

Saudi Arabia's Ambitions in the Global Football Landscape: A Critical Analysis

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Abstrak

This paper explores Saudi Arabia's strategic efforts to transform itself into a global football hub, examining its investment in international players and clubs, and situating these within broader economic goals, such as the Vision 2030 initiative. It compares this ambition with previous global football industry trends, such as Middle East investment, and China's failed attempt, and evaluates the sustainability of the Saudi approach.

Keyword. *football industry, sport investment, Saudi Vision 2030*

INTRODUCTION

The global football industry has evolved into one of the most lucrative and influential sectors in the world of sports and entertainment. Football, or soccer as it is known in some regions, is more than just a sport; it is a multibillion-dollar business that touches nearly every corner of the globe. According to Deloitte's Annual Review of Football Finance 2023, the European football market alone generated over €35.3 billion in revenue in 2022/2023 season (Deloitte's Sports Business Group, 2023), reflecting the sport's commercial power. This financial dynamism stems from multiple streams of revenue, including broadcasting rights, sponsorship deals, matchday revenues, and merchandising (Kuper & Syzmanski, 2018).

Major European leagues, such as the English Premier League (EPL), La Liga, Serie A, and the Bundesliga, have traditionally dominated the global football landscape. These leagues not only attract the best players and managers from around the world but also command staggering broadcasting rights deals. For instance, the EPL's television rights for the 2022-2025 cycle were valued at over £10 billion for domestic and overseas broadcasting, a testament to the massive global audience football enjoys (Crafton, 2024; MacInnes, 2023). Additionally, top clubs such as Manchester United, Real Madrid, and Barcelona boast global fanbases that fuel demand for merchandise and drive lucrative sponsorship deals with multinational corporations (Deloitte's Sports Business Group, 2023).

Football's financial ecosystem is further boosted by the transfer market, where clubs spend exorbitant sums to acquire top talent (Lord, 2019). In recent years, transfer fees have reached unprecedented levels, with the record-breaking €222 million move of Neymar from Barcelona to Paris Saint-Germain in 2017 standing as a prime example. Such high-profile transfers not only capture global attention but also reinforce the notion that football clubs are powerful economic entities.

The FIFA World Cup, held every four years, is another focal point of football's financial might. The 2018 World Cup in Russia, for instance, generated over \$6 billion in revenue for FIFA, showcasing the tournament's global appeal. Meanwhile, the upcoming 2026 World Cup projected to generate \$11 billion in revenue (El Mister, 2024). Similarly, club tournaments like the UEFA Champions League provide additional opportunities for financial gain, with clubs vying for a share of the competition's substantial prize money (UEFA, 2024).

In this context, football is not merely a game but a driver of economic activity, employment, and cultural influence. It serves as a global platform for brands, broadcasters, and investors, creating a cycle of investment and return that few other sports can match (Dobson & Goddard, 2004).

Consequently, countries like Saudi Arabia, through initiatives such as Vision 2030, see football as a means to diversify their economies and bolster their international standing by tapping into this highly lucrative industry (Kingdom of Saudi Arabia, 2020). It aims to reduce the country's dependence on oil by developing other sectors, including sports, entertainment, and tourism. Through investment in football, the Kingdom aims to foster global viewership, which in turn attracts international sponsorship and reduces local clubs' reliance on government funding (Chadwick et al., 2019; Gibbon, 2024).

In 2023, Saudi Arabia's football landscape witnessed a transformation that sent shockwaves across the sports world, as top European players flocked to the Saudi Pro League for the 2023-24 season. This massive movement, marked by the signing of star players like Cristiano Ronaldo, Karim Benzema, Neymar, and others, has raised questions about whether Saudi Arabia could become the next global hub for football.

Cristiano Ronaldo's move to Al Nassr in December 2022 after his departure from Manchester United symbolized the start of a new era for Saudi football. His arrival, described as a "revolution in Asian football" by the BBC, paved the way for a series of high-profile transfers (BBC, 2022). European stars who followed in his footsteps include Karim Benzema from Real Madrid, N'Golo Kanté from Chelsea, and Neymar from Paris Saint-Germain. These transfers captured global attention and disrupted the European football market, traditionally seen as the pinnacle of the sport.

The rationale behind these massive signings is multi-faceted. While financial incentives played a major role, with lucrative contracts tempting players away from Europe, other motivations stem from Ronaldo's influential decision to embrace football in the Middle East. His move emboldened other players to consider Saudi Arabia as a legitimate destination for professional growth. As one of the best players in the world transitioned to the Saudi Pro League, many wondered if Saudi Arabia was positioning itself as a new power in football (WFS Europe 2023, 2023).

Building on this foundation, the subsequent sections will delve into Saudi Arabia's ambitions within the global football landscape and provide an analysis of its future prospects.

RESEARCH METHOD

This research employs a qualitative methodology to explore Saudi Arabia's investments in the football industry, focusing on the implications and motivations behind these financial ventures. The qualitative approach is particularly suited for this study, as it allows for an in-depth understanding of complex phenomena, including economic, social, and cultural dynamics associated with the growing prominence of Saudi football on the global stage.

RESULT AND DISCUSSION

Middle East Investment in Football Industry

In recent years, Middle Eastern countries, particularly Qatar and the United Arab Emirates (UAE), have made significant inroads into the European football industry through high-profile investments. These investments are part of broader geopolitical and economic strategies aimed at increasing their global influence, diversifying their economies, and enhancing their international prestige.

The most prominent example of Middle Eastern investment in European football is Qatar's acquisition of Paris Saint-Germain (PSG) in 2011 through Qatar Sports Investments (QSI). Since then, QSI has transformed PSG into one of the wealthiest and most successful football clubs in the world. The infusion of capital has allowed PSG to attract top-tier players, such as Neymar and Kylian Mbappé, through record-breaking transfer fees. In addition to building a competitive team, QSI's investment in PSG has extended to infrastructure development, global marketing efforts, and the expansion of the club's brand, turning PSG into a global football powerhouse. This investment also aligns with Qatar's broader ambition to use football as a platform for soft power, particularly with the country hosting the FIFA World Cup in 2022 (Chadwick & Anagnostopoulos, 2024).

Similarly, the UAE has left a significant mark on European football, most notably through the ownership of Manchester City by the Abu Dhabi United Group (ADUG), which acquired the club in 2008. Under the leadership of Sheikh Mansour bin Zayed Al Nahyan, ADUG has transformed Manchester City from a mid-table team into one of the most

dominant forces in European football (Kearns et al., 2024). Substantial financial backing has enabled City to acquire world-class players and managers, while also investing heavily in youth development, infrastructure, and global outreach. The creation of City Football Group (CFG) has further expanded the UAE's influence, with ownership stakes in clubs across various continents, including New York City FC in the United States and Melbourne City FC in Australia. This strategic network of clubs not only enhances the brand value of Manchester City but also establishes a global footprint for UAE interests.

These investments by Qatar and the UAE reflect the growing role of sovereign wealth funds in global sports and entertainment. Both QSI and ADUG have used their football investments as vehicles for promoting national interests, enhancing global visibility, and supporting their respective countries' long-term economic diversification plans. By establishing themselves as key players in the world of football, Qatar and the UAE are leveraging the sport's vast global audience to promote tourism, foster international partnerships, and project a positive image on the world stage.

However, these investments have not been without controversy. Critics have raised concerns about "sportswashing," the practice of using sports investments to divert attention from domestic issues related to human rights and governance. Additionally, the vast sums of money injected into European football by Middle Eastern investors have contributed to the inflation of player wages and transfer fees, raising questions about the sustainability of such financial practices (McMahon & Templeton, 2024).

Nonetheless, the investments from Qatar and the UAE have undeniably reshaped the landscape of European football, demonstrating how the sport can serve as a strategic tool for economic and geopolitical influence. These ventures exemplify how sovereign wealth can be harnessed to establish global cultural relevance, while also pursuing broader national objectives. As Saudi Arabia follows a similar path with its own investments in football, the region's influence in the global sports industry is expected to continue growing.

Saudi Involvement

The Saudi Public Investment Fund (PIF) has emerged as a pivotal force in the global football landscape, significantly influencing the dynamics of the sport through substantial financial investments. Established in 1971, PIF operates as a sovereign wealth fund with the primary aim of diversifying the Saudi economy and reducing its reliance on oil revenues, as outlined in the Kingdom's Vision 2030 initiative. In recent years, PIF has

strategically focused on the realm of sports, particularly football, recognizing it as a vital avenue for achieving its economic and cultural objectives (Satish et al., 2024).

PIF's involvement in football aligns closely with its broader strategic goals, which include economic diversification, international visibility, and youth engagement. By investing in football and related sectors, the fund seeks to stimulate growth beyond the oil industry, thereby creating new revenue streams and job opportunities for the Saudi populace. Furthermore, high-profile investments in international football clubs serve to enhance Saudi Arabia's profile on the global stage, promoting the Kingdom as a vibrant destination for tourism and entertainment. Additionally, PIF aims to encourage sports participation among the youth, fostering healthier lifestyles and developing local talent capable of competing at international levels (Gibbon, 2024; WFS Europe 2023, 2023).

Significantly, PIF has made considerable strides in the football sector through key investments and acquisitions. In June 2023, PIF acquired a 75% stake in four prominent Saudi clubs: Al Nassr, Al Hilal, Al Ittihad, and Al Ahli. This strategic move is intended to elevate the competitive stature of the Saudi Pro League while attracting top talent to the region. The financial backing provided by PIF allows these clubs to pursue ambitious transfer strategies and enhance their facilities, with the ultimate aim of achieving both domestic and continental success. The fund's influence is particularly evident in the transfer market, where Saudi clubs reportedly spent nearly \$1 billion during the summer transfer window of 2023, securing the signatures of international stars such as Cristiano Ronaldo and Neymar. This influx of talent not only raises the quality of the league but also attracts significant global media attention.

PIF's financial power has profound implications for the global football ecosystem. The influx of capital from the fund has disrupted traditional football markets, particularly in Europe, where clubs face challenges in competing for top talent due to the escalating transfer fees and salaries offered by Saudi clubs. Additionally, the presence of elite players in the Saudi Pro League contributes to a cultural shift within the Kingdom, as international stars bring their fan bases and media attention, thereby transforming Saudi Arabia into a burgeoning hub of global football. However, despite these positive aspects, concerns regarding sustainability and the potential for "sportswashing" loom large. Critics argue that the rapid financial investments made by PIF may not lead to lasting success if they are not coupled with effective management and infrastructure development (Grant Liberty, 2024).

Looking ahead, the future of Saudi football appears promising as PIF continues to invest in the sport. The Kingdom has set ambitious goals, including hosting the FIFA World Cup in 2034, which presents a unique opportunity to showcase its footballing aspirations on the world stage. To realize its vision, however, PIF must not only focus on attracting international talent but also prioritize the nurturing of local players and ensure sustainable growth within the footballing ecosystem. In conclusion, the Saudi Public Investment Fund's involvement in football represents a significant chapter in the evolution of the sport, both regionally and globally. By leveraging its financial resources, PIF aims to elevate Saudi football, creating a vibrant league that competes on the world stage and solidifies the Kingdom's status as a key player in the global football industry (Satish et al., 2024).

The Saudi Public Investment Fund (PIF) has been central to Saudi Pro League developments. In June 2023, PIF acquired a 75% stake in four of Saudi Arabia's most prominent football clubs: Al-Ahli, Al-Ittihad, Al-Nassr, and Al-Hilal. These clubs have become the main destinations for European stars, benefitting from substantial financial backing. During the 2023 summer transfer window, Saudi clubs collectively spent close to a billion dollars, with Al-Hilal leading the way by securing Neymar's signature. Beyond domestic expansion, Saudi Arabia has ventured into international markets, notably acquiring a majority stake in English Premier League club Newcastle United, signaling its intention to exert influence in the global football scene.

Lessons from the Chinese Super League

However, many experts have voiced concerns that Saudi Arabia's football investments could face the same pitfalls that beset the Chinese Super League (CSL) in the 2010s. The CSL's aggressive recruitment of foreign stars initially garnered international attention but ultimately crumbled under economic pressures and stricter regulations. Many Chinese clubs faced financial difficulties, some even disbanding, and the league's reputation faded as Japan, Korea, and other regional powers surged ahead (Ma & Kurscheidt, 2019).

To avoid a similar fate, Saudi football must prioritize sustainable growth. This includes sound financial management, robust long-term strategies, and a measured approach to foreign investment. A key aspect of this is balancing the allure of international stars with the development of local talent. As with any successful football league, the backbone must be composed of homegrown players, nurtured through investment in youth development

programs and top-tier infrastructure. With Saudi Arabia set to host the 2034 FIFA World Cup, the focus on building a competitive national team is even more crucial.

CONCLUSION

As Saudi Arabia positions itself as a potential rival to established football markets in Europe and the Americas, the next few years will be critical in determining whether its ambitious Vision 2030 plan can transform the Kingdom into a global sports hub. With significant financial resources, strategic investments, and a clear vision for diversification, Saudi Arabia has laid the groundwork for success. Yet, the challenges of managing rapid growth, ensuring financial sustainability, and fostering local talent remain significant hurdles.

Will Saudi Arabia succeed in becoming the Mecca not only of faith but also of global football? Only time will tell, but the foundations of a major footballing revolution have been set in motion.

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