

Saudi the primary influence in 2019

ASI focus extending across the GCC

As we move deeper into 2019, the focus of the Middle East attractions and entertainment industry is clearly on the Kingdom of Saudi Arabia, said Prakash Vivekanand, managing director at Amusement Services International, the largest supplier of equipment for family entertainment centres in the region.

The Dubai-based company and, more particularly, its chief officer, has a vital interest in every subtle nuance influencing the market that these days is increasingly regarded internationally as the true barometer of the global FEC business.

ASI's ability to gather data and information about the shifting tides of fortune in the greater Gulf Co-operation Council (Saudi Arabia, UAE, Oman, Bahrain, Qatar, Kuwait) territories is further enhanced by its growing design studios, where turnkey projects are masterminded.

It is always very useful in our annual visits to the region to get Vivekanand's take on the state of the industry at any particular time.

Right now he sees the prospects personified by Saudi Arabia as the truly exciting elements in a market place that is otherwise playing a somewhat "straight bat" to expansion. He feels that the influence of Saudi Arabia extends beyond its borders into other GCC countries will positively impact the revival of the leisure sector in the region.

"Saudi has a young population," he said, "and that means that more jobs need to be made available throughout the country in newer sectors that appeal to such youth and in particular non-government jobs. The kingdom's royalty came up with its Vision 2030 and is backing it strongly as the way of the future for the country."

Vivekanand feels that the leisure projects announced as a part of the Vision 2030 programme will take a couple of years to fully accelerate, but as it does so, the Saudi economy will grow. In the amusement and attractions industry that will mean rapid expansion, driven not just by the movie theatres but by all forms of entertainment. The pending arrival of the Six Flags amusement park is just a part of it.



Prakash Vivekanand



A major new development, the Glow-in-the-Dark SkyClimb at Al Hokair Time



Vivekanand and other industry personalities on a visit to Al Othaim's Snow city in Rabwa, Riyadh

"Saudi has over 100 family entertainment centres but it wants 200. The Saudi General Entertainment Authority has identified gaps for theme parks, waterparks, FECs, museums, all forms of the wider spectrum of leisure and it has a plan that it is prepared to back.

"It has projected the population growth and by 2030 the kids of today will be the target demographic at which all these development plans will be aimed. Even if Saudi only achieves 20 or 30 per cent of the growth that has been targeted it is still an awful lot of business for the leisure industry.

"We have seen many changes in recent times in the kingdom and these changes will take some time to settle. There will be learning and refinement of policies as these changes settle and the demographic habits will alter to suit."

Right now, he feels, the Saudi FEC market has possibly ebbed, but that will change rapidly. "The green shoots are already beginning to show, as they have already in Dubai. Hopefully, it is a sign of good times to come."

He reflected: "I asked two of the industry leaders in Saudi, Fahad Al Othaim and Mishal Al Hokair on the impact cinemas have had of their FECs. Their view was that there has indeed been a short term impact, but their view can be summed up as 'habits are changing; the cinemas are new, so everyone's going.' So if people were going to an FEC four times a week, they're now going three and the other day they go to the cinema. But cinemas aren't cheap. Cinema operators in Saudi have to pay a 25 per cent tax, so to get the spend back they have to raise the bar."

Vivekanand also believes that women will play a very vital role in all of this Saudi expansion, not just from a consumer perspective but also from

the point of view of staffing and providing the labour necessary to underpin all the movement.

"The Saudi General Entertainment Authority has laid down some data in terms of what facilities the country has now and what it wants to see in the future. And they want to do more with intra-Saudi tourism, that is travel for tourist reasons between cities. They see too many Saudis taking their spending power into other countries for holidays."

There is, he said, in short, a wealth of opportunity in Saudi Arabia with government backing for start-up businesses and investors.

On the fringes of the region, Pakistan, he said, had slowed since the currency faltered against the dollar while sales into India continued to grow. Closer to home, Kuwait remains steady, Bahrain a little sluggish, the UAE slower than usual. "We expect a revival by the end of the second quarter of 2019 and there is a lot more going on from an Expo 2020 perspective that will bring in more suppliers, more trade, more tourists. In the second half of the year all of this will be ramping up and it will get to fever pitch as we approach the festival. I am actually quite optimistic at the outlook."

Right now in the GCC the overriding feeling is one of caution, said Vivekanand. "From a political point of view, a potential settlement in Yemen is a good sign and in Syria the dust is settling. With changes in Saudi being positively received and as it is a major influence on the region, everyone is keeping their powder dry with a keen eye on the future.

"Yes, I am optimistic; maybe cautiously optimistic but at least feeling positive. No-one's saying that they are not spending outwardly and infrastructure projects are still going ahead. That sentiment is good. Today, when we deal with millennials and their spend, it is tricky because the attention span is so short! Operators are investing but at a low level; enough so that the latest games are being brought in to satisfy customers but not flamboyantly."

He is seeing sales at ASI, but operators are "asking questions," taking one unit on test before committing to greater numbers.

"Our sales numbers are steady. We have seen bigger operators slow down over the last two years but newer and smaller operators mushroom with more unique concepts rather than just doing the tried and tested replications. We have been a part of many such newer developments as their concept designers and suppliers and some of these projects have opened to great success. Early days, though. The one thing these new projects and operators demonstrate is that it pays to innovate and do something different. Our consumers want more innovation as well as interaction in terms of content and engagement," Vivekanand concluded.