

Developments in Saudi Sports following Saudi Vision 2030

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Saudi Professional League's soccer clubs have historically been government owned and heavily subsidised. There has been talk for several years of privatisation but without progress.

There are encouraging signs that this may be changing following the announcement of Saudi Vision 2030 and subsequent announcements and developments.

Sports and Saudi Vision 2030

Saudi Vision 2030 was announced in April 2016 and represents Saudi Arabia's plan not only to diversify its economy and address the challenges brought by low global energy prices but also to implement far reaching social and life style changes.

One of the goals of Saudi Vision 2030 is 'creating a vibrant society with fulfilling lives' through amongst other things 'the promotion of physical and social wellbeing and healthy lifestyle'.

Saudi Vision 2030 acknowledges that opportunities for playing sports in Saudi Arabia have previously been limited and recognises the importance of sports as part of a healthy lifestyle. Saudi Vision 2030 includes the aim of 'encouraging widespread and regular participation in sports and athletic activities, working in partnership with the private sector to establish additional dedicated facilities and programmes . . . we aspire to excel in sports and be among the leaders in selected sports regionally and globally'.

Grassroots development of sports and sporting infrastructure

In June 2016, the National Transformation Program 2020 ('NTP') was launched by the Saudi Government as the first stage of the implementation of the Saudi Vision 2030 with the aim of meeting interim targets by 2020 through various strategic initiatives across 24 Saudi governmental bodies including the General Authority for Sports (previously called the General Presidency of Youth Welfare).

The NTP contains a list of 22 initiatives based around the following main strategic objectives:

- the promotion of sports and physical activities;
- improved return on investment in sports clubs and facilities; and
- enabling Saudi elite athletes to achieve high performance on a sustainable basis in different sports.

As well as targeting significantly improved performance at international sporting games, there is a heavy emphasis in the NTP initiatives on improving sports infrastructure and facilities at the grassroots level, for example, in schools, through the addition of women's sports facilities, and through local communities, where previously investment has generally been very limited.

Saudi Vision 2030 and the NTP target increasing the scale of community participation in sports from 13 per

cent to 40 per cent by 2030.

Subsequent Developments

In May 2016, the General Presidency for Youth Welfare was renamed the General Authority for Sports with enlarged responsibilities for licensing sports and sports clubs, and with responsibilities for the construction of sports facilities for clubs and the public.

Women's Sports

In August, Saudi Arabia's Cabinet announced the appointment of Princess Reema Bint Bandar Al Saud, a prominent Saudi Princess, as head of a new Department for Women's Affairs at the General Authority for Sports. This has been widely seen as signalling potential greater female access to sports in the Kingdom, a country where women's participation in sports has been relatively rare.

Following the appointment of Princess Reema in November 2016, the General Authority for Sports and the prestigious Princess Nora University in Riyadh, the largest women's university, signed a memorandum of cooperation for the promotion of sports facilities with a view to the promotion of healthy lifestyles.

Somewhat controversially, given the Kingdom's conservatism in some quarters, further plans in relation to women's sports include:

- the licensing for the first time of women's gyms; and
- modifying outdoor areas to allow women to work out without being seen by men.

Privatisation and promotion of soccer and other sports clubs

In a further major development, in November, the Council of Economic and Development Affairs ('CEDA') directed the General Authority for Sports to establish a Sports Development Fund within three months to support and invest in different sports and to establish and fund amateur sports programmes.

The objectives of this fund include providing loans for sports clubs, promoting sports events, helping privatise sports clubs, and setting up and funding sports incubators, with a view to the creation of up to 40,000 jobs. The fund is targeted to be at least US\$ 650 million.

At the same time CEDA also approved the formation of a committee (headed by the Chairman of the General Authority for Sports and including representatives of the Saudi Arabian Football Federation and the Saudi Professional League) to supervise implementation and completion of the procedures for the privatisation of the Saudi Professional League's soccer clubs. The privatisation of the soccer clubs is intended to help provide the funding for the development of other sports and sporting programmes.

Details as to how such privatisation will be achieved are not yet available.

Trademarks and logos

In a further sign that the Saudi authorities are now focusing on protecting value in sports clubs, in July 2016, the General Authority for Sports and the Ministry of Commerce and Investment organised a campaign to raise awareness amongst soccer, and other sports clubs of the importance of registering trademarks to protect the value of their merchandise and services (such as replica soccer kits). As part of this campaign the authorities are targeting areas to combat the display and sale of counterfeit merchandise.

Watch this space

It is relatively early following the launch of Saudi Vision 2030 but there is a clear impetus to move the plans forward quickly, but in a financially balanced way.

The general move to promote sporting activities and sports facilities, both at the community and national level, and developments such as the launch of the new sports fund and the apparently aligned privatisation of the Saudi Professional League soccer clubs, are major developments which should give rise to significant opportunities for foreign companies involved in the sports sector.

As a minimum such opportunities might include:

- increased demand for sports equipment and sports services; and
- increased demand for services related to the supply, management and operation of sports facilities.

All those involved in the sports sector should keep a close eye over the coming months and years on developments in this sector in Saudi Arabia.

Jonathan Reardon (j.reardon@tamimi.com) is the Head of Al Tamimi's Al Khobar office and a key member of the firm's dedicated Sports Law practice. Jonathan is a highly experienced Corporate Commercial Lawyer with more than 30 years of professional experience, having also acted for sports management companies, sports associations and clubs in a range of cases notably for Wasserman Media Group on its acquisition of market leading European football player agency, SFX Sports Group, and advising the British Bloodstock Association for many years.