Dataxis

Can newcomers topple Shahid VIP, Netflix and Starz Play in MENA?

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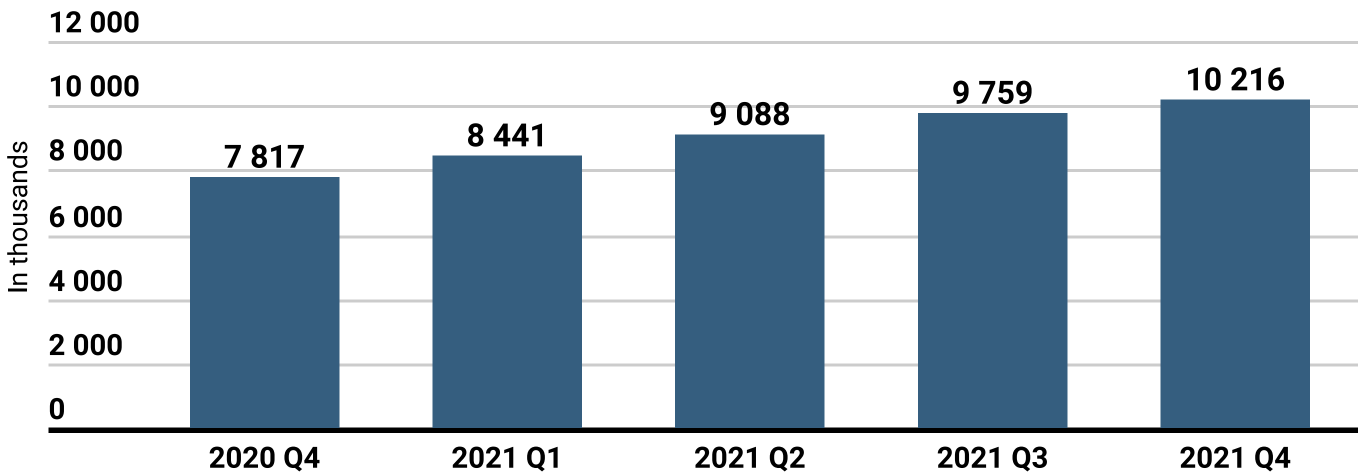
The renewed efforts shown by an increasing number of streaming platforms to enhance their offers and step up investments in Arabic-language content and originals demonstrate their strong belief in the region's potential.

The OTT streaming market has indeed been rapidly increasing, gaining more than 30% between 2020 and 2021 and reaching close to 10 million in the 18 countries of the Arab MENA region. The trend should sharpen in the next five years, as the subscriber figure is expected to triple by 2026 and reach close to 30 million.

Total SVOD and OTT subscribers - Arab MENA region, 2020 - 2021



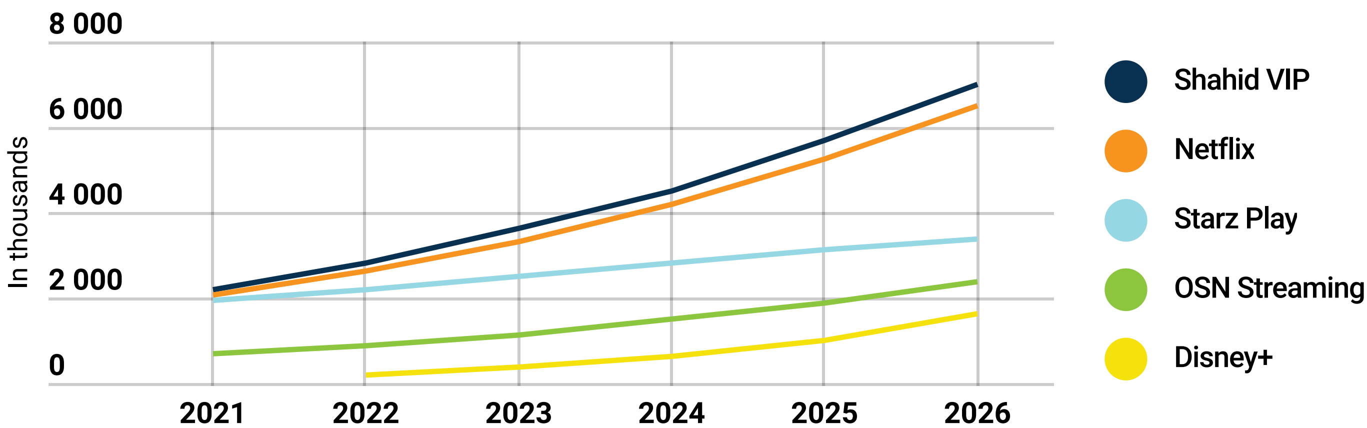
*MENA excluding Turkey, Iran and Israel

SOURCE: Dataxis©

In this market, advanced GCC (Gulf Cooperation Council) countries are leading the way, with around 3 million subscribers counted in Saudi Arabia and more than 2 million in the UAE - a penetration already exceeding 100%.

Starz Play, Netflix and Shahid VIP are in 2021 the three undisputed market leaders in the Arab MENA region, holding more than 60% of subscriptions altogether. While their respective market shares stand at very close levels in 2021, the latter two are expected to better hold to their positions in the next five years, capturing more than 20% each in 2026, while Starz Play's growth projections are slowing down.

Main SVOD and OTT streaming platforms subscribers - Arab MENA region, 2021 - 2026



* Forecast

SOURCE: Dataxis©

Starz Play, owned by the US studio Lionsgate, has been counting for years on many distribution and carrier billing partnerships to sustain its expansion in the region but its growth has recently been weakening as newcomers entered with rival offers focused on English-language and Hollywood content. Shahid VIP, owned by the region's major broadcaster MBC, can count on its large Arabic-language and kids content catalogue as well as synergies with its other offers (AVOD, FTA channels) to sustain its expansion. Netflix benefits from its strong brand, large content library depth and financial capacities. The other inescapable actor in the region is the pay TV market leader OSN. Its recently launched OTT service OSN Streaming could become a flexible and affordable alternative for its existing direct-to-home (DTH) satellite subscribers. The launch of Disney+ in the course of 2022 could add a new threat to existing platforms.

MENA audiences become more and more accustomed to subscription models and ready to pay for content, in a region where piracy has for years constituted an insuperable hurdle for these models. As investments and market fragmentation rise in parallel, the defining issue will lie in the ability of OTT SVOD service providers to stand out in an overcrowded market and to build an attractive content offer without losing sight of costs and profitability.

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