

Press Release

With spending exceeding USD 1.10 billion and annual growth of 11.5 per cent

Egypt leads region's digital gaming markets by volume

- *High gaming penetration among internet users drives Egypt's market momentum, underpinned by a large user base and high levels of digital engagement*
- *Driven by growth of the video games sector in Saudi Arabia, the UAE and Egypt, the regional gaming market reached USD 2.52 billion.*
- *Video games account for 63.2 per cent of total spending on digital media, surpassing the combined spending on video-on-demand services and digital music.*

Cairo, Egypt, February 04, 2026: The Middle East's video game industry has now become one of the region's largest sectors for consumer expenditure on digital media. The gaming sector surpassed the combined value of video-on-demand streaming and digital music services, further showcasing the transition in regional digital consumption trends. These insights come from a recent study conducted by Galal & Karawi Management Consulting (G&K), in collaboration with Orient Planet Group.

The study's findings were recently announced during the 'Media Z' event, organised by the Dubai Media Academy in collaboration with the Canadian University Dubai.

In addition, the study highlighted that total spending on video games in Saudi Arabia, the UAE and Egypt reached almost USD 2.52 billion in 2024 as compared to USD 1.16 billion on video-on-demand streaming and USD 306.7 million on music platforms. The total amount of consumer

spending on video games accounted for 63.2 per cent on digital media across these three key markets.

The study is based on data from accredited and reliable sources, most notably Statista and DataReportal, along with their key partners such as GSMA Intelligence and SimilarWeb. It further focussed on trends pertaining to video games, video-on-demand and digital music in Saudi Arabia, the UAE and Egypt. Statistics that were obtained revealed spendings estimated for the year of 2024, with annual comparisons that were based on market data.

A Significant Shift in Digital Consumer Behaviour

The study's findings show that the video games sector has transformed from a minor entertainment activity into a comprehensive economic ecosystem that is driving digital consumer behaviour. The key driver behind this transformation is the spread of smartphones, growth of interactive gaming culture, and rising in-game spending and spending on related platforms.

Eng. Asem Galal, Co-Founder of Galal & Karawi Management Consulting, stated that the study's results clearly show that the video games sector has become one of the key drivers of the content economy in the region. Additionally, it has created an integrated ecosystem of opportunities in design, storytelling, creative production and digital marketing, along with virtual community management and intellectual property (IP) governance. He further highlighted that this transformation offers Arab talents an opportunity to compete at a global level from their homeland without moving abroad.

Galal added: "One of the most common misconceptions is that the video games industry can only be seen through the lens of software development. Whereas there are clear indications that it is a fully integrated, multidisciplinary ecosystem that requires a combination of creative, artistic, marketing and legal capabilities." He further stated that character designers, illustrators, storytellers, composers, voice actors, digital marketing specialists, community managers and experts in intellectual property rights and international contracts are just a few of the many specialisations that have become attractive job opportunities in the regional gaming market, which is currently valued at over USD 2.5 billion. The diversity of the sector makes the industry an ideal sector that can enable the Arab youth to participate in global competitive productions emerging from cities such as Cairo, Riyadh, and Dubai.

Dr. Nidal Abou Zaki, Managing Director of Orient Planet Group, emphasised that these statistics signify a strategic shift in the region's digital economy structure. Video games have become a significant media and economic platform, attracting increased investments and reshaping the way brands engage with their consumers, especially the youth. Dr. Abou Zaki further stated that game revenues exceed the combined amount spent on music and video streaming, necessitating a comprehensive scrutiny of digital marketing strategies, content

creation, and development of digital communities, particularly in a region with a digitally active young population.

Dr. Abou Zaki added: “The Arab world’s youth make the gaming industry more attractive and offers game publishers and content creators a significant competitive advantage on a global scale, as approximately 62.8 per cent of the population is under 35. According to the data, quality investment opportunities are still undercapitalised, and the Middle East region’s position as one of the fastest-growing regions in the global gaming industry is further reinforced by the spread of smartphones, high purchasing power in Gulf markets, and the availability of a large player base in Egypt.”

Reflecting on the study, **Muna Busamra, Head of the Dubai Media Academy**, underscored a fundamental shift in how younger generations engage with digital content. She emphasised that video games have evolved into immersive, interactive environments that promote self-expression and the creation of virtual communities rather than merely a form of entertainment, particularly for Gen Z and Gen Alpha.

Busamra stated that this transformation urges media institutions to rethink conventional methods of audience engagement. She affirmed that the Media Z event served as a knowledge-driven platform designed to empower media professionals, marketers, and content creators with the insight and practical skills needed to keep pace with the rapid innovations emerging from the gaming industry and new digital content platforms.”

Egypt: A large-scale market driven by the spread of mobile gaming

Due to Egypt’s large population and high gaming penetration rate of 91.6 per cent among internet users, the country stands as the largest market by overall volume, with USD 1.10 billion spent on video games. Although, in comparison to Gulf markets, the ARPU is significantly lower at just USD 61.76. Video games amount to 61 per cent of Egypt’s total digital media expenditure, with the gaming industry witnessing a year-on-year growth rate of 11.5 per cent. Additionally, smartphone games account for 76.4 per cent of the total usage, making mobile games the dominating factor in the country.

According to the study, Saudi Arabia has the highest-value gaming market in the region, with video games spending reaching approximately USD 1 billion. Within the categories analysed, it accounts for about 69 per cent of total consumer expenditure on digital media. With an annual expense of USD 393, the Kingdom also recorded the highest average revenue per user (ARPU)

in the region. Saudi Arabia's spending on video-on-demand services totalled approximately USD 310 million, while expenditure on digital music reached nearly USD 140 million.

On the other hand, the survey revealed that the UAE has a mature, high-income digital market, with USD 421 million spent on video games. With an ARPU of USD 280, the second highest in the region after Saudi Arabia, and consistent year-over-year growth of 7.3 per cent, it represents 57.5 per cent of total digital media spending. The UAE's market has a relative balance between video games, video-on-demand services (USD 246 million), and digital music (USD 65.7 million), serving as a testament to the diverse culture of digital consumption across the country.

Gaming as a driver of a new creative economy

The study further highlighted the role of the gaming industry in opening up wide avenues for job opportunities for the regional creative economy in the region, including design, illustration, storytelling, music, digital marketing, virtual community management and intellectual property rights. Through this expansion, Arab youth can have more employment opportunities in their local markets without having to move to international production hubs.

Based on these indicators, the study's outcome states that the Middle East region's video games sector is now one of the key drivers of the digital economy, both in terms of spending volume and audience engagement levels. As major markets such as Saudi Arabia, the UAE and Egypt constantly evolve, along with the integration of gaming across media, entertainment, and marketing ecosystem, the study reveals the need for integrated policies and strategies to further strengthen the sector's role in supporting the creative economy, and to create new investment opportunities that can capitalise on the region's rapidly accelerating digital and behavioural shifts.

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