline industries. Through differentiated financial instruments tailored to varying levels of market maturity, CDF supports sustainable, partially sustainable, and emerging segments alike, ensuring balanced ecosystem development and regional diversification beyond Riyadh.

The Fund has also supported privately managed cultural investment vehicles through structured financing, enabling asset managers to crowd in equity from institutional investors and family offices. This layered capital approach reduces early-stage risk, reinforces governance standards, and strengthens market signaling without crowding out private participation.

"Our role is not to replace private capital, but to unlock it," Al Hugail notes. The long-term objective is clear: a mature ecosystem in which commercial banks lend independently to cultural enterprises and private investors launch sector funds without anchor support from the state. In this context, sustainability ultimately means market maturity.

As Saudi Arabia enters the final stretch toward 2030, the cultural economy is moving from policy ambition into fully developed financial architecture. What began as creative output is evolving into a structured asset class supported by governance frameworks, disciplined capital deployment, measurable impact metrics, and scalable commercial opportunity. For international investors, family offices, and strategic partners, the proposition is no longer exploratory. It is institutional, investable, and strategically aligned with the Kingdom's long-term economic transformation.

Culture in Saudi Arabia is no longer an adjunct to reform. It is being institutionalized as a sovereign economic pillar, underpinned by financial architecture and capital discipline, and designed to generate enduring value long beyond the 2030 horizon.

This expanding ecosystem is creating a growing pipeline of opportunities for both local and international investors seeking to participate in Saudi Arabia's emerging creative economy.

Investors, partners, and entrepreneurs interested in exploring opportunities within the Kingdom's cultural economy can learn more by contacting the **Cultural Development Fund** at [info@cdf.gov.sa](mailto:info@cdf.gov.sa)



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